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LESLY ARREGUIN and GIAVANNA PEÑA,

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES – STANLEY MOSK COURTHOUSE

LESLY ARREGUIN AND GIAVANNA PEÑA, individually, and on behalf of Aggrieved Employees pursuant to the California Private Attorneys General Act,

Plaintiffs,

vs.

INTERCARE THERAPY, INC.; and DOES 1 through 25, inclusive,

Defendants.

Case No. 23STCV27972

Assigned for All Purposes to the Honorable Christopher K. Lui, Dept. 76

DECLARATION OF ANNABEL BLANCHARD IN SUPPORT OF PLAINTIFFS' MOTION FOR APPROVAL OF PAGA SETTLEMENT AND AWARD OF ATTORNEYS' FEES AND COSTS, SERVICE AWARDS, AND SETTLEMENT ADMINISTRATION COSTS

Date:	November 12, 2025
Time:	8:30 a.m.
Department:	76
Reservation ID:	**413152607825**
Complaint Filed:	November 15, 2023
Trial Date:	Not Set

DECLARATION OF ANNABEL BLANCHARD

I, Annabel Blanchard, declare and state as follows:

1. I am an attorney admitted to practice in all Courts of the State of California. I am a member of Blackstone Law, APC ("Plaintiffs' Counsel"), attorneys of record for Plaintiff Lesly Arreguin and Plaintiff Giavanna Peña (collectively referred to herein as "Plaintiffs"). I submit this declaration in support of Plaintiffs' Motion for Approval of PAGA Settlement and Award of Attorneys' Fees and Costs, Service Award, and Settlement Administration Costs ("Motion"). I have personal knowledge of the facts contained herein, and, if called to testify, I could and would competently do so.

Procedural History

2. Defendant is a therapy provider based out of Los Angeles, California. Defendant employed Plaintiff Arreguin as an hourly-paid, non-exempt behavior interventionist from approximately August 2022 through December 2022. Defendant employed Plaintiff Peña as an hourly-paid, non-exempt behavior interventionist from approximately August 2022 through November 2022.

3. On September 6, 2023, Plaintiffs provided written notice by electronic submission to the LWDA and by U.S. Certified Mail to Defendant, pursuant to California Labor Code § 2699.3, of the specific provisions of the California Labor Code alleged to have been violated by Defendant ("PAGA Notice"). A true and correct copy of the PAGA Notice is attached hereto as **Exhibit 1**.

4. On October 10, 2023, Plaintiffs filed a Class Action Complaint in the action entitled *Arreguin, et al. v. Intercare Therapy, Inc.*, Los Angeles County Superior Court Case No. 23STCV24676 ("Class Action"), thereby commencing a putative class action against Defendant.

5. On November 15, 2023, Plaintiffs filed a Complaint for Enforcement Action Under the Private Attorneys General Act, Cal. Labor Code §§ 2698 *Et Seq* ("PAGA Complaint") in the action entitled *Arreguin, et al. v. Intercare Therapy*, *Inc.,* Los Angeles County Superior Court Case No. 23STCV27972 ("Action") alleging one cause of action under PAGA.

6. On May 1, 2024 Plaintiff and Defendant (together, the "Parties") participated in a formal mediation conducted by Monique Ngo-Bonnici, a neutral and respected mediator with extensive experience in complex wage and hour matters. The Parties did not reach a resolution at

mediation however, with ongoing negotiations and the continued assistance of the mediator, the Parties ultimately were able to reach an agreement to resolve the Action in its entirety.

7. On May 30, 2025 the Parties executed the Private Attorneys General Act Settlement Agreement and Release ("Settlement," "Agreement," or "Settlement Agreement"). A true and correct copy of the Settlement Agreement is attached hereto as **Exhibit 2**.

8. The Parties believe the Settlement Agreement is fair, reasonable, and adequate. The Parties understand, acknowledge, and agree that the Settlement Agreement constitutes a compromise of Plaintiffs' PAGA claims, and that it is the desire and intention of the Parties to affect a final and complete resolution of the Action.

9. Defendant denies all of the claims in the Action, and does not waive, but rather expressly reserves, all rights to challenge all such claims and allegations upon all legal, procedural, and factual grounds should the Settlement Agreement not become final. The Settlement Agreement reflects a compromise reached to end litigation in the Action. Following significant investigation and extensive settlement negotiations, Plaintiffs now seek approval of the proposed Settlement Agreement, which will resolve all representative claims alleged in the Action.

Notice to the LWDA

10. In accordance with California Labor Code sections 2699 *et. seq*., a copy of the proposed Settlement Agreement was submitted to the LWDA via online submission through the LWDA's website on July 14, 2025. A true and correct copy of the email from the LWDA confirming receipt is attached hereto as **Exhibit 3**.

Summary of the Terms of the Settlement Agreement

11. For purposes of settlement only, the Parties have agreed that the "Aggrieved Employees" shall be defined as "all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California at any time during the PAGA Period." The "PAGA Period" is the period from November 15, 2022, to November 13, 2024. There are approximately 2,890 Aggrieved Employees.

12. The Parties have agreed to settle the PAGA claims at issue in the Action for a non-reversionary Gross Settlement Amount of Nine Hundred Eighty-Five Thousand Dollars

($985,000.00). The Gross Settlement Amount is a common fund and therefore includes all requested costs, fees, and other allocations. The Gross Settlement Amount includes: (1) Plaintiffs' Counsel's fees in the amount of thirty five percent (35%) of the Gross Settlement Amount, equaling Three Hundred Forty-Four Thousand Seven Hundred Fifty Dollars ($344,750.00); (2) Plaintiff's Counsel's actual litigation costs and expenses in an amount not to exceed Twenty-Five Thousand Dollars ($25,000.00); (3) Service Awards in the amount of Seven Thousand Five Hundred Dollars ($7,500.00) *each* to Plaintiffs (for a total of $15,000.00); and (4) Settlement Administration Costs, up to the amount of Sixteen Thousand Five Hundred Dollars and Zero Cents ($16,500.00).

13. After the above-estimated amounts are deducted from the Gross Settlement Amount, the Net Settlement Amount will be approximately Five Hundred Eighty-Three Thousand Seven Hundred Fifty Dollars and Zero Cents ($583,750.00), of which seventy-five percent (75%), or Four Hundred Thirty-Seven Thousand Eight Hundred Twelve Dollars and Fifty Cents ($437,812.50), will be paid to the LWDA ("LWDA Payment"), and twenty-five percent (25%), or One Hundred Forty-Five Thousand Nine Hundred Thirty-Seven Dollars and Fifty Cents ($145,937.50), will be distributed and paid to Aggrieved Employees ("Employees' Portion") on a *pro rata* basis based upon the number of pay periods they each worked during the PAGA Period ("Pay Periods").

14. No later than fourteen (14) calendar days after the Court's order granting approval of the Settlement, Defendant will provide the Settlement Administrator with a list of all Aggrieved Employees, containing each Aggrieved Employee's first and last name, last known address, last known telephone number, Social Security number, start and end dates of employment, number of Pay Periods, and other such information as necessary for the Settlement Administrator to calculate Pay Periods (collectively, "Aggrieved Employees List").

15. No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and first installment of the Gross Settlement Amount (e.g. 50% of the Gross Settlement Amount), the Settlement Administrator will distribute the agreed-upon Cover Letter and the Individual PAGA Payments (together, the "PAGA Settlement Package") to Aggrieved Employees by First-Class United States mail.

16. Prior to mailing the Individual PAGA Payment checks, the Settlement Administrator

will update the Aggrieved Employees' mailing addresses using the National Change of Address Database. Additionally, for all Individual PAGA Payment checks that are returned as undeliverable within thirty (30) calendar days of the initial mailing, the Settlement Administrator will promptly attempt to locate an alternative, updated address for the Aggrieved Employee at issue, by using a skip-trace search and will attempt one (1) re-mailing of the Individual PAGA Settlement Package.

17. The Individual PAGA Payment checks issued to Aggrieved Employees will remain valid and negotiable for one hundred and eighty (180) calendar days, and thereafter, will be canceled. Any funds associated with such canceled checks will be distributed to the State Controller's Office Unclaimed Property Division in the name of the Aggrieved Employee at issue and in the amount of their respective Individual PAGA Payment(s).

18. No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and second installment of the Gross Settlement Amount (e.g. the remaining 50% of the Gross Settlement Amount), the Settlement Administrator will distribute the LWDA Payment to the LWDA, the Service Awards to Plaintiffs, the Attorneys' Fees and Costs to Plaintiff's Counsel, and the Settlement Administration Costs to itself.

19. Defendant has represented that the Aggrieved Employees worked approximately 40,000 pay periods during the period November 15, 2022, to November 13, 2024. If the actual number of Pay Periods worked by the Aggrieved Employees during the PAGA Period is more than ten percent (10%) above 44,000, the Gross Settlement Amount will be increased proportionally by the percentage that the actual number exceeds the 10% buffer.

The Agreement is Fair and Reasonable and Took Into Consideration the Strengths and Weaknesses of Plaintiff's Claims and the Defenses thereto, as well as the Risks and Benefits of the Agreement

20. Here, the Agreement is presumptively fair because: (1) it occurred after counsel for the Parties engaged in significant investigation to evaluate the strength and potential value of the PAGA claims, and the risks of litigating these claims through trial; and (2) it was negotiated at great length and effort by counsel with significant experience in similar complex labor and employment matters.

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21. This case and settlement address important employee protections embodied in the California Labor Code. Plaintiffs' core allegations are that Defendant systematically violated the California Labor Code by, *inter alia,* by failing to pay overtime and minimum wages, failing to provide compliant meal and rest periods and associated premium payments, failing to timely pay wages during employment and upon separation of employment, failing to provide compliant wage statements, failing to maintain complete and accurate payroll records, and failing to reimburse necessary business-related expenses.

22. Defendant maintained several defenses to Plaintiffs' theories of liability, which, if successfully argued and proven, had the potential to eliminate or substantially reduce recovery. Throughout this litigation, Defendant maintained, and continues to maintain, that it had, and continues to have, compliant employment policies and practices throughout the time period at issue. Defendant denies that it ever violated any provision of the California Labor Code, including, but not limited to, those sections for which Plaintiffs seek penalties under PAGA. Defendant further denied, and continues to deny, that the lawsuit is appropriate for representative treatment for any purpose other than settlement. Defendant also challenged Plaintiffs' standing as aggrieved employees and denied that any of Defendant's other employees whom Plaintiffs seek to represent are aggrieved. Defendant also argued that an important feature of PAGA is that the Court retains discretion to lower the penalties if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is "unjust, arbitrary and oppressive, or confiscatory."

23. Even if violations of the California Labor Code occurred, which Defendant denies, Defendant contended that said violations would only be considered "initial violations" and thus heightened "subsequent violation" penalties were not warranted.

24. Defendant also contended that, with respect to PAGA claims, the Court was unlikely to assess cumulative penalties for the maximum number of possible, separate California Labor Code violations, because it would be unjust, arbitrary, oppressive, and/or confiscatory, especially where certain conduct may be regulated by multiple provisions of the California Labor Code that are interrelated and work in tandem.

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25. While Plaintiffs maintain that their PAGA claims have merit, in reaching the Agreement, Plaintiffs and their counsel took into account the strengths and weaknesses of each side's position, and the uncertainty of how the case might have concluded as litigation continued, at trial, and/or upon appeal. The Agreement achieves a sizeable benefit obtained.

26. Based on Defendant's records, it was determined that approximately 2,890 Aggrieved Employees worked a total of 40,000 pay periods during the time period between November 15, 2022, to November 13, 2024.

27. As discussed in the Motion, the California Labor Code does not set forth the criteria by which a PAGA settlement is to be evaluated; it is presumed that a reviewing court may take into consideration some of the factors that courts use when reviewing a class action settlement.[1] "[A] PAGA claim asserted on a non-class representative basis...is not considered a class action but a law enforcement action, and therefore does not have to meet the requirements of [a class action]." *Casida v. Sears Holdings Corp.*, 2012 U.S. Dist. LEXIS 9302 at *8 (E.D. Cal. Jan. 25, 2012). However, a discussion of the strengths and weaknesses of each claim, along with an estimate of the total potential recovery is as follows:

i. Unpaid Wages

28. Plaintiffs allege that Defendant failed to compensate Plaintiffs and the Aggrieved Employees at their applicable minimum, regular, and overtime rates for their work, and failed to compensate them for all hours that they worked. For example, Plaintiffs allege that they, and other Aggrieved Employees, were often required to arrive to the jobsite early and wait for patients to arrive, or would be expected to stay far after a session had ended in order to address a behavioral crisis, and that this additional time was either unpaid or not properly paid. Additionally, Plaintiffs alleged that Defendant failed to pay overtime compensation at the rate of one and one-half times the regular rate of pay by failing to include all non-discretionary compensation into the regular rate calculation.

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[1] As this is not a class action, the *Kullar* factors pertaining to the risk of maintaining class action status through trial and the reaction of class members to the proposed settlement are inapplicable.

29. Defendant denied these claims, arguing that its overtime policies and practices comply with California. Defendant further contended that its non-exempt employees were responsible for accurately recording their own hours and that it was not aware that any work had been performed off-the-clock. Defendant also argued that its overtime calculations lawfully included all forms of compensation.

30. If a violation was found to have occurred in every one of the aggregate pay periods within the relevant time period, the potential maximum exposure for this claim would be $4,000,000.[2]

ii. Meal Periods

31. Plaintiffs asserted that Defendant failed to provide employees with lawful meal periods. For example, Plaintiffs reported that they and other Aggrieved Employees sometimes worked through meal periods although clocked out, and that meal periods were often short, late or interrupted. . Additionally, Plaintiff alleged that throughout the relevant time period, Defendant failed to pay appropriate premiums for all meal period violations.

32. Defendant argued that the Aggrieved Employees were permitted, if not encouraged, to take their meal breaks. Defendant also argued that its written meal break policy was lawful and employees' time records reflected that they took lawful meal periods. Moreover, litigating the meal period claims would be inherently difficult as it would need to be proven that compliant meal periods were not provided, but time records would not indicate whether or not a meal period was interrupted.

33. If a violation was found to have occurred in every one of the aggregate pay periods within the relevant time period, the potential maximum exposure for this claim would be $4,000,000.

iii. Rest Periods

34. Plaintiffs argued that Defendant failed to schedule, permit, or authorize compliant rest periods. For example, Plaintiffs alleged that Plaintiffs and other Aggrieved Employees' workloads were such that they were expected to work through rest periods and that Defendant did not provide them with uninterrupted ten (10) minute rest breaks to which they were legally entitled. Moreover,

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[2] While the California Labor Code provides for $100 for the first violation and up to $250 for each subsequent violation (depending on the underlying violation), Plaintiff used this simple computation of the total number of aggregate pay periods times a $100 penalty for analysis purposes only to account for the argument that the imposition of PAGA penalties is discretionary and courts have the power to reduce or assess penalties based on the specifics of each case.

Plaintiffs point out that Defendant's rest break policy unlawfully shifts the responsibility of taking lawful rest breaks onto the employee, stating that an employee voluntarily missing a break abnegates Defendant of the duty to provide a lawful rest period.. In response, Defendant pointed to its written rest break policy as being compliant with California law. Here, Plaintiffs faced the challenge of having to prove each alleged rest period violation with only testimony from Aggrieved Employees.

35. If a violation was found to have occurred in every one of the aggregate pay periods within the relevant time period, the potential maximum exposure for this claim would be $4,000,000.

iv. Unreimbursed Business Expenses

36. Plaintiffs alleged that Aggrieved Employees incurred necessary business expenses that were never fully reimbursed by Defendant, including the usage of personal cell phones for work-related purposes, use of personal vehicles for work-related transportation needs, clothing purchases to comply with uniform requirements, and supplies required to equip the classroom-type setting in which they worked, that were not reimbursed in any amount to fulfill their job responsibilities.

37. Defendant contended that it had a policy and practice of reimbursing employees for all necessary business-related expenses. Defendant further contended that, with respect to the alleged expenses for which Plaintiffs and Aggrieved Employees never requested reimbursement from Defendant, it did not know and had no reason to know that alleged business-related expenses had been incurred.

38. If a violation was found to have occurred in every one of the aggregate pay periods within the relevant time period, the potential maximum exposure for this claim would be $4,000,000.

v. Derivative Claims

39. As with all derivative claims, success depends on the success of the underlying claims. Here, Plaintiffs' claims for inaccurate wage statements, failure to pay all wages due during employment and upon termination, and failure to keep requisite payroll records would only succeed if the underlying claims for failure to pay wages for off-the-clock work, failure to pay overtime, and failure to pay premiums for all meal and rest periods not lawfully provided were successful. Therefore, these claims were subject to the same risks of failure as discussed above.

40. Again, if a violation was found to have occurred in every one of the aggregate pay

periods within the relevant time period, the potential maximum exposure for these claims would be $4,000,00.

vi. Total PAGA Penalties

41. Plaintiffs' Counsel considered information obtained through investigations and obtained from Plaintiffs and Aggrieved Employees, as well as data provided by Defendant, and created valuation models. Based thereon and assuming that the Court would be satisfied that the PAGA claims were susceptible to being efficiently tried and adjudicated on a representative basis, and that it could be shown that civil penalties under the California Labor Code are owed of one penalty per pay period during the relevant time period, Defendant's estimated total exposure in theory would exceed several million dollars. However, Plaintiff's Counsel considered the fact that, by law, the Court has the discretion to reduce and/or assess lower penalties, that it was not clear that heightened penalties would apply, and that stacking and/or cumulative penalties may not be allowed. Based thereon and the application of one penalty per pay period in the relevant time period, the estimated total exposure was $4,000,000. Plaintiff's Counsel then considered the defenses asserted, information and evidence obtained, and circumstances in this case, which posed risks to representative adjudication and monetary recovery. Accordingly, a discount of 50% was applied to account for the risks associated with proving the underlying violations and the cost and delay in recovering the alleged potential penalties (bringing the value of this claim closer to $2,000,000), and a discount of 50% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $1,000,000). In light thereof, the Gross Settlement Amount of $985,000 is a significant settlement.

The Amount in the Settlement Agreement

42. The Net Settlement Amount is currently estimated to be Five Hundred Eighty-Three Thousand Seven Hundred Fifty Dollars ($583,750). After all deductions from the Gross Settlement Amount are made for the Attorneys' Fees and Costs, Service Awards, and Settlement Administration Costs, Four Hundred Thirty-Seven Thousand Eight Hundred Twelve Dollars and Fifty Cents ($437,812.50) (i.e. 75% of the Net Settlement Amount) will go to the LWDA, and One Hundred Forty-Five Thousand Nine Hundred Thirty-Seven Dollars and Fifty Cents ($145,937.50) (i.e. 25% of the

Net Settlement Amount) will go to the Aggrieved Employees, as required by California Labor Code § 2699(i) in effect at the time of this matter ("civil penalties recovered by aggrieved employees shall be distributed as follows: 75 percent to the Labor and Workforce Development Agency . . . and 25 percent to the aggrieved employees."). There is no reason to doubt the fairness of the proposed plan of allocation of the Net Settlement Amount as it fully complies with California Labor Code section 2699(i).

43. The Settlement Agreement is a compromise of highly disputed claims. Plaintiffs and their counsel recognize the expense and length of continued proceedings necessary to litigate the matter through trial and any possible appeals. Plaintiffs and their counsel have also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation. Plaintiffs and their counsel are also aware of the burdens of proof necessary to establish liability, both generally and in response to Defendant's defenses thereto, and the difficulties in establishing Defendant's liability for, and the right to recover, penalties on behalf of Plaintiffs, the State of California, and other Aggrieved Employees. Plaintiffs and their counsel have also taken into account Defendant's agreement to enter into a settlement that confers significant relief upon the Aggrieved Employees and the State of California. Considering all of the facts in this case, Plaintiffs and their counsel have determined that the Agreement represents a fair, adequate, and reasonable resolution of the PAGA claims, and that it is in the best interests of the Aggrieved Employees and the State of California.

44. The result achieved in this case is well within the range of what is considered an acceptable settlement under the circumstances, especially when compared to the settlement of PAGA claims in other cases.

The Agreement was Negotiated by Experienced Counsel

45. Plaintiffs' Counsel is experienced in complex representative and class action wage-and-hour litigation. In the view of Plaintiffs' Counsel, the benefits conferred by the Agreement are eminently fair and reasonable, and in the best interests of the State of California and the Aggrieved Employees in light of the risk, delay, and uncertainty of continued litigation and the substantial monetary benefits provided for by the Agreement.

46. Here, the extent of informal discovery conducted was sufficient to enable Plaintiffs' Counsel to evaluate the strength and value of the PAGA claims for purposes of settlement. The settlement negotiations were conducted by highly capable and experienced counsel. Plaintiffs' Counsel are respected members of the bar with strong records of vigorous and effective advocacy, and are experienced in handling complex wage and hour class action litigation. Accordingly, Plaintiffs' Counsel had sufficient information and experience to act intelligently in negotiating the Agreement.

The Requested Attorneys' Fees are Fair and Reasonable

47. Plaintiffs' Counsel's application for attorneys' fees in light of the facts and circumstances surrounding this matter is well-within the range of reasonableness. Plaintiffs' Counsel has vigorously litigated this case since it was commenced, with the very real possibility of an unsuccessful outcome and no fee recovery of any kind.

48. In the present case, Plaintiffs' Counsel has borne all of the risks and costs of litigation and will not receive any compensation until recovery is obtained. Plaintiffs' Counsel is experienced in complex wage-and-hour litigation and used that experience to obtain a favorable result for Plaintiffs, the Aggrieved Employees, and the State of California. Considering the amount of fees requested, work performed, risks incurred, and experience of Plaintiffs' Counsel in handling similar matters, Plaintiffs maintain that the requested attorneys' fees of thirty five percent (35%) of the Gross Settlement Amount (i.e., $344,750.00) are reasonable and should be awarded.

49. The effectiveness of Plaintiffs' Counsel's prosecution of this matter has translated into tangible monetary benefits for the Aggrieved Employees as follows: (1) Aggrieved Employees will obtain monetary recovery over a relatively short period of time, as opposed to waiting additional years for the same, or potentially worse, result; (2) a guaranteed result that compares favorably with other representative PAGA actions of this type, given the strengths and weaknesses of the case; and (3) significant savings in Plaintiffs' Counsel's fees and/or costs that would have only increased significantly had the case progressed through trial and/or appeals. The attorneys who worked on the Action are all experienced in litigating wage and hour matters as follows:

50. Plaintiffs' Counsel is experienced in complex representative and class action wage-and-hour litigation. Blackstone Law, APC ("Blackstone") has been counsel of record on several class

and PAGA actions that have since been resolved, the most recent of which are attached hereto as **Exhibit 4**. The attorneys who worked on this matter are all experienced in litigating wage and hour matters as follows:

a. Jonathan M. Genish is the founder of Blackstone. He received his law degree from Benjamin N. Cardozo School of Law and was admitted to the California State Bar in 2008. During law school, he clerked at the litigation firm Oved & Oved, LLP and was published several times in various small publications. Upon graduation, he was rehired by Freedman & Taitelman, LLP as an associate and remained employed there from September 2008 through August 2015. During his tenure, he managed hundreds (perhaps thousands) of complex litigation cases, ranging from employment, corporate, entertainment, and general business litigation matters, though his primary area of expertise was employment, both single plaintiff and representative actions. On the vast majority of those cases, he was the only or primary attorney managing the case and thus obtained extensive experience. In that capacity, he conducted wage and hour and wrongful termination labor and employment intakes; was the primary contact for all clients; took and defended hundreds (if not thousands) of depositions; propounded and responded to all discovery; prepared and opposed all motions and pleadings, including dispositive and certification motions; strategized on all cases; attended all hearings; attended all mediations; coordinated with class action administrators; prepared and worked with experts; first and second chaired multiple trials and arbitrations; and engaged in all other intricate facets of litigation. During that time, he represented a wide range of clients from sole proprietorships to Fortune 500 companies in state, federal, complex, and appellate courts. Many of the cases he managed were highly publicized, with articles written about them in the Los Angeles Times, Deadline, The Hollywood Reporter, Business Insider, Law360, and others. Super Lawyers has regularly honored him as a Southern California Rising Star since 2012. He is currently the managing partner of Blackstone overseeing roughly 500 labor and employment cases, approximately 80% of which include a wage and hour component. The majority of those cases are wage-and-hour putative class actions or representative PAGA actions seeking relief on behalf of thousands of California employees. His billable rate is $1,150, which is well within the prevailing rate for attorneys with his experience in this area of practice in Southern California.

b. Barbara DuVan-Clarke is a 16-year litigator who joined Blackstone in September 2022 as a Senior Trial Attorney and Team Lead, building on her entire career of litigating single-plaintiff employment, catastrophic injury, and class/PAGA matters with well-known plaintiff-side wage and hour law firms in Los Angeles. She earned her Bachelor of Arts degree from the University of California at Los Angeles in 2003, and then obtained her Juris Doctorate from Case Western Reserve University in Cleveland, Ohio in 2007. Her billable rate is $1,050 per hour, which is well within the prevailing rate for attorneys with her experience in this area of practice in Southern California. She has been approved at that rate most recently in Sanchez v Greenworld in 2024. I am personally familiar with Blackstone's roster of hourly clients, and Ms. DuVan-Clarke currently has hourly clients at her $1,050 rate. Ms. DuVan-Clarke also maintains leadership roles in the California Employment Lawyers' Association ("CELA") and other organizations.

c. Alexander K. Spellman is a senior associate attorney who worked on this matter when he worked at Blackstone. He graduated from University of California at Los Angeles in 2001, with a Bachelor of Arts degree in American Literature and Culture. He then obtained his Juris Doctorate from Loyola Law School, graduating in 2006, and was admitted to the California State Bar in July 2007. He practiced exclusively plaintiff's side labor and employment law from 2016 through 2024. His hourly rate of $950 is reasonable based on his education and experience and is in line with the market rate.

d. Danielle L. GruppChang is a senior associate attorney. She graduated from California Polytechnic University San Luis Obispo in 2013, with a Bachelor of Arts degree in Political Science with a minor in Communication Studies. She then obtained her Juris Doctorate from University of California Law San Francisco (formerly known as University of California Hastings College of the Law), graduating in 2016, and was admitted to the California State Bar in January 2017. She has practiced exclusively plaintiff's side labor and employment class and representative action law from 2017 through the present.

e. P.J. Van Ert is an accomplished attorney who joined Blackstone in 2023, after having worked at an employment litigation firm for 2 years, and prior to that, having served as a District Attorney for over 13 years. In that role, she was a prolific trial attorney, and it is my understanding that she tried over 50 jury trials to verdict. She graduated from University of California at Davis in 2000, with a Bachelor of Arts degree, and from University of California at Los Angeles School of Law with a Juris Doctorate in 2004. She was admitted to the State Bar of California in December 2004. Her hourly rate of $750 is reasonable based on her education and experience and is in line with the market rate.

f. Annabel Blanchard is an experienced attorney who joined Blackstone in January 2024, from a highly reputable plaintiff's side employment law firm, and prior to that, provided legal advocacy for families and adults with special needs. She graduated from University of California at Berkeley with a Bachelor of Arts degree in 2001, and from Southwestern University School of Law with a Juris Doctorate in 2008. She was admitted to the State Bar of California in December 2008. Her hourly rate of $750 is reasonable based on her education and experience and is in line with the market rate.

51. Blackstone Law, APC has spent approximately 293 total hours litigating this matter. To date, our total fees incurred amount to $282,350. Each attorney who worked on this matter engaged in a multitude of tasks, including communicating with the client and defense counsel; investigating the facts and researching appliable legal issues; drafting pleadings and the mediation brief; reviewing documents; preparing for and attending mediation; reviewing additional financial documents produced by Defendant; and facilitating the settlement by drafting the settlement documents and documents for obtaining settlement approval. A summary of Blackstone's lodestar for each attorney who worked on this matter is as follows:

Attorney	**Position**	**Hours**	**Rate**	**Total**
Jonathan M. Genish	Managing Partner	21	$1,150	$24,150
Barbara DuVan-Clarke	Senior Trial Attorney/ Team Lead	114	$1,050	$121,800
Alexander K. Spellman	Senior Associate	83	$950	$78,850
Danielle GruppChang	Senior Associate	14	$950	$13,300
P.J. Van Ert	Associate	32	$750	$24,000
Annabel Blanchard	Associate	27	$750	$20,250

52. We expect to spend an additional 10 hours ($10,500) in connection with finalizing the Motion, preparing for the approval hearing, and managing the Agreement through its conclusion, including anticipated communications with defense counsel, the Settlement Administrator, and our client. Based thereon, the total amount of Plaintiff's Counsel's lodestar fees through closure of this matter are estimated to be approximately $290,750. Plaintiffs' counsel proposes the application of a 1.19 multiplier to its lodestar, to account for the risk Plaintiffs' counsel took in litigating the case on a contingency basis, the complexity of the litigation. With the application of the 1.19 multiplier, Blackstone APC's total enhanced lodestar fees are $345,992.50.

The Requested Attorneys' Costs and Expenses are Fair and Reasonable

53. The Agreement provides for reimbursement of litigation costs and expenses of up to Twenty-Five Thousand Dollars and Zero Cents ($25,000.00). Plaintiffs' Counsel seeks reimbursement of a total of Twenty Thousand Two Hundred Forty-Three Dollars and Eighteen Cents ($20,243.18) in litigation costs and expenses. A true and correct itemized list of my firm's litigation costs and expenses is attached hereto as **Exhibit 5**. This amount was reasonable and necessary in the prosecution of this matter.

The Settlement Administration Costs are Fair and Reasonable

54. As set forth in the Settlement Agreement, the Parties have agreed to retain, subject to approval by the Court, Apex Class Action, to handle the administration of the Agreement. The fees and expenses of the Administrator are estimated not to exceed Sixteen Thousand Five Hundred Dollars ($16,500). These costs include, but are not limited to, expenses for preparing, printing, and mailing the Cover Letter and Individual PAGA Payment checks to the Aggrieved Employees, re-mailing the returned Individual PAGA Payment checks to any new addresses obtained, and handling inquiries from Aggrieved Employees regarding the Agreement, among other things. Accordingly, the Court should grant approval of the Settlement Administration Costs in the amount of up to Sixteen Thousand Five Hundred Dollars ($16,500) to Apex Class Action, a necessary third-party for handling the settlement process.

The Service Awards Are Fair and Reasonable

55. As part of the Settlement Agreement, Plaintiffs respectfully request a reasonable

Service Award of Seven Thousand Five Hundred Dollars ($7,500) *each* to Plaintiffs (a total of $15,000 from the Gross Settlement Amount). These Service Awards are eminently reasonable given the time and effort Plaintiffs spent on this matter, their services on behalf of the State of California and the Aggrieved Employees, and their broader, general release of claims.

56. By initiating and pursuing the Action, Plaintiffs stepped into the shoes of the State of California and undertook the responsibilities of serving in a representative capacity. Plaintiffs were available whenever Plaintiffs' Counsel needed them and actively tried to obtain information that would benefit the prosecution of the Action.

57. Accordingly, Plaintiffs respectfully submit that it is appropriate and just for Plaintiffs to receive Service Awards in the amount of Seven Thousand Five Hundred Dollars ($7,500) *each* in addition to the Individual PAGA Payments they each will receive as Aggrieved Employees, for their services on behalf of the State of California and the other Aggrieved Employees, as well as for their broader, general release of claims.

Pending Actions

58. Neither I nor Plaintiffs are aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Agreement.

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

Executed on July 14, 2025 at Beverly Hills, California.

A. Blanchard

Annabel Blanchard

EXHIBIT 1

BLACKSTONE LAW

8383 Wilshire Blvd., Suite 745
Beverly Hills, CA 90211
Phone: (310) 622-4278
Fax: (855) 786-6356

P.J. Van Ert
pjvanert@blackstonepc.com

September 6, 2023

PAGA Claim Notice Via Online Electronic Submission
California Labor & Workforce Development Agency
800 Capitol Mall, Suite 5000 (MIC-55)
Sacramento, CA 95814
https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html

RE: ***Lesly Arreguin v. Intercare Therapy, Inc.***
Giavanna Peña v. Intercare Therapy, Inc.

Dear Representative:

This office represents Lesly Arreguin and Giavanna Peña ("Claimants") with respect to their claims under the California Labor Code against Intercare Therapy, Inc. (including any and all affiliates, subsidiaries, parents, directors, and officers thereof) (collectively referred to herein as "Employers"). This letter is being sent simultaneously to Employers by certified mail.

Employers employed Claimants Lesly Arreguin and Giavanna Peña starting from approximately August 2022 to November and December 2022, respectively, as non-exempt, hourly-paid employees. During this employment with Employers, both claimants were employed as Behavior Interventionists in the Los Angeles area.

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

As detailed below, Employers violated several of California's wage and hour laws during Claimants' employment, including but not limited to California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and the Industrial

Welfare Commission Wage Orders ("IWC Wage Orders"). The claims made on behalf of Claimants and Aggrieved Employees are based upon the following facts and theories:

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

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

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

Throughout the relevant time period, Employers regularly required Claimants and other Aggrieved Employees to perform work off-the-clock. This off-the-clock work included, amongst other things, providing assistance to Employers' clients/patients in various forms before clock-in, while Claimants and Aggrieved Employees were clocked-out for meal periods, or after Claimants and Aggrieved Employees had clocked out from their shift. Such routine assistance to the clients/patients of Employers included fielding calls, other communications, and transport between different locations of clients/patients. Employers failed to compensate Claimants and other Aggrieved Employees for any of this off-the-clock work, in violation of California law. In addition, Employers utilized time rounding practices that resulted in the systematic underpayment of wages (including minimum wages, straight time wages and overtime wages) to Claimants and Aggrieved Employees.

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

As a result of the foregoing practices, Employers have failed to pay Claimants and other Aggrieved Employees for all wages earned at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation. Accordingly, Employers violated IWC Wage Orders and California Labor Code sections 204, 510, 1194, 1197, 1197.1 and 1198.

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; penalties pursuant to California Labor Code sections 558, 1197.1, and 1199; and attorneys' fees and costs.

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

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

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

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

Claimants and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the meal periods which were not provided to them in compliance with California law. Accordingly, Employers violated the applicable IWC Wage Orders and California Labor Code sections 226.7, 512(a) and 1198.

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; penalties pursuant to California Labor Code sections 558 and 1199; and attorneys' fees and costs.

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

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

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

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

Claimants and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the rest periods which were not provided to them in compliance with California law. Accordingly, Employers violated the applicable IWC Wage Orders and California Labor Code sections 226.7, and 1198.

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; Labor Code sections 558 and 1199 penalties; and attorneys' fees and costs.

4. FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT

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

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

5. FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

California Labor Code section 226(a) requires an employer semimonthly or at the time of each payment of wages to furnish wage statements to its employees setting forth, *inter alia*, (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, and (8) the name and address of the legal entity that is the employer.

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

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

6. FAILURE TO MAINTAIN ACCURATE RECORDS

California Labor Code section 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than two years. During the relevant time period, Employers have failed to maintain accurate records relating to Claimants and other Aggrieved Employees' work periods, meal periods, total daily hours worked, and total hours worked per payroll period. Accordingly, Employers violated the applicable IWC Wage Orders and California Labor Code sections 1198.5 and 1174(d).

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; California Labor Code section 1174.5 penalties; and attorneys' fees and costs.

7. FAILURE TO REIMBURSE NECESSARY EXPENDITURES

California Labor Code sections 2800 and 2802 require an employer to reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. The IWC Wage Orders require employers to provide employees with the tools or equipment necessary for the performance of their job. During the relevant time period, Claimants and Aggrieved Employees incurred necessary business-related expenses and costs that were not fully reimbursed by Employers. These costs include but are not limited to the purchase of routine items for events held for Employers or clients/patients of Employer (e.g., minor party supplies such as balloons), additional specific attire as requested by Employers, the usage of personal cell phones and internet usage related thereto for work-related purposes, and mileage reimbursement for work-related purposes.

Accordingly, Employers violated the IWC Orders and California Labor Code sections 2800 and 2802. Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; and attorneys' fees and costs.

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

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

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

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

9. EMPLOYER'S OTHER VIOLATIONS OF THE CALIFORNIA LABOR CODE

Finally, pursuant to *Huff v. Securitas Security Services USA, Inc*. (2018) 25 Cal.App.5th 745 ("*Huff*"), as Aggrieved Employees, Claimants have standing, and intend, on behalf of LWDA, to pursue civil penalties against Employer for any and all other Labor Code violations committed by Employer. In *Huff*, the California Court of Appeals held that an employee alleging a single violation of the Labor Code under PAGA may also bring PAGA claims against Employer for all other alleged Labor Code violations, even those suffered by other employees of the same employer. According to the *Huff* decision, Claimants, as "aggrieved" employees affected by at least one Labor Code violation may, and hereby do, pursue penalties on behalf of LWDA for unrelated Labor Code violations by Employer.

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

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

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

BLACKSTONE LAW

Patricia J. Van Ert

P.J. Van Ert, Esq.

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

Intercare Therapy, Inc
Attn: Janet Brown Agent for
Service of Process.
4221 Wilshire Blvd, Suite 300A
Los Angeles, CA 90010

EXHIBIT 2

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

This Private Attorneys General Act Settlement Agreement and Release of Claims (hereinafter "Settlement Agreement" or "Settlement") is entered into by and between Lesly Arreguin and Giavanna Peña (collectively referred to herein as "Plaintiffs"), individually and as a representative of the State of California and the Aggrieved Employees (as defined in Section 4(a)(5) below) and Intercare Therapy, Inc. ("Defendant"), subject to approval by the Court. The term "Party" or "Parties" as used herein shall refer to Plaintiff, Defendant, or both, as may be appropriate.

1. **Recitals.** This Settlement Agreement is made with reference to the following facts:

(a) Plaintiffs are both former employees of Defendant. Plaintiff Arreguin was employed by Defendant from approximately August 2022 to approximately December 2022. Plaintiff Peña was employed by Defendant from approximately August 2022 to approximately November 2022;

(b) On September 6, 2023, Blackstone Law, APC ("Plaintiffs' Counsel"), submitted a letter on behalf of Plaintiffs to the California Labor and Workforce Development Agency ("LWDA") and Defendant to notify the LWDA and Defendant pursuant to the Private Attorneys General Act of 2004, Labor Code section 2698, *et seq*. ("PAGA"), of Plaintiffs' intent to seek civil penalties under PAGA for Defendant's alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders, thereby initiating LWDA Case Number LWDA-CM-979836-23 ("PAGA Notice");

(c) On October 10, 2023, Plaintiffs filed a Class Action Complaint in the Superior Court of California, County of Los Angeles entitled *Arreguin, et al. v. Intercare Therapy, Inc.* (Case No. 23STCV24676) alleging the following causes of action against Defendant: (1) Unpaid Minimum Wages in Violation of California Labor Code sections 1194, 1197, and 1197.1; (2) Unpaid Overtime Wages in Violation of California Labor Code sections 510 and 1198; (3) Unpaid Meal Period Premiums in Violation of California Labor Code sections 226.7 and 512(a); (4) Unpaid Rest Period Premiums in Violation of California Labor Code section 226.7; (5) Failure to Timely Pay Wages During Employment in Violation of California Labor Code sections 204 and 210; (6) Failure to Provide Accurate Wage Statements in Violation of California Labor Code section 226(a); (7) Failure to Timely Pay Final Wages in Violation of California Labor Code sections 201, 202, and 203; (8) Failure to Reimburse Necessary Business Expenditures in Violation of California Labor Code sections 2800 and 2802; and (9) Unfair Business Practices in Violation of California Business & Professions Code section 17200, *et seq.* ("Class Complaint");

(d) On November 15, 2023, Plaintiffs filed a Complaint in the Superior Court of California, County of Los Angeles for Enforcement Action Under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* ("PAGA Complaint"), commencing a representative action under PAGA against Defendant, entitled *Arreguin, et al. v. Intercare Therapy, Inc.* (Case No. 23STCV27972) (and together with the Class Complaint, the "Action"). The Operative Complaint asserts a single cause of action for civil penalties under PAGA for violations of the same provisions of the California Labor Code, California Business & Professions Code, and the applicable Industrial Welfare Commission Wage Orders as alleged in the Class Complaint;

(e) Defendant denies and disputes any and all of the alleged claims and allegations in the Class Complaint, PAGA Complaint, and/or the Action, generally, or those that could have been asserted by Plaintiffs as a result of each of their former employment, the separation of their employment, and/or any relationship between Plaintiffs and Defendant;

(f) Counsel for both Parties met and conferred extensively regarding the binding individual arbitration agreements each of Plaintiffs executed during their respective periods of employment with Defendant and the corresponding effect of Plaintiffs' agreement to arbitrate any employment-related disputes on the Action;

(g) On May 1, 2024, the Parties mediated the Action with third-party mediator Monique Ngo-Bonnici, and, with the aid of the mediator's evaluation, the Parties ultimately reached the Settlement described herein to resolve the Action in its entirety;

(h) Prior to mediation, Plaintiffs obtained, through informal discovery, payroll and time records for an adequate and representative sample of the Aggrieved Employee population ("PAGA Data"). Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

(i) There has been no determination on the merits of the Action or the PAGA Notice but, in order to avoid additional cost and the uncertainty of litigation, the Parties desire to resolve the Action and Released Claims (as defined in Section 6(a) below).

2. **No Admission of Wrongdoing.** The Parties agree that neither this Settlement Agreement nor the furnishing of the consideration for this Settlement Agreement shall be deemed or construed at any time for any purpose as an admission by the Released Parties of wrongdoing or evidence of any liability or unlawful conduct of any kind.

3. **Consideration.**

(a) In consideration for Plaintiffs signing this Settlement Agreement and complying with its terms, Defendant shall pay the maximum gross sum of Nine Hundred Eighty-Five Thousand Dollars ($985,000.00) (the "Gross Settlement Amount") to resolve the Action and Released Claims (as defined in Section 6(a) below), which will be paid as follows:

(1) Attorneys' fees in the amount of thirty five percent (35%) of the Gross Settlement Amount, which is Three Hundred Forty-Four Thousand Seven Hundred Fifty ($344,750.00), and reimbursement of litigation costs and expenses in the amount of up to Twenty-Five Thousand Dollars ($25,000.00) (collectively, "Attorneys' Fees and Costs") to Plaintiffs' Counsel, which Defendant will not contest.

(2) A service award of up to the amount of Seven Thousand Five Hundred Dollars ($7,500.00) ("Service Award") each to Plaintiffs (a total not to exceed $15,000.00), which Defendant will not contest.

(3) Costs and expenses of administration of the Settlement up to the amount of Sixteen Thousand Five Hundred Dollars and Zero Cents ($16,500.00) ("Settlement Administration Costs") to Apex Class Action ("Settlement Administrator").

(4) The amounts stated in Sections 3(a)(1) – 3(a)(3) above, once approved by the Court, shall be paid from the Gross Settlement Amount. The balance remaining after these deductions is referred to as the "Net Settlement Amount."

(5) Seventy-five percent (75%) of the Net Settlement Amount will be distributed to the LWDA ("LWDA Payment"); and the remaining twenty-five percent (25%) will be distributed to all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California at any time during the PAGA Period ("Aggrieved Employees"). The period November 15, 2022, to November 13, 2024 is the "PAGA Period." The twenty-five percent (25%) portion of the Net Settlement Amount payable to the Aggrieved Employees is referred to as the "Employees' Portion."

(6) The Aggrieved Employees are estimated to consist of approximately 2,890 individuals who worked approximately 40,000 pay periods during the period November 15, 2022, to November 13, 2024. If the actual number of Pay Periods (as defined in Section 5(b) below) is more than ten percent (10%) above 44,000, the Gross Settlement Amount will be increased proportionally by the percentage that the actual number exceeds the 10% buffer.

(b) Because this is a settlement of PAGA claims for civil penalties only, no portion of the Gross Settlement Amount is allocated to unpaid wages. One hundred percent (100%) of the payments for Attorneys' Fees and Costs, Service Award, and the Net Settlement Amount to be paid to the LWDA and Aggrieved Employees as described in Section 3(a) above will be treated and reported for tax purposes as non-wage payments and the Settlement Administrator will be responsible for issuing IRS Forms 1099, as required.

4. **Approval and Implementation of the PAGA Settlement.**

(a) The Parties are aware that some courts have approved a PAGA settlement and entered an order approving the settlement and judgment and thereafter closed the case, while others have approved a PAGA settlement and entered only an order approving the settlement with later instructions to file a request for dismissal of the action. The Parties agree to cooperate and take any and all steps required by the Court in the Action to implement the Settlement and terminate the Action pursuant to settlement (i.e., to terminate the Action by way of judgment or dismissal).

(b) The Parties further agree to cooperate in the drafting and/or filing of any further documents and/or filings reasonably necessary to be prepared and/or filed, and to take all steps that may be requested by the Court in order to obtain approval and implementation of this Settlement Agreement, and the payments described in Section 3(a) above.

(c) The Parties shall seek to obtain Court approval of this Settlement Agreement by way of an unopposed motion to be filed by Plaintiffs' Counsel. Plaintiffs' Counsel shall provide a draft of all documents to be submitted in connection with the motion to approve this Settlement Agreement to Fisher & Phillips LLP ("Defendant's Counsel") for review. Defendant's Counsel will be given an opportunity to comment on the papers prior to their being filed with the Court, and such comments will be implemented to the extent reasonable.

(d) The Parties expressly acknowledge that the Court's approval of the Settlement Agreement is a condition precedent to any payments described in this Settlement Agreement. Therefore, the Parties further acknowledge that, should the Court not grant approval of this Settlement Agreement and/or should the Court refuse to grant judgment or dismissal of the Action and close the Action based on the Settlement, the entirety of this Settlement Agreement shall be null and void.

5. **<u>Payment of the Gross Settlement Amount / Notice to Recipients</u>.**

(a) Subject to Court approval of this Settlement Agreement, payment of the sums described in Section 3(a) above shall be made by Defendant by transmitting the Gross Settlement Amount in the below described manner to a qualified settlement account established by the Settlement Administrator for administration of this Settlement. If the date by which payment by Defendant of any installment of the Gross Settlement Amount is due falls on a Saturday, Sunday, or legal holiday in the State of California, then the due date shall be extended to the next business day which is not a Saturday, Sunday, or legal holiday in the State of California.

(1) The Gross Settlement amount shall be paid in two installments as follows: (1) one installment in the amount of Four Hundred Ninety-Two Thousand Five Hundred Dollars and Zero Cents ($492,500.00), to be made on or before August 1, 2025; and (2) one installment in the amount of Four Hundred Ninety-Two Thousand Five Hundred Dollars and Zero Cents ($492,500.00), to be made within one hundred twenty (120) calendar days of payment of the previous installment.

(b) Each Aggrieved Employee will be entitled to a *pro rata* share of 25% of the Net Settlement Amount (i.e., the Employees' Portion) based upon the number of pay periods they each worked during the PAGA Period ("Pay Periods"), based on Defendant's payroll records. Specifically, to calculate each Aggrieved Employee's share of the Employees' Portion ("Individual PAGA Payment"), the Settlement Administrator shall: (i) for each Aggrieved Employee, divide the number of Pay Periods the Aggrieved Employee worked by the total aggregate number of Pay Periods worked by all Aggrieved Employees, and then (ii) multiply this fraction by the Employees' Portion to arrive at each Aggrieved Employee's Individual PAGA Payment.

(1) One hundred percent (100%) of all Individual PAGA Payments are to be considered penalties and the Settlement Administrator will not undertake any deductions, withholding, or remittances for local, state, or federal taxes. Aggrieved Employees' Individual PAGA Payments will be reported on an IRS Form 1099, as required.

(c) The Settlement Administrator shall distribute each Individual PAGA Payment by way of check, along with a cover letter ("Cover Letter") agreed to by the Parties and approved by the Court, in substantially the same form attached hereto as "**<u>Exhibit A</u>**," in the following manner:

(1) No later than fourteen (14) calendar days after the Court's order granting approval of the Settlement, Defendant shall provide the Settlement Administrator with a list of all Aggrieved Employees (the "Aggrieved Employees List"), containing the following information for each Aggrieved Employee: (i) first and last name; (ii) last known address; (iii) last known telephone number; (iv) Social Security number; (v) start and end dates of employment; and (vi) number of Pay Periods.

(2) The Settlement Administrator shall conduct one (1) National Change of Address ("NCOA") search for all individuals identified on the Aggrieved Employees List.

(3) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and first installment of the Gross Settlement Amount, the Settlement Administrator shall mail the agreed-upon Cover Letter and Individual PAGA Payment checks (together, the "PAGA Settlement Package") to all Aggrieved Employees by First-Class United States mail. For each PAGA Settlement Package that is returned undeliverable within thirty (30) calendar days of the initial mailing, the Settlement Administrator

shall promptly attempt to locate an alternative, updated address for the Aggrieved Employee at issue, by using a skip-trace search and shall attempt one (1) re-mailing of the PAGA Settlement Package.

(4) The Individual PAGA Payment checks issued to Aggrieved Employees shall remain valid for one hundred eighty (180) calendar days, and thereafter, shall be canceled. Funds associated with such canceled checks shall be transmitted to the State Controller's Office Unclaimed Property Division in the name of the Aggrieved Employee(s) at issue and in the amount of their respective Individual PAGA Payment(s).

(5) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and second installment of the Gross Settlement Amount, the Settlement Administrator shall transmit the LWDA Payment to the LWDA.

(6) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and first installment of the Gross Settlement Amount, the Settlement Administrator shall transmit the Service Award to Plaintiffs.

(7) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and second installment of the Gross Settlement Amount, the Settlement Administrator shall transmit the Attorneys' Fees and Costs to Plaintiffs' Counsel.

(8) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and second installment of the Gross Settlement Amount, the Settlement Administrator shall transmit the Settlement Administration Costs to itself.

6. **Release of Claims by Plaintiffs and the State of California with Respect to the Aggrieved Employees.**

(a) Upon the full funding of the Gross Settlement Amount, Plaintiffs and the State of California with respect to Aggrieved Employees, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged Defendant and its current and former officers, directors, members, insurers, shareholders, subsidiaries, affiliates, predecessors, successors, and assigns (collectively, the "Released Parties") from any and all claims arising from any of the factual allegations in the PAGA Complaint and PAGA Notice, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq*., for Defendant's alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during and upon separation of employment, provide compliant wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders ("Released Claims"). Plaintiffs and the State of California with respect to Aggrieved Employees are will also be deemed to have released, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims that reasonably could have been alleged, based on the facts stated in the PAGA Complaint and the PAGA Notice during the PAGA Period.

(b) Upon the full funding of the Gross Settlement Amount, Plaintiffs, individually and on their own behalf, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties from any and all claims of every nature whatsoever, known or unknown, suspected or unsuspected, asserted or unasserted, which Plaintiffs have or may have as of the date of execution of this Settlement Agreement, including but not limited to any and all claims arising out of, relating to, or resulting from Plaintiffs' employment and/or separation of employment with Defendant, including any claims arising under any federal, state, or local laws and claims for unpaid wages, penalties, liquidated damages, breach of contract, breach of implied covenant of good faith and fair dealing, wrongful or retaliatory discharge, harassment, discrimination, defamation, impairment of economic opportunity, and violations of public policy, the Fair Labor Standards Act, the California Labor Code, the California Fair Employment and Housing Act, the California Business and Professions Code, the California Constitution, the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, and the Americans with Disabilities Act of 1990. With respect to those claims released by Plaintiffs in their individual capacity, Plaintiffs acknowledge and waive any and all rights and benefits available under California Civil Code Section 1542, which provides:

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

Plaintiffs understand and agree that claims or facts in addition to or different from those which are now known or believed by them to exist may hereafter be discovered. It is Plaintiffs' intention to, upon the full funding of the Gross Settlement Amount, settle fully and release all claims Plaintiffs now have against the Released Parties, whether known or unknown, suspected or unsuspected. Notwithstanding the above, the general release by Plaintiffs shall not extend to claims for workers' compensation benefits, claims for unemployment benefits, or other claims that may not be released by law.

(c) Separate Non-PAGA Settlement Agreement. The Parties have separately entered into a confidential settlement agreement regarding the non-PAGA claims by Plaintiffs against Defendant. Nothing in this Agreement shall be construed to limit the Parties' rights under the separate agreement.

7. Continuing Jurisdiction of the Court.

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

8. **Governing Law and Interpretation**.

(a) This Settlement Agreement shall be governed and conformed in accordance with the laws of the State of California. Should any non-material provision of this Settlement Agreement be declared illegal or unenforceable by any court of competent jurisdiction and said provision cannot be modified to be enforceable, that provision shall immediately become null and void, leaving the remainder of this Settlement Agreement in full force and effect.

(b) In the event of a breach of any provision of this Settlement Agreement, any Party reserves the right to institute an action specifically to enforce any term or terms of this Settlement Agreement or seek damages for breach. In an action to enforce any term or terms of this Settlement Agreement or to seek damages for breach of this Settlement Agreement, the prevailing Party in that action shall be entitled to recover reasonable attorneys' fees and costs from the non-prevailing Party.

9. **Amendment.** This Settlement Agreement may not be modified, altered, or changed except in writing and signed by both Parties' counsel, subject to approval by the Court.

10. **Miscellaneous.**

(a) The Parties agree to stay all proceedings in the Action, including with respect to California Code of Civil Procedure section 583.310, except such proceedings necessary to implement and complete the Settlement, pending approval of the Settlement.

(b) Information provided to Plaintiffs' Counsel pursuant to California Evidence Code section 1152, and all copies and summaries of the PAGA Data provided to Plaintiffs' Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court.

(a) This Settlement Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which, taken together shall constitute the same instrument. A signature made on a faxed or electronically transmitted copy of the Settlement Agreement or a signature transmitted by facsimile or electronic mail shall have the same effect as the original signature.

(b) The section headings used in this Settlement Agreement are intended solely for convenience of reference and shall not in any manner amplify, limit, modify, or otherwise be used in the interpretation of any of the provisions hereof.

(c) This Settlement Agreement was the result of negotiations between the Parties and their respective counsel under the auspices of mediator Monique Ngo-Bonnici. In the event of vagueness, ambiguity, or uncertainty, this Settlement Agreement shall not be construed against the Party preparing it but shall be construed as if both Parties prepared it jointly, and the Parties may present their disputes to the mediator to resolve any vagueness, ambiguity, or uncertainty.

(d) If Plaintiffs or Defendant fail to enforce this Settlement Agreement or to insist on performance of any term, that failure does not mean a waiver of that term or of the Settlement Agreement. This Settlement Agreement remains in full force and effect anyway.

[SIGNATURES CONTAINED ON FOLLOWING PAGE]

HAVING ELECTED TO EXECUTE THIS SETTLEMENT AGREEMENT, TO FULFILL THE PROMISES, AND TO RECEIVE THE CONSIDERATION SET FORTH ABOVE, PLAINTIFFS AND DEFENDANT, FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS SETTLEMENT AGREEMENT.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Settlement Agreement as of the date set forth below:

LESLY ARREGUIN

Dated: 04/22/2025

Lesly Arreguin

Lesly Arreguin

GIAVANNA PEÑA

Dated: ____________________

Giavanna Peña

INTERCARE THERAPY, INC.

Dated: 05/29/2025

Arnon Heller

Full Name: Arnon Heller

Title: CEO

On behalf of Intercare Therapy, Inc.

APPROVED AS TO FORM ONLY:

BLACKSTONE LAW, APC

Dated: 04/22/2025

Barbara DuVan-Clarke

Attorneys for Plaintiffs

FISHER & PHILLIPS LLP

Dated: 5/30/2025

Lonnie D. Giamela

Carol A. Ibrahim

Attorneys for Defendant

HAVING ELECTED TO EXECUTE THIS SETTLEMENT AGREEMENT, TO FULFILL THE PROMISES, AND TO RECEIVE THE CONSIDERATION SET FORTH ABOVE, PLAINTIFFS AND DEFENDANT, FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS SETTLEMENT AGREEMENT.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Settlement Agreement as of the date set forth below:

LESLY ARREGUIN

Dated: ____________________ ________________________________
Lesly Arreguin

GIAVANNA PEÑA

Dated: 04/22/2025 ________________________________
Giavanna Peña

INTERCARE THERAPY,

INC.

Dated: ____________________ ________________________________

Full Name: ______________________

Title: ___________________________
On behalf of Intercare Therapy, Inc.

APPROVED AS TO FORM ONLY:

BLACKSTONE LAW, APC

Dated: ____________________ ________________________________
Barbara DuVan-Clarke
Attorneys for Plaintiffs

FISHER & PHILLIPS LLP

Dated: ____________________ ________________________________
Lonnie D. Giamela
Carol A. Ibrahim
Attorneys for Defendant

<u>Exhibit A</u>

To: <<First Name>><<Last Name>>
<<Street Address>>
<<City>><<State>><<Zip>>

Re: Settlement Payment from *Lesly Arreguin, et al. v. Intercare Therapy, Inc.*, Los Angeles County Superior Court Case No. 23STCV27972

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of **<<amount of payment>>** ("Individual PAGA Payment"). This check is your payment from the settlement in the lawsuit entitled *Lesly Arreguin, et al. v. Intercare Therapy, Inc.*, Los Angeles County Superior Court Case No. 23STCV27972 ("Action").

The lawsuit was filed on November 15, 2023 by Lesly Arreguin and Giavanna Peña("Plaintiff") against their former employer Intercare Therapy, Inc. ("Defendant"), on behalf of the State of California, with respect to each of them individually and on behalf of other allegedly aggrieved employees, to seek recovery of civil penalties pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* ("PAGA"), for multiple alleged violations of the California Labor Code and Industrial Welfare Commission Wage Orders, including, *inter alia*, for failure to properly pay minimum and overtime wages, failure to provide compliant meal and rest periods and associated premiums, failure to pay wages during and upon separation of employment, failure to provide compliant wage statements, failure to maintain requisite payroll records, failure to reimburse business expenses, and unfair business practices. Prior to initiating the lawsuit, on September 6, 2023, Plaintiffs submitted a letter to the California Labor and Workforce Development Agency ("LWDA"), pursuant to PAGA, to provide notice of their intent to seek civil penalties under PAGA for Defendant's alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders, thereby initiating LWDA Case Number LWDA-CM-979836-23 ("PAGA Notice").

Defendant denies all of Plaintiffs' allegations and denies any wrongdoing of any kind associated with Plaintiffs' allegations. A settlement was reached between Plaintiffs and Defendant.

On <<Date>>, the settlement was approved by the Court, with a portion to be paid to the LWDA and a portion to be paid to all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California at any time during the PAGA Period ("Aggrieved Employees"). The period November 15, 2022 to November 13, 2024 is the "PAGA Period."

You are receiving a portion of the settlement (the enclosed Individual PAGA Payment) because you have been identified as an Aggrieved Employee. Your Individual PAGA Payment is based on the total number of pay periods that you worked for Defendant in California during the PAGA Period. The Individual PAGA Payment is considered to be 100% penalties, which will be reported on an IRS Form 1099 (if applicable). You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

Under the settlement, as of <<date of full funding of the Gross Settlement Amount>>, the Released Parties were fully, finally, and forever released, settled, compromised, relinquished, and discharged from the Released Claims.

"Released Parties" means Defendant and its current and former officers, directors, members, insurers, shareholders, subsidiaries, affiliates, predecessors, successors, and assigns.

"Released Claims" means any and all claims arising from any of the factual allegations in the Operative Complaint and PAGA Notice, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq*., for Defendant's alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during and upon separation of employment, provide compliant wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders.

The enclosed check is valid for 180 calendar days from the original date of issuance and mailing, and if it is not cashed, deposited, or otherwise negotiated within the 180-day timeframe, it will be canceled, and the funds associated with the canceled check will be transmitted to the State Controller's Office Unclaimed Property Division in your name and in the amount of your Individual PAGA Payment.

Do <u>not</u> call or write the Court, Office of the Clerk of the Court, Defendant, or Defendant's counsel to ask questions about the settlement or to ask tax-related questions. If you have any such questions, you may contact [Settlement Administrator] at [toll-free phone number].

EXHIBIT 3

Outlook

Thank you for your Proposed Settlement Submission

Desde no-reply@formassembly.com <no-reply@formassembly.com>
Fecha Lun 14 Jul 2025 11:32
Para Karina Hernandez <khernandez@blackstonepc.com>

[External Email].

07/14/2025 11:32:11 AM

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

Item submitted: Proposed Settlement

On 07/14/2025 11:32:11 AM your Proposed Settlement was successfully processed for case number LWDA-CM-979836-23

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm

EXHIBIT 4

- *Travis Sanford v. Santa Cruz Seaside Company*, Santa Cruz County Superior Court, Case No. 23CV01762, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Corina Martinez v. Stagnaro Bros. Seafood, Inc.*, Santa Cruz County Superior Court, Case No. 24CV00082, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alejandra Jimenez v. ClearFreight, Inc.*, Los Angeles County Superior Court, Case No. 23STCV28938, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Jazzmin Cortez v. Millard Mall Services, Inc.*, Riverside County Superior Court, Case No. CVRI2104010, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Michael Bravo v. Michels Pacific Energy, Inc.*, Santa Clara County Superior Court, Case No. 22CV403427, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Daniel Rodriguez v. Republique, LLC*, Los Angeles County Superior Court, Case No. 23STCV14521, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Theresa Bendorf, et al. v. Sea World LLC, et al.*, San Diego County Superior Court, Case No. 37-2021-00034922-CU-OE-CTL, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Victor De La Cruz v. Northwest Pipe Company*, San Bernardino County Superior Court, Case No. CIVSB2211140, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Bobby Birdi v. Lucid USA, Inc.*, Alameda County Superior Court, Case No. 21CV003541, approved as class counsel in final settlement of wage and hour class

and PAGA action.

- *Jose Trujillo, et al. v. Producers Dairy Foods, Inc.*, Sacramento County Superior Court, Case No. 34-2022-00313753, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *David Williams v. Rancho Nicasio, LLC*, Marin County Superior Court, Case No. CIV2203067, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Alexander Jackson v. Lifecare Assurance Company*, Los Angeles County Superior Court, Case No. 23STCV26579, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alexis Cardoza v. BHFC Operating LLC*, Los Angeles County Superior Court, Case No. 21STCV34040, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Maria Ayala, et al. v. SDH Services West, LLC*, Kern County Superior Court, Case No. BCV-21-101933, approved as class counsel in final settlement of wage and hour class action.
- *Alfredo Sanchez v. Greenworld, Inc.*, Riverside County Superior Court, Case No. CVRI2105756, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Oscar Bryant v. Midwest Construction Services, Inc. dba Trillium*, San Bernardino County Superior Court, Case No. CIVSB2121529, approved as class counsel in final settlement of wage and hour class action.
- *Matthew Savattieri v. AMI Expeditionary Healthcare, LLC, et al.*, Los Angeles County Superior Court, Case No. 21STCV33372, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Lexy Barajas, et al. v. H. W. Hunter, Inc.*, Los Angeles County Superior Court, Case No. 22STCV01892, approved as counsel in settlement of representative wage and

hour action pursuant to PAGA.

- *Alejandro Valdez v. C.H.I. Automart, Inc.*, Los Angeles County Superior Court, Case No. 21STCV40168, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Sheizan Bawa v. Meathead Movers, Inc.*, Orange County Superior Court, Case No. 30-2021-01211895-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Tanisha Lopez, et al. v. Restorix Health, Inc.*, Los Angeles County Superior Court, Case No. 21STCV33067, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Perla Soto, et al. v. Nippon Express U.S.A., Inc.*, Los Angeles County Superior Court, Case No. 21STCV24902, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Angel Garcia, et al. v. J&B Investments, Inc., et al.,* San Bernardino County Superior Court, Case No. CIVSB2208601, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Sindy Aviles, et al. v. Freeway Insurance Services America, LLC*, Los Angeles County Superior Court, Case No. 21STCV34864, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Alexander Gnaedig, et al. v. Favorite Healthcare Staffing, Inc.,* Los Angeles County Superior Court, Case No. 21STCV20904, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Richard Evans v. My Paint Stop, LLC, et al.,* Contra Costa County Superior Court, Case No. MSC21-01812, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Jose Luis Parada George v. Main Electric Supply Company, LLC, et al.,* Orange

County Superior Court, Case No. 30-2021-01220136-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

- *Samia Salazar Yunis v. Sharif Jewelers,* Sacramento County Superior Court, Case No. 34-2020-00290080, approved as class counsel in final settlement of wage and hour class and PAGA action.

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- *Daniel Analco v. Felix Chevrolet, LP, et al.*, Los Angeles County Superior Court, Case No. 21STCV36654, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Sasha Aiono v. Benefit Cosmetics,* Los Angeles County Superior Court, Case No. 21STCV33719, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

EXHIBIT 5

Matter: **Arreguin, et al. v. Intercare Therapy, Inc.**

Date	Type of Expense	Description of Expense	Amount
5/15/2023	Other	Wizzy Marketing Cost	$1,340.00
9/6/2023	Mailing	Welcome package to Lesly Arreguin	$1.50
6/14/2023	Mailing	Welcome package to Giavanna Peña	$1.50
3/7/2023	Mailing	Records request to Intercare Therapy (Lesly Arreguin)	$8.10
3/7/2023	Mailing	Records request to Intercare Therapy (Giavanna Peña)	$8.10
6/9/2023	Filing	LWDA PAGA Claim Notice	$75.00
7/9/2023	Mailing	PAGA Letter to Agent of service	$8.53
10/13/2023	Filing	Steno: Complaint Packet	$1,997.20
11/16/2023	Filing	Steno: Complaint Packet (PAGA)	$647.20
12/22/2023	Filing	Steno: Notice of Acknowledgment and Receipt	$59.95
7/2/2024	Mediation	Check to Signature Resolution LLC	$7,950.00
7/2/2024	Mailing	Mailing of Check to Signature Resolution LLC	$5.04
4/23/2024	Filing	Steno: Response to OSC (PAGA)	$99.95
4/24/2024	Filing	Steno: Notice of Acknowledgment and Receipt (PAGA)	$59.95
5/6/2024	Mediation	Check to Berger Consulting Group	$6,920.00
5/6/2024	Mailing	Mailing of Check to Berger Consulting Group	$0.64
6/17/2024	Filing	Steno: Notice of Posting Jury Fees	$262.45
6/21/2024	Filing	Steno: Notice of Remote Appearance	$59.95
11/7/2024	Filing	Steno: Notice of Remote Appearance (PAGA)	$59.95
8/26/2024	Filing	Steno: Case Management Statement (PAGA)	$99.95
11/29/2024	Filing	Steno: Case Management Statement (PAGA)	$59.95
11/12/2024	Other	Payment to Case Anywhere	$104.37
3/13/2025	Other	Payment to Case Anywhere	$147.00
2/4/2025	Filing	Steno: Case Management Statement (PAGA)	$59.95
11/4/2025	Filing	Steno: Notice of Remote Appearance (PAGA)	$59.95
4/18/2025	Other	Payment to Case Anywhere	$49.00
2/5/2025	Other	Payment to Case Anywhere	$49.00
6/18/2025	Other	Payment to Case Anywhere	$49.00
			$20,243.18

Total: