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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SANTA CLARA

JOE ARCIAGA, individually, on behalf of himself, all others similarly situated, the State of California, and other aggrieved persons,

Plaintiff,

vs.

EK HEALTH SERVICES, INC., a California corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No.: 24CV440274

[Assigned for All Purposes to the Honorable Beth McGowen, Dept. 22]

DECLARATION OF BENJAMIN H. HABER IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT

Preliminary Approval Hearing:
Date: June 17, 2027
Time: 1:30 p.m.
Dept.: 22

Action Filed: May 31, 2024
FAC Filed: August 19, 2024
Trial Date: Not Set

DECLARATION OF BENJAMIN H. HABER

I, Benjamin H. Haber, hereby declare as follows:

1. I am an attorney at law licensed to practice before all of the courts of the State of California. I am a Partner at Wilshire Law Firm, PLC ("WLF"), counsel for Plaintiff Joe Arciaga ("Plaintiff") in this matter. I am thoroughly familiar with and have personal knowledge of all of the facts set forth herein.

2. I submit this declaration in support of Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement.

Procedural History

3. On May 31, 2024, Plaintiff filed this putative class action against Defendant EK Health Services, Inc. ("Defendant") alleging: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; and (8) unfair business practices (the "Class Action").

4. On June 13, 2024, Plaintiff provided written notice to the LWDA and Defendant the specific provisions of the Labor Code alleged to have been violated, including the facts and theories in support. A true and correct copy of Plaintiff's June 13, 2024, letter to Defendant and the LWDA is attached hereto as **Exhibit 1**. The LWDA did not notify Plaintiff that it intended to investigate within 65 days of this written notice. Therefore, on August 19, 2024, Plaintiff filed a First Amended Complaint in this Class Action adding a cause of action for civil penalties under PAGA (the "Operative Complaint").

5. On June 24, 2025, the Parties subsequently participated in a private full-day mediation with Phillip Cha, Esq. The negotiations were adversarial, conducted at arm's length, and tempered by the efforts of both sides to serve the interests of their clients. While the initial mediation did not resolve the matter, after continued discussions, the mediator made a proposal, which was accepted by the Parties.

6. The parties negotiated the terms of the Settlement over the next year, which was finalized on September 21, 2026. A true and correct copy of the Parties' fully executed Class Action and PAGA Settlement Agreement ("Settlement Agreement") is attached hereto as **Exhibit 2**. Attached thereto as **Exhibit A** is a true and correct copy of the Parties' proposed Class Notice.

7. On November 4, 2026, Plaintiff submitted a copy of the Settlement Agreement to the LWDA. A true and correct copy of the confirmation of submission my office received after submitting the Settlement Agreement to the LWDA is attached hereto as **Exhibit 3**.

Investigation and Exposure Analysis

8. Prior to attending mediation, Plaintiff's Counsel thoroughly investigated the claims, applicable law, and potential defenses. Plaintiff's Counsel assessed the value of the class claims using the data and documents that Defendant produced in informal discovery, including the number of Class Members, the number of workweeks in the Class Period, the number of pay periods in the PAGA Period, Plaintiff's personnel file and documents concerning Plaintiff, Defendant's employee handbooks, Defendant's written wage-and-hour policies, job descriptions, and a random sampling of time and payroll records. Plaintiff's Counsel engaged an expert consultant to quantify the potential exposure using the time and payroll records, and then assessed the risks associated with each claim meriting reductions in the likely success at class certification and likely recovery at trial.

9. Defendant's records show that there are approximately 182 Class Members, making joinder of all Class Members impracticable. Further, given the size and amount of each Class Members' claim, Class Members have little incentive to litigate their claims on an individual basis because the out-of-pocket expenses and personal commitment necessary to litigate each claim likely outweigh any potential recovery.

10. Plaintiff has alleged that Defendant maintained common employment policies and/or practices that unlawfully deprived Class Members of wages, meal period, rest periods, reimbursements for business expenses, accurate wage statements, and timely payment of wages upon separation of employment. These allegations present common factual and legal questions of, *inter alia*, whether Defendant applied the same scheduling, timekeeping, pay, meal period, rest period, and reimbursement policies to all Class Members, whether these policies and practices resulted in

Labor Code violations, whether Defendant's conduct was intentional, and whether Class Members are entitled to damages and/or penalties. These common questions could be resolved using Class Members' time records, payroll records, testimony from Defendant's designated representative(s), and Class Members' testimony.

11. Although the exposure Plaintiff's Counsel calculated is substantial, the various risks of succeeding at class certification and through trial affected the valuation of the claims for settlement purposes.

12. Minimum and Overtime Wages: Plaintiff's unpaid minimum and overtime wage claims were based on the allegation that Defendant required Class Members to perform work duties while off the clock, without compensation. For example, Plaintiff alleged that Defendant required him and other Class Members to perform work related duties before clocking in and after clocking out. For purposes of calculating Defendant's liability based on a best-case scenario for Plaintiff and the Class, Plaintiff's Counsel assumed that all unpaid worktime should have been paid at the overtime rate of pay and conservatively estimated that Defendant is liable for one (1) hour of unpaid worktime per workweek. This results in potential exposure for this claim of approximately $1,036,138.13 (22,835 workweeks x $30.25 average hourly rate of pay x 1 hour/workweek x 1.5 overtime rate). Because this claim would have relied heavily on Class Member testimony and would not be evidenced in Defendant's time and payroll records, the risk of succeeding at class certification and trial was substantial. Accordingly, Plaintiff's Counsel applied a risk discount based on a 50% chance of succeeding at class certification and a 40% chance of succeeding at trial on the merits, yielding a realistic damage estimate of approximately $207,227.63 ($1,036,138.13 x 50% x 40%).

13. Meal Periods: Plaintiff's meal period claim was based on the allegation that Defendant failed to provide Class Members with legally compliant meal periods or pay meal period premiums in lieu thereof. For example, Plaintiff alleged that Defendant required him and other Class Members to miss or take short or interrupted meal breaks. Additionally, Plaintiff's Counsel's expert consultant determined there was a 24.5% meal period violation (for shifts over 6 hours that are not waivable) rate from the sampling of Defendant's time and payroll records excluding

premiums paid, where meal periods were short, late, or missed. Therefore, potential liability for the meal period claim is approximately $754,820.99 (101,848 shifts over 6 hours x $30.25 average hourly rate x 24.5% violation rate). After taking into account the difficulty of certifying and proving meal period claims, as well as Defendant's contention that the claim lacks merit, Plaintiff's Counsel discounted this figure based on a 40% chance of succeeding at class certification and a 30% chance of succeeding at trial, yielding a realistic damage estimate of approximately $45,289.26 ($754,820.99 x 30% x 20%).

14. Rest Periods: Plaintiff's rest period claim was based on the allegation that Defendant failed to provide Class Members with legally compliant rest periods or pay rest period premiums in lieu thereof. For example, Plaintiff alleged that Defendant required him and other Class Members to work through their rest periods. Based on Plaintiff's allegations and Plaintiff's and other Class Members' experience working for Defendant, Plaintiff's Counsel applied a 75% violation rate to all qualifying shifts during the Class Period. Therefore, Defendant's potential liability for the rest period claim is approximately $1,989,802.65 (109,631 shifts of 3.5 hours or longer x $30.25 average hourly rate x 60% violation rate). However, Plaintiff's Counsel discounted this figure to account for the difficulty of certifying and proving rest period claims, particularly because rest periods do not have to be recorded, and to account for the possibility of Class Members voluntarily choosing to forego a rest period. Because this claim would have relied exclusively on Class Member testimony, Plaintiff's Counsel discounted this claim based on a 30% chance of succeeding at class certification and a 20% chance of succeeding at trial, yielding a realistic damage estimate of approximately $119,388.16 ($1,989,802.65 x 30% x 20%).

15. In sum, Plaintiff's Counsel estimated that Plaintiff's maximum recovery for the off-the-clock claim, meal period violations, rest period violations, (i.e., the wage claims), is approximately $3,780,761.77. However, after factoring in the risk and uncertainty of prevailing at certification and trial, Plaintiff's Counsel estimates that Plaintiff's realistic estimated recovery for these non-penalty wage claims is approximately $371,905.05 .

16. Reimbursements: Plaintiff's reimbursement claim was based on the allegation that Defendant failed to indemnify Class Members for expenses incurred as a direct result of performing

their job duties for Defendant, such as use of his personal cell phone for work purposes. For purposes of calculating Defendant's liability based on a best-case scenario for Plaintiff and the Class, Plaintiff's Counsel estimated that Defendant was liable to each Class Member for $12.50 per workweek in unreimbursed expenses, for a total amount of approximately $285,437.50 ($12.50 x 22,835 workweeks). However, Defendant argued that these expenses were not required by Defendant, and that it could not have known that these expenses were being incurred. Accordingly, Plaintiff's Counsel discounted this claim based on a 50% chance of succeeding at class certification and a 40% chance of succeeding at trial, yielding a realistic damage estimate of approximately $57,087.50 ($285,437.50 x 50% x 40%).

17. Derivative Penalties: Plaintiff alleged that as a result of Defendant's failure to pay all wages owed, Defendant owed waiting time penalties and wage statement penalties. With respect to Plaintiff's derivative claims for statutory penalties, Plaintiff's Counsel estimated that Defendant's maximum potential liability is approximately $923,990.00. Defendant's maximum potential liability for waiting time penalties is approximately $537,240.00 ([80 employees x $30.25 average hourly rate of pay x 7.4 hours/day x 30 days] based on approximately 80 formerly employed Class Members during the 3-year statute of limitations period and an average shift length of 7.4 hours. Defendant's maximum potential liability for inaccurate wage statements is approximately $386,750.00 ([99 employees x 1 initial violation/employee x $50 for an initial violation] + [3,917 pay periods - 99 initial violations) x $100 for each subsequent violation]). In light of the foregoing, Plaintiff's Counsel believes that it would be unrealistic to expect the Court to award the full $923,990.00 in statutory penalties given Defendant's defenses, the contested nature of Plaintiff's claims, the challenges of establishing willfulness as applicable, and the discretionary nature of penalties. Considering that the underlying wage claims are realistically estimated to be approximately $371,905.05, such a disproportionate award would also raise due process concerns. As such, Plaintiff's counsel discounted these figures to account for the risk and uncertainty of obtaining class certification and prevailing at trial, resulting in a realistic evaluation of approximately $32,234.40 for waiting time penalty claims ($537,240.00 x 30% x 20%), and

approximately $46,410.00 for wage statement penalty claims ($386,750.00 x 40% x 30%), or approximately $78,644.40 total for statutory penalties.

18. PAGA: For the PAGA claim, Plaintiff's Counsel determined that Defendant's potential exposure could potentially reach $865,500.00, assuming the initial $100 penalty would apply for each of the 8,655 pay periods in the PAGA Period. However, even assuming success on the merits of each claim, PAGA gives the Court discretion to reduce penalties for a variety of reasons, including where to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory. As such, Plaintiff's counsel discounted this figure to account for the risk and uncertainty of prevailing at trial, resulting in a realistic evaluation of approximately $86,550.00 for PAGA penalties ($865,500.00 x 10%). The settlement allocates $21,250.00 of the Gross Settlement Amount to PAGA, therefore the PAGA allocation amounts to 5% of the Gross Settlement Amount and approximately 25% of the realistic PAGA allocation estimate for PAGA penalties ($21,250.00 / $86,550.00).

19. Using these estimated figures, Plaintiff's Counsel predicted that the realistic maximum recovery for all claims, including penalties, would be approximately $594,186.95 . This means that the gross settlement amount represents approximately 72% of the realistic maximum recovery ($425,000.00/$594,186.95). Considering the risk and uncertainty of prevailing at class certification and at trial, this is an excellent result for the Class. Indeed, because of the proposed Settlement, Class Members will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment.

20. Based on the figures in the Settlement Agreement, the Net Settlement Amount available for class settlement payments is currently estimated to be $217,083.33 for approximately 182 Class Members. As a result, each Settlement Class Member would be eligible to receive an average net benefit of approximately $1,192.77.

Plaintiff's Counsel's Qualifications

21. Plaintiff is represented by WLF. The attorneys at WLF performed significant work and expended litigation costs in prosecuting this matter with no guarantee of payment.

22. WLF was selected by Best Lawyers and U.S. News & World Report as one of the

nation's Best Law Firms since 2020 and is comprised of more than 100 attorneys and over 600 employees. WLF is actively and continuously practicing in employment litigation, representing employees in both individual and class actions in both state and federal courts throughout California.

23. WLF is qualified to handle this Litigation because its attorneys are experienced in litigating Labor Code violations in individual, class action, and representative action cases. WLF has handled, and is currently handling, numerous wage and hour class action lawsuits, as well as class actions involving consumer rights and data privacy litigation.

24. I am a Partner at WLF. I graduated from the University of California, Los Angeles, in 2012 and received my Juris Doctor from the University of California, Hastings College of the Law (now the University of California College of Law, San Francisco) in 2016. During law school, I was a member of the executive board for the *Hastings Law Journal;* a student mediator at the San Francisco Superior Court, Small Claims Division; and a managing editor for *SCOCAblog,* which continues to be a leading online publication for analysis regarding trends and cases before the California Supreme Court. Since graduating from law school, I have focused my legal work primarily on wage-and-hour class and representative action litigation and have helped obtain more than one hundred class and representative action settlements on behalf of tens of thousands of workers in California. I was also selected as a "Southern California Rising Star" in 2024, 2025, and 2026.

25. I have been appointed as class counsel in numerous wage-and-hour class and representative action cases throughout California. Below is a non-exhaustive list of cases where I was appointed as class counsel or I and other members of WLF were appointed as class counsel:

a. *Colter v. Propulsion Controls Engineering*, San Diego County, Case No. 37-2020-00030682-CU-OE-CTL; Motion for Final Approval granted on October 28, 2022.

b. *Rodriguez v. Modesto Restaurant Group, LLC*, Stanislaus County, Case No. CV-21-000269; Motion for Final Approval granted on January 10, 2023.

c. *Kingsbury v. Caravan Foods II, Inc.*, Alameda County, Case No. RG21096357; Motion for Final Approval granted on January 31, 2023.

d. *Frias-Estrada v. Trek Retail Corporation*, Contra Costa County, Case No. MSC20-01916; Motion for Final Approval granted on March 3, 2023.

e. *Varez v. Valley Connection, LLC dba Carl's Jr.*, Merced County, Case No. 22CV-00985; Motion for Final Approval granted on April 27, 2023.

f. *Reyes v. Everytable, PBC, et al.*, Los Angeles County, Case No. 21STCV35987; Motion for Final Approval granted on May 3, 2023.

g. *Ortiz v. Tara Materials, Inc.*, San Diego County, Case No. 37-2021-0001473-CU-OE-CTL; Motion for Final Approval granted on May 30, 2023.

h. *Cruz-Sanchez v. Eagle Lath & Plaster, Inc.*, Sacramento County, Case No. 34-2021-00293739-CU-OE-GDS; Motion for Final Approval granted on May 30, 2023.

i. *Garduno v. New Generation Framing, Inc., et al.*, Stanislaus County, Case No. CV-21-000544; Motion for Final Approval granted on August 11, 2023.

j. *Hernandez, et al. v. Burford Farming Company, Inc.*, Fresno County, Case No. 21CECG03817; Motion for Final Approval granted on August 21, 2023.

k. *Barajas v. Final Phase Construction, Inc.*, San Bernardino County, Case No. CIVSB2118622; Motion for Final Approval granted on September 13, 2023.

l. *Jaimes, et al. v. Infiniti Health LLC*, Los Angeles County, Case No. 22STCV07261; Motion for Final Approval granted on October 17, 2023.

m. *Nunez v. Gabriel Container*, Los Angeles County, Case No. 21STCV09787; Motion for Final Approval granted on November 2, 2023.

n. *Gutierrez v. Next Level Door & Millwork, Inc.*, Riverside County, Case No. CVRI2105455; Motion for Final Approval granted on January 11, 2024.

o. *Lupercio v. Western CNC, Inc.*, San Diego County, Case No. 37-2021-00010314-CU-OE-CTL; Motion for Final Approval granted on January 26, 2024.

p. *Jackson, et al. v. Apple Valley Communications, Inc.*, *et al.*, San Bernardino County, Case No. CIVSB2124721; Motion for Final Approval granted on

February 1, 2024.

q. *Cuadras, et al. v. Guinn Corporation*, Kern County, Case No. BCV-21-101520; Motion for Final Approval granted on February 22, 2024.

r. *Canton, et al v. John B. Sanfilippo & Sons, Inc.*, Merced County, Case No. 22-CV-01145; Motion for Final Approval granted on March 15, 2024.

s. *Williams v. Total Longterm Care, Inc., et al.*, San Bernardino County, Case No. CIVSB2213347; Motion for Final Approval granted on April 2, 2024.

t. *Espinoza v. Delallo's Italian Foods, Inc.*, Butte County, Case No. 21CV02640; Motion for Final Approval granted on April 24, 2024.

u. *Meza v. Argus Management Company, LLC*, *et al.*, Los Angeles County, Case No. 21STCV31612; Motion for Final Approval granted on May 20, 2024.

v. *Wade v. Mallory Safety and Supply LLC*, Siskiyou County, Case No. 23CV00951; Motion for Final Approval granted on July 11, 2024.

w. *Abarca-Rueda, et al. v. Foley Family Wines, Inc., et al.*, Sonoma County, Case No. S-CV-268148; Motion for Final Approval granted on August 21, 2024.

x. *Aguilar v. American Pasteurization Company, Inc., et al.*, Sacramento County, Case No. 34-2021-00312027-CU-OE-GDS; Motion for Final Approval granted on September 3, 2024.

y. *Hayes, et al. v. Gonzales Park, LLC, et al.*, Butte County, Case No. 21CV02456; Motion for Final Approval granted on May 1, 2024.

z. *Hernandez v. KW California, et al.*, Kern County, Case No. BCV-23-100346; Motion for Final Approval Granted on December 4, 2024.

aa. *Arias v. The Shyft Group GTB, LLC, et al.,* Los Angeles County, Case No.22STCV37390; Motion for Final Approval granted on December 3, 2024.

bb. *Barajas Maya v. United Facilities Group, Inc., et al.*, Santa Clara County, Case No. 22CV397353; Motion for Final Approval granted on November 22, 2024.

26. Daniel J. Kramer is a ninth-year Senior Attorney at Wilshire Law Firm, PLC. He was admitted to practice law in the State of California and the Central, Eastern, Southern, and

Northern Districts of California. He graduated from Stanford University with a Bachelor of Arts in History and Political Science, and received his Juris Doctor from Loyola Law School, Los Angeles in 2016. During law school, he was a research editor for the Loyola of Los Angeles International and Comparative Law Review. Before joining Wilshire Law Firm, he practiced briefly at a firm that focused on municipal law and code enforcement and then moved to a respected plaintiff-side firm to practice wage and hour class and representative action litigation.

27. Mr. Kramer has several years of work experience litigating wage and hour class and representative actions, and has been appointed as class counsel in numerous cases, including inter alia:

a. *Hayes, et al. v. Gonzales Park, LLC, et al*., Butte County, Case No. 21CV02456; Motion for Final Approval granted on May 1, 2024.

b. *Hernandez v. KW California, et al*., Kern County, Case No. BCV-23-100346; Motion for Final Approval granted on December 4, 2024.

c. *Petrossian v. The Testing Company LLC*, Los Angeles County, Case No. 22STCV34526; Motion for Final Approval granted on December 23, 2024.

d. *Conchas Jimenez v. The Castine Group*, Santa Clara County, Case No. 21CV375173; Motion for Final Approval granted on February 6, 2025.

e. *Svay v. Certainteed, LLC*, Madera County, Case No. MCV093066; Motion for Final Approval granted on May 20, 2025.

f. *Chavira, et al. v. Mark III Construction, Inc*., Sacramento County, Case No. 34-2021-00308972-CU-OE-GDS; Motion for Final Approval granted on January 30, 2026.

g. *Mendoza, et al. v. OSI Industries, LLC*, Riverside County, Case No. CVRI2203101; Motion for Final Approval granted on February 27, 2026.

28. Chase Stern is an Associate Attorney at WLF. He has more than a decade of complex litigation experience, which has been largely dedicated to representing individual and corporate entity plaintiffs in complex class action and commercial litigation in state and federal courts throughout the country. He is admitted to practice law before all courts in the State of California, the United States District Courts for the Northern, Southern, and Central Districts of California, and the United States Court of Appeals for the Ninth Circuit. Over the course of his career, he has been appointed as class counsel in numerous class action matters throughout California, including wage-and-hour cases. He holds a B.S. in Finance and Entrepreneurship & Emerging Enterprises from Syracuse University and a J.D. from California Western School of Law, graduating from both institutions with honors.

29. Giancarlo A. Recinos is a Senior Attorney at WLF. He was admitted to practice law in the State of California in 2012 and is an active member in good standing with the State Bar of California. Mr. Recinos graduated from San Francisco State University with a Bachelor of Arts in Communications and received his Juris Doctor from Southwestern Law School. For over a decade, his practice has focused on employment law and wage -and-hour compliance.

30. Justin F. Marquez is a former Senior Partner at WLF who was actively involved in the litigation and resolution of this Action from its inception through December 2024. He graduated from University of California, Los Angeles's College Honors Program in 2004 with Bachelor of Arts degrees in History and Japanese, magna cum laude and Phi Beta Kappa. He graduated from Notre Dame Law School with a Juris Doctorate. He was admitted to the State Bar of California in February 2009. His practice focused primarily on advocating for the rights of consumers and employees in class action litigation and appellate litigation. He received numerous awards for his legal work: from 2017 to 2020, Super Lawyers selected him as a "Southern California Rising Star," and from 2022 to 2025, he was selected as a "Southern California Super Lawyer"; he was selected as one of the "Best Lawyers in America" from 2023 to 2025; and in 2024, he, along with his colleagues at WLF, received a CLAY (California Lawyer Attorneys of the Year) award for their work on a false advertising case against Apple which ultimately led to a $25 million settlement. He also was selected to speak at multiple CELA conferences throughout

his career – in 2019, he spoke on the topic of manageability of class actions at CELA's 2019 Advanced Wage & Hour Seminar, and in 2024, he spoke on the topic of dealings with multiple cases against the same defendant at CELA's 2024 Advanced Wage & Hour Seminar. He served as lead or co-lead in negotiating class action settlements worth over $10 million in gross recovery to class members for each year since 2020, including over $37.5 million in 2022 and over $75 million in 2023.

No Conflicts

31. WLF has no actual or potential conflicts of interest with Class Members or the proposed Administrator, ILYM Group, Inc.

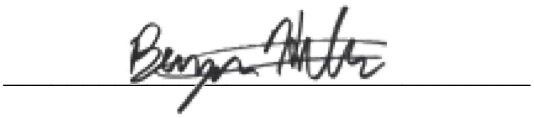
32. WLF is not aware of any pending matter or action against Defendant that may be extinguished or adversely affected by this Settlement.

Administrator

33. Plaintiff's Counsel sought bids from three (3) administrators to administer this Settlement. The Parties selected the bid with the lowest cost, which was from ILYM Group, Inc. A true and correct copy of the will-not-exceed bid from ILYM Group, Inc. to administer this Settlement is attached hereto as **Exhibit 4**.

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

Executed on November 17, 2026 at Los Angeles, California.



Benjamin H. Haber

EXHIBIT 1

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Arsiné Grigoryan, Esq.
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Dorota James, Esq.
Shooka Dadashzadeh, Esq.
Arlene Elyasi, Esq.
Maxim Gorbunov, Esq.
Bradford Smith, Esq.
Arman A. Salehi, Esq.

June 13, 2024

LWDA
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
(*Via Online Submission*)

EK Health Services, Inc.
992 South De Anza Boulevard, Suite 101
San Jose, CA 95129
(*Via Certified Mail, Return Receipt Requested*)
#9489 0090 0027 6621 5904 21

Andrew K. Grossman
Agent for Service of Process for:
EK Health Services, Inc.
41030 Rosewalk Court
Fremont, CA 94539
(*Via Certified Mail, Return Receipt Requested*)
#9489 0090 0027 6621 5904 38

Re: ***Joe Andaya Arciaga v. EK Health Services, Inc.***
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Joe Andaya Arciaga ("Plaintiff") to pursue a Labor Code Private Attorneys General Act ("PAGA") representative action (Cal. Lab. Code §§ 2699, *et seq.*) against his former employer, Ek Health Services, Inc. ("Defendant"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Defendant engaged in with respect to Plaintiff and all of Defendant's Aggrieved Employees.

Plaintiff wishes to pursue this action on behalf of himself as an aggrieved employee, on behalf of the State of California, as well as on behalf of all other persons who worked for Defendant in

California as a non-exempt or hourly-paid employee at any time within the applicable statutory period (hereafter, the "Aggrieved Employees").

Plaintiff and the Aggrieved Employees suffered the Labor Code violations described below.

Plaintiff's Employment with Defendant

Defendant owns/owned and operates/operated an industry, business, and establishment within the State of California, including Santa Clara County. As such, and based upon all the facts and circumstances incident to Defendant's business in California, Defendant are subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission ("IWC"), and the California Business & Professions Code.

Plaintiff Joe Andaya Arciaga is a resident of California who worked for Defendant in Santa Clara County, California as an hourly-paid, non-exempt employee from approximately February 2023 to approximately December 2023. Defendant typically scheduled Plaintiff to work at least five days in a workweek and at least eight hours per day, but Plaintiff mostly worked more than eight hours in a workday and more than forty (40) hours in a workweek.

Throughout Plaintiff's employment, Defendant failed to pay for all hours worked (including minimum, straight time, and overtime wages), failed to provide Plaintiff with legally compliant meal periods, failed to authorize and permit Plaintiff to take rest periods, failed to timely pay all final wages to Plaintiff when Defendant terminated his employment, failed to furnish accurate wage statements to Plaintiff, and failed to indemnify Plaintiff for expenditures. As discussed below, Plaintiff's experience working for Defendant was typical and illustrative.

Defendant Failed to Pay for All Hours Worked, Including Minimum, Straight Time, and Overtime Wages

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the IWC is unlawful.

Throughout the statutory period, Defendant maintained a policy and practice of not paying Plaintiff and the Aggrieved Employees for all hours worked, including minimum, straight time, and

overtime wages. Defendant required Plaintiff and the Aggrieved Employees to work "off-the-clock", uncompensated, by, for example, requiring Plaintiff and the Aggrieved Employees to perform work before clocking out for the workday, during meal periods, and after clocking out for the workday. Some of this unpaid work should have been paid at the overtime rate. In failing to pay for all hours worked, Defendant also failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked.

Defendant also regularly used a system of time rounding and/or synthetic timekeeping that resulted, over a period of time, in failing to compensate Plaintiff and the Aggrieved Employees properly for all the time they have actually worked, even though the realities of Defendant's operations are such that it is possible, practical, and feasible to count and pay for work time to the minute. Some of this unpaid work should have been paid at the overtime rate. In failing to pay for all hours worked, Defendant also failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked. Accordingly, Defendant frequently paid Plaintiff and the Aggrieved Employees less than all their work time.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s).

Throughout the statutory period, Defendant wrongfully failed to provide Plaintiff and the Aggrieved Employees with legally compliant meal periods. Defendant regularly, but not always, required Plaintiff and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, uninterrupted, and duty-free meal period for every five hours of work, or without compensating Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Instead, Defendant continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Plaintiff and the Aggrieved Employees permission to take a meal period. Defendant also never informed Plaintiff of his right to, nor permitted him to take, a second meal period when Plaintiff worked at least ten hours of work in a workday. Accordingly, Defendant's policy and practice was not to provide meal periods to Plaintiff and the Aggrieved Employees in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not provided with all required meal period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for meal periods and that were not provided.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of ten uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours). Thus, for example, if an employee's work time is six hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

Throughout the statutory period, Defendant have wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take legally compliant rest periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendant authorizing and permitting them to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Instead, Defendant continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or by denying Plaintiff and the Aggrieved Employees permission to take a rest period. Accordingly, Defendant's policy and practice was to not authorize and permit Plaintiff and the Aggrieved Employees to take rest periods in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for rest periods and that they were not authorized and permitted to take.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Plaintiff and the Aggrieved Employees for all wages as discussed above, Defendant also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, during all such times, Defendant systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendant, all wages for all rest periods not authorized and permitted by Defendant, and all wages for all hours worked. As a result, Defendant owe employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

Plaintiff seeks penalties under California Labor Code § 1174(d). Pursuant to California Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by California Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Defendant, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Plaintiff and the Aggrieved Employees.

Defendant's failure to provide and maintain records required by the California Labor Code and the applicable IWC Wage Orders deprived Plaintiff and the Aggrieved Employees the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Defendant's records. Therefore, Plaintiff and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Defendant. As a direct result, Plaintiff and the Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking to compel Defendant to fully perform its obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Defendant's knowing failure to comply with the California Labor Code and applicable IWC Wage Orders, Plaintiff and the Aggrieved Employees have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

Failure to Timely Pay All Wages at Termination

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned

and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Within the applicable statute of limitations, the employment of Plaintiff and many other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the employment of others will be terminated. However, during the relevant time period, Defendant failed, and continues to fail to pay Plaintiff and terminated Aggrieved Employees, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Defendant's employment. These unpaid wages include wages for unpaid work time (including minimum, straight time, and overtime wages), missed meal period premium wages, and missed rest period premium wages.

Defendant's conduct violates Labor Code §§ 201 and 202. Labor Code § 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.

Accordingly, Plaintiff and the Aggrieved Employees are entitled to recover from Defendant their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to thirty (30) days maximum pursuant to Labor Code § 203.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Lab. Code § 226(e)(2)(B)(iii).)

The statute further provides: "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars ($4,000), and is entitled to an award of costs and reasonable attorney's fees." (Lab. Code § 226(e)(1).)

Throughout the statutory period, Defendant failed to furnish Plaintiff and the Aggrieved Employees with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law).

Because Defendant violated Labor Code § 226, Plaintiff and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights. Accordingly, Plaintiff and similarly Aggrieved Employees are entitled to recover from Defendant the greater of their actual damages caused by Defendant's failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding four thousand dollars ($4,000) per employee.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 226.3 for failing to furnish accurate itemized wage statements.

Failure to Indemnify for Necessary Expenditures

Labor Code § 2802(a) provides that employers shall indemnify his or her employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Throughout the statute of limitations period applicable to this cause of action, Defendant wrongfully required Plaintiff and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendant. Plaintiff and the Aggrieved Employees regularly paid out-of-pocket for necessary employment-related expenses, including, without limitation, for use of personal cell phone, use of personal internet, and gas mileage. Plaintiff and the Aggrieved Employees incurred substantial expenses as a direct result of performing their job duties for Defendant, but Defendant failed to indemnify Plaintiff and the Aggrieved Employees for these employment-related expenses.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 2802 and 2699(f)(2) for failing to indemnify Plaintiff and the Aggrieved Employees for necessary business expenditures.

Action for Civil Penalties Under PAGA

In light of the above, Plaintiff alleges that Defendant violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

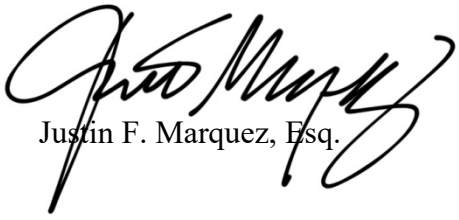
1. Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code § 226.7 and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest periods;
4. Labor Code § 204 by failing to pay all earned wages two times per month;
5. California Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;
6. Labor Code §§ 201 to 203 by willfully failing to pay all wages owed at termination;
7. Labor Code § 226 by failing to provide accurate itemized wage statements; and
8. Labor Code § 2802 by failing to indemnify for necessary expenditures.

Therefore, on behalf of all Aggrieved Employees, Plaintiff seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 1174.5, 1197.1, and 2699(f)(2).

Plaintiff has placed Defendant on notice by mailing a certified copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

WILSHIRE LAW FIRM



Justin F. Marquez, Esq.

EXHIBIT 2

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SANTA CLARA

JOE ARCIAGA, individually, on behalf of himself, all others similarly situated, the State of California, and other aggrieved persons,

Plaintiff,

vs.

EK HEALTH SERVICES, INC., a California corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No. 24CV440274

Assigned for all purposes to the Hon. Beth McGowen, Dept. 22

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

Action Filed: May 31, 2024
FAC Filed: August 19, 2024

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff Joe Andaya Arciaga ("Plaintiff") and Defendant EK Health Services, Inc. ("EK Health"). The Agreement refers to Plaintiff and EK Health collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1 "Action" means Plaintiff's lawsuit alleging wage and hour violations against EK Health, captioned *Arciaga v. EK Health Services, Inc., et al.*, Case No. 24CV440274, initiated on May 31, 2024, and pending in the Santa Clara Superior Court.

1.2 "Administrator" means ILYM Group, Inc. the neutral entity the Parties have agreed to appoint to administer the Settlement and approved by the Court for the purposes of administering this Settlement.

1.3 "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4 "Aggrieved Employee" means all current and former hourly or non-exempt employees of EK Health who worked for EK Health in California during the PAGA Period.

1.5 "Class" means all current and formerly hourly or non-exempt employees of EK Health who worked for EK Health in California during the Class Period.

1.6 "Class Counsel" means Benjamin H. Haber, Daniel J. Kramer, Chase M. Stern, and Alan Wilcox of the Wilshire Law Firm, PLC.

1.7 "Class Counsel Fees Payment" and "Class Counsel Litigation Expenses Payment" mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

1.8 "Class Data" means Class Member identifying information in EK Health's possession including the Class Member's name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

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1.9 "Class Member" or "Settlement Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non- Participating Class Member who qualifies as an Aggrieved Employee).

1.10 "Address Search" means the Administrator's investigation and search for current Class Member or Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members or Aggrieved Employees.

1.11 "Class Notice" means the COURT APPROVED NOTICE OF CLASS ACTION AND PAGA SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12 "Class Period" means the period from May 31, 2020, though September 21, 2025.

1.13 "Class Representative" means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a class representative.

1.14 "Class Representative Service Payment" means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

1.15 "Court" means the court having jurisdiction over the action, which is the Superior Court of California, County of Santa Clara.

1.16 "EK Health" means named Defendant EK Health Services, Inc.

1.17 "Defense Counsel" means Corey J. Cabral and Ryan D. Larocca of the law firm CDF Labor Law LLP.

1.18 "Effective Date" means the date on which the Judgment becomes final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

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1.19 "Final Approval" means the date of the Court's order granting final approval of the Settlement.

1.20 "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

1.21 "Gross Settlement Amount" means $425,000.00, which is the total amount EK Health agrees to pay under the Settlement. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and Administration Expenses Payment, and any other cost or payment that may be required as a result of the Settlement, except as indicated herein.

1.22 "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount based on the number of Workweeks worked during the Class Period.

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

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

1.25 "LWDA" means the California Labor and Workforce Development Agency.

1.26 "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).

1.27 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.28 "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.29 "PAGA Pay Period" means any pay period during which an Aggrieved Employee worked for EK Health for at least one day during the PAGA Period.

1.30 "PAGA Period" means the period from June 13, 2023, through September 21, 2025.

1.31 "PAGA" means the Private Attorneys General Act (Lab. Code § 2698, *et seq*.)

1.32 "PAGA Notice" means Plaintiff's June 13, 2024 letter to the LWDA and EK Health providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.33 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to Aggrieved Employees ($5,312.50) and 75% to the LWDA ($15,937.50) in settlement of PAGA claims.

1.34 "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.35 "Plaintiff" means Joe Arciaga, the named plaintiff in the Action.

1.36 "Preliminary Approval" means the Court's order granting preliminary approval of the Settlement.

1.37 "Released Class Claims" means the claims being released, as described in Paragraph 5.2 below.

1.38 "Released PAGA Claims" means the claims being released as described in Paragraph 5.3 below.

1.39 "Released Parties" means (i) EK Health Services, Inc. and; (ii) each of its past and present direct and indirect parents; (iii) the respective past and present direct and indirect subsidiaries; and (iv) the past and present directors, officers, agents, attorneys, insurers, members, partners, managers, contractors, agents, consultants, representatives, administrators, fiduciaries, benefit plans, transferees, predecessors, successors, and assigns.

1.40 "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.41 "Response Deadline" means 45 days after the Administrator mails the Class Notice and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion, (b) fax, email, or mail objections to the Settlement, or (c) fax, email, or mail a challenge to the number of Workweeks allocated to the Class Member in the Class Notice. Class Members to whom Class Notices are resent after having been returned undeliverable to the

Administrator shall have their deadline extended an additional 14 calendar days beyond the Response Deadline.

1.42 "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.43 "Workweek" means any workweek in which a Class Member provided labor or services for EK Health in California during the Class Period for remuneration for one or more hours.

2. RECITALS.

2.1 On May 31, 2024, Plaintiff commenced this Action by filing a complaint alleging causes of action against EK Health for (1) Failure to Pay Minimum and Straight Time Wages (Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197); (2) Failure to Pay Overtime Wages (Cal. Lab. Code §§ 1194 and 1198); (3) Failure to Provide Meal Periods (Cal. Lab. Code §§ 226.7, 512); (4) Failure to Authorize and Permit Rest Periods (Cal. Lab. Code §§ 226.7); (5) Failure to Timely Pay Final Wages at Termination (Cal. Lab. Code §§ 201-203); (6) Failure to Provide Accurate Itemized Wage Statements (Cal. Lab. Code § 226); (7) Failure to Indemnify Employees for Expenditures (Cal. Lab. Code § 2802); and (8) Unfair Business Practices (Cal. Bus. & Prof. Code §§ 17200, *et seq*.).

2.2 On August 19, 2024, Plaintiff filed a First Amended Complaint alleging the aforementioned causes of action and an additional cause of action against EK Health for Civil Penalties Under PAGA (Cal. Lab. Code § 2699, *et seq*.). Plaintiff's claims are based on alleged (1) off-the-clock work, (2) unpaid minimum wages or other earnings, (3) unpaid regular wages, (4) unpaid overtime, (5) unpaid double time, (6) rounding, (7) regular rate of pay, (8) meal period violations and unpaid meal period premiums, (9) rest break violations and unpaid rest break premiums, (10) wage statement violations, (11) untimely payment of wages, (12) unpaid business expense reimbursements, and (13) violations of Unfair Competition Law, including but not limited to the Labor Code violations that were alleged in the Action which include, but is not limited to, the alleged violations of Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6,226, 226.3, 226.7, 510, 512, 558, 558.1, 1194, 1197, 1197.1, 2802, Cal. Code Civ. Proc.

section 1021.5, and Business and Professions Code section 17200-17208 during the Class Period.

2.3 The First Amended Complaint is the operative complaint in the Action (the "Operative Complaint"). EK Health denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint, and denies any and all liability for the causes of action alleged.

2.4 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff gave timely written notice to EK Health and the LWDA by sending the PAGA Notice.

2.5 On June 24, 2025, the Parties participated in an all-day mediation presided over by Phillip Cha, Esq. ("Mediator"), which led to this Agreement.

2.6 Before mediation, Plaintiff obtained, through informal discovery, class member time and pay records, relevant wage-and-hour policy documents, and Plaintiff's personnel file. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Co*. (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc*. (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk*/*Kullar*").

2.7 The Court has not granted class certification. The Parties engaged in mediation before any motion for class certification was filed.

2.8 There has been no determination on the merits of the Action, but in order to avoid additional cost and the uncertainty of litigation, it is the desire of the Parties to fully, finally, and forever settle, compromise, discharge, and release any and all disputes and claims against the Released Parties arising from or related to the Action.

2.9 The Parties, Class Counsel, and Defense Counsel represent that they are not aware of any other pending matters or actions asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. EK Health promises to pay $425,000.00 and no more as the Gross Settlement Amount and to pay separately any and all employer payroll taxes owed on the Wage Portions (as defined below) of the Individual Class Payments. EK Health has no obligation to pay the Gross Settlement Amount (or any payroll taxes) before the deadline stated

in Paragraph 4.2. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to EK Health.

3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1 To Plaintiff: Class Representative Service Payment of not more than $ 10,000.00 (in addition to any Individual Class Payment [and any Individual PAGA Payment] the Class Representative is entitled to receive as a Participating Class Member). EK Health will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the Motion for Final Approval, Plaintiff will seek Court approval for any Class Representative Service Payment. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment and holds EK Health harmless, and indemnifies EK Health, from any dispute or controversy regarding any division or sharing of any of these payments.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than 33.33% of the Gross Settlement Amount, which is currently estimated to be $141,666.67, and a Class Counsel Litigation Expenses Payment of not more than $20,000.00. EK Health will not oppose requests for these payments provided they do not exceed these amounts. As part of the Motion for Final Approval, Plaintiff and/or Class Counsel may seek Court approval of a Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment. In support of the Class Counsel Litigation Expenses Payment, Class Counsel must submit a cost ledger listing each expense incurred during the Action. If the Court approves a Class Counsel Fees Payment or a Class Counsel

Litigation Expenses Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds EK Health harmless, and indemnifies EK Health, from any dispute or controversy regarding any division or sharing of any of these payments.

3.2.3 To the Administrator: An Administration Expenses Payment not to exceed $15,000.00 except for a showing of good cause and as approved by the Court. To the extent the administration expenses are less than or the Court approves payment less than $15,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4 To Each Participating Class Member: An Individual Class Payment, which the Administrator shall calculate by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

3.2.4.1 Tax Allocation of Individual Class Payments. 33.33% of each Participating Class Member's Individual Class Payment will be allocated to the settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 66.67% of each Participating Class Member's Individual Class Payment will be allocated to the settlement of claims for [e.g., interest and penalties] (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume

full responsibility and liability for any employee taxes owed on their Individual Class Payment. EK Health makes no representations as to the taxability of any portions of the settlement payments, and it is understood and agreed that neither EK Health nor Defense Counsel have made any such representations.

3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $21,250.00 to be paid from the Gross Settlement Amount, with 75% ($15,937.50) allocated to the LWDA PAGA Payment and 25% ($5,312.50) allocated to the Individual PAGA Payments.

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties ($5,312.50) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Size Estimates. Based on a review of its records to date, EK Health estimates there are 182 Class Members who collectively worked a total of 22,835 Workweeks in the Class

Period and 99 Aggrieved Employees who worked a total of 8,655 PAGA Pay Periods.

4.2 Funding of Gross Settlement Amount. EK Health shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay EK Health's share of payroll taxes, by transmitting the funds to the Administrator no later than 7 days after the Effective Date.

4.3 Payments from the Gross Settlement Amount. Within 14 days after EK Health funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.3.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to Class Members and Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Class Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members who are also Aggrieved Employees a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.3.2 The Administrator must conduct an Address Search for all Class Members and Aggrieved Employees whose checks are returned undelivered without a United States

Postal Service ("USPS") forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail the check to the USPS forwarding address provided or to an address ascertained through the Address Search. The Administrator need not take further steps to deliver checks to Class Members or Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member or Aggrieved Employee whose original check was lost or misplaced, as requested by the Class Member or Aggrieved Employee before the void date.

4.3.3 For any Class Member whose Individual Class Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such a check to the California Controller's Unclaimed Property Fund in the name of the Class Member.

4.3.4 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such check to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee thereby leaving no "unpaid residue" subject to the requirements of Code of Civil Procedure section 384, subdivision (b).

4.3.5 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate EK Health to confer any additional benefits or make any additional payments to Class Members or Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Effective on the date when EK Health fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, Aggrieved Employees, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's General Release. Plaintiff and Plaintiff's respective former and present representatives, agents, attorneys, administrators, successors and assigns, release and discharge Released Parties from all claims, transactions or occurrences [that occurred during the Class

Period], including, but not limited to: (a) all claims that were, or reasonably could have been, alleged based on the facts contained in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint and the PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. As of the Effective Date, Plaintiff fully, finally, and forever releases, compromises, and discharges the Released Parties from all causes of action, claims, judgments, obligations, damages or liabilities of whatever kind and character. Plaintiff understands and expressly agrees that this general release extends to all claims of every nature and kind whatsoever, known or unknown, suspected or unsuspected, past or present, which Plaintiff has or may have against the Released Parties, and all rights under Section 1542 of the California Civil Code are hereby expressly waived. Section 1542 reads as follows:

> **A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or released party.**

5.1.2 Plaintiff's Acknowledgement of 1542 Waiver. Plaintiff acknowledges that he has read this general release, including the waiver of California Civil Code section 1542, and that he has consulted counsel about the general release and specifically about the waiver of section 1542, and that he understands the general release and the section 1542 waiver, and freely and knowingly enters into this Agreement. Plaintiff

acknowledges that he may later discover facts different from or in addition to those Plaintiff knows or now believes to be true with respect to the matters released or described in this Agreement, and Plaintiff agrees that the general release will remain effective in all respects notwithstanding any later discovery of any such different or additional facts.

5.2 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Complaint that are alleged to have occurred during the Class Period. The Release includes without limitation, the Labor Code violations that were alleged in the Action which include, but is not limited to the alleged violations of Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6,226, 226.3, 226.7, 510, 512, 558, 558.1, 1194, 1197, 1197.1, 2802, Cal. Code Civ. Proc. section 1021.5, and Business and Professions Code section 17200-17208 during the Class Period. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, or workers' compensation or claims based on events occurring outside the Class Period.

5.3 Release by Aggrieved Employees: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, the Released Parties from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Complaint and the PAGA Notice that are alleged to have occurred during the PAGA Period [including, e.g., "(a) any and all claims involving any alleged failure to pay minimum wage; etc.]. The Release includes without limitation, the Labor Code violations that were alleged in the Action which include, but is not limited to the alleged violations of Labor Code sections 200, 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1194, 1197, 1197.1, and 2802, during the PAGA Period.

6. MOTION FOR PRELIMINARY APPROVAL. The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice and memorandum in support of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk*/*Kullar* and a request for approval of the PAGA Settlement under Labor Code section 2699, subdivision (f)(2); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel, or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; and its timely transmission to the LWDA of all necessary PAGA documents (PAGA Notice (Lab. Code, § 2699.3, subd. (a)), Operative Complaint (Lab. Code, § 2699, subd. (l)(1)), and the Agreement (Lab. Code, § 2699, subd. (l)(2)); and (vii) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. In their declarations, Plaintiff and Class Counsel shall aver whether they are aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval, and to appear in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together by meeting in person or by telephone and in good faith to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Expenses Payment. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund under US Treasury Regulation section 468B-1.

7.4 Notice to Class Members.

7.4.1 Not later than 7 days after the Court grants Preliminary Approval, EK Health will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to effect and perform under this Agreement. EK Health has a continuing duty to immediately notify Class Counsel if

it discovers that the Class Data omitted Class Member identifying information and to provide corrected or updated Class Data to the Administrator as soon as reasonably feasible. Absent any extension of the deadline by which EK Health must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state only the number of Class Members, Aggrieved Employees, Workweeks, and PAGA Pay Periods in the Class Data.

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

7.4.3 Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadline for Class Members' written objections, challenges to Workweeks, and Requests for Exclusion will be extended for Class Members whose notices are re-mailed. Class Members to whom Class Notices are resent after having been returned

undeliverable to the Administrator shall have their deadline extended an additional 14 days beyond the Response Deadline. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

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

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves from (opt out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than the Response Deadline. A Request for Exclusion is a letter from a Class Member or the Class Member's representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

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

proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Release under Paragraph 5.2 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have until the Response Deadline to challenge the number of Workweeks allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email, or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges to the number of Workweeks. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct if they are consistent with the Class Data. The Administrator's determination of allocations of Workweeks is final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide to Defense Counsel and Class Counsel copies of all challenges to calculation of Workweeks and the Administrator's determination of the challenges.

7.7 Objections to Settlement.

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

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail no later than the Response Deadline. Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present oral objections at the Final Approval Hearing.

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

7.7.4 At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Participating Class Members to submit written objections to the Settlement Agreement or appeal from the Final Approval Order and Judgment. Class Counsel will not represent any Class Members with respect to any such objections to this Settlement.

7.8 Administrator Duties. The Administrator has a duty to perform all tasks to be performed by the Administrator set forth in this Agreement or otherwise.

7.8.1 Website, Email Address, and Toll-Free Number. The Administrator will establish, maintain, and use a website to post information of interest to Class Members including the date, time, and location for the Final Approval Hearing and copies of the Agreement, Motion for Preliminary Approval, the Preliminary Approval Order, the Class Notice, the Motion for Final Approval, Final Approval Order, and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for

Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"), (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion, and (c) copies of all Requests for Exclusion submitted (whether valid or invalid).

7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed; Class Notices returned undelivered; Requests for Exclusion (whether valid or invalid) received; objections received; challenges to Workweeks received and/or resolved; and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

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

7.8.5 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its

disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. EK HEALTH'S RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, EK Health may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if EK Health withdraws, the Settlement shall be void ab initio and have no force or effect whatsoever, and neither Party will have any further obligation to perform under this Agreement; provided, however, EK Health will remain responsible for paying all Settlement Administration Expenses incurred to that point. EK Health must notify Class Counsel and the Court of its election to withdraw not later than 10 days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

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

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

9.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final

Approval on any material change to the Settlement, including the scope of release to be granted by Class Members, the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Service Award, Attorneys' Fees, Attorneys' Costs, and/or Administrator Costs shall not constitute a material modification to the Agreement within the meaning of this paragraph.

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

9.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, the Parties, their respective counsel and all Participating Class Members who did not object to the Settlement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs, or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the Net Settlement Amount.

9.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the appellate court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional administration expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel

shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

10. ESCALATOR CLAUSE. The Gross Settlement Amount was negotiated based on EK Health's estimated number of Class Members, Workweeks, Aggrieved Employees, and PAGA Pay Periods. If, during the course of this Settlement process, the total number of Workweeks increases by more than 10% (i.e., more than a total of 25,119 Workweeks), then the Gross Settlement Amount shall be increased by an amount proportional to the increase in Workweeks worked in excess of the number of estimated Workweeks stated above, and if the PAGA Pay Periods increase by more than 10% (i.e., more than a total of 9,521 PAGA Pay Periods), then the PAGA Penalties will be increased by an amount proportional to the increase in PAGA Pay Periods worked in excess of 10%, whether or not the Gross Settlement Amount is increased. For example, if the final number of total Workweeks is 11% more than the estimated number of Workweeks stated above, then the Gross Settlement Amount shall increase by 1%. Similarly, if the final number of total PAGA Pay Periods is 11% more than the estimated number of PAGA Pay Periods stated above, then the PAGA Penalties shall increase by 1%, whether the Gross Settlement Amount increases or not. This is a material representation for Plaintiff to enter into this Settlement.

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

12. ADDITIONAL PROVISIONS.

12.1 No Admission of Liability. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by EK Health that any of the allegations in the Operative Complaint have merit or that there exists any liability for any claims asserted; nor is the Agreement intended to be nor should it be construed as an admission by Plaintiff that EK Health's defenses in the Action have merit.

12.2 Class Certification. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If for any reason the Court does not grant

Preliminary Approval, grant Final Approval, or enter Judgment, EK Health reserves the right to contest certification of any class for any reason, EK Health reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest EK Health's defenses. The Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.3 Submission of Judgment to LWDA. Within 10 court days after Class Counsel's receipt of the Court's approval of the Agreement and entry of a signed Final Approval Order and Judgment, Class Counsel will submit the Final Approval Order and Judgment to the LWDA through its on-line procedures, and will provide Defense Counsel with a copy of the LWDA's acknowledgment of receipt of the Final Approval Order and Judgment.

12.4 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, EK Health, and Defense Counsel separately agree that, until the Motion for Preliminary Approval is filed, they and each of them will not disclose, disseminate, publicize, or cause or permit another person to disclose, disseminate, or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) to counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, EK Health, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members who may contact Class Counsel in accordance with Class

Counsel's ethical obligations owed to Class Members. Also, nothing in this Agreement restricts Class Counsel from disclosing and including all publicly available information regarding this case and the settlement in any documents filed with any court and/or judicial submissions (e.g., CV's, declarations regarding adequacy or experience, etc.).

12.5 Media Communications. The Parties will not initiate any communications (directly or indirectly) with the media regarding the Action. Notwithstanding the foregoing, the Class Representative and Class Counsel may, in response to a communication initiated by the media, direct the inquiring media member to the public records of the Action on file with the Court and respond only with "The matter has been resolved." With the exception of court filings and notice to the LWDA, the Class Representative and Class Counsel will not make: (1) any comments to the public or the media; (2) engage in any mass communications or other publicity, including, but not limited to, website, blog, or social media postings; and (3) public disclosure of the terms of this Settlement (including, but not limited to, the Gross Settlement Amount), the negotiations leading to this Settlement, and all documents related to the Settlement.

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

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

12.8 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and EK Health, respectively, 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 reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

12.9 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts in good faith to implement the Settlement by, among other things, modifying the Settlement Agreement and submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of the Mediator or the Court for resolution.

12.10 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

12.11 No Tax Advice. Neither Plaintiff, Class Counsel, EK Health, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

12.12 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives and approved by the Court.

12.13 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

12.14 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without regard to conflict of law principles.

12.15 Cooperation in Drafting. The Parties have cooperated in drafting and preparing this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

12.16 Confidentiality. To the extent permitted by law, all agreements made and orders entered during the Action and in this Agreement relating to the confidentiality of information

shall survive the execution of this Agreement.

12.17 Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by EK Health in connection with the mediation, other settlement negotiations, or the Settlement, may be used only with respect to this Settlement and for no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or the California Rules of Court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Class Data received from EK Health unless, before the Court's discharge of the Administrator's obligation, EK Health makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.

12.18 Attorneys' Fees and Costs. Except as expressly provided in this Agreement, EK Health and Plaintiff will each bear their own attorney's fees and costs.

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

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

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

/ / /

/ / /

To Plaintiff:

Benjamin H. Haber
benjamin.haber@wilshirelawifrm.com

Daniel J. Kramer
daniel.kramer@wilshirelawfirm.com
Chase M. Stern
chase.stern@wilshirelawfirm.com
WILSHIRE LAW FIRM
660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988

To EK Health:

Corey J. Cabral
ccabral@cdflaborlaw.com
Ryan D. Larocca
rlarocca@cdflaborlaw.com
CDF LABOR LAW LP
900 University Avenue, Suite 200
Sacramento, CA 95825
Telephone: (916) 361-0991

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

12.23 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

[SIGNATURES ON NEXT PAGE]

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By the Parties:

Dated: 09/18/26

Joe Arciaga (Sep 18, 2026 18:22:57 PDT)

Plaintiff Joe Andaya Arciaga

Dated: _____

_____

Defendant EK Health Services, Inc.

By: _____

Position: _____

Approved by counsel:

Dated: September 21, 2026

WILSHIRE LAW FIRM

By: _____

Benjamin H. Haber
Daniel J. Kramer
Chase M. Stern
Attorneys for Plaintiff Joe Andaya Arciaga

Dated:

CDF LABOR LAW LLP

By: _____

Corey J. Cabral
Ryan D. Larocca
Attorneys for Defendant EK Health Services, Inc.

Docusign Envelope ID: EC2071DE-ED44-8316-80F2-55D52BAE5F48

Plaintiff Joe Andaya Arciaga

Dated: 9/16/2026

Signed by:
Dr. Glenn Crafts
5D3B072018EA421...

Defendant EK Health Services, Inc.

By: Dr. Glenn Crafts

Position: President

Approved by counsel:

Dated:

WILSHIRE LAW FIRM

By: _____

Benjamin H. Haber
Daniel J. Kramer
Chase M. Stern
Attorneys for Plaintiff Joe Andaya Arciaga

Dated: September 21, 2026

CDF LABOR LAW LLP

By: _____

Corey J. Cabral
Ryan D. Larocca
Attorneys for Defendant EK Health Services, Inc.

EXHIBIT A

COURT-APPROVED NOTICE OF CLASS ACTION AND PAGA SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Arciaga v. EK Health Services, Inc., et al.,
Superior Court of California, County of Santa Clara, Case No. 24CV440274

The Superior Court for the State of California authorized this Notice. Read it carefully! It's not junk mail, spam, an advertisement or solicitation by a lawyer. You are not being sued.

On May 31, 2024, former employee Joe Andaya Arciaga ("Plaintiff") filed a lawsuit alleging wage and hour violations against EK Health Services, Inc. ("Defendant" or "EK Health") (Plaintiff and Defendant are collectively referred to as the "Parties"). On August 19, 2024, Plaintiff filed a first amended complaint adding a claim seeking penalties under the California Private Attorney General Act ("PAGA"). The lawsuit was filed in Superior Court of the State of California for Santa Clara County ("Court"), Case No. 24CV440274 (the "Action"). EK Health strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

The Action alleges Defendant failed to pay minimum and straight time wages, overtime wages, and wages due upon termination, and failed to provide meal periods, rest periods, reimbursement for business expenses, and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for unfair business practices under the Unfair Competition Law ("UCL"), Bus. & Prof. Code § 17200, *et seq*., and a claim for civil penalties under PAGA. Defendant denies all claims, denies that Plaintiffs and the Class Members are entitled to any recovery, and assert affirmative defenses in response to Plaintiffs' claims.

There has been no determination on the merits of the Action, but in order to avoid the additional cost and the uncertainty of litigation, the Parties reached an agreement to fully and finally settle, compromise, discharge, and release any and all disputes and claims against Defendant arising from or related to the Action. The Parties have entered into a Joint Stipulation of Class and PAGA Settlement ("Settlement," or "Agreement"), which has been preliminarily approved by the Court.

You may be eligible to receive money for the alleged wage and hour violations raised in the Action. The Action seeks (1) alleged unpaid wages and other relief for a class of current and former hourly or non-exempt employees ("Class Members") who worked for EK Health in California during the Class Period May 31, 2020 to September 21, 2025; and (2) penalties under the California Private Attorneys General Act ("PAGA"), Lab. Code § 2698, *et seq*., for all current and former hourly or non-exempt employees who worked for EK Health in California during the PAGA Period (June 13, 2023 to September 21, 2025) ("Aggrieved Employees").

The proposed Settlement has two main parts: (1) a Class settlement requiring EK Health to fund Individual Class Payments, and (2) a PAGA settlement requiring EK Health to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency ("LWDA").

Based on EK Health's records, and the parties' current assumptions, **your Individual Class Payment is estimated to be $_____ (less withholding) and your Individual PAGA Payment is estimated to be $_____**. The actual amount you may receive may be different than the amount estimated and will depend on a number of factors. (If no amount is stated for your Individual PAGA

Payment, then according to EK Health's records you are not eligible for an Individual PAGA Payment under the Settlement because you didn't work during the PAGA Period.)

The above estimates are based on EK Health's records showing that **you worked ____ workweeks** during the Class Period and **you worked _____ pay periods** during the PAGA Period. If you believe that you worked more workweeks during the Class Period and/or pay periods during the PAGA Period, you can submit a challenge by the deadline date. See Section IV of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant Final Approval. Your legal rights are affected whether you act or not. Read this notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a Judgment that approves the releases of claims by Class Members and PAGA Members in accordance with the terms of the Settlement.

If you worked for EK Health during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

(1) **Do Nothing**. You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims against EK Health.

(2) **Opt Out of the Class Settlement**. You can exclude yourself from the Class Settlement (opt out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against EK Health, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt out of the PAGA portion of the proposed Settlement.

EK Health will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against EK Health that are covered by this Settlement ("Released Claims").
You Can Opt Out of the Class Settlement but not the PAGA Settlement The Opt-Out Deadline is 45 days after this Notice is mailed to you	If you don't want to fully participate in the proposed Settlement, you can opt out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section VI of this Notice.

[ADMINISTRATOR TO INSERT DATE].	You cannot opt out of the PAGA portion of the proposed Settlement. EK Health must pay Individual PAGA Payments to all Aggrieved Employees, and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by 45 days after this Notice is mailed to you [ADMINISTRATOR TO INSERT DATE].	All Class Members who do not opt out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section VII of this Notice.
You Can Participate in the Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [DATE AND TIME TO BE SET BY THE COURT]. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can object to the Class Settlement, virtually or in person, at the Final Approval Hearing. See Section VIII of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by 45 days after this Notice is mailed to you [ADMINISTRATOR TO INSERT DATE].	The amounts of your Individual Class Payment and Individual PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many pay periods you worked at least one day during the PAGA Period, respectively. The number of Class Period workweeks and number of PAGA Period pay periods you worked according to EK Health's records are stated on the first page of this Notice. If you disagree with the number of Class Period Workweeks, you must challenge it by the Response Deadline (45 days after this Notice is mailed to you) [ADMINISTRATOR TO INSERT DATE]. See Section IV of this Notice.

I. WHAT IS THE ACTION ABOUT?

Plaintiff was an EK Health employee. The Action accuses EK Health of violating California labor laws by failing timely to pay minimum and straight time wages, overtime wages, and wages due upon termination, and failing to provide meal periods, rest periods, reimbursement for business expenses, and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for unfair business practices under the Unfair Competition Law ("UCL"), Bus. & Prof. Code § 17200, *et seq*., and a claim for civil penalties under PAGA.

Plaintiff is represented by attorneys in the Action: Benjamin H. Haber, Daniel J. Kramer, Chase M. Stern, and Alan Wilcox of Wilshire Law Firm, PLC.

EK Health strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

II. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

The Court has made no determination whether EK Health or Plaintiff is correct on the merits. Plaintiff and EK Health hired a neutral mediator, Phillip Cha, Esq., in an effort to resolve the Action by negotiating an agreement to settle the case rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a settlement agreement and agreeing to ask the Court to enter a judgment ending the Action, Plaintiff and EK Health have negotiated a proposed Settlement that is subject to the Court's final approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, EK Health does not admit any violations or concede the merit of any claims. Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) EK Health has agreed to pay a fair, reasonable, and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) settlement is in the best interests of the Class Members. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

III. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Under the Terms of the Settlement, EK Health Will Pay $425,000.00 as the Gross Settlement Amount ("Gross Settlement"). EK Health has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, a Class Representative Service Payment, Class Counsel's attorneys' fees and expenses, the Administrator's expenses, and penalties to be paid to the LWDA. Assuming the Court grants Final Approval, EK Health will fund the Gross Settlement and employer payroll taxes owed under the Settlement not more than 7 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court:

    A. Up to $141,666.67 (33.33% of the Gross Settlement) to Class Counsel for attorneys' fees and up to $20,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

    B. Up to $10,000.00 to Plaintiff as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.

    C. Up to $15,000.00 to the Administrator for services administering the Settlement.

D. Up to $21,250.00 for PAGA penalties, allocated 75% ($15,937.50) to the LWDA and 25% ($5,312.50) to Individual PAGA Payments to Aggrieved Employees based on their pay periods during the PAGA Period.

Participating Class Members have the right to object to any of these deductions except the PAGA Penalties. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiff and EK Health are asking the Court to approve an allocation of 33.33% of each Individual Class Payment to taxable wages ("Wage Portion") and 66.67% to interest and penalties ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. EK Health will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

   Although Plaintiff and EK Health have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Cash Payment Checks Promptly. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires, which shall be not less than 180 days after the date of mailing (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

   If the monies represented by your check are sent to the Controller's Unclaimed Property Fund, you should consult the rules of the fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than the Response Deadline (45 days after this Notice is mailed to you) [ADMINISTRATOR TO INSERT DATE], that you wish to opt out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the Response Deadline. The Request for Exclusion should be a letter from the Class Member or Class Member's representative setting forth the Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Class Members who opt out will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against EK Health.

   You cannot opt out of the PAGA portion of the Settlement. Class Members who opt out of the Class Settlement remain eligible for Individual PAGA Payments and are required to give up their

right to assert PAGA claims against EK Health based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will not grant Final Approval of the Settlement or not enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and EK Health have agreed that, in either case, the Settlement will be void, EK Health will not pay any money, and Class Members will not release any claims against EK Health.

8. Administrator. The Court has appointed a neutral company, ILYM Group, Inc. (the "Administrator"), to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section IX of this Notice.

9. Released Parties. The Released Parties means (i) EK Health Services, Inc. and; (ii) each of its past and present direct and indirect parents; (iii) the respective past and present direct and indirect subsidiaries; and (iv) the past and present directors, officers, agents, attorneys, insurers, members, partners, managers, contractors, agents, consultants, representatives, administrators, fiduciaries, benefit plans, transferees, predecessors, successors, and assigns.

10. Participating Class Members' Release. After the Judgment is final and EK Health has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against the Released Parties for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

    The Participating Class Members will be bound by the following release:

    > All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Complaint that are alleged to have occurred during the Class Period. The Release includes without limitation, the Labor Code violations that were alleged in the Action which include, but is not limited to the alleged violations of Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1194, 1197, 1197.1, 2802, Cal. Code Civ. Proc. section 1021.5, and Business and Professions Code section 17200-17208 during the Class Period. Except as set forth in Section 5.3 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, or workers' compensation or claims based on events occurring outside the Class Period.

11. Aggrieved Employees' PAGA Release. After the Court's Judgment is final, and EK Health has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved

Employees will be barred from asserting PAGA claims against Released Parties, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against EK Health or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Release is as follows:

> All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, the Released Parties from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Complaint and the PAGA Notice that are alleged to have occurred during the PAGA Period. The Release includes without limitation, the Labor Code violations that were alleged in the Action which include, but is not limited to the alleged violations of Labor Code sections 200, 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1194, 1197, 1197.1, and 2802, during the PAGA Period.

IV. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing $5,312.50 by the total number of PAGA Period pay periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period pay periods worked by each individual Aggrieved Employee.

3. Workweek Challenges. The number of Workweeks you worked during the Class Period, as recorded in EK Health's records, is stated in the first page of this Notice. You have until the Response Deadline (45 days after this Notice is mailed to you) [ADMINISTRATOR TO INSERT DATE] to challenge the number of Workweeks credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section IX of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept EK Health's calculation of Workweeks based on EK Health's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and EK Health's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

V. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment (if any).

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement.

   Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section IX of this Notice has the Administrator's contact information.

VI. HOW DO I OPT OUT OF THE CLASS SETTLEMENT?

To opt out of the Class Action Settlement, submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Arciaga v. EK Health Services, Inc., et al.*, Case No. 24CV440274, and include your identifying information (full name, address, telephone number, approximate dates of employment, and Social Security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **You must send your request to be excluded to the Administrator by the Response Deadline (45 days after this Notice is mailed to you) [ADMINISTRATOR TO INSERT DATE], or it will be invalid.** Section IX of the Notice has the Administrator's contact information.

VII. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and EK Health are asking the Court to approve. At least 16 court days before the Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair and states (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section IX of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's website ([SETTLEMENT ADMINISTRATOR WEBSITE URL]) or the Court's website (https://santaclara.courts.ca.gov).

A Participating Class Member who disagrees with any aspect of the Settlement or the Motion for Final Approval may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is** the Response Deadline (45 days after this Notice is mailed to you) [ADMINISTRATOR TO INSERT DATE]. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Arciaga v. EK Health Services, Inc., et al.*, Case No. 24CV440274 and include your name, current address, telephone number, and approximate dates of employment for EK Health and sign the objection. Section IX of this Notice has the Administrator's contact information.

A Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section VIII of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

VIII. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [DATE TO BE SET BY THE COURT] at [TIME] in Department 22 of the Superior Court of California, County of Santa Clara, before the Hon. Beth McGowen, located at [SANTA CLARA COURTHOUSE ADDRESS]. At the hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel, and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via the Court's virtual appearance platform [INSERT PLATFORM AND LINK]. Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website [SETTLEMENT ADMINISTRATOR WEBSITE URL] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

IX. HOW CAN I GET MORE INFORMATION?

The settlement agreement sets forth everything EK Health and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the settlement agreement, the Judgment or any other settlement documents is to go to the Settlement Administrator's website at [SETTLEMENT ADMINISTRATOR WEBSITE URL].

You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (https://santaclara.courts.ca.gov) and entering the Case Number for the Action, Case No. 24CV440274. You can also make an appointment to personally review court documents in the Clerk's Office of the Superior Court of California, County of Santa Clara [INSERT CLERK'S OFFICE ADDRESS AND PHONE].

DO NOT TELEPHONE THE COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT

Class Counsel:

Name of Attorney: Benjamin H. Haber
Email Address: benjamin.haber@wilshirelawfirm.com
Wilshire Law Firm, PLC
660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988

Settlement Administrator:

Name of Company: ILYM Group, Inc.
Email Address: [ADMINISTRATOR EMAIL]
Mailing Address: [ADMINISTRATOR MAILING ADDRESS]
Telephone: [ADMINISTRATOR TELEPHONE]

Fax Number: [ADMINISTRATOR FAX]

X. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the California Controller's Unclaimed Property Fund for instructions on how to retrieve the funds.

XI. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

EXHIBIT 3

Outlook

Thank you for your Proposed Settlement Submission

From no-reply@formassembly.com <no-reply@formassembly.com>
Date Wed 11/4/2026 9:10 AM
To Giancarlo Recinos' Team <Giancarlorecinosteam@wilshirelawfirm.com>

11/04/2026 09:10:15 AM

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

Item submitted: Proposed Settlement

On 11/04/2026 09:10:15 AM your Proposed Settlement was successfully processed for case number LWDA-CM-1033846-24

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate_Attorneys_General_Act.htm&data=05%7C02%7Cdariane.rose%40wilshirelawfirm.com%7C38225aa66e034db9f3a308df3a9685e9%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639294090316728026%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=k65phmuvKgkdxIJ9ULsn8ytnEYcx3LDoLIuSf8KBOb4%3D&reserved=0

EXHIBIT 4

CLASS ACTION ADMINISTRATION

ILYM GROUP

Case Name: Arciaga v. EK Health

Tuesday, August 25, 2026

Requesting Attorney:
Chase Stern, Esq.
Wilshire Law Firm, PLC
chase.stern@wilshirelawfirm.com
800.926.9799

ILYM Group Contact:
Tony Rogers
ILYM Group, Inc.
trogers@ilymgroup.com
714.878.8836

Estimate For Administrative Solutions: Class & PAGA

KEY ASSUMPTIONS	
Total Number of Class Members	182
Estimated Percentage of Remails	15%
Certified Spanish Translation	No
ILYM Group Static Website	Yes
NCOA	Yes
Case Duration (Years)	1

Summary of ILYM Group, Inc.'s Fees & Expenses

Case Startup:	$325.00
Project Management:	$1,460.00
Notification & Mailing:	$643.28
Distribution (Includes EIN, Bank Acct * /QSF Setup):	$3,006.72
Case Conclusion:	$1,015.00
Estimated ILYM Fees & Expenses:	**$6,450.00**

CLASS ACTION ADMINISTRATION

ILYM GROUP

Case Name: Arciaga v. EK Health

Tuesday, August 25, 2026

Requesting Attorney's Name: Chase Stern, Esq.

Activity	Rate Type	Unit Cost	Volume	Amount
CASE STARTUP				
Initial Setup - Import and Formatting of Data*	Hourly	$150.00	1	$150.00
Programming of Class Database	Hourly	$175.00	1	$175.00
**ILYM assumes that data will be in a standard format. Client will be notified immediately if not in standard format to correct data or ILYM can convert to standard format @ $150.00 per hour.*			**Subtotal**	**$325.00**
PROJECT MANAGEMENT				
Project Manager (Case notification and maintenance)	Hourly	$120.00	3	$360.00
Staff Hours for Processing Returned Mail	Hourly	$70.00	1	$70.00
Staff Hours for Processing Opt-Outs, Disputes & Objection(s)	Hourly	$70.00	1	$70.00
Report Processing	Hourly	$70.00	1	$70.00
ILYM Group Static Website	Flat Fee	$750.00	1	$750.00
NCOA	Flat Rate	$55.00	1	$55.00
Toll Free Customer Service Representative	Flat Fee	$85.00	1	$85.00
Weekly Reports	Flat Rate	$750.00	1	Waived
			Subtotal	**$1,460.00**
NOTIFICATION & MAIILING				
Fulfillment of Notice, English only	Per Piece	$1.50	182	$273.00
USPS First Class Postage	Per Piece	$0.81	182	$147.42
Re-Mails (Forward/Skip trace Undeliverables)	Per Piece	$2.00	27	$54.60
Storage, Photocopies, Deliveries	Flat Fee	$168.26	1	$168.26
			Subtotal	**$643.28**

CLASS ACTION ADMINISTRATION

ILYM GROUP

Case Name: Arciaga v. EK Health

Tuesday, August 25, 2026

Requesting Attorney's Name: Chase Stern, Esq.

Activity	Rate Type	Unit Cost	Volume	Amount
DISTRIBUTION (Includes EIN, Bank Acct * /QSF Setup)				
Distribution Setup & Management	Hourly	$150.00	2	$300.00
Account Reconciliation & Distribution Reporting	Hourly	$125.00	2	$250.00
Check, Stub & Release - Print & Mail (W2/1099)	Per Check	$1.00	182	$182.00
USPS First Class Postage	Per Piece	$0.81	182	$147.42
Re-Mails (Forward/Skip trace Undeliverables up to 10%)	Per Piece	$1.50	18	$27.30
Preparation of Taxes	Hourly	$120.00	5	$600.00
Annual Filing of Tax Return	Per Year	$1,500.00	1	$1,500.00

**Additional Bank fees may apply*

Subtotal **$3,006.72**

CASE CONCLUSION				
Data Manager Final Reporting	Hourly	$100.00	1	$100.00
Project Manager Final Reporting	Hourly	$120.00	2	$240.00
Process Unclaimed Funds	Flat Fee	$550.00	1	$550.00
Declaration	Hourly	$125.00	1	$125.00

Subtotal **$1,015.00**

Estimated ILYM Fees & Expenses: $6,450.00

ILYM Group's Terms and Conditions

All services to be provided by ILYM Group, Inc. (hereinafter, "ILYM") to Client shall be subject to the following terms and conditions:

Services: Subject to the terms hereof, ILYM agrees to provide the Client with Administration Services (hereinafter, "services") as specified in the Proposal provided to Client to which these Terms and Conditions are attached. The estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make provision for any services or class members/size not delineated in the request for proposal or stipulations. Such services do not in any way constitute legal services or advice. ILYM is performing its services as an Independent Contractor and neither it nor its employees shall be deemed to be employees of the Client.

Mailing and Data Conversion: ILYM's database administration assumes the Client will provide complete data that includes all information required to send notifications and complete the administration process. Data must be provided in a complete, consistent, standardized electronic format. ILYM's standard format is Microsoft Excel, however, ILYM may accept other formats at its discretion. Further developments or enhancements to non-standardized data will be billed to Client by ILYM on a time and materials basis, according to ILYM's Standard Rates.

Charges for Services: Charges to the Client for services shall be on a time and materials basis at our prevailing rates, as the same may change from time to time. Any fee estimates set forth in the proposal are estimates only, based on information provided by Client to ILYM. Actual fees charged by ILYM to Client may be greater or less than such estimate, and Client shall be responsible for the payment of all such charges and expenses in accordance with Section 5 hereof. Charges incurred related to resolving post distribution withholdings and related corrective files due to voids and re-issues of payments and related correspondence with state and federal taxing authorities will not be charged to the Client to the extent that funds are received from the taxing authorities offset these charges. ILYM may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

Indemnification: Client will indemnify and hold ILYM (and the officers, employees, affiliates and agents harmless against any Losses incurred by ILYM, arising out of, in connection with, or related to (i) any breach of the terms by Client; (ii) the processing and handling of any payment by ILYM in accordance with Client's instructions, including without limitation, the imposition of any stop payment or void payment on any check or the wrongful dishonor of a check by ILYM pursuant to Clients instructions.

Payment of Charges: ILYM reserves the right to request payment of postage charges and 50% of the final administration charges at the start of the case. ILYM bills are due upon receipt unless otherwise negotiated and agreed to with the Client. In the event settlement terms provide that ILYM is to be paid out of the Settlement Fund, ILYM will request that Counsel endeavor to make alternate payment arrangements for ILYM charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the Settlement Account is funded by, or no later than the time of disbursement. Decisions of the court and actions of the parties, including disapproval or withdrawal of a settlement, do not affect the Client's liability to ILYM for payment of services. Services are not provided on a contingency fee basis.

Confidentiality: ILYM maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of Client data provided to ILYM by Client in connection herewith. Should ILYM ever be notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Client, ILYM will promptly notify the Client, unless prohibited by applicable law. The Client shall have the option to (1) provide legal representation at the Client's expense to avoid such access or (2) promptly reimburse ILYM for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If ILYM is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, ILYM will not be liable for breach of said obligation.

Data Rights: ILYM does not convey nor does the Client obtain any right in the programs, system data, or materials utilized or provided by ILYM in the ordinary course of business in the performance of this Agreement.

Document Retention: Unless directed otherwise in writing by Client, ILYM will destroy undeliverable mail on the effective date of the settlement or the date that the disposition of the case is no longer subject to appeal or review, whichever is later. ILYM will maintain claim forms and other correspondence for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later.

Limitation of damages: ILYM is not responsible to the Client for any special, consequential or incidental damages incurred by Client. Any liability of ILYM to the Client shall not exceed the total amount billed to the Client for the particular services that give rise to any loss.

Termination: The services to be provided under this Agreement may be terminated, at will by the Client upon at least 30 calendar days' prior written notice to ILYM. The Client's obligation to pay for services or projects in progress at the time of notice of withdrawal shall continue throughout that 30 day period. ILYM may terminate this Agreement (i) with 10 calendar days' prior written notice, if the Client is not current in payment of charges or (ii) in any event, upon at least 3 months' prior written notice to the Client.

Notice: Any notice required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid, or overnight courier service to the responsible officer or principal of ILYM or the Client, as applicable, and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service.

Force Majeure: To the extent performance by ILYM of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond ILYM's reasonable control, then such performance shall be excused and this Agreement, at ILYM's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.

Waiver of Rights: No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in a signed writing.

Jurisdiction: The parties hereto submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby waive any objection to the laying of venue of any such suit, action or proceeding in the Court.

Entire Agreement: These terms and conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.