

1 Galen T. Shimoda (Cal. State Bar No. 226752)  
2 Justin P. Rodriguez (Cal. State Bar No. 278275)  
3 Renald Konini (Cal. State Bar No. 312080)  
4 **Shimoda & Rodriguez Law, PC**  
5 9401 East Stockton Blvd., Suite 120  
6 Elk Grove, CA 95624  
7 Telephone: (916) 525-0716  
8 Facsimile: (916) 760-3733

9 Attorneys for Plaintiffs KATHLEEN ALVAREZ and JEANNE BOOTH  
10 individually and on behalf of similarly situated employees

11 Jasmine Shams (SBN 287410)  
12 Felipe Gomez (SBN 346276)  
13 Lewis Brisbois Bisgaard & Smith LLP  
14 633 West 5th Street, Suite 4000  
15 Los Angeles, California 90071  
16 Telephone: (213) 250-1800  
17 Facsimile: (213) 250-7900

18 Attorneys for ROSEVILLE CARDIOLOGY MEDICAL ASSOCIATES, INC., GEORGE  
19 FEHRENBACHER, STEPHEN PETERS, and SANJAY YADLAPALLI

20 **SUPERIOR COURT OF CALIFORNIA**

21 **FOR THE COUNTY OF PLACER**

22 KATHLEEN ALVAREZ and JEANNE BOOTH,  
23 individually and on behalf of all other similarly  
24 situated employees,

25 Plaintiffs,

26 vs.

27 ROSEVILLE CARDIOLOGY MEDICAL  
28 ASSOCIATES, INC., a California Corporation;  
GEORGE FEHRENBACHER, an individual;  
STEPHEN PETERS, an individual; SANJAY  
YADLAPALLI, an individual; and DOES 1 to  
100, inclusive,

Defendants.

Case No.: S-CV-0051855

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

Filed: December 18, 2023

FAC Filed: February 29, 2024

Trial Date: None Set

1 This Joint Stipulation Regarding Class Action and PAGA Settlement and Release is made and  
2 entered into between the Plaintiffs Kathleen Alvarez and Jeanne Booth (“Plaintiffs”), on behalf of  
3 themselves, the Labor and Workforce Development Agency, Class Members, and PAGA Members, and  
4 Defendants Roseville Cardiology Medical Associates, Inc., George Fehrenbacher, Stephen Peters, and  
5 Sanjay Yadlapalli (“Defendants”). This Agreement is subject to the terms and conditions set forth below  
6 and the approval of the Court.

7 **1. DEFINITIONS**

8 The following terms, when used in this Agreement, have the following meanings:

9 1.1 “Action” means the above stated lawsuit, *Alvarez, et al., v. Roseville Cardiology Medical*  
10 *Associates, Inc., et al.*, Placer County Superior Court, Case No. S-CV-0051855, filed December 18, 2023.

11 1.2 “Agreement” or “Settlement” or “Settlement Agreement” means this Joint Stipulation  
12 Regarding Class Action and PAGA Settlement and Release.

13 1.3 “Class Counsel” means Galen T. Shimoda, Justin P. Rodriguez and Renald Konini of  
14 Shimoda & Rodriguez Law, PC.

15 1.4 “Class Member(s)” means all non-exempt employees who have worked, or continue to  
16 work, for Roseville Cardiology Medical Associates, Inc., in California at any time between December 18,  
17 2019, up to the Preliminary Approval Date, or November 5, 2024, whichever is earlier. The estimated  
18 number of Class Members is 154.

19 1.5 “Class Period” means December 18, 2019, up to the Preliminary Approval Date, or October  
20 24, 2024, whichever is earlier.

21 1.6 “Class Representatives” means Plaintiffs Kathleen Alvarez and Jeanne Booth.

22 1.7 “Class Representatives’ Released Claims” means all claims arising from, could have been  
23 asserted, or related in any way to the Class Representatives’ employment with Defendants, under federal,  
24 state, or local laws, and/or ordinances, or tort or contract theories, whether known or unknown, and whether  
25 anticipated or unanticipated, including but not limited to statutory, constitutional, contractual or common  
26 law claims for lost wages, unpaid wages (including, but not limited to unpaid minimum wages, straight  
27 time wages, overtime wages, double time wages, and vacation pay and all other types of wages), off-the-  
28 clock work, failure to provide meal periods or any premiums owed, failure to provide rest breaks or any

premiums owed, failure to provide accurate itemized wage statements, failure to pay final wages, failure to properly calculate Paid Time Off, failure to pay vested vacation time, failure to reimburse business expenses or failure to indemnify, failure to properly pay sick leave, unfair and unlawful competition, waiting time penalties, withholding from wages and the related provisions of the Labor Code, emotional distress, punitive damages, special damages, damages, unpaid costs, penalties, liquidated damages, interest, attorneys' fees, litigation costs, restitution, equitable relief or other similar relief or claims. The Class Representatives' Released Claims exclude claims for workers' compensation, unemployment insurance benefits, or other claims that cannot be released as a matter of law.

1.8 "Complaint" means the operative Complaint on file in the Action with the Court.

1.9 "Court" means the Placer County Superior Court.

1.10 "Defendants" means Roseville Cardiology Medical Associates, Inc., George Fehrenbacher, Stephen Peters, and Sanjay Yadlapalli.

1.11 "Defendants' Counsel" means Jasmine Shams and Felipe Gomez of Lewis Brisbois Bisgaard & Smith LLP.

1.12 "Enhancement Payment" means the amount approved by the Court to be paid to the Class Representatives in recognition of the time and effort expended on behalf of Class Members for the benefit of Class Members, which is in addition to any Individual Settlement Amount paid to the Class Representatives as a Participating Class Member.

1.13 "Effective Date" means the Final Approval Date unless there is a timely objection lodged that has not later been withdrawn, in which case the Effective Date will be either (a) the 60th calendar day after a signed order approving this settlement has been filed provided no appellate proceeding having been filed; or (b) seventh (7th) calendar day after any appellate proceeding opposing the settlement has been finally dismissed with no material change to the terms of this settlement and there is no right to pursue further remedies or relief, whichever is later.

1.14 "Final Approval Date" means the date a signed order granting final approval of this Agreement is filed with the Court.

1.15 "Gross Settlement Amount" is the sum of Three Hundred Ten Thousand Dollars and Zero Cents (\$310,000).

1 1.16 “Individual Settlement Amount” means an individual Class Member’s and PAGA  
2 Member’s allocation of the Net Settlement Amount and PAGA Payment respectively, as defined in  
3 Sections 1.18, 1.22, 5.5, and 5.8.

4 1.17 “LWDA” means the California Labor and Workforce Development Agency.

5 1.18 “Net Settlement Amount” is the portion of the Gross Settlement Amount available for  
6 distribution to Class Members, as described in this Agreement, after deduction of Class Counsel’s  
7 attorneys’ fees and litigation costs, Settlement Administrator Costs, the PAGA Payment, Enhancement  
8 Payments to the Class Representatives.

9 1.19 “Notice of Settlement” means the document substantially in the form attached hereto as  
10 Exhibit 1.

11 1.20 “Notice Period” means sixty (60) calendar days from the initial mailing of the Notice of  
12 Settlement to Class Members and PAGA Members.

13 1.21 “PAGA” means Private Attorneys General Act.

14 1.22 “PAGA Member(s)” means all non-exempt employees who have worked, or continue to  
15 work, for Roseville Cardiology Medical Associates, Inc., in California between December 18, 2022, up to  
16 the Preliminary Approval Date or November 5, 2024, whichever is earlier. The estimated number of PAGA  
17 Members is 89.

18 1.23 “PAGA Payment” means the amount allocated from the Gross Settlement Amount towards  
19 resolving claims under the Private Attorneys General Act of 2004, California Labor Code §§ 2698 *et seq.*

20 1.24 “PAGA Claim Period” means December 18, 2022, up to the Preliminary Approval Date or  
21 November 5, 2024, whichever is earlier.

22 1.25 “Parties” mean Defendants and Plaintiffs.

23 1.26 “Participating Class Member” means any and all Class Members who have not made any  
24 timely request to opt-out of the Agreement.

25 1.27 “Preliminary Approval Date” means the date a signed order granting preliminary approval  
26 of this Agreement is filed with the Court.

27 1.28 “QSF” means a Qualified Settlement Fund set up by the Settlement Administrator for the  
28 benefit of the Participating Class Members and/or PAGA Members and from which the payments under

1 this Agreement shall be made. Any amounts Defendants have agreed to pay under this Agreement shall  
2 remain the property of Defendants until the payments required under the Agreement are made.

3 1.29 “Qualifying Workweeks” are weeks worked by Class Members and/or PAGA Members  
4 during the Class Period and/or PAGA Claim Period, respectively, in California. For Class Members,  
5 workweeks shall be defined as the total length of service (in days) in California during the Class Period  
6 divided by seven. For PAGA Members workweeks shall be defined as the total length of service (in days)  
7 in California during the PAGA Claim Period divided by seven. The calculation of a Class Member’s and/or  
8 PAGA Member’s workweeks and a determination as to whether a Class Member and/or PAGA Member  
9 was actively employed in California in a particular workweek shall be construed from Defendants’ records.

10 1.30 “Released Class Claims” means any and all claims, demands, rights, liabilities and causes  
11 of action that are alleged in the Complaint, and any additional wage and hour claims that could have been  
12 brought based on the facts alleged in the operative Complaint, through the Class Period including but not  
13 limited to claims for a) unpaid wages (including, but not limited to unpaid minimum wages, straight time  
14 wages, overtime wages, double time wages, and vacation pay and all other types of wages), b) off-the-  
15 clock work, c) failure to provide meal periods or any premiums owed, d) failure to provide rest breaks or  
16 any premiums owed, e) failure to provide accurate itemized wage statements, f) failure to pay final wages,  
17 g) failure to properly calculate Paid Time Off, h) failure to pay vested vacation time, i) failure to reimburse  
18 business expenses or failure to indemnify, j) failure to properly pay sick leave, k) unfair and unlawful  
19 competition, and l) interest, penalties, and attorneys’ fees, waiting time penalties, withholding from wages  
20 and the related provisions of the Labor Code based on events occurring during the Class Period will be  
21 released unless they opt-out of the Settlement. This release excludes the release of claims not permitted by  
22 law. The Released Class Claims exclude claims for workers’ compensation or unemployment insurance  
23 benefits.

24 1.31 “Released PAGA Claims” means any and all claims that were brought under the Private  
25 Attorneys General Act, Labor Code §§ 2698 *et seq.*, contained in Plaintiffs’ notice letter to the LWDA and  
26 any additional wage and hour PAGA claims that could have been brought based on the facts alleged in  
27 Plaintiffs’ notice letter to the LWDA during the PAGA Claim Period. PAGA Members cannot opt out of  
28 this waiver of claims.

1           1.32   “Released Parties” collectively means Defendants’ as well as former, current, and future  
2 parent companies, divisions, subsidiaries, affiliates, shareholders, members, owners, managers, employees,  
3 principles, heirs, representatives, agents (including, without limitation, any auditors, consultants,  
4 investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers,  
5 directors and employees) predecessors, successors, and assigns.

6           1.33   “Settlement Administrator” means and refers to Apex Class Action, the third-party entity  
7 that will administer the Agreement as outlined in Sections 4 and 7, or any other third-party administrator  
8 agreed to by the Parties and approved by the Court for the purposes of administering this Agreement. The  
9 Parties each represent that they do not have any financial interest in the Settlement Administrator.

10          1.34   “Settlement Administrator Costs” means the fees and expenses reasonably incurred by the  
11 Settlement Administrator as a result of the procedures and processes expressly required by this Agreement,  
12 and shall include all costs of administering the Agreement, including, but not limited to, all tax document  
13 preparation, custodial fees, and accounting fees incurred by the Settlement Administrator; all costs and fees  
14 associated with preparing, issuing and mailing any and all notices and other correspondence to Class  
15 Members and/or PAGA Members; all costs and fees associated with communicating with Class Members  
16 and/or PAGA Members, Class Counsel, and Defendants’ Counsel; all costs and fees associated with  
17 computing, processing, reviewing, and paying the Individual Settlement Amounts, and resolving disputes;  
18 all costs and fees associated with calculating tax withholdings and payroll taxes, if any, making related  
19 payment to federal and state tax authorities, if any, and issuing tax forms relating to payments made under  
20 the Agreement; all costs and fees associated with preparing any tax returns and any other filings required  
21 by any governmental taxing authority or agency; all costs and fees associated with preparing any other  
22 notices, reports, or filings to be prepared in the course of administering Individual Settlement Amounts;  
23 and any other costs and fees incurred and/or charged by the Settlement Administrator in connection with  
24 the execution of its duties under this Agreement.

## 25   **2.       DESCRIPTION OF THE LITIGATION**

26          2.1    On or about December 18, 2023, Plaintiffs sent notice to the LWDA to exhaust  
27 administrative remedies under the PAGA for (1) Failure to Pay Overtime Wages, (2) Failure to Pay  
28 Minimum Wages, (3) Failure to Provide Meal Periods or Pay Premiums in Lieu Thereof, (4) Failure to

1 Provide Rest Periods or Pay Premiums in Lieu Thereof, (5) Failure to Provide Accurate Wage statements,  
2 (6) Failure to Pay Final Wages, (7) Failure to Pay Reimbursement for Expenses, (8) Violation of Labor  
3 Code §§ 558, 558.1 (Provisions Regulating Hours and Days of Work in Any Industrial Welfare  
4 Commission Order), (9) Failure To Maintain Accurate Wage Records, (10) Failure to Provide Paid Sick  
5 Leave, (11) Untimely Payment of Wages, and (12) Failure to Pay Vested Vacation Time. The LWDA did  
6 not respond to the notice within the statutorily required time frame and, as such, Plaintiffs became  
7 authorized to act as a Private Attorneys General on all alleged PAGA claims.

8         2.2     On or about December 18, 2023, Plaintiffs filed a class action Complaint in Placer County  
9 Superior Court on behalf of themselves and Class Members alleging claims for (1) Failure to Pay Overtime  
10 Wages, (2) Failure to Pay Minimum Wages, (3) Failure to Provide Meal Periods or Pay Premiums in Lieu  
11 Thereof, (4) Failure to Provide Rest Periods or Pay Premium in Lieu Thereof, (5) Wage Statement  
12 Violations, (6) Failure to Pay Final Wages, (7) Failure to Reimburse Expenses, (8) Failure to Pay Vested  
13 Vacation Time, and (9) Unfair Competition. Plaintiffs filed a First Amended Complaint on approximately  
14 February 29, 2024 to add a PAGA cause of action based on the violations alleged in the December 18,  
15 2023 notice to the LWDA on behalf of themselves and PAGA Members.

16         2.3     Through informal discovery, Defendants and Defendants' Counsel provided Class  
17 Counsel with copies of all applicable versions of its policies and procedures, employee handbooks,  
18 information on Class Members including, but not limited to, Class Members' workweeks, dates of  
19 employment, total number of Class Members, their rates of pay, and pay periods as well as timecard data  
20 and payroll reports for a randomly selected sample of Class Members.

21         2.4     After Class Counsel received the data, the Parties participated in a lengthy mediation with  
22 private mediator Steve Pearl on June 25, 2024. At the conclusion of the mediation, the Parties were able  
23 to come to a resolution. At all times, the Parties' settlement negotiations have been non-collusive,  
24 adversarial, and at arm's length.

25         2.5     Discussions between Plaintiffs and Class Counsel, between counsel for the Parties,  
26 document productions, extensive legal analysis, the provision of information by Defendants to Plaintiffs  
27 and the detailed analysis of the records, including expert analysis, have permitted each side to assess the  
28 relative merits of the claims and the defenses to those claims.

1           2.6     In the Action, Plaintiffs contend that Defendants violated California law by 1) failing to  
2 incorporate the value of nondiscretionary bonuses into Plaintiffs' and putative class members' regular rates  
3 of pay for the purpose of calculating overtime wages, meal and rest period premiums, and sick leave, 2)  
4 failing to authorize and permit Plaintiff and similarly situated employees to take uninterrupted meal and  
5 rest periods due to inadequate staffing and high volume of work, 3) failing to pay Plaintiff and similarly  
6 situated employees for working during their meal periods while they were clocked out, 4) having a meal  
7 period policy that was defective because Defendants' manager informed Plaintiffs and similarly situated  
8 employees that they were supposed to take their meal periods prior to the completion of the sixth hour of  
9 work, 5) having practices that resulted in Plaintiff and similarly situated employees take late meal periods,  
10 6) failing to provide Plaintiff and similarly situated employees with a second meal period when they worked  
11 shifts of ten (10) hours or more, 7) having practices that resulted in Plaintiff and similarly situated  
12 employees take late rest periods, 8) failing to pay Plaintiffs and similarly situated employees for the time  
13 that they spent reading and responding to work-related texts, and/or phone calls after work hours which  
14 also resulted in unpaid overtime, 9) failing to have a policy to reimburse Plaintiffs and similarly situated  
15 employees for the use of their personal cell phones and home internet for work purposes, 10) failing to  
16 pay Plaintiffs and similarly situated employees for all the accrued vacation PTO that that they had earned  
17 during their employment, and 11) failing to provide Plaintiffs and similarly situated employees with all  
18 their earned sick pay based on the hours worked because Defendants did not consider Plaintiffs' and  
19 similarly situated employees' off-the-clock hours worked during their meal periods and responding to texts  
20 in calculating the sick pay accrual for them. Defendants have denied each of Plaintiffs' claims and  
21 Defendants have denied that this Action is appropriate for class certification for anything other than  
22 settlement purposes. The agreed upon Gross Settlement Amount was reached after evaluating the Parties'  
23 theories of potential exposure for the underlying claims and the class data supporting these claims. The  
24 Parties, with the assistance of the mediator, also assessed appropriate discounts to the potential liability  
25 based on Defendants' factual and legal contentions and defenses.

26           2.7     The Parties agree that the above-described investigation and evaluation, as well as discovery  
27 and the information exchanged to date, are more than sufficient to assess the merits of the respective  
28 Parties' positions and to compromise the issues on a fair and equitable basis. Plaintiffs, Class Counsel,

Defendants, and Defendants' Counsel have concluded that it is desirable that the Action be settled in a manner and upon such terms and conditions set forth herein in order to avoid further expense, inconvenience and distraction of further legal proceedings, and the risk of an adverse outcome each of the Parties potentially face in the Action. Therefore, the Parties desire to resolve the claims in the Action. Plaintiffs, Class Counsel, Defendants, and Defendants' Counsel are of the opinion that the Agreement for the consideration and terms set forth herein is fair, reasonable, and adequate in light of all known facts and circumstances.

### **3. THE CONDITIONAL NATURE OF THIS AGREEMENT**

3.1 This Agreement and all associated exhibits or attachments are made for the sole purpose of settling the Action. This Agreement and the settlement it evidences are made in compromise of disputed claims. Because the Action was pled as a class action, this Agreement must receive preliminary and final approval by the Court. Accordingly, the Parties enter into this Agreement and associated settlement on a conditional basis. If the Effective Date does not occur, or if the Court's approval of the settlement is reversed or materially modified on appellate review, this Agreement shall be deemed null and void; it shall be of no force or effect whatsoever; it shall not be referred to or utilized for any purpose whatsoever; and the negotiation, terms and entry of the Agreement shall remain subject to the provisions of California Evidence Code Sections 1119 and 1152, Federal Rule of Evidence 408, and any other analogous rules of evidence that may be applicable.

3.2 Defendants have denied all claims as to liability, damages, liquidated damages, penalties, interest, fees, restitution, injunctive relief and all other forms of relief asserted in the Action. Defendants have agreed to resolve the Action via this Agreement, but to the extent this Agreement is deemed void or the Effective Date does not occur, Defendants do not waive, but rather expressly reserve, all rights to challenge all such claims and allegations in the Action upon all procedural and factual grounds, including, without limitation, the ability to challenge class or collective treatment on any grounds, as well as to assert any and all other potential defenses or privileges.

3.3 It is understood and agreed by Plaintiffs that this Agreement represents a compromise and settlement for various matters and that the promises and payments and consideration of this Agreement shall not be construed to be an admission of any liability by Released Parties. Plaintiffs further agree that

1 this Agreement cannot be used as evidence, nor can it be referred to or relied upon, in any arbitration,  
2 administrative, court, or legal proceeding (other than to seek preliminary and final court approval of this  
3 Agreement, enforce the terms of this Agreement or as required by a valid court order). Defendant disclaims  
4 and denies any liability, obligation, or responsibility to Plaintiffs whatsoever.

#### 5 **4. SCOPE OF THE CLASS**

6 4.1 The scope of the class of individuals encompassed under the Agreement and subject to all  
7 obligations and duties required under the Agreement, shall include all Class Members as defined in Section  
8 1.4 and all PAGA Members as defined in Section 1.22. However, it shall not include any Class Members  
9 who submit valid and timely requests to opt-out of the Agreement and settlement, as set forth in Section  
10 7.5.1.

11 4.2 Only Participating Class Members and PAGA Members are entitled to recover under this  
12 Agreement.

13 4.3 Any person who believes that he or she is a Class Member or PAGA Member and wishes  
14 to participate in the Agreement, but did not receive a Notice of Settlement because his or her name did not  
15 appear on the class list provided to the Settlement Administrator prior to mailing, may submit a data request  
16 to the Settlement Administrator. The data request must contain all of the following information: (a) the  
17 full name and, if applicable, Social Security Number of the individual making the request; (b) the name  
18 used by such employee as of the time his or her employment with Defendants ended; (c) the individual's  
19 dates of employment with Defendants; and (d) a return address to which a response may be sent. Every  
20 data request must be postmarked on or before the conclusion of the Notice Period or otherwise submitted  
21 to the Settlement Administrator such that it is received before the conclusion of the Notice Period. Upon  
22 receipt of any data requests, the Settlement Administrator shall promptly (in no event more than two  
23 business days) transmit the data requests to Defendants' Counsel and request that Defendants review their  
24 records.

25 4.4 If Defendants agree that the person listed in a data request is a Class Member and/or PAGA  
26 Member, the Settlement Administrator shall promptly mail a Notice of Settlement to the person who  
27 submitted the data request, at the address designated for that purpose in the data request. All provisions of  
28 this Agreement relating to the Notice of Settlement shall apply to Notice of Settlements sent in response to

1 data requests, and any person who submits a data request and is sent a Notice of Settlement in response  
2 shall be treated by the Settlement Administrator as a Class Member and/or PAGA Member for all other  
3 purposes.

4 4.5 If Defendants do not agree that the person listed in a data request is a Class Member and/or  
5 PAGA Member, Defendants' Counsel and Class Counsel shall attempt to resolve any such dispute in good  
6 faith within seven (7) calendar days of Class Counsel being advised in writing of the data request dispute.  
7 Defendants' records shall control unless the individual submitting the data request provides persuasive  
8 evidence to doubt the accuracy of those records. Each data request dispute that Defendants' Counsel and  
9 Class Counsel cannot timely resolve shall be resolved by the Settlement Administrator. The Settlement  
10 Administrator must accept and weigh all the evidence provided in a good faith attempt to resolve the  
11 dispute. The Settlement Administrator must resolve any dispute submitted to it within seven (7) calendar  
12 days after Defendants' Counsel and Class Counsel submit the dispute to the Settlement Administrator. The  
13 decision by the Settlement Administrator shall be final as between the parties, subject to Court review.

## 14 **5. TERMS OF THE SETTLEMENT**

15 The Parties agree as follows:

16 5.1 Gross Settlement Amount: In consideration and exchange for the releases described in  
17 Section 6, Defendants shall pay the Gross Settlement Amount (\$310,000). Funding of the Gross Settlement  
18 Amount shall occur within 30 calendar days after the Effective Date to be held in trust in a QSF by the  
19 Settlement Administrator. The Gross Settlement Amount includes payments to Participating Class  
20 Members, PAGA Members, all attorneys' fees, costs and litigation expenses related to the Action incurred  
21 to date, as well as all such fees and costs incurred in documenting the Agreement, administering the  
22 Agreement (including Settlement Administrator Costs), and obtaining final approval of the Agreement, the  
23 Enhancement Payments to the Class Representatives and the PAGA Payment. Any monies necessary to  
24 satisfy Defendants' tax obligations (*e.g.* employer FICA, FUTA and SDI contributions on wage payments)  
25 on any monies distributed to Participating Class Members will be paid in addition to the Gross Settlement  
26 Amount. For purposes of counting the deadline established by this section, court approval may be by way  
27 of minute order, order from the bench, or by signed final approval order, whichever is earlier. Within seven  
28 (7) calendar days after the Court grants final approval of this Agreement, the Administrator shall provide

Defendants with written notice of the total monies Defendants must deposit. Defendants shall be jointly and severally liable for payment of the Gross Settlement Amount.

5.2 Attorneys' Fees and Costs: Class Counsel will apply to the Court for attorney's fees of 35% of the Gross Settlement Amount, which shall be paid from the Gross Settlement Amount. Defendants have agreed to not oppose Class Counsel's application for attorneys' fees so long as it does not exceed the 35% threshold. Class Counsel will also be entitled to reimbursement for advanced litigation expenses not to exceed \$15,000, which shall be paid from the Gross Settlement Amount. Defendants have agreed to not oppose Class Counsel's request for reimbursement for advanced litigation expenses so long as they do not exceed the \$15,000 threshold. The Settlement Administrator will issue Class Counsel an IRS Form 1099 for the attorneys' fees and costs paid under this Agreement. In the event that the Court awards less than the requested attorney's fees and/or costs, the portion of the requested amounts not awarded to Class Counsel shall be added to the Net Settlement Amount to be distributed to Participating Class Members on a pro rata basis. However, any rejection and/or reduction by the Court of any such request will not affect the enforceability of the Settlement.

5.3 Settlement Administrator Costs: The Settlement Administrator Costs shall be paid from the Gross Settlement Amount and shall not exceed \$15,000. The difference between any actual costs and the allocated \$15,000 shall be added to the Net Settlement Amount to be distributed to Participating Class Members on a pro rata basis. However, any rejection and/or reduction by the Court of any such request for Settlement Administrator Costs will not affect the enforceability of the Settlement.

5.4 Enhancement Payment: Class Counsel, on behalf of Plaintiffs, shall apply to the Court for an Enhancement Payment to the Class Representatives in an amount not to exceed Ten Thousand Dollars (\$10,000) each to compensate for the risks, time, and expense of their involvement in the Action and securing the benefits of this Agreement for Class Members. The Enhancement Payment is in addition to the Individual Settlement Amount Plaintiffs would otherwise be due under the Agreement as a Participating Class Member. Defendants have agreed to not oppose Class Counsel's request for an Enhancement Payment to Plaintiffs so long as it does not exceed the amount stated herein. Plaintiffs acknowledge their responsibility to pay any and all taxes related to the Enhancement Payment, as set forth in Paragraph 5.10 below. The Enhancement Payment will be designated as a non-wage payment and reported on an IRS Form

1 1099-MISC. In the event that the Court awards less than the Enhancement Payment amount requested,  
2 then any portion of the requested amount not awarded to the Class Representatives shall be added to the  
3 Net Settlement Amount to be distributed to Participating Class Members on a pro rata basis. However,  
4 any rejection and/or reduction by the Court of any such request will not affect the enforceability of the  
5 Settlement.

6 5.5 PAGA Payment: Ten Thousand Dollars (\$10,000) of the Gross Settlement Amount shall  
7 be allocated to resolving claims under the PAGA. Seventy-Five percent (75%) of the PAGA Payment will  
8 be paid to the LWDA and Twenty-Five percent (25%) will be paid to PAGA Members on a pro rata basis  
9 as described below in Section 5.8. Any amount not approved by the Court for the allocated PAGA Payment  
10 shall be added to the Net Settlement Amount to be distributed to Participating Class Members on a pro rata  
11 basis. However, any rejection and/or reduction by the Court of any such request will not affect the  
12 enforceability of the Settlement.

13 5.6 Treatment of Residue and Cy Pres: For any portion of the Net Settlement Amount or PAGA  
14 Payment allocated to Participating Class Members and/or PAGA Members that were not claimed by  
15 cashing their respective settlement checks before the deadline to do so, that remaining amount shall be  
16 donated equally, *i.e.* 50/50, to Capital Pro Bono, Inc., and the Center for Workers' Rights under the doctrine  
17 of *cy pres*. No portion of the Gross Settlement Amount will revert to Defendants for any reason.

18 5.7 No Additional Benefits Contributions: All Individual Settlement Amounts paid to  
19 Participating Class Members and PAGA Members shall be deemed to be income solely in the year in which  
20 such amounts were actually received. It is expressly understood and agreed that the receipt of such  
21 Individual Settlement Amounts will not entitle any Participating Class Member or PAGA Member to any  
22 new or additional compensation or benefits under any company bonus or other compensation or benefit  
23 plan or agreement in place during the period covered by the Agreement, nor will it entitle any Participating  
24 Class Member PAGA Member to any increased retirement, 401(k) and/or 403(b) benefits or matching  
25 benefits, or deferred compensation benefits. It is the intent of this Agreement that the Individual Settlement  
26 Amounts provided for in this Agreement are the sole payments to be made by Defendants to the  
27 Participating Class Members and PAGA Members in connection with this Agreement (notwithstanding  
28

any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the period covered by this Agreement).

5.8 Pro Rata Distribution Formula: Payment to Participating Class Members and PAGA Members of their Individual Settlement Amount will not require the submission of a claim form. A Net Settlement Amount will be determined by subtracting from the Gross Settlement Amount any amounts for approved attorneys' fees and costs, any Enhancement Payment to the Class Representatives, the Settlement Administrator Costs, and the PAGA Payment. Each Class Member's share will be initially determined by dividing their total Qualifying Workweeks within the Class Period by the total Qualifying Workweeks of all Class Members. That fraction will then be multiplied by the Net Settlement Amount to arrive at the Class Member's individual share of the Net Settlement Amount. Any funds allocated to Class Members under this formula who timely opt out of the Settlement will be redistributed to Participating Class Members on a pro rata basis, *i.e.* each Participating Class Member's share will be determined by dividing their total Qualifying Workweeks within the Class Period by the total Qualifying Workweeks of all Participating Class Members and that fraction will then be multiplied by the Net Settlement Amount to arrive at the Participating Class Member's individual share of the Net Settlement Amount. Each PAGA Member's share of the 25% portion of the PAGA Payment will be determined by dividing their total Qualifying Workweeks within the PAGA Claim Period by the total Qualifying Workweeks by all PAGA Members within the PAGA Claim Period. That fraction will then be multiplied by the 25% portion of the PAGA Payment to arrive at the PAGA Member's individual share.

5.9 Tax Allocation: The Parties recognize that the Individual Settlement Amounts to be paid to Participating Class Members and/or PAGA Members reflect a settlement of a dispute over claimed penalties and wages. The Settlement Administrator shall calculate the employer's share of payroll taxes on the amounts paid to Participating Class Members as wages as well as calculating all required withholdings and deductions from said wage payments. The characterization of Individual Settlement Amounts to Participating Class Members and PAGA Members are as follows:

5.9.1 Ten Percent (10%) of each Participating Class Members' share of the Net Settlement Amount shall be allocated for payment of disputed wages and shall be subject to required employer taxes.

1 Participating Class Members shall receive an IRS Form W-2 for reporting of this portion of their Individual  
2 Settlement Amount.

3           5.9.2 Ninety Percent (90%) of each Participating Class Members' share of the Net  
4 Settlement Amount shall be allocated for disputed statutory penalties and interest, and no amount shall be  
5 deducted for any taxes. This portion of the Individual Settlement Amount consists of other income, not  
6 wages, for which the Participating Class Members shall receive IRS Forms 1099-MISC and 1099-INT and  
7 this payment shall be divided equally among the 1099-MISC and 1099-INT designations.

8           5.9.3 The entirety (100%) of each PAGA Member's share of the 25% portion of the  
9 PAGA Payment shall be allocated for payment of disputed civil penalties, and no amount shall be deducted  
10 for any taxes. This portion of the Individual Settlement Amount consists of other income, not wages, for  
11 which the PAGA Members shall receive an IRS Form 1099-MISC.

12           5.10 Participating Class Members and PAGA Members shall be solely responsible for the  
13 reporting and payment of their share of any federal, state and/or municipal income or other taxes on  
14 payments made pursuant to this Agreement, and shall hold the Parties, Class Counsel, and Defendants'  
15 Counsel free and harmless from any claims resulting from treatment of such payments as non-taxable,  
16 including the treatment of such payments as not subject to withholding or deduction for payroll and  
17 employment taxes. No party has made any representation to any of the other Parties as to the taxability of  
18 any payments pursuant to this Agreement, including the payments to Participating Class Members, the  
19 payments to PAGA Members, the payments to Class Counsel, the payments to the Class Representatives,  
20 the payroll tax liability of Defendants, or the allocation of the Net Settlement Amount or PAGA Payment  
21 to wage and non-wage income as provided in this Section, or otherwise as to tax implications of any  
22 provision of this Agreement.

23           5.11 No Additional Contribution by Defendants: Defendants' monetary obligation under this  
24 Agreement is limited to the Gross Settlement Amount and any employer side payroll taxes owed on  
25 amounts characterized as wages under this Agreement. All other costs and expenses arising out of or in  
26 connection with the performance of this Agreement shall be paid from the Gross Settlement Amount, unless  
27 expressly provided otherwise herein. However, in the event this agreement is deemed null and void as  
28 described in Section 3 because the Court, in its independent determination, finds that the Agreement does

not meet the standards for settlement approval, then Defendants and Plaintiffs shall be equally responsible for the costs of the Settlement Administrator incurred between the date the Agreement was executed and the date of such event.

5.12 Certification For Settlement Purposes: The Parties agree that, for purposes of settlement only, certification of the class as defined in Section 1.4 and 4.1 is appropriate and the requisites for establishing class certification have been met and are met.

5.13 Adequacy of Class Counsel and Class Representatives: The Parties agree that, for purposes of settlement only, Class Counsel and Plaintiffs are adequate representatives for Class Members and PAGA Members.

## **6. RELEASE**

6.1 Release of Claims by Participating Class Members: Upon the Effective Date, all Participating Class Members will be deemed to fully, finally and forever release the Released Class Claims as to all Released Parties. In addition, on the Effective Date, all Participating Class Members and their successors in interest will be permanently enjoined and forever barred from prosecuting any of Released Class Claims against any of the Released Parties.

6.2 Release of Claims by PAGA Members: Upon the Effective Date, all PAGA Members will be deemed to fully, finally and forever release the Released PAGA Claims as to all Released Parties. In addition, on the Effective Date, all PAGA Members and their successors in interest will be permanently enjoined and forever barred from prosecuting any of the Released PAGA Claims against any of the Released Parties.

6.3 Release by Plaintiffs: Upon the Effective Date, Plaintiffs, on behalf of themselves and their heirs, successors, assigns, attorneys and agents, hereby release and forever discharge the Released Parties from any and all claims, demands, debts, duties, obligations, promises, liabilities, damages, accounts, payments, liens acts, costs, expenses, sums of money, suits, dues, actions or causes of action, both in law and in equity, whether known or unknown, matured or unmatured, suspected or unsuspected, which she ever had, now have, or may have in the future with regard to the Released Class Claims, Released PAGA Claims, and Class Representatives' Released Claims.. In addition, on the Effective Date, Plaintiffs, on behalf of their heirs, successors, assigns, attorneys and agents, will be permanently enjoined and forever

1 barred from prosecuting any of the Released Class Claims, Released PAGA Claims, and Class  
2 Representatives' Released Claims against any of the Released Parties.

3 6.4 California Civil Code Section 1542. Plaintiff hereby agrees to waive all rights that she might  
4 possess under Section 1542 of the Civil Code of the State of California related to any claims she may have  
5 against any of the Released Parties. Section 1542 has been explained to Plaintiff by her counsel and  
6 provides as follows:

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

## 11 7. SETTLEMENT ADMINISTRATION

12 7.1 Duties of Settlement Administrator: The Settlement Administrator shall be responsible for:  
13 1) receiving Class Member and PAGA Member contact information and confirming addresses are valid;  
14 2) calculating estimated Individual Settlement Amounts and any and all taxes associated with the Individual  
15 Settlement Amounts, including employer taxes; 3) taking appropriate steps to trace and locate any  
16 individual Class Members and PAGA Member whose address or contact information as provided to the  
17 Settlement Administrator is inaccurate or outdated and mailing the Notice of Settlement to Class Members;  
18 4) providing notification to the appropriate state and federal officials of this Agreement as required under  
19 the law; 5) receiving, independently reviewing, and resolving any challenges (in consultation with Class  
20 Counsel and Defendants' Counsel) from Class Members or PAGA Members, including any associated  
21 documentation, regarding their Qualified Workweek calculations; 6) receiving and serving on Class  
22 Counsel, Defendants' Counsel, and the Court, copies of any written objections, and/or any opt out  
23 statements; 7) establishing a toll free telephone line and responding to inquiries and requests for  
24 information or assistance from Class Members and/or PAGA Members; 8) maintaining a QSF; 9)  
25 determining and paying the final amounts due to be paid under the Agreement after resolution of all  
26 challenges, disputes, opt-outs, awarded attorneys' fees and costs, Settlement Administrator Costs, PAGA  
27 Payment, taxes, any Enhancement Payments, and for funds that cannot be distributed due to the inability  
28 to locate Class Members or PAGA Members; 10) determining the validity of any disputes or late opt-outs

by previously unidentified Class Members or PAGA Members; 11) paying any residual funds from uncashed checks; 12) reporting to Class Counsel and Defendants' Counsel regarding the statistics of the administration, including (a) the number of initial Notice of Settlements mailed; (b) the number of forwarded Notice of Settlements; (c) the number of re-mailed Notice of Settlements; (d) the number of total undeliverable Notice of Settlements; (e) the number of address traces performed for undeliverable Notice of Settlements; (f) the number of Notice of Settlements undeliverable from traced addresses; (g) the number of total objections received; (h) the number of opt-out requests received; (i) the number of disputes received; (j) the number of disputes resolved; 13) providing a declaration to the Court regarding the final statistics of the administration and compliance with all payment obligations under the Agreement; 14) completing all necessary tax reporting on the QSF and payment of the Individual Settlement Amounts to Participating Class Members and PAGA Members; and 15) carrying out other related tasks as necessary to effectuate the terms of this Agreement and any Order of the Court. All disputes relating to the Settlement Administrator's ability and need to perform its duties shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Agreement, until all payments and obligations contemplated by the Agreement have been fully executed.

7.2 Notice to Class Members and PAGA Members: Defendants represent and warrant that Class Members and PAGA Members are able to read and write in English such that no translation of the Notice of Settlement into another language is necessary. The Notice of Settlement will provide Class Members and PAGA Members with a summary of the terms and conditions of the Agreement, how to participate in the settlement, how to object to the Agreement, how to dispute the individual's Qualifying Workweeks, and how to opt-out from the Agreement. The Notice of Settlement will also inform Class Members and PAGA Members of the Gross Settlement Amount, Net Settlement Amount, proposed attorneys' fees and costs allocations, any proposed Enhancement Payments, proposed Settlement Administrator Cost allocations, proposed PAGA Payment allocations, the scope of the class, the nature and extent of the released claims, dates set for a fairness hearing and hearing on Class Counsels' motion for attorneys' fees and costs. The Notice of Settlement shall include information regarding Class Member's and PAGA Member's estimated Individual Settlement Amount. The Notice of Settlement will provide information on how to access electronic copies online of the Notice of Settlement, any motions for approval

1 of the Agreement, any motions for approval of attorneys' fees and costs, and any other documents as the  
2 Court directs. The Administrator shall provide weekly reports to the Parties regarding the status of the  
3 administration process, including the number of opt-outs, objections, and disputes received.

4       7.3    Class Member Data: No later than fourteen (14) calendar days after the Preliminary  
5 Approval Date, Defendants shall provide the Settlement Administrator with a confidential list of Class  
6 Members and PAGA Members that contains their first and last names, last known mailing address, last  
7 known telephone number, Social Security Number, and dates of employment (the "Database"), and any  
8 other information the Settlement Administrator needs to effectuate notice to Class Members and PAGA  
9 Members as outlined herein. The Settlement Administrator shall review the data to determine the number  
10 of Qualifying Workweeks for each Class Member and PAGA Member. The class list and any other data  
11 provided by Defendant to the Administrator shall be treated as confidential, and shall not be subject to  
12 disclosure by the Administrator, except that: (a) relevant information may be provided to Class Counsel to  
13 the extent necessary to address a disputed claim or to respond to a specific inquiry from either a Class  
14 Member or a third-party; (b) to allow Defendant's counsel and Plaintiff's counsel to confirm that the  
15 calculation of a particular Class Member's estimated share of the settlement is accurate; and (c) as is  
16 otherwise necessary for the Administrator to perform its obligations described in this Agreement.  
17 Furthermore, the Administrator (and Plaintiff's counsel, if appropriate) shall use commercially reasonable  
18 efforts to secure the data provided by Defendant at all times so as to avoid inadvertent or unauthorized  
19 disclosure or use of such data other than as permitted by this Agreement, and shall destroy the data and all  
20 copies of it in a complete and secure manner when it is no longer required for purposes of this Agreement.  
21 The Administrator shall ensure that the Notice and any other communications to Class Members shall not  
22 include any Class Member's social security number, except for the last four digits.

23       7.4    Review and Approval: Within seven (7) calendar days from the receipt of such address  
24 information, the Administrator will provide the Parties with a spreadsheet showing the Administrator's  
25 calculations for anticipated payments to Class Members, the allocation of workweeks to Class Members.  
26 Also within seven (7) of the receipt of such address information, the Administrator will provide the Parties  
27 with a spreadsheet showing the Administrator's calculations for payments to the PAGA Members and the  
28

1 allocation of workweeks to PAGA Members. The Administrator shall redact any identifying information  
2 and instead use an employee number to differentiate (except as to the named Plaintiff to the Action) in  
3 order to protect Class Members' and PAGA Members' confidential information. This will allow Plaintiff  
4 and Defendant the opportunity to review the Administrator's calculations, and the Administrator will  
5 confirm receipt and approval of the spreadsheet by the Parties prior to disbursing the class notices, as noted  
6 below. Plaintiffs and Defendants shall review and confirm any approvals within three (3) business days  
7 thereafter in order to allow the Settlement Administrator sufficient time to comply with the mailing  
8 deadline in Paragraph 7.5 below.

9       7.5     Mailing: No later than twenty-one (21) calendar days after receipt of such address  
10 information, the Settlement Administrator will perform a national change of address ("NCOA") search,  
11 update the addresses per the results of the NCOA search, and then mail the Notice of Settlement,  
12 substantially in the form attached as Exhibit 1, to each Class Member and PAGA Member by first-class  
13 mail, postage prepaid. The Settlement Administrator shall maintain all information received from  
14 Defendants confidential to itself, and Defendants' Counsel.

15       7.6     Returned and/or Re-mailed Notice of Settlements: In the event that a Notice of Settlement  
16 is returned to the Settlement Administrator as undeliverable on or before the conclusion of the Notice  
17 Period, the Notice of Settlement shall be sent to the forwarding address affixed thereto within five (5)  
18 calendar days. If no forwarding address is provided, then the Settlement Administrator shall promptly  
19 attempt to determine a correct address using a skip-trace, computer or other search using the name, address  
20 and/or Social Security number of the individual involved, and shall then perform a single re-mailing within  
21 five (5) calendar days to any more recent address found as a result of the search. Following each search  
22 that does not result in a corrected address, for those Class Members who appear to be current employees  
23 of Defendants at the time of the Preliminary Approval Date, the Settlement Administrator shall contact  
24 Defendants' Counsel for assistance and Defendants shall cooperate in good faith with the Settlement  
25 Administrator's reasonable efforts to obtain valid mailing addresses for Class Members to the extent they  
26 are active employees of Defendants. In the event the Notice of Settlement is forwarded to a new address  
27 and/or re-mailed to a Class Member, the deadline for the Class Member to submit any request to opt-out,  
28

1 a dispute, or an objection shall be the end of the Notice Period or 10 days from the date of the re-  
2 mailing/forwarding to a new address, whichever is later. In the event the procedures in this Section are  
3 followed and the Class Member does not timely and properly request to opt-out, the Class Member shall  
4 be bound by all terms of the Agreement, including the releases contained in Section 6.

5       7.7       Responses to Notice of Settlement:

6               7.7.1 *Opt-Outs:* The Notice of Settlement shall provide that Class Members who wish to  
7 exclude themselves from the Agreement must submit a request to opt-out within sixty (60) days as provided  
8 in this Section. The request to opt-out must (a) state the Class Member's full name and date of birth; (b) a  
9 statement that he or she does not want to be a Class Member, does not want to participate in the settlement,  
10 and/or wants to be excluded from the settlement; (c) identify the case name and number (*i.e. Alvarez, et al*  
11 *v. Roseville Cardiology Medical Associates, Inc., et al.* , Case No. S-CV-0051855); (d) be signed; and (e)  
12 be post-marked no later than the conclusion of the Notice Period or the re-mailing timeline stated in Section  
13 7.4. The Class Member must personally sign the request to opt-out. No request to opt-out may be made  
14 on behalf of a group of Class Members. The date of the postmark on the return-mailing envelope shall be  
15 the exclusive means used to determine whether a request to opt-out has been timely submitted. Any Class  
16 Member who requests to opt-out of the Agreement will not be entitled to any portion of the Net Settlement  
17 Amount nor will they have any right to object, appeal or comment thereon. The name of any Class Member  
18 who submits a valid and timely opt out request will be specifically identified in any proposed order granting  
19 final approval. Class Members who fail to submit a valid and timely request to opt-out shall be bound by  
20 all terms of the Agreement and any order or final judgment thereon. Regardless of whether an PAGA  
21 Member opts out of being a Class Member, they will still receive their share of the PAGA Payment as  
22 PAGA Members cannot opt out of this Agreement as it relates to the PAGA Payment or Released PAGA  
23 Claims.

24               7.7.2 *Objection Procedures:* Any Class Member who does not opt-out, but who wishes  
25 to object to this Agreement or otherwise to be heard concerning this Agreement, may submit a written  
26 objection to the Settlement Administrator within sixty (60) days from the mailing date, who will promptly  
27 provide copies of the objection to Class Counsel and Defendants' Counsel. The Notice of Settlement shall  
28 make clear that the Court can only approve or deny the Agreement, not change the terms of the Agreement.

1 The written objection should (a) state the Class Member's full name and date of birth; (b) provide evidence  
2 that the individual is, in fact, a Class Member; (c) state the reasons for the objection(s), including any  
3 supporting documentation; (d) identify the case name and number (*i.e. Alvarez, et al v. Roseville*  
4 *Cardiology Medical Associates, Inc., et al.* , Case No. S-CV-0051855); (e) be signed; and (f) be post-  
5 marked no later than the conclusion of the Notice Period or the re-mailing timeline stated in Section 7.4.  
6 Additionally, or in the alternative to sending a written objection to the Settlement Administrator, any Class  
7 Member may appear at the final approval hearing to state their objection.

8           7.7.3 *Dispute Procedures:* Any Class Member who disputes the number of Qualifying  
9 Workweeks on the Notice of Settlement shall contact the Settlement Administrator within sixty (60) days  
10 of the mailing date. The dispute must (a) identify the nature of the dispute; (b) provide any information or  
11 documentation supporting the dispute; (c) be signed; and (d) be post-marked no later than the conclusion  
12 of the Notice Period or the re-mailing timeline stated in Section 7.4. The Settlement Administrator shall  
13 promptly (in no event more than two business days) forward all such disputes to Defendants' Counsel and  
14 request that Defendants review the dispute. Defendants' records shall presumptively control unless the  
15 Class Member can produce documentation evidencing other periods of employment worked. If Defendants  
16 agree with submitted information, the Class Member shall be credited or subtracted Qualifying Workweeks  
17 in accordance with their submitted dispute and that final number of Qualified Workweeks shall govern the  
18 calculation of that Class Member's Individual Settlement Amount. If Defendants disagree with the  
19 submitted information, Defendants' Counsel will promptly advise Class Counsel of the dispute, which  
20 includes turning over any documentation submitted by the Class Member as part of the dispute.  
21 Defendants' Counsel and Class Counsel shall attempt in good faith to resolve any such dispute within five  
22 (5) calendar days of Class Counsel being advised of the dispute. Each dispute that Defendants' Counsel  
23 and Class Counsel cannot timely resolve shall be resolved by the Settlement Administrator, subject to Court  
24 review.

25           7.7.4 *Deficient Opt-Outs, Objections, or Disputes:* In the event that a deficient opt-out,  
26 objection, or dispute is received on or before the conclusion of the Notice Period, the Settlement  
27 Administrator shall mail a letter to the Class Member within five (5) calendar days informing them of the  
28 deficiency. If a deficiency letter is mailed to a Class Member, the deadline for the Class Member to cure

the deficiency shall be the end of the Notice Period or 10 calendar days from the date of the deficiency letter, whichever is later.

7.8 Due Process Acknowledgement: Compliance with the procedures set forth in Sections 7.1 to 7.7.4 shall constitute due and sufficient notice to Class Members of the Action and the Agreement and shall satisfy Class Members' due process rights. Nothing else shall be required of the Parties, Class Counsel or Defendants' Counsel to provide notice of the proposed Agreement.

7.9 Settlement Administrator Declaration Regarding Notice Period: Within fourteen (14) calendar days after the conclusion of the Notice Period, the Settlement Administrator shall provide Class Counsel and Defendants' Counsel with a signed declaration under penalty of perjury providing a complete and detailed report regarding the statistics and responses of settlement administration to date and all the Settlement Administrators' obligations under Sections 5.8 to 5.9.3 and 7.1 to 7.5.4.

7.10 Settlement Administrator Payments to Participating Class Members, Class Counsel and Plaintiffs: Within seven (7) calendar days after the Effective Date and the Court's determination of the amount of attorneys' fees and costs payable to Class Counsel, the Enhancement Payment payable to Plaintiffs, the PAGA Payment, and Settlement Administrator Costs, the Settlement Administrator shall calculate the final Net Settlement Amount, the final Individual Settlement Amounts for Participating Class Members and/or PAGA Members, any applicable taxes thereon, and report the results of these calculations Class Counsel and Defendants' Counsel. The Administrator shall redact any identifying information and instead assign an employee value, except leaving the identifying information for the named Plaintiff, such that the Parties can review and approve the final distribution amounts to the Participating Class Members and the PAGA Members. Defendants shall wire the Gross Settlement Amount and applicable taxes necessary to fund the Settlement as described in Section 5.1 to the Settlement Administrator within thirty (30) calendar days after the Effective Date to be to be held in trust in a QSF. Within seven (7) calendar days after Defendants fund the settlement, the Settlement Administrator shall deliver payment of Class Counsels' attorney's fees and costs, the Enhancement Payment payable to Plaintiffs, the 75% portion of the PAGA Payment payable to the LWDA, Settlement Administrator Costs, and payment to Participating Class Members and/or PAGA Members as required under this Agreement and approved by Court.

1           7.10.1 The Settlement Administrator shall wire the Court-approved attorneys' fees and  
2 costs to Class Counsel unless another method is requested by Class Counsel. Class Counsel shall provide  
3 the Settlement Administrator with the pertinent taxpayer identification number and payment instructions  
4 after the Final Approval Date.

5           7.10.2 The Settlement Administrator shall send a check by mail for the Court-approved  
6 Enhancement Payment to the Class Representatives, care of Class Counsel unless another method is  
7 requested by Class Counsel.

8           7.10.3 Only Participating Class Members and PAGA Members will receive their Individual  
9 Settlement Amount.

10          7.10.4 The Settlement Administrator shall remit and report the applicable portions of the  
11 payroll tax payment to the appropriate taxing authorities on a timely basis pursuant to its duties under this  
12 Agreement. Defendants agree to reasonably cooperate with the Settlement Administrator to the extent  
13 necessary to determine the amount of the payroll tax payment required.

14          7.11 Settlement Check Expiration and Uncashed Checks: The Settlement Administrator shall  
15 issue Individual Settlement Amounts to Participating Class Members and PAGA Members in the form of  
16 a check, which shall become null and void if not deposited within one hundred eighty (180) calendar days  
17 of issuance. After one hundred eighty (180) calendar days of issuance, the checks shall be voided and  
18 funds from all uncashed checks shall be transmitted in accordance with Section 5.6. The Settlement  
19 Administrator shall deliver these funds within fourteen (14) calendar days after the check cashing deadline.

20          7.12 Settlement Administrator Declaration Regarding Compliance and Settlement  
21 Administration: Within twenty-one (21) calendar days after the last day for Participating Class Members  
22 and PAGA Members to cash their settlement checks, the Settlement Administrator shall provide Class  
23 Counsel and Defendants' Counsel with a signed declaration under penalty of perjury providing a complete  
24 and detailed report regarding the settlement administration documenting that all payments under the  
25 Agreement have been made, that the Court's final approval order has been complied with, and that all the  
26 obligations of the Settlement Administrator have been completed. The Parties agree the Class Members'  
27 contact information and social security numbers will be used only by the Administrator for the sole purpose  
28 of effectuating the Agreement.

**8. PRELIMINARY SETTLEMENT ADMINISTRATION SCHEDULE**

8.1 The schedule may be modified depending on whether and when the Court grants necessary approvals, orders notice to Class Members and PAGA Members, and sets further hearings. The schedule may also be modified to correct clerical errors and to reflect the provisions in the Agreement as described above. In the event of such modification, the Parties shall cooperate to complete the settlement procedures as expeditiously as reasonably practicable. The preliminary schedule for notice, approval, and payment procedures carrying out the Agreement is as follows:

|                                                                                                                                                                                                                                                                                                      |                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| Last day for Defendants to provide Settlement Administrator with Class Member and PAGA Member information                                                                                                                                                                                            | Within 14 calendar days after the Preliminary Approval Date                                                                          |
| Last day for Settlement Administrator to complete NCOA search, update Class Member and PAGA Member mailing information, and mail Notice of Settlement                                                                                                                                                | Within 35 calendar days after the Settlement Administrators' receipt of Class Members' information from Defendants                   |
| Last day for Class Members to opt-out, submit disputes, submit objections, and submit data requests                                                                                                                                                                                                  | 60 calendar days after mailing of Notice of Settlement or within 10 days after Notice of Settlement is re-mailed, whichever is later |
| Last day for Settlement Administrator to provide Parties with signed declaration reporting on settlement administration statistics                                                                                                                                                                   | Within 14 calendar days after end of the Notice Period                                                                               |
| Last day for Settlement Administrator to calculate the final Net Settlement Amount, the final Individual Settlement Amounts for Participating Class Members and/or PAGA Members, any applicable taxes thereon, and report the results of these calculations to Class Counsel and Defendants' Counsel | Within 7 calendar days after the Effective Date                                                                                      |
| Last day for Defendants to fund settlement                                                                                                                                                                                                                                                           | Within 30 calendar days after the Effective Date                                                                                     |

|                                                                                                                                                                                                                                                |                                                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Last day for Settlement Administrator to deliver payment of Class Counsel's attorney's fees and costs, Enhancement Payments, PAGA Payment, Settlement Administrator Costs, payment to Participating Class Members, and payment to PAGA Members | Within 7 calendar days after Defendants have funded the settlement                         |
| Last day for Participating Class Members and PAGA Members to cash settlement checks                                                                                                                                                            | 180 calendar days after issuance of checks to Participating Class Members and PAGA Members |
| Last day for Settlement Administrator to deliver value of uncashed settlement checks to <i>cy pres</i> beneficiaries                                                                                                                           | Within 14 calendar days after settlement check cashing deadline                            |
| Last day for Settlement Administrator to provide Parties with compliance declaration                                                                                                                                                           | Within 21 calendar days after settlement check cashing deadline                            |

## 9. DUTIES OF THE PARTIES

9.1 Preliminary Approval: The Parties will cooperate in obtaining, through an unopposed motion to be filed as soon as reasonably practicable, an order from the Court preliminarily approving this Agreement at the earliest possible date concurrently with the Court's certification of the Action as a class action for settlement purposes. The Parties further agree to fully cooperate in the drafting and/or filing of any further documents or filings reasonably necessary to be prepared or filed, shall take all steps that may be requested by the Court relating to, or that are otherwise necessary to the approval and implementation of this Agreement and shall otherwise use their respective best efforts to obtain certification for settlement purposes, approval of, and implementation of this Agreement. The Parties will submit this Agreement to the Court for preliminary approval of its terms and for approval of the steps to be taken to obtain its final approval. Within two weeks of signing this Agreement Class Counsel shall provide a draft of the Preliminary Approval Motion to Defendants' Counsel. Defendants' Counsel will provide comments and/or proposed revisions within two weeks after receipt of the draft Preliminary Approval Motion from Class Counsel. With regard to the final approval documents, a similar two-week maximum review and response time shall be observed by the Parties. The Parties will request that the Court's preliminary approval of this

Agreement be embodied in an Order Granting Preliminary Approval of Class Action and PAGA Settlement.

9.1.1 Plaintiffs' motion shall seek an order: 1) Preliminarily approving the Agreement; 2) Approving as to form and content the proposed Notice of Settlement; 3) Directing the mailing of the Notice of Settlement by first class mail to Class Members and PAGA Members; 4) Preliminarily appointing Plaintiffs and Class Counsel as representatives of Class Members; 5) Preliminarily approving settlement administration services to be provided by the Settlement Administrator; 6) Preliminarily approving the proposed Enhancement Payment to Plaintiffs; 7) Preliminarily approving the application for payment of reasonable attorneys' fees and reimbursement of litigation-related expenses to Class Counsel; and 8) Scheduling a fairness hearing on the question of whether the proposed Agreement should be finally approved as fair, reasonable and adequate as to the Class Members.

9.1.2 Defendants shall not oppose Plaintiffs' motion for approval of the proposed Agreement.

9.1.3 The Parties shall cooperate with each other and the Settlement Administrator during the process of giving Class Members notice and opportunity to object to the Agreement, as necessary and appropriate to assure effective communication to individual Class Members of information about their rights and obligations under this Agreement.

9.2 Final Approval and Fairness Hearing: On a date approved by the Court and set forth in the Notice of Settlement, the Court shall hold the Final Approval and Fairness Hearing where objections, if any, may be heard. Class Counsel shall provide the Court as part of the motion for final approval of the Agreement, a declaration by the Settlement Administrator of due diligence and proof of mailing of the Notice of Settlement required to be mailed to Class Members by this Agreement, and of the delivery results of the Settlement Administrator's mailings including tracing and re-mailing efforts. The Settlement Administrator declaration shall identify, by name, any Class Member who submitted a timely and valid request to opt out during the Notice Period.

9.2.1 Class Counsel and Defendants shall work in good faith to draft a mutually agreeable Proposed Order Granting Final Approval of Class Action and PAGA Settlement and Final Judgment. The Proposed Order Granting Final Approval of Class Action and PAGA Settlement and Final Judgment shall

1 include findings and orders: 1) Approving the Agreement, adjudging the terms thereof to be fair, reasonable  
2 and adequate, and directing that its terms and provisions be carried out; 2) Approving the payment of an  
3 Enhancement Payment to the Class Representatives; 3) Approving Class Counsel's application for an  
4 award of attorneys' fees and reimbursement of out-of-pocket litigation expenses; 4) Approving the  
5 Settlement Administrator Costs; and 5) Providing that the Court will retain jurisdiction to oversee  
6 administration and enforcement of the terms of the Agreement and the Court's orders.

7           9.2.2 Following entry of the Court's order granting final approval of the Agreement, the  
8 Parties will each act to ensure the fulfillment of all its provisions, including but not limited to the following:  
9 1) Should an appeal be taken from the final approval of the Agreement or motion to set aside the judgement  
10 be filed, all parties will support the final approval order on appeal or otherwise; 2) Class Counsel will assist  
11 the Settlement Administrator as needed or requested in the process of identifying and locating Participating  
12 Class Members and PAGA Members entitled to payments under the Agreement and assuring delivery of  
13 such payments; 3) Class Counsel and Defendants' Counsel will cooperate with each other and assist the  
14 Settlement Administrator as needed or requested in completing the distribution of any residual amounts, as  
15 specified above, to the *cy pres* beneficiaries; 4) Class Counsel, in conjunction with the Settlement  
16 Administrator, will certify to the Court completion of all payments required to be made by this Agreement.

17           9.3 Final Judgment: If the Court approves this Agreement at the final approval and fairness  
18 hearing, the Parties will request that the Court enter an Order Granting Final Approval of Class Action and  
19 PAGA Settlement and Final Judgment.

20           9.4 Notice to LWDA: Plaintiffs will provide notice to the Labor and Workforce Development  
21 Agency ("LWDA") of this settlement in accordance with Labor Code § 2699(1)(2).

## 22 **10. MISCELLANEOUS TERMS**

23           10.1 Defendant's Right to Withdraw Based on Opt-Outs: If, prior to the Final Approval Date,  
24 10% or more of the Class Members have submitted proper and timely requests to opt-out in accordance  
25 with the provisions of the Agreement, Defendants may rescind the Agreement and all actions taken in its  
26 furtherance will be thereby null and void. Defendants must exercise this right of rescission, in writing, to  
27 Class Counsel, within seven (7) calendar days after the Settlement Administrator notifies the Parties of the  
28

total number of opt-outs. If the option to rescind is exercised, then any Settlement Administrator Costs incurred up to this date shall be paid by Defendants if they choose to exercise this opt-out option.

10.2 Escalator Clause: Defendants for the purpose of the mediation have represented that there are 13,985 workweeks from December 18, 2019 to the date of the mediation. These numbers would be expected to increase proportionately for the passage of time between that date and the time of court preliminary approval. In the event the number of workweeks during the Class Period is more than 15,383 (*i.e.*, greater than 10% more than 13,985), then the Gross Settlement Amount shall be increased proportionally by the workweeks in excess of 13,985. For example, if there were 11,000 workweeks represented to exist during the Class Period, but there are actually 12,500 workweeks in the Class Period, then Defendants would have to increase the Gross Settlement Amount by 13.6% ( $12,500 - 11,000$  workweeks = 1,250 excess workweeks.  $1,250$  divided by  $11,000 = 13.6\%$ ). If the number of workweeks worked by Class Members during the Class Period exceeds 15,383, Defendants have the sole option to either (i) increase the Gross Settlement Amount on a proportional basis (*i.e.*, if there was an 11% of workweeks worked by the Settlement Class Members during the Class Period, Defendant would agree to increase the Gross Settlement Amount) or (ii) end the Class Period at the date where the total workweek count during the Class Period would be no greater than 15,383. To the extent that (ii) is selected, the PAGA Period end date shall be similarly shortened, so that it ends on the same day as the Class Period.

10.3 Circular 230 Disclaimer: EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS

1 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE  
2 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY  
3 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR  
4 DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX  
5 PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO  
6 ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT  
7 PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX  
8 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON  
9 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX  
10 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY  
11 THIS AGREEMENT.

12       10.4 No Prior Assignments: The Parties represent, covenant, and warrant that they have not  
13 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to  
14 any person or entity any portion of any liability, claim, demand, action, cause of action or right released  
15 and discharged in this Agreement.

16       10.5 Waiver of Appeal and Ability to Opt Out: To the extent permitted by applicable law, by  
17 signing this Agreement Defendants are waiving any rights to appeal from the Court's approval of the  
18 settlement unless the Court materially modifies the settlement. Furthermore, by signing this Agreement  
19 Plaintiffs are waiving any right or ability to opt out of this Agreement during the Notice Period or otherwise.

20       10.6 Exhibits Incorporated by Reference: The terms of this Agreement include the terms set  
21 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth in this  
22 Agreement. Any Exhibits to this Agreement are an integral part of the Settlement.

23       10.7 Judgment and Retention of Jurisdiction to Enforce: Upon the Effective Date, judgment will  
24 be entered according to this Agreement. The Parties stipulate and agree that the Placer County Superior  
25 Court shall have continuing jurisdiction to enforce the terms of the Agreement pursuant to Civil Procedure  
26 Code section 664.6 and that the prevailing party any action necessary to enforce the terms of the Agreement  
27 after default by the other party may recover reasonable attorney's fees and costs related thereto. This  
28

1 Agreement shall be admissible in any proceeding for its enforcement in accordance with sections 1118 and  
2 1123 of the California Evidence Code.

3 10.8 Mutual Cooperation: The Parties agree to cooperate fully with one another to accomplish  
4 and implement the terms of this Agreement. Such cooperation shall include, but not be limited to, execution  
5 of such other documents and the taking of such other action as may reasonably be necessary to fulfill the  
6 terms of this Agreement. The Parties to this Agreement shall use their best efforts, including all efforts  
7 contemplated by this Agreement and any other efforts that may become necessary by Court order, or  
8 otherwise, to effectuate this Agreement and the terms set forth herein.

9 10.9 No Admission of Liability: Neither the acceptance nor the performance by Defendants of  
10 the terms of this Agreement, nor any of the related negotiations or proceedings, is or shall be claimed to  
11 be, construed as, or deemed to be, an admission by Defendants of the truth of any of the allegations in the  
12 Complaint, the representative character of the Action, the validity of any of the claims that were or could  
13 have been asserted by Plaintiffs and/or Class Members in the Action, or of any liability or guilt of  
14 Defendants in the Action. Nothing in this Agreement shall be construed to be or deemed an admission by  
15 Defendants of any liability, culpability, negligence, or wrongdoing toward Plaintiffs, the Class Members,  
16 or any other person, and Defendants specifically disclaim any liability, culpability, negligence, or  
17 wrongdoing toward Plaintiffs, the Class Members, or any other person. Each of the Parties has entered  
18 into this Stipulation with the intention to avoid further disputes and litigation.

19 10.10 Notices: Unless otherwise specifically provided herein, all notices, demands, or other  
20 communications given hereunder shall be in writing and shall be deemed to have been duly given as of the  
21 third business day after mailing by United States certified mail, return receipt requested, addressed as  
22 follows:

23 To Plaintiffs and the Class:

24 Galen T. Shimoda  
25 Justin P. Rodriguez  
26 Renald Konini  
27 Shimoda & Rodriguez Law, PC  
28 9401 East Stockton Blvd., Suite 120  
Elk Grove, CA 95624

To Defendants:

Jasmine Shams  
Felipe Gomez  
Lewis Brisbois Bisgaard & Smith LLP  
633 West 5th Street, Suite 4000  
Los Angeles, California 90071  
Telephone: (213) 250-1800  
Facsimile: (213) 250-7900

10.11 Mutual Drafting of Agreement: The Parties hereto agree that the terms and conditions of this Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that this Agreement shall not be construed in favor of or against any party by reason of the extent to which any party or its counsel participated in the drafting of this Agreement.

10.12 Attorneys' Fees and Costs Limitations: Neither Class Counsel nor any other attorneys acting for, or purporting to act for, the Class, Class Members, or Plaintiffs, may recover or seek to recover any amounts for fees, costs, or disbursements from the Releasees or the Gross Settlement Amount except as expressly provided in this Agreement.

10.13 No Modifications: This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest. This Agreement may not be discharged except by performance in accordance with its terms.

10.14 Authorization to Enter Into Settlement Agreement: Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Agreement.

10.15 Class Member Signatories: Because the Action has not yet been certified, and the Class Members are so numerous, the Parties agree that it is impossible or impractical to have each Class Member sign this Agreement. It is agreed that, for purposes of seeking approval of the Agreement, this Agreement may be executed on behalf of all Class Members by the Class Representatives.

10.16 Counterparts: This Agreement shall become effective upon its execution by all of the undersigned. Plaintiffs, Class Counsel, Defendants and Defendants' Counsel may execute this Agreement in counterparts, and execution of counterparts shall have the same force and effect as if each had signed

1 the same instrument. Facsimile, electronic, and/or scanned copies of signatures shall have the same force  
2 and effect of originals.

3 10.17 Choice of Law: The Agreement and any exhibits hereto shall be considered to have been  
4 negotiated, executed, and delivered, and to have been wholly performed, in the State of California, and the  
5 rights and obligations of the Parties to the Agreement shall be construed and enforced in accordance with,  
6 and governed by, the substantive laws of the State of California without giving effect to that State's choice  
7 of law principles.

8 10.18 Headings and Captions: Section titles or captions contained in the Agreement are inserted  
9 as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of  
10 this Agreement, or any provision thereof.

11 10.19 No Retaliation or Discouragement: The Parties agree they will take no action that could be  
12 construed as retaliation against any Class Members for participating or seeking to participate in this class  
13 action settlement. The Parties will not discourage any class member from participating or seeking to  
14 participate in this class action settlement. This is a material term of the Agreement and non-breaching  
15 Parties will seek court intervention if this provision is breached.

16 10.20 Integrated Agreement: This Agreement sets forth the entire understanding between the  
17 Parties and supersedes any and all prior agreements, oral or written, pertaining to the subject matter hereof.  
18 Each party acknowledges that there is no representation, inducement, promise or agreement which has been  
19 made, orally or otherwise, by the other party, concerning the terms or conditions of this Agreement, which  
20 is not expressly embodied in this Agreement. In entering into this Agreement, the Parties represent that the  
21 terms of this Agreement are fully understood and voluntarily accepted by the Parties.

22 10.21 Binding on Successors and Assigns: This Agreement will be binding upon, and inure to the  
23 benefit of, the successors or assigns of the Parties to this Agreement, as previously defined.

24 10.22 Invalidity of Any Provision: Before declaring any provision of this Agreement invalid, the  
25 Court will first attempt to construe the provision as valid to the fullest extent possible consistent with  
26 applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.  
27  
28

1           10.23 Waiver of Compliance: No waiver of any condition or covenant contained in this  
2 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply  
3 or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

4           10.24 Confidentiality: Plaintiffs represent and agrees that they have not and will not issue any  
5 press release, publication, or otherwise disclose this Agreement to the press, media, websites, or any service  
6 which reports verdicts and settlements. Plaintiffs further agree not to, at any time or in any manner, talk  
7 about, write about, disclose, or otherwise publicize or cause to be publicized the confidential, proprietary,  
8 or trade secret information of the Released Parties.

9           10.25 Attorney Liens: Plaintiff represents and warrants that all legal expenses, bills, costs or  
10 contingency fee agreements resulting from or arising out of the representation of Plaintiff in relation to the  
11 Action are Plaintiff's responsibility to pay, and that any liens based on any legal expenses, bills, costs or  
12 contingency fee agreements incurred as a result of the Action will be satisfied by the incurring party.  
13 Plaintiff will indemnify, defend and hold Released Parties harmless from any such claims.

14           10.26 No Additional Recovery: It is the intent of this Agreement that Plaintiff, lienholders, and  
15 any other individual or entity with an interest in the Asserted Claims shall not recover, directly or indirectly,  
16 any sums from the Released Parties other than the funds received pursuant to this Agreement and set forth  
17 in Paragraph 2. If, despite the provisions of this Paragraph, any Released Party receives any claims from  
18 any individual or entity arising from Plaintiff's, a Participating Class Member's, or a PAGA Member's  
19 filing of the Asserted Claims against them (including any claim for contribution or indemnity), the person  
20 who filed such claims shall indemnify, provide a full defense for, and hold harmless the Released Parties  
21 for such amount. Additionally, in the event that a trier of fact determines that any Released Party is or  
22 would be liable for contribution or indemnity under such circumstances pursuant to any theory of law or  
23 equity (and all appeals are exhausted or the time for such appeals have expired), this Agreement shall act  
24 as a release, releasing not only the Released Party, but every other individual, trustee, firm, trust,  
25 corporation, or entity of any kind, who is or would be entitled to contribution or indemnity from the  
26 Released Parties with respect to any liability that person, firm, or corporation may have to Plaintiff, the  
27 Participating Class Members, and the PAGA Members, for any claims that would require such contribution  
28 or indemnity.

10.27 No Pending Matters: The Parties represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly authorized attorneys, as of the day and year herein set forth.

**For Plaintiffs:**

Date: Sep 7, 2024

  
Kathleen Alvarez (Sep 7, 2024 13:14 PDT)

Kathleen Alvarez

Date: \_\_\_\_\_

Jeanne Booth

**FOR Defendants:**

Date: 9/10/2024

DocuSigned by:

**GEORGE FEHRENBACHER**

D82F4622F59A412...

By: **GEORGE FEHRENBACHER**

For Roseville Cardiology Medical Associates, Inc.

Date: 9/10/2024

DocuSigned by:

**GEORGE FEHRENBACHER**

D82F4622F59A412...

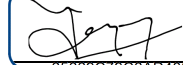
George Fehrenbacher

Date: \_\_\_\_\_

Stephen Peters

Date: 9/10/2024

DocuSigned by:



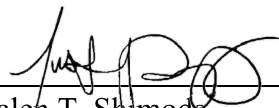
65669C79C8AD408...

Sanjay Yadlapalli

APPROVED AS TO FORM

**Shimoda & Rodriguez Law, PC**

Dated: September 9, 2024

By: 

Galen T. Shimoda

Justin P. Rodriguez

Renald Konini

Attorney for Plaintiffs

10.27 No Pending Matters: The Parties represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

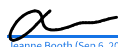
IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly authorized attorneys, as of the day and year herein set forth. Jb

**For Plaintiffs:**

Date: \_\_\_\_\_

Kathleen Alvarez

Date: Sep 6, 2024

  
Jeanne Booth (Sep 6, 2024 11:13 PDT)

Jeanne Booth

**FOR Defendants:**

Date: 9/10/2024

DocuSigned by:  
**GEORGE FEHRENBACHER**  
D82F4622F59A412...  
By: GEORGE FEHRENBACHER  
For Roseville Cardiology Medical Associates, Inc.

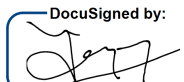
Date: 9/10/2024

DocuSigned by:  
**GEORGE FEHRENBACHER**  
D82F4622F59A412...  
George Fehrenbacher

Date: \_\_\_\_\_

Stephen Peters

Date: 9/10/2024

DocuSigned by:  
  
65669C79C8A1408...  
Sanjay Yadlapalli

APPROVED AS TO FORM

**Shimoda & Rodriguez Law, PC**

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Galen T. Shimoda  
Justin P. Rodriguez  
Renald Konini  
Attorney for Plaintiffs

1 APPROVED AS TO FORM

**LEWIS BRISBOIS BISGAARD &  
SMITH LLP**

2  
3 Dated: 9/13/24

4 By: *Felipe Gomez*  
5 Jasmine Shams  
6 Felipe Gomez  
7 Attorney for Defendants  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

# Exhibit 1

CALIFORNIA SUPERIOR COURT  
FOR THE COUNTY OF PLACER

KATHLEEN ALVAREZ and JEANNE BOOTH,  
individually and on behalf of all other similarly  
situated employees,

Plaintiffs,

vs.

ROSEVILLE CARDIOLOGY MEDICAL  
ASSOCIATES, INC., a California Corporation;  
GEORGE FEHRENBACHER, an individual;  
STEPHEN PETERS, an individual; SANJAY  
YADLAPALLI, an individual; and DOES 1 to  
100, inclusive,

Defendants.

Case No. **S-CV-0051855**

**NOTICE OF PROPOSED CLASS ACTION  
AND PAGA SETTLEMENT, AND HEARING  
DATE FOR FINAL COURT APPROVAL OF  
SETTLEMENT**

**ATTENTION:** All non-exempt employees who have worked, or continue to work, for Roseville Cardiology Medical Associates, Inc., in California at any time between December 18, 2019, up to [REDACTED] ("Class Members").

**PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF CLASS ACTION LITIGATION AND POTENTIAL DISBURSEMENT OF SETTLEMENT FUNDS TO YOU. IF YOU ARE A CLASS MEMBER, IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHT TO PARTICIPATE IN OR OPT OUT OF THE SETTLEMENT ACCORDING TO THE PROCEDURES DESCRIBED BELOW.**

The terms of the Agreement and a description of the case are identified in this notice. Pursuant to the Court's order, YOU ARE HEREBY NOTIFIED AS FOLLOWS:

**I. GENERAL INFORMATION**

You are receiving this notice pursuant to an order from the Placer County Superior Court ("Court") granting Plaintiffs' motion for preliminary approval of a Joint Stipulation Regarding Class Action and PAGA Settlement and Release ("Agreement" or "Settlement") as fair, reasonable, and adequate. The Settlement was entered into between Plaintiffs Kathleen Alvarez and Jeanne Booth ("Plaintiffs" or "Class Representatives"), and Defendants Roseville Cardiology Medical Associates, Inc., George Fehrenbacher, Stephen Peters, and Sanjay Yadlapalli ("Defendants") on behalf of Class Members as defined above. The terms of the Settlement are outlined herein.

**II. YOUR ESTIMATED PAYMENT INFORMATION**

You are receiving this notice because Defendants' records indicate you fall within the definition of "Class Member." Defendants' records also indicate that you worked [REDACTED] weeks during the applicable Class Period (as defined below) which means your total share of the settlement proceeds is estimated to be [REDACTED]. Your actual share of the settlement proceeds will vary depending on the total number of Class Members that choose to participate and the resolution of any workweek disputes as described in this notice.

**III. BACKGROUND OF THE CASE**

On December 18, 2023, Plaintiffs filed a Complaint against Defendants in the Placer County Superior Court of California on behalf of themselves and Class Members. The term "Action" means this putative class action pending in Placer County Superior Court, Case No. S-CV-0051855. The Class Period is from December 18, 2019, up to [REDACTED] (the "Class Period").

In the Action, Plaintiffs sought to obtain unpaid wages, interest, statutory penalties, civil penalties, fees, and costs on behalf of

themselves, Class Members, and PAGA Members. Plaintiffs alleged that Defendants violated California law by 1) failing to pay overtime wages, 2) failing to pay minimum wages, 3) failing to provide meal periods or pay premiums in lieu thereof, 4) failing to provide rest periods or pay premiums in lieu thereof, 5) failing to provide accurate wage statements, 6) failing to pay final wages, 7) failing to pay reimbursement for expenses, (8) failing to maintain accurate wage records, 9) failing to provide paid sick leave, 10) untimely payment of wages, 11) failing to pay vested vacation time, 12) engaging in unfair competition, and 13) committing PAGA violations. Defendants have denied all of Plaintiffs' allegations. The Action has been actively litigated. There have been on-going investigations, and there has been an exchange of extensive documentation and information. Furthermore, the Parties have participated in a full day mediation facilitated by a neutral third party. Based upon the negotiations, and all known facts and circumstances, including the various risks and uncertainties related to legal actions, the Parties reached a class-wide settlement. By settling, the Parties will avoid the risks associated with a lengthy litigation process. Despite agreeing to and supporting the Agreement, Defendants continue to deny all allegations and claims. Defendants have entered into this Settlement to fully, finally, and forever resolve this Action, based on the terms set forth in the Agreement, in order to avoid the burden and expense associated with ongoing litigation.

The Agreement applies to any and all Class Members, which are defined as all non-exempt employees who have worked, or continue to work, for Roseville Cardiology Medical Associates, Inc., in California at any time during the Class Period. The Agreement also applies to PAGA Members, which are defined as all non-exempt employees who have worked, or continue to work, for Roseville Cardiology Medical Associates, Inc., in California between December 18, 2022, up to [REDACTED] ("PAGA Members"). If you are a Class Member, you have the opportunity to participate in the Settlement, or to exclude yourself ("opt out") from the Settlement. This notice is to advise Class Members of how they can either participate in the Settlement or be excluded from the Settlement. As set forth below, PAGA Members cannot opt out of this Agreement as it relates to the PAGA Payment or Released PAGA Claims regardless of whether they opt out of being a Class Member. PAGA Members will receive their share of the PAGA Payment regardless of whether they opt out of being a Class Member.

**The issuance of this Notice is not an expression of the Court's opinion on the merits or the lack of merits of Plaintiff's claims in the Action.**

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

##### **A. The Amount of the Settlement**

Under the terms of the Agreement, Defendants have agreed to pay a total sum of Three Hundred Ten Thousand Dollars and Zero Cents (\$310,000) ("Gross Settlement Amount"). Deducted from this Gross Settlement Amount will be sums approved by the Court for attorney's fees not to exceed 35% of the Gross Settlement Amount, attorney's costs not to exceed \$15,000, Settlement Administrator Costs not to exceed \$15,000, Enhancement Payments to the Class Representatives in an amount not to exceed \$10,000 each, and \$10,000 for alleged PAGA penalties (the "PAGA Payment"), which will result in a "Net Settlement Amount" for distribution to all Class Members. Any employer side taxes attributable to payments allocated as wages will be paid by Defendants in addition to the Gross Settlement Amount. As explained further below, the amount of each Class Member's share of the Net Settlement Amount will depend on the number of weeks worked by Participating Class Members during the Class Period. Of the \$10,000 allocated to resolving the PAGA claims, 75% of the PAGA Payment will be paid to the State of California Labor and Workforce Development Agency and 25% of the PAGA Payment will be divided among PAGA Members. The estimated Net Settlement Amount is approximately \$ [REDACTED]

The number of weeks you worked during the Class Period and your estimated total share of the Net Settlement Amount and PAGA Payment ("Individual Settlement Amount") is stated on the first page of this notice. The actual amount received may be more or less than the amount stated depending on the actual number of weeks worked by Participating Class Members (*i.e.*, those who do not opt out of the Settlement), the resolution of any disputes regarding workweeks, and on the distributions finally approved and allocated by the Court. However, whether Class Members opt out will have no effect on PAGA Members' allocations for the PAGA claim.

##### **B. Individual Settlement Amounts and Allocation Between Class Members and PAGA Members**

Defendants will pay Individual Settlement Amounts through the Settlement Administrator, as described below, to each Participating Class Member and to PAGA Members. All Individual Settlement Amounts will be subject to appropriate taxation. The Parties have agreed, based on the allegations in the Action that the amount payable to eligible Class Members from the Net Settlement Amount will be allocated and paid as 90% for disputed interest, statutory penalties, and other non-wage damages for which an IRS Forms 1099-MISC and 1099-INT will issue and 10% for disputed wages for which IRS Forms W-2 will issue. The PAGA Payment to PAGA Members will be paid as 100% for civil penalties.

Payment to Participating Class Members and PAGA Members will not require the submission of a claim form. Each Participating

Class Member's share will be determined by dividing their total weeks worked within the Class Period by the total weeks worked by all Participating Class Members within the Class Period. That fraction will then be multiplied by the Net Settlement Amount to arrive at the Class Member's individual share of the Net Settlement Amount. Each PAGA Member's share of the 25% portion of the PAGA Payment will be determined by dividing their total weeks worked within the PAGA Claim Period by the total weeks worked by all PAGA Members within the PAGA Claim Period. That fraction will then be multiplied by the 25% portion of the PAGA Payment to arrive at the PAGA Member's individual share. The PAGA Claim Period is defined as December 18, 2022, up to [REDACTED] ("PAGA Claim Period"). Defendants' records indicate that you worked [REDACTED] weeks during the applicable PAGA Claim Period, which means your share of the PAGA Payment is estimated to be [REDACTED]. This amount is included in your estimated Individual Settlement Amount stated on the first page of this notice, not in addition to it. You will still receive your share of the PAGA Payment even if you opt out of being a Class Member. Receipt of the Individual Settlement Amounts will not entitle any Class Member or PAGA Member to additional compensation or benefits under any compensation, retirement or benefit plan or agreement in place during the period covered by the Settlement.

### **C. Calculations to Be Based on Defendants' Records and Resolution of Workweek Disputes**

For each Class Member, the amount payable will be calculated by the Settlement Administrator from Defendants' records. Defendants' records will be presumed correct unless evidence to the contrary is provided to the Settlement Administrator. Defendants' records and any additional evidence will be reviewed by the Settlement Administrator in the event of a dispute about the number of workweeks worked by an individual Class Member. If a Class Member disputes the accuracy of Defendants' records, all supporting documents evidencing additional workweeks must be submitted by the Class Member. The dispute must (a) identify the nature of the dispute; (b) provide any information or documentation supporting the dispute; (c) be signed; and (d) be post-marked no later than [REDACTED]. The dispute will be resolved by the Settlement Administrator based on the records and evidence provided.

### **D. Release of Claims**

For those Class Members who do not opt out and PAGA Members, the Agreement contains the following releases:

Class members who do not opt out will be deemed to have released [1.30 text].

PAGA Members will be deemed to have released [1.31 text].

The individuals released ("Released Parties") include [1.32 text]. The PAGA members shall not have the right to opt-out of this release.

Class Members and/or PAGA Members can talk to one of the lawyers appointed as Class Counsel (listed below) for free or talk to their own lawyer if they have questions about the released claims and what they mean.

## **V. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER**

### **A. Participating in the Settlement as a Class Member**

If you wish to be a Participating Class Member and believe your workweek information is accurate, **you do not need to take any further action**. Payment will be automatically made to you consistent with the terms of the Agreement and Court Order. If you wish to dispute the workweek calculation, you may follow the procedures outlined in Section II.C above. California law protects Class Members from retaliation based on their decision to participate in the Settlement.

**To ensure that you receive your check, you should immediately notify the Administrator if the address this Notice was sent to is not your current mailing address.**

### **B. Excluding Yourself from the Settlement as a Class Member**

The Court will exclude you from being a Class Member if you request this by [REDACTED]. If you do not wish to be bound by the Settlement as a Class Member, you may request to be excluded (*i.e.*, "opt out") by submitting a timely written request to the Settlement Administrator. The request to opt-out must (a) state your full name and date of birth; (b) a statement that you do not want to be a Class Member, do not want to participate in the Settlement, and/or wants to be excluded from this Settlement; (c) identify the case name and number (*i.e.* *Alvarez, et al. v. Roseville Cardiology Medical Associates, Inc., et al.*, S-CV-0051855); (d) be signed; and (e) be post-marked no later than [REDACTED]. The request to opt out must be mailed by First Class U.S. Mail, or the equivalent, to:

[admin info]

If you submit a request to opt out which is not postmarked by [redacted], your request to opt out will be rejected, and you will be bound by the release and all other terms of the Agreement. Do not use a postage meter as that may not result in a postmark appearing on the envelope containing your request to opt out. Any Class Member who submits a complete and timely request to opt out shall, upon receipt by the Settlement Administrator, no longer be a Class Member and not receive their share of the Net Settlement Amount. PAGA Members cannot opt out of this Agreement and will receive their share of the PAGA Payment regardless of whether they opt out of being a Class Member.

### **C. Objection to Settlement**

If you do not opt out of the Settlement, you can object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. You can ask the Court to deny approval by submitting an objection. You cannot ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. You may submit a written objection, which should (a) state your full name and date of birth; (b) provide evidence that you are, in fact, a Class Member; (c) state the reasons for the objection(s), including supporting documentation; (d) identify the case name and number (i.e. *Alvarez, et al. v. Roseville Cardiology Medical Associates, Inc., et al.*, S-CV-0051855); (e) be signed; and (f) be post-marked no later than [redacted]. Written objections must be sent to the Settlement Administrator at the address identified in Section V.B.

Additionally, or in the alternative to sending a written objection to the Settlement Administrator, you may appear at the final approval hearing to state your objection. Any Class Member who does not request exclusion may, if the Class Member so desires, enter an appearance through an attorney. If you appear through your own attorney, you are responsible for paying that attorney.

**IF YOU DO NOT TIMELY FILE YOUR OBJECTION, YOU WILL BE DEEMED TO HAVE WAIVED ALL OBJECTIONS TO THE SETTLEMENT.**

### **VI. EFFECT OF THE SETTLEMENT: RELEASED RIGHTS AND CLAIMS**

If the Court grants final approval of the Settlement, the Court will make and enter judgment consistent therewith. A notice of entry of entry of judgment will be filed with the Court and available online at <https://webportal.placerco.org/eCourtPublic/?q=node/48>. The judgment, whether favorable or not, will bind all Class Members who do not request exclusion. After final approval, each and every Class Member who does not opt out of the Settlement and PAGA Member, will release Defendants and the Released Parties from the Released Class Claims and the Released PAGA Claims described above. In other words, if you were employed as a Class Member by Defendants in California during the Class Period, and you do not exclude yourself from the Settlement, you will be deemed to have entered into these releases and to have released the above-described claims. In addition, you will be barred from ever suing Defendants and the Released Parties with respect to the claims covered by this Settlement. If the Settlement is not approved by the Court or does not become final for some other reason, the litigation will continue.

### **VII. FINAL SETTLEMENT APPROVAL HEARING**

The Court will hold a hearing in Department [redacted], [redacted] on [redacted] at [redacted] to determine whether the Agreement should be finally approved as fair, reasonable and adequate. The Court will also be asked to approve Class Counsel's request for attorneys' fees and costs, the Settlement Administrator Costs, and the Class Representatives' Enhancement Payment. The hearing may be continued without further notice. It is not necessary for you to appear at this hearing.

### **VIII. ADDITIONAL INFORMATION**

You may access the Complaint, Class Counsel's motion for preliminary approval, the Agreement, and any other documents required by the Court at <https://webportal.placerco.org/eCourtPublic/?q=node/48>. You can also contact Class Counsel or Defendants' Counsel as follows:

Galen T. Shimoda  
Justin P. Rodriguez  
Renald Konini  
Shimoda & Rodriguez Law, PC

Jasmine Shams  
Felipe Gomez  
Lewis Brisbois Bisgaard & Smith LLP  
633 West 5th Street, Suite 4000

9401 East Stockton Blvd., Suite 120  
Elk Grove, CA 95624  
Telephone: (916) 525-0716  
Facsimile: (916) 760-3733  
*On behalf of Plaintiffs*

Los Angeles, California 90071  
Telephone: (213) 250-1800  
Facsimile: (213) 250-7900  
*On behalf of Defendants*

**PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS. IF YOU HAVE ANY QUESTIONS, CALL [number]**

**BY ORDER OF THE COURT**