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Tara Denise Michael

SUPERIOR COURT OF CALIFORNIA
COUNTY OF SACRAMENTO

TARA DENISE MICHAEL, an individual, on
her own behalf and on behalf of all others
similarly situated,

Plaintiffs,

vs.

POINT QUEST INC., a California
corporation; and DOES 1 through 100,
inclusive,

Defendants.

CASE NO.: 24CV016886

**DECLARATION OF THOMAS SCHELLY
IN SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

Judge: Hon. Lauri Damrell

Date: February 6, 2026

Time: 9:00 AM

Dept.: 22

Complaint Filed: August 26, 2024

DECLARATION OF THOMAS SCHELLY

1 1. I am an attorney at law duly licensed to practice law in California and admitted to
2 practice before this Court. I am an attorney at Lipeles Law Group, APC, which is attorney of record
3 for Plaintiff Tara Denise Michael (“Plaintiff”) and the potential class in this lawsuit.

4 2. I am over 18 years of age. I have personal knowledge of the facts set forth in this
5 declaration and could and would testify competently thereto.

6 3. I have no knowledge of the existence of any conflict of interest between me and my
7 firm and Plaintiff, on the one hand, and any Class Member, on the other hand.

8 4. Prior to filing the Complaint, Plaintiff’s Counsel conducted an initial investigation
9 of the facts and the law, and contacted potential witnesses at Defendant Point Quest Inc.,
10 (“Defendant”), in California. I comprehensively investigated the applicable law as applied to the
11 facts discovered, regarding the suitability of the action for class treatment, the claims of Plaintiff,
12 and the damages claimed by Plaintiff. These witnesses corroborated the class-wide claims in
13 Plaintiff’s complaint and supported my belief that Plaintiff was a typical non-exempt hourly-paid
14 employee and as such was subject to the same policies and procedures that gave rise to the claims
of the Class.

15 5. On August 26, 2024, Plaintiff Tara Denise Michael filed her Original Class Action
16 Complaint in the Superior Court of California, Sacramento County, on behalf of herself and others
17 similarly situated for certain present and former employees of Defendant for: (1) failure to pay
18 minimum wages (Cal. Labor Code §§ 1194, 1194.2, 1197, 1197.1, 1198); (2) failure to pay for
19 meal periods not provided (Cal. Labor Code §226.7, 512); (3) failure to pay for rest periods not
20 provided (Cal. Labor Code §226.7, 512); (4) failure to maintain records and provide accurate
21 itemized wage statements (Cal. Labor Code §§ 226); (5) failure to reimburse business expenses
22 (Cal. Labor Code § 2802); (6) failure to allow inspection of employment records (Cal. Labor Code
23 § 1198.5); and (7) unfair/unlawful business practices (Cal. Bus. and Prof. Code §§ 17200 *et seq.*)

24 6. On October 25, 2024, Plaintiff filed a First Amended Complaint, adding a claim for
25 civil penalties pursuant to the Private Attorneys General Act (PAGA) (Cal. Labor Code §§2699 *et*
26 *seq.*)

27 7. Once the Action was filed, the Parties conducted extensive informal discovery,

1 investigation and arm's-length negotiations. Since approximately July 2024, I have conducted a
2 thorough investigation into the facts of this putative class action. The Parties exchanged and
3 analyzed documents. Information and data exchanges included detailed examination and analysis
4 of a random sampling of the timekeeping data for 25% of the Class Members. The parties agreed to
5 participate in the cost-effective alternative of settlement.

6 8. The informal discovery process culminated in a mediation scheduled for July 14,
7 2025. In preparing for the mediation, I reviewed various information and data produced by
8 Defendant, including, *inter alia*,: (1) extensive review and analysis of relevant documents,
9 including but not limited to, the number of workweeks, shifts and pay periods, data relating to the
10 size and scope of the putative class (246), the average hourly rate, wage and hour policies and
11 procedures, (3) a sampling of timekeeping data, payroll data and time punches; (3) detailed
12 examination of data related to Defendant's PAGA exposure; (4) Defendant's wage and hour
13 policies and procedures; and (5) research with respect to the applicable law and the potential
14 defenses thereto.

15 9. This discovery allowed me to assess the merits and value of Plaintiff's claims, the
16 claims held by the Class Members, and Defendant's defenses.

17 10. Defendant's internal documents and computerized records showed that Defendant
18 paid minimum wages, but failed to include a "tier stipend" in the regular rate of pay calculations for
19 pay periods in which a "tier stipend" was earned, on some occasions did not afford putative class
20 members with timely, 30-minute meal periods for each shift and, although Defendant reimbursed
21 Class members' cell phone expenses at \$10 per month, Plaintiff contends Defendant did not
22 adequately reimburse business expenses.

23 11. Negotiations at the mediation were hotly contested. At the settlement meeting,
24 Defendant made the following arguments in their defense for which substantial "deductions" were
25 thought to be appropriate by Plaintiff's counsel and were applied to the maximum liability amount.
26 Defendant contended that it is their policy and practice to pay all wages for all time worked and that
27 they do not allow employees to perform off the clock work.

28 12. Further, Defendant adamantly contended that it implemented a policy for when

nonexempt employees were to take meal/rest breaks. Defendant maintained that it provided its non-exempt employees with legally-compliant meal/rest periods. Further, Defendant maintained that individual issues predominate and that courts routinely decline to certify meal/rest break classes.

13. Additionally, Defendant contended that employees were not required to use their personal cell phones. As a result, those expenses are not recoverable. Further, Defendant had an expense reimbursement policy and employees could submit requests for reimbursement.

14. Despite Defendant's contentions, I believed that Defendant's minimum wage, meal/rest break and expense reimbursement policies and practices, violated their employees' rights to proper wage compensation, meal/rest breaks and reimbursement.

15. From the data received from Defendant, Plaintiff constructed a damages model based on Defendant's exposure. Certain calculations are extrapolated to the Class since the analysis data was based on a 25% sample. As a result, the calculations are multiplied by 4.

A. Minimum Wage Claim

Plaintiff assumed 10-minutes of off the clock work per shift. Defendant maintained that their policies did not allow off the clock work, however, Plaintiff and Class members worked off the clock. The average wage rate for all employees during the Class Period was \$20.72 per hour.

The total estimated amount of alleged unpaid off the clock time based on the 25% sample is 790 regular hours and 601 overtime hours. Thus, the total estimated amount of minimum wages owed equaled \$35,047.88 as of July 14, 2025, calculated as follows: 790 regular hours * \$20.72 + 601 overtime hours * 20.72 * 1.5 = \$35,047.88. The total damages extrapolated to the Class, excluding interest and penalties, are \$140,191.52 (\$35,047.88 * 4).

B. Meal Break Claim

Meal break violations (missed, shortened and/or late), were calculated and quantified based on the actual observed violations contained in the 25% sample. The data was converted and both shift durations and break durations were calculated. Employing the "5/10 rule"¹, each shift was

¹The "5/10 rule" refers to the assumption of no meal break waiver, meaning a shift is eligible for a first meal break at 5 hours and a second meal break at 10 hours.

analyzed to determine whether a meal break was taken and whether that break was short, missed or late. The 25% sample data revealed a violation rate of 14.66% and 1,223 violations. Thus, there were 1,223 shifts with violations in the 25% sample. The total amount of damages based on the number of shifts with violations in the 25% sample was \$25,340.56 ($1,223 * \$20.72$).

Further, Plaintiff assumed that 30% of meal breaks were interrupted. The average wage rate for all employees during the Class Period was \$20.72 per hour. The total number of meal break interruptions was 6,699. Meal break interruptions were calculated as follows: $6,699 * 30\% = 2,010$ interruptions. Thus, the total damages for interrupted meal breaks based on the 25% sample was \$41,647.00 ($2,010 * \$20.72$).

Defendant contended that they have a valid meal break policy, that they authorized and permitted meal breaks and paid for missed meal breaks. In addition, Defendant contended that the putative Class signed valid “on duty meal agreements” for occasions in which they were unable to take a full, off-duty, meal periods due to their need to remain on site to supervise, on a one-to-one basis, children with behavioral and emotional disorders.

Sample data reflected that Defendant paid meal premiums to Class members, but Plaintiff contends that Defendant failed to pay premiums for all noncompliant meal periods. According to Plaintiff’s damages model, Defendant’s exposure for meal period violations extrapolated to the Class, amounted to approximately \$35,075.24 [$\$25,340.56 - \$16,572$ (meal premiums paid) = $\$8,768.56 * 4$]. Defendant’s exposure for meal period interruptions extrapolated to the Class, excluding interest and penalties, amounted to approximately \$166,588.00 ($\$41,647 * 4$). The total amount of damages for both meal break violations and interruptions, excluding interest and penalties, amounted to approximately \$201,663.24.

C. Rest Break Claim

Regarding rest break violations, Plaintiff assumed a violation rate of 100% and one missed rest break per shift greater than 3.5 hours. The average wage rate for all employees during the Class Period was \$20.72 per hour. The total estimated number of rest break violations in the 25% sample was 7,667 shifts. Defendant contended that it has a valid rest break policy and that it authorized and permitted rest breaks.

According to Plaintiff's damages model, PQ's exposure for non-complaint rest periods on the shifts, excluding interest, amounted to approximately \$158,860.24 (7,667 * \$20.72). When extrapolated to the Class, Defendant's exposure for non-complaint rest periods during the statutory period, excluding interest and penalties, amounted to approximately \$635,440.96 (\$158,860.24 x 4).

D. Failure to Provide Accurate Wage Statements Claim

Concerning the wage statement claim,² the putative class was comprised of approximately 90 current employees during the one-year statutory period. There were 24 pay periods per year. The value of Plaintiff's wage statement claim was \$211,500, calculated as follows: Current employees (90, at the time of mediation) * \$2,350 (\$50.00 (initial violation) + \$100 (subsequent violations)) = \$211,500.

E. Expense Reimbursement Claim

Plaintiff assumed there was \$10.00³ of unreimbursed cell phone business expenses per Workweek. There were 13,408 Workweeks in the Class Period through July 14, 2025.

According to Plaintiff's damages model, Defendant's exposure for unreimbursed cell phone business expenses, excluding interest, amounted to approximately \$134,080 (13,408 * \$10.00).

F. Damages Model

The Damages Model manifested the following conclusions concerning Defendant's exposure, excluding interest:

<u>ALLEGATION</u>	<u>LIABILITY RISK</u>
Minimum Wage Claim	\$140,191.52
Rest Break Claim	\$635,440.96

² Labor Code §226(e) provides that an employee is entitled to recover \$50 for the initial pay period in which a violation of Labor Code §226 occurs and \$100 for each subsequent pay period, not to exceed \$4,000, as well as an award of costs and reasonable attorneys' fees, for all pay periods in which the employer knowingly and intentionally fails to provide accurate itemized statements to the employee causing the employee to suffer injury. There are 24 pay periods per year. The wage statement violation claim is derivative of Plaintiff's other claims and depends on the actual number of violations found to exist.

³ Cell phone reimbursement cost: <http://www.insights.samsung.com/2022/05/16/how-much-should-you-compensate-byod-employees-for-mobile-expenses-3/>

Meal Break Claim (including meal break violations and interruptions)	\$201,663.24
Failure to Issue Accurate Itemized Wage Statement Claim	\$211,500.00
Failure to Reimburse Business Expenses Claim	\$134,080
Total, excluding interest	\$1,322,875.72

The following chart shows the amount of PAGA penalties on the minimum wage claim only since based on Labor Code 2699(h)(3)(i) PAGA penalties cannot be stacked:

Number of Pay Periods in PAGA Period	3,636	
Number of Pay Periods in PAGA Period – Minimum Wage	3,636	
PAGA for Minimum Wage	\$363,600	\$100/\$100
Total PAGA penalties	\$363,600	

Since PAGA penalties cannot be stacked the maximum recoverable PAGA penalties is \$363,600.00.

16. The \$395,000 proposed Gross Settlement Amount (“GSA”) represents a compromise of Defendant’s liability risk. The parties agreed to settle for \$395,000.00 with no claims process and **no reversion** to Defendant of any settlement monies remaining after all Participating Class Members claims are paid.

17. On July 14, 2025, the parties virtually attended via Zoom an all-day mediation with mediator Jill R. Sperber, Esq. (“Ms. Sperber”). Defense counsel and I selected Ms. Sperber as mediator based upon her experience in mediating wage and hour class action lawsuits. Jasmine Badawi, Esq. and I attended on behalf of Plaintiff. Shuana Correia, Esq. of Weintraub Tobin Chediak Coleman Grodin attended on behalf of Defendant. Plaintiff also remotely attended the mediation. See Declaration of Tara Denise Michael (“Michael Decl.”), ¶6.

18. Discussion focused on the many disputed legal and factual issues. Counsel for both Parties analyzed the data provided by Defendant to estimate potential damages in the litigation. Arm’s-length negotiations were conducted in good faith. The negotiations were lengthy and hard-

fought.

19. With Ms. Sperber's help, we negotiated a class-wide resolution at the mediation. After a full day of negotiations, the parties agreed to settle for \$395,000.00 with **no reversion** to Defendant of any settlement monies remaining after all Participating Class Members claims are paid.

20. The Parties negotiated a long-form agreement for over several of months before executing the Class Action and PAGA Settlement Agreement and Class Notice⁴ ("Settlement Agreement") in October 2025. A true and correct copy of the Settlement Agreement is attached hereto as **Exhibit A**.

21. I have evaluated the strengths of the class claims and assessed the range of potential outcomes of the litigation. In addition to disputing the merits of Plaintiff's claims, Defendant would strongly challenge any request for class certification. While I believe that this case was suitable for class certification because the policies at issue are amenable to treatment on a class wide basis, there is always a significant risk associated with class certification proceedings and that uncertainty governed the settlement negotiations.

22. Defendant contended that they maintained legally compliant wage compensation policies and that Class members were paid for all hours worked. Thus, not getting certified is a risk which Plaintiff considered during the negotiations.

23. Defendant maintained that it provided its non-exempt employees with legally-compliant meal/rest periods. Defendant asserted that Plaintiff and the majority of employees signed "on duty meal period agreements". Further, Defendant implemented a "rest break log" policy beginning in August 2019, requiring employees to confirm whether they took or missed their rest breaks each week. Further, Defendant maintained that individual issues predominate. Defendant argued that courts routinely decline to certify meal/rest break classes. *See Payton v. CSI Elec. Contractors, Inc.*, 27 Cal. App. 5th 832, 840-45 (2018) (affirming denial of rest break class due to individualized issues); *Ordonez v. Radio Shack, Inc.*, 2013 WL 210223, *11-12 (N.D. Cal. Jan. 17, 2013) (denying certification of rest break class: "Unlike a meal break class, rest breaks were not

⁴ The Class Notice is in English only since all putative Class Members speak English. Also, The language of the Class Notice has been agreed to by counsel for the Parties.

recorded in defendant's timekeeping system, and defendant was not required to record them under California law. As such...plaintiff appears unable to offer any classwide method for proving when class members were or were not authorized and permitted to take a rest break. Without such a classwide method for demonstrating which class members, during which shifts, were not authorized and permitted to take rest breaks..., individualized issues will likely predominate.") Further, Defendant maintained that employees were not required to use their personal cell phones and that they reimbursed Class members \$10 per month as a cell phone stipend. As a result, Defendant argued those expenses are not recoverable.

24. Further, uncertainty relating to Plaintiff's potential PAGA damages played a role in the negotiation considerations. Also, the actual amount of PAGA penalty awarded by the Court is completely discretionary and the penalties are not subject to stacking under Labor Code 2699(h)(3)(i), as amended.⁵ Lastly, since only 35% of any PAGA recovery reaches the PAGA claimants (with the balance going to the state), the strength of Plaintiff's potential PAGA claims and the potentially limited recovery was a factor considered during settlement negotiations. Here, the amount allocated to PAGA penalties is fair, reasonable and adequate in view of PAGA's purposes to remediate labor law violations and deter future ones in accordance with *Moniz v. Adecco USA, Inc.* (2021) 72 Cal. App. 5th 56.

25. I anticipate that should this matter not resolve against Defendant, Defendant will defend themselves vigorously. I anticipate that Defendant will challenge every aspect of the claims, including whether they violated labor laws, the commonality of the claims such that this action could not be certified as a class action, and the damages claimed.

26. In light of the uncertainties of protracted litigation, the GSA reflects an excellent recovery for the Class Members.

⁵ In granting final approval of the class action settlement in *Stuart v. RadioShack*, Judge Chen noted the following:

Plaintiffs could arguably get more . . . because they are entitled to penalties under the PAGA, [but] it is not clear that they could get a significant additional amount because the PAGA provides that, [i]n an action by an aggrieved employee seeking recovery of a civil penalty available under subdivision (a) or (f), a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do so otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.

Stuart, 2010 WL 3155645, at *6 (citing Cal. Labor Code § 2699(e)(2)).

27. The parties selected Phoenix Class Action Administration Solutions (“Phoenix”) (after soliciting bids from other administrators), an experienced claims administrator, to serve as the Settlement Administrator. Phoenix has successfully served as the settlement administrator in a number of class action settlements where I have served as lead counsel, or co-lead counsel. I have found them to be very competent. Phoenix’s background and experience as a claims administrator are described on their website, www.phoenixclassaction.com

28. The proposed settlement here is fair to the Class. Since the filing of the Complaint in August 2024, Plaintiff’s counsel has conducted a comprehensive investigation and has reviewed voluminous documentary evidence relating to Defendant’s minimum wage, meal/rest break and expense reimbursement policies and practices. Plaintiff’s counsel has also participated in extensive informal discovery and meeting and conferring regarding negotiations. Moreover, Plaintiff remotely attended an all-day mediation with mediator Ms. Sperber. Thus, Plaintiff’s Counsel negotiated the proposed Settlement with ample knowledge of the strengths and weaknesses of this case, the amounts necessary to compensate Class Members for their damages, and the benefits of the proposed Settlement under the circumstances of this case. In addition, Plaintiff’s Counsel and Defense counsel, are experienced class action litigation and employment attorneys, and have used their experience and expertise in fashioning a proposed Settlement that is acceptable to both parties.

29. Upon approval, Defendant will pay a non-reversionary GSA of \$395,000.00. After deductions for proposed court-approved settlement Administration Expenses Payment, Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, LWDA PAGA Payment and the Class Representative Service Payment, the remaining Net Settlement Amount (“NSA”), approximately \$198,408.33 will be distributed to all Class Members who do not request exclusion. Current and former employees are not required to submit a claim form in order to receive an Individual Class Payment. Class Counsel believes the Settlement is a fair and adequate amount given the litigation risks and delays inherent in further litigation and appeals.

30. The proposed Settlement provides that Plaintiff will request, and Defendant will not oppose, an award to Class Counsel in an amount not to exceed \$131,666.67 for Class Counsel Fees

Payment (one-third of the GSA), up to \$22,000.00 in Class Counsel's costs, a Class Representative Service Payments of \$10,000 to the Class Representative in recognition of her time, effort, and risk as Class Representative, a PAGA penalty to the LWDA in the amount of \$25,675 (plus \$13,825 to the Aggrieved Employees for a total of \$39,500) and approximately \$7,250 in Administration Expenses. The foregoing awards amount to \$196,591.67 and Plaintiff therefore request that the Court approve a total deduction of \$196,591.67 from the \$395,000.00 GSA. Viewing the participation, service and risk payment as an additional cost of litigation, in combination with the allocation for attorneys' fees, expenses and costs, this total deduction of \$196,591.67 is within the range of attorneys' fees, expenses and costs awarded in similar cases. *See e.g., Garrido v. American Air Liquide, Inc.*, No. BC485942, BC614586, 2018 WL 2267367, **1-2 (Cal. Super. Feb. 20, 2018) (granting final approval for failure to provide meal breaks); *Manzanares v. Irvine Scientific Sales Company, Inc.*, No. BC574478, 2017 WL 4772976 *2, (Cal. Super. Apr. 20, 2017) (granting preliminary approval in rest/meal break action); *Velasco v. Knight Port Services, LLC*, No. CIVDS1513403, 2016 WL 7655334, *2, (Cal. Super. Jan. 12, 2016) (granting preliminary approval in meal/rest break action); *Lacy T v. The Oakland Raiders*, No. RG14710815, 2015 WL 13701077, *3 (Cal. Super. Mar. 3, 2015) (granting final approval in a meal/rest break action).

31. According to the information provided to me from Defendant, there are 246 potential Class Members. Thus, the average settlement share is projected to be \$806.53⁶. The estimated amount each Class Member will receive per Workweek is \$29.46 and the estimated amount each Aggrieved Employee will receive per PAGA Pay Period is \$2.67.⁷ Class members will have 60 days from the mailing of the Class Notice to request exclusion or object, thereby providing ample time to review the Class Notice without unduly delaying the settlement. The NSA shall be allocated proportionally based on each such Class Member's workweeks during the Class Period. The number of Total Workweeks worked by the Settlement Class Members through the mediation was approximately 13,408 and the total workweeks in the PAGA period was approximately 3,636.

⁶ \$198,408.33 (NSA)/246 (putative class members) = \$806.53 (average award per class member).

⁷ \$13,825/5,182 = 2.67.

32. If a Class Member fails to cash the check within 180 days, his or her pro rata share of the NSA will be donated to Project Purple, a Connecticut 501(c) (3) non-profit corporation dedicated to supporting patients, raising awareness, and educating the world about pancreatic cancer. PQ's founder, Greg Jagers, recently passed away due to pancreatic cancer. As a result, PQ's leadership desires that Project Purple be designated as the *cy pres* (or, should the Court reject this *cy pres* recipient, Legal Aid at Work should be designated as the *cy pres*, a California 501(c)(3) non-profit corporation). See Declaration of Shauna Correia filed concurrently herewith. Plaintiff does not have an interest in the *cy pres* recipient, including its governance.

33. Those Class Members who do not request exclusion from the settlement will be bound by its terms, and will be releasing all claims against Defendant that were asserted or could have been asserted in this lawsuit, based on the facts and allegations asserted in the First Amended Complaint in this lawsuit, for the period of November 20, 2021 to the date of preliminary approval.

34. The following factors support the approval of the incentive award requested here for the Class Representative. First, the requested payment of \$10,000 for the Class Representative constitutes only 2.5% of the GSA. Second, the Class Representative spent a tremendous amount of time, approximately 30 hours, providing invaluable assistance to Class Counsel and the Class in this case, including providing factual background for the Class Complaint; providing and explaining documents corroborating her allegations to Class Counsel; reviewing the Complaint and other pleadings filed with the Court by Plaintiff and Defendant; providing crucial information at settlement negotiations to rebut Defendant's arguments; remotely attending the all-day mediation; and participating in multiple conference calls and phone calls to discuss litigation and settlement strategy. The Class Representative has been actively involved in this litigation and has proven herself to be an invaluable resource of information throughout this litigation. Third, the requested \$10,000 service payment to the Class Representative falls well within the range of incentive awards typically awarded to class representatives in similar actions.

35. I believe that this proposed settlement is within the range of possible approval in light of the significant legal and factual obstacles that Plaintiff faced, the risks and costs of further litigation, and the tangible monetary benefits to be received by Class Members.

36. I will also apply for an attorneys' fee award of \$131,666.67, or one-third of the GSA of \$395,000.00 and for costs up to \$22,000.00. The requested fee is fair compensation for undertaking complex, risky, expensive, and time-consuming litigation on a purely contingent fee basis. My office incurred substantial attorneys' fees conducting pre-filing investigation, analyzing the claims, conducting legal research, reviewing documents produced by Defendant, performing substantial data analysis of employee timekeeping data and payroll records, preparing for and attending mediation, negotiating and reviewing the Settlement Agreement, preparing this Motion for Preliminary Approval, and otherwise prosecuting the case. I also anticipate incurring significant future attorneys' fees in appearing at the hearing on this Motion for Preliminary Approval, supervising the Notice process, fielding phone calls from Class Members after the Notice has been disseminated, and preparing the necessary Final Approval motions and appearing at the Final Approval Hearing.

37. Continuing to litigate this action against Defendant will be expensive and will take a considerable amount of time, with the eventual outcome entirely uncertain and there is a substantial risk that the Plaintiff could, especially after deductions for costs and expenses, end up with nothing.

38. I believe and assert that this settlement is a fair, adequate and reasonable settlement against Defendant, and is in the best interests of the Class Members.

39. I was admitted to the California Bar on December 3, 2001. I am also admitted to practice law in all the Federal Districts of California, the Ninth Circuit Courts and the United States Supreme Court.

40. I have been a practicing litigation attorney for over 20 years. My practice focuses on employment, business and insurance litigation in State and Federal Courts.

41. Initially, I was an attorney with Morris Polich & Purdy LLP and also Jampol Zimet Skane & Wilcox.

42. Thereafter, I founded my own law firm which I merged with Lipeles Law Group in 2012. Throughout my career, I have represented clients in lawsuits brought against celebrities and other high-profile people, including wage and hour claims.

43. Prior to becoming an attorney, I managed NRG Recording Studios, world-class, high-

profile sound recording studios and I worked as a studio broker, representing recording artists, engineers, producers and managers with respect to booking recording studios.

- a. I have authored the following publications: “Compelling Arbitration”, Los Angeles Lawyer Magazine, November 2004;
- b. “Bias: Now You See It, Now You Don't”, Seminar, MCLE - presented by American Inns of Court, February 2007; and
- c. “Construction Defect: Slipping and Crumbling Home Developments”, Forum Magazine June 2007.

44. The overwhelming majority of our cases involve employment/wage and hour lawsuits. In addition, my firm is or has been counsel or co-counsel in many employment-related class action lawsuits. California courts have certified classes in cases similar to the present Class in which Plaintiff’s Counsel and our firm was appointed Class Counsel. *See e.g., Canseco v. Pampanga Food Company, Inc.*, Orange County Superior Court, Case No. 30-2016-00852698-CU-OE-CXC, February 13, 2019, (granting final approval in a rest break class action and approving me as adequate and competent class counsel); *Bernstein v. Alice and Olivia California Holdings, LLC, et al.*, Los Angeles Superior Court Case No. BC 661262, December 17, 2019, (granting final approval in an overtime and meal/rest break class action and approving me as adequate and competent class counsel); *Lagunas v. Impact Logistics, Inc. et al.*, San Bernardino Superior Court Case No. CIVSD1815249, September 10, 2020, (granting final approval in an overtime, meal/rest break class action and approving me as adequate and competent class counsel); *Marroquin v. Food Castle, Inc. et al.*, Los Angeles Superior Court Case No. 21STCV22582, August 16, 2023 (granting final approval in an overtime, minimum wage and rest break class action and approving me as adequate and competent class counsel); *Saavedra v. Success Valley Farms, LLC*, Ventura Superior Court Case No. 56-2021-00556708-CU-OE-VTA, August 16, 2024 (granting final approval in a wage and hour class action); *Cancino v. Metro Eighteen, Inc.* Los Angeles Superior Court Case No. 22STCV37408, September 23, 2024 (granting final approval in a wage and hour class action); *Lopez v. Vo Medical Center et al.*, Imperial County Superior Court Case No. ECU002625,

September 30, 2024 (granting final approval in a wage and hour class action).

45. My firm conducted an in-depth review of Plaintiff's lengthy compensation data, putative class data concerning the size and scope of the putative class, including the total class members during the applicable statutory periods. Defendant also provided documents relating to policies and procedures regarding the payment of wages, time keeping, meal/rest periods and reimbursement of business expenses. We drew on our extensive experience in similar cases to assess the strengths and weaknesses of Plaintiff's case.

46. Prior to the expiration of the period of time allotted for Class Members to make objections to the settlement, Plaintiff will file a motion and brief for fees and costs (to be heard at the same time as the Final Fairness Hearing) so that Class Members will be able to, if they elect to do so, review the fees motion prior to making objections or filing a claim. The motion and brief for fees and costs will include, *inter alia*, an itemized listing of all costs incurred in litigating this case.

47. The \$131,666.67 Class Counsel Fees Payment (one-third), up to \$22,000.00 for the Class Counsel Litigation Expenses Payment, approximately \$7,250.00 expense from the \$395,000.00 GSA for the Administration Expenses Payment, the \$39,500 LWDA PAGA Payment to the LWDA (\$13,825 of which will go to the Aggrieved Employees) as well as \$10,000 for the Class Representative Enhancement Payment, are within the range of attorneys' fees, litigation expenses, service payments, and administration expenses awarded in similar cases.

48. I have reviewed the Court's checklist for approval of class action and PAGA settlements and Plaintiff's briefing complies with the checklist.

49. Attached hereto as **Exhibit B** is a true and correct copy of Plaintiff's August 23, 2024, notice letter to the LWDA.

50. On November 19, 2025, my office uploaded the proposed Settlement Agreement and these accompanying approval documents to the LWDA through the State of California, Department of Industrial Relations Website at <https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html> A true and correct copy of the submission confirmation email is attached hereto as **Exhibit C**.

51. In addition, my firm has incurred approximately \$20,326.60 in costs to date in

1 connection with this case. Attached hereto as **Exhibit D** is a true and correct chart of all my firm's
2 itemized costs incurred in this case. Plaintiff's Counsel's costs of \$20,326.60 through preliminary
3 approval are documented, necessarily incurred and eminently reasonable.

4 I declare under penalty of perjury that the foregoing is true and correct. Executed on
5 November 19, 2025, 2025, in El Segundo, California.

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9 THOMAS SCHELLY
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EXHIBIT A

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POINT QUEST INC.

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SACRAMENTO**

TARA DENISE MICHAEL, an
individual, on her own behalf and on
behalf of all others similarly situated,

Plaintiffs,

vs.

POINT QUEST INC., a California
corporation; and DOES 1 through 100,
inclusive,

Defendants.

CASE NO.: 24CV016886

[Assigned to the Hon. Laurie Damrell – Dept. 22]

**CLASS ACTION AND PAGA SETTLEMENT
AGREEMENT AND CLASS NOTICE**

Complaint Filed: August 26, 2024
Trial Date: None Set

Subject to final approval by the Court, which counsel and parties agree to pursue and
recommend in good faith, Plaintiff TARA DENISE MICHAEL individually and on behalf of all
employees similarly situated, on the one hand (“Plaintiff”), and Defendant POINT QUEST INC.

1 (“Defendant”) hereby agree to the following binding settlement of the class action case of *Tara*
2 *Denise Michael v. Point Quest Inc.*, Sacramento County Superior Court Case No. 24CV016886.

3 **I. DEFINITIONS**

4 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against
5 Defendant captioned *Tara Denise Michael v. Point Quest Inc.* initiated on August 26, 2024 and
6 pending in the Superior Court of the State of California, County of Sacramento.

7 1.2. “Administrator” or “Phoenix” means Phoenix Class Action Administration
8 Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.

9 1.3. “Administration Expenses Payment” means the amount the Administrator will be
10 paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in
11 accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection
12 with Preliminary Approval of the Settlement.

13 1.4. “Aggrieved Employee” means all individuals who were employed by Defendant in
14 California in the Pediatric Therapy Division (“PEDS”) in a non-exempt, hourly-paid position
15 and received a “tier stipend” and who worked for Defendant in California at any time during the
16 PAGA Period.

17 1.5. “Agreement” or “Stipulation” mean, and refer to, this Class Action and PAGA
18 Settlement Agreement and Class Notice.

19 1.6. “Class” means all individuals who were employed by Defendant in California in the
20 Pediatric Therapy Division (“PEDS”) in a non-exempt, hourly-paid position at any time during
21 the Class Period and who received a “tier stipend” in addition to their hourly base rate of pay.

22 1.7. “Class Counsel” means Kevin Lipeles, Esq., Thomas Schelly, Esq. and Jasmine
23 Badawi, Esq. of Lipeles Law Group, APC.

24 1.8. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment”
25 mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees
26 and expenses, respectively, incurred to prosecute the Action.

27 1.9. “Class Data” means Class Member identifying information in Defendant’s
28 possession including the Class Member’s name, last-known mailing address, Social Security
number, employee ID while employed by Defendant, and number of Class Period Workweeks
and PAGA Pay Periods.

1.10. “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).

1.11. “Class Member Address Search” means the Administrator’s investigation and search

for current Class Member 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.

1.12. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION 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.

1.13. “Class Period” means the period from November 20, 2021 to the date of preliminary approval of the settlement.

1.14. “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.

1.15. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

1.16. “Court” means the Superior Court of California, County of Sacramento.

1.17. “Point Quest Inc.” means the named Defendant.

1.18. “Defense Counsel” means Shauna Correia, Esq. of Weintraub Tobin Chediak Coleman Grodin.

1.19. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is 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 if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.20. “Final Approval” means the Court’s order granting final approval of the Settlement.

1.21. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.22. “Final Judgment” means the judgment entered by the Court upon Granting Final Approval of the Settlement.

1.23. “Gross Settlement Amount” means \$395,000.00 which is the total amount Defendant 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, Class Counsel Expenses, Class Representative Service Payment and the Administrator’s Expenses.

1.24. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.25. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 35% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.26. “Judgment” means the judgment entered by the Court based upon the Final Approval.

1.27. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.28. “LWDA PAGA Payment” means the 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

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

1.30. “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.

1.31. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.32. “PAGA Period” means the period from August 23, 2023 to the date of preliminary approval of the settlement.

1.33. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.34. “PAGA Notice” means Plaintiff’s letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.35. “PAGA Penalties” means the total amount of PAGA civil penalties, \$39,500 to be paid from the Gross Settlement Amount, allocated 35% to the Aggrieved Employees (\$13,825.00) and the 65% to LWDA (\$25,675.00) in settlement of PAGA claims.

1.36. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.37. “Plaintiff” means Tara Denise Michael, the named plaintiff in the Action.

1.38. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of

the Settlement.

1.39. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.

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

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

1.42. "Released Parties" means: Defendant Point Quest Inc. and Defendant's past and present officers, directors, shareholders, managers, employees, agents, attorneys, principals, heirs, representatives, accountants, auditors, consultants, successors, predecessors, parents, subsidiaries, and affiliates (including without limitation Point Quest Group Inc. and Point Quest Pediatric Therapies LLC), and each business entity owned by, operated by, or under common management, with, each Defendant.

1.43. "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.

1.44. "Response Deadline" means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Class Notices are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

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

1.46. "Workweek" means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. RECITALS.

2.1. On August 26, 2024, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for (1) Failure to Pay Minimum Wages; (2) Failure to Provide Timely Off Duty Meal Periods; (3) Failure to Provide Rest Periods; (4) Failure to Maintain and Provide Accurate Itemized Wage Statements; (5) Failure to Reimburse Business Expenses; (6) Failure to Allow Inspection of Employment Records; and (7) Unfair Competition. On October 25, 2024, Plaintiff filed a First Amended Complaint adding a cause of action against Defendant pursuant to the Private Attorneys General Act of 2004, Cal. Lab. Code §§2699, et seq. The First Amended Complaint is the operative complaint in the Action (the "Operative Complaint.") Defendant denies the allegations in the Operative Complaint, except that Defendant identified an inadvertent mistake with respect to the regular rate of pay calculation

1 for premiums (i.e., for overtime, missed meal period premiums) paid to Class Members who
2 received a “tier stipend” for certain shifts in addition to their normal hourly rate during the same
3 pay period. In all other respects, Defendant denies any failure to comply with the laws identified
4 in the Operative Complaint and denies any and all liability for the causes of action alleged.

5 2.2. Pursuant to Labor Code section 2699.3, subd. (a), Plaintiff gave timely written notice
6 to Defendant and the LWDA by sending the PAGA Notice. Defendant timely responded with a
7 request for an early evaluation conference pursuant to Labor Code section 2699.3, subd.
8 (f)(1)(A), to attempt to informally resolve this issue, and the Parties thereafter stipulated to
9 private mediation in lieu of the early evaluation process.

10 2.3. On July 14, 2025, the Parties participated in an all-day mediation presided over by
11 Jill R. Sperber, Esq. which led to this Agreement to settle the Action.

12 2.4. Prior to mediation and negotiating the Settlement, Plaintiff obtained, through
13 informal discovery the following documents: Defendant provided information concerning the
14 total number of Class Members (246), number of workweeks, shifts and number of pay periods,
15 data relating to the size and scope of the putative class, the average hourly rate, wage and hour
16 policies and procedures, a sampling of timekeeping data, payroll data and time punches, among
17 other documents. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval
18 set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal. App. 4th 1794, 1801 and *Kullar v.*
19 *Foot Locker Retail, Inc.* (2008) 168 Cal. App. 4th 116, 129-130 (“*Dunk/Kullar*”).

20 2.5. The Court has not granted class certification.

21 2.6. The Parties, Class Counsel and Defense Counsel represent that they are not aware of
22 any other pending matter or action asserting claims that will be extinguished or affected by the
23 Settlement.

24 **3. MONETARY TERMS.**

25 3.1. Gross Settlement Amount. Defendant promises to pay \$395,000.00 and no more as
26 the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on
27 the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the
28 Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.2 of
this Agreement. 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 Defendant.

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 to the Class
Representative 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). Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. 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 all taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 35%, which is currently estimated to be \$131,666.67 and a Class Counsel Litigation Expenses Payment of not more than \$22,000.00. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class 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 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.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$7,250.00 except for a showing of good cause and as approved by the Court.

3.2.4. To Each Participating Class Member: An Individual Class Payment shall be calculated as follows: The "Total Workweeks" will be calculated by summing the total workweeks for each Settlement Class Member during the Class Period. The Net Settlement Amount shall be divided by the Total Workweeks to arrive at the "Workweek Payment Amount." Each Participating Class Member's share of the Settlement shall thereafter be calculated by multiplying that Participating Class Member's total workweeks during the Class Period by the Workweek Payment Amount. In no event shall the total payments to the Participating Class Members exceed the Net Settlement Amount.

3.2.4.1. Calculation of the Workweek Value. The Parties agree that the number of Total Workweeks worked by the Settlement Class Members through the mediation was approximately 13,408 and the total workweeks in the PAGA period was approximately 5,182. The Workweek Value shall be calculated by dividing the originally agreed-upon Gross Settlement

Amount by the number of Total Workweeks. The Parties agree that the Workweek Value amounts to \$29.46 per Workweek.

3.2.4.2. Tax Allocation of Individual Class Payments. Twenty percent (25%) of each Participating Class Member's Individual Class Payment will be allocated to 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. Seventy-five Percent (75%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for 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.

3.2.4.3. 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 \$39,500.00 to be paid from the Gross Settlement Amount, with 65% (\$25,675.00) allocated to the LWDA PAGA Payment and 35% (\$13,825.00) 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' 35% share of PAGA Penalties \$13,825.00 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. PAGA Payments shall be treated as 100% penalties.

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. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 246 Class Members who collectively worked a

total of 13,408 Workweeks, and 173 Aggrieved Employees who worked a total of 5,182 PAGA Pay Periods.

4.2. Class Data. Not later than 20 days after the Court grants Preliminary Approval of the Settlement, Defendant 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's employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if they discover that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant 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.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than 30 days after the Court grants final approval, provided that the Administrator has also provided the payroll tax calculation to Defendant.

4.4. Payments from the Gross Settlement Amount. Within 30 days after Defendant 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. Any portion of the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment not awarded to Plaintiff's Counsel and the Class Representative Service Payment not awarded to the Class Representative will be available for distribution to Settlement Class Members as part of the Net Settlement Amount.

4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members 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 Settlement 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 a single check combining the Individual Class Payment and the Individual PAGA Payment.

Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to Project Purple, a Connecticut 501(c)(3) non-profit corporation, (or, should the Court reject this *cy pres* recipient, to Legal Aid at Work, a California 501(c)(3) non-profit corporation, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

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

5. RELEASES OF CLAIMS. Effective on the date when Defendant 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, and Class Counsel will release claims against all Released Parties as follows:

4.5. Plaintiff's Release. Plaintiff and her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, 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 Plaintiff's PAGA Notice. ("Plaintiff's Release.") Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims that as a matter of law cannot be waived, including, but not limited to, for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period except for damages or penalties that may have flowed from acts or omissions that originally occurred during 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.

4.5.1. Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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.

4.6. Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and that occurred or accrued at any time during the Class Period, including, any and all claims involving any alleged: (a) failure to pay minimum wages; (b) failure to provide timely off duty meal periods; (c) failure to provide rest periods; (d) failure to maintain records and provide accurate itemized wage statements; (e) failure to reimburse business expenses; (f) failure to allow inspection of employment records; and (g) unfair competition. 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, workers' compensation, or claims based on facts occurring outside the Class Period except for damages or penalties that may have flowed from acts or omissions that originally occurred during the Class Period.

4.7. Release by Aggrieved Employees: All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, 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 stated in the Operative Complaint, and the PAGA Notice arising during the PAGA Period, including, any and all claims involving any alleged (a) failure to pay minimum wages; (b) failure to provide timely off duty meal periods; (c) failure to provide rest periods; (d) failure to maintain records and provide accurate itemized wage statements; (e) failure to reimburse business expenses; and (f) failure to allow inspection of employment records.

6. MOTION FOR PRELIMINARY APPROVAL. Plaintiff's Counsel shall prepare and file a Motion for Preliminary Approval of the Settlement, such Motion for Preliminary Approval to be first sent to Defendant's counsel before filing with the Court.

4.8. 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 on behalf of the Parties 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 on behalf of the Parties 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 Phoenix Class Action Administration Solutions ("Phoenix") (after soliciting bids from other administrators) to serve as the Administrator and verified that, as a condition of appointment, Phoenix agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. 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 ("QSF") under US Treasury Regulation section 468B-1.

7.4. Notice to Class Members.

7.4.1. 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 the number of Class Members, PAGA Members, Workweeks, and 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 United States Postal Service ("USPS") mail, the Class Notice, substantially in the form attached to this Agreement as **Exhibit A**. The language of the Class Notice has been agreed to by counsel for the Parties. The Class Notice will be in English only since all putative Class Members speak English. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment 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 the Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4. The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5. If the Administrator, Defendant, Defense Counsel 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 (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her 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 under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless 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/PAGA Pay Periods. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) 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. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks/PAGA Pay Periods contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel 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/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

7.7.3. Non-Participating Class Members have no right to object to any of the

class action components of the Settlement.

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

7.8.1. Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval Order, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Litigation Expenses Payment and Class Representative Service Payment, the Final Approval 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; (c) copies of all Requests for Exclusion from the Settlement 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 and/or Pay Periods 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. Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.

7.8.5. Administrator’s Declaration. Not later than 21 court 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 from Settlement it received (both valid or invalid), the number of written objections and 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.

7.8.6. 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. DEFENDANT'S RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds ten percent (10%) of the total of all Class Members, Defendant may, but is not obligated to, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than seven 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 of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (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 seven days prior to 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 five court days prior to 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, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good

1 faith to address the Court's concerns by revising the Agreement as necessary to obtain Final
2 Approval. The Court's decision to award less than the amounts requested for the Class
3 Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation
Expenses Payment and/or Administrator Expenses Payment shall not constitute a material
modification to the Agreement within the meaning of this paragraph.

4 9.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment,
5 the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes
6 of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration
matters, and (iii) addressing such post-Judgment matters as are permitted by law.

7 9.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
8 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
9 Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective
10 counsel, and all Participating Class Members who did not object to the Settlement as provided in
11 this Agreement, waive all rights to appeal from the Judgment, including all rights to post-
12 judgment and appellate proceedings, the right to file motions to vacate judgment, motions for
13 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 amount of the Net Settlement Amount.

14 9.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
15 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material
16 modification of this Agreement (including, but not limited to, the scope of release to be granted
17 by Class Members), this Agreement shall be null and void. The Parties shall nevertheless
18 expeditiously work together in good faith to address the appellate court's concerns and to obtain
19 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.

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

22 **11. ADDITIONAL PROVISIONS.**

23 11.1 No Admission of Liability, Class Certification or Representative Manageability for
24 Other Purposes. This Agreement represents a compromise and settlement of highly disputed
25 claims. Nothing in this Agreement is intended or should be construed as an admission by
26 Defendant that any of the allegations in the Operative Complaint have merit or that Defendant
has any liability for any claims asserted; nor should it be intended or construed as an admission
by Plaintiff that Defendant's defenses in the Action have merit. 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, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant 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 Defendant's defenses. The Settlement, this Agreement and 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).

11.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or 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) 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, Defendant 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 Defendant or Defense Counsel from communications with Class Members in the ordinary course of business (i.e., response to employees' questions about their time records or paystubs, or responding to requests for payroll records). This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members. Plaintiff and/or Plaintiff's counsel shall not hold any press conferences with respect to the Action at any time. At no time shall Plaintiff, Plaintiff's counsel, Defendant, and Defendant's Counsel: (i) issue any press releases or public statements with respect to the Action or the settlement (except as necessary to comply with legal reporting requirements); (ii) characterize the Action or settlement in a manner that disparages Defendant or its employment practices; (iii) characterize the Action or settlement in a manner that disparages the Plaintiff, Class Members, or Plaintiff's counsel; or (iv) otherwise publicize the Action or the settlement except as necessary to comply with class notice requirements.

11.3 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 in accordance with Class Counsel's ethical obligations owed to Class Members.

11.4 Integrated Agreement. Upon execution by all Parties and their counsel, this

Agreement together with its attached exhibit 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.

11.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, 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.

11.6 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, 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 a mediator and/or the Court for resolution. Plaintiff agrees to participate in, and Class Counsel agree, to join Defendant in defending the settlement and its approval from any collateral attack during the three-year period after Final Approval. Should it be necessary, the Parties and their counsel shall enter into a common interest agreement for the purpose of sharing information necessary to the defense of the settlement.

11.7 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 and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

11.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant 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.

11.9 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.

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

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

11.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of 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.

1 11.13 Confidentiality. Plaintiff and Class Counsel agree to keep confidential the
2 information and other materials obtained in pre-mediation informal discovery or through
3 mediation, except for Plaintiff's own personal information. Neither Class Counsel nor Plaintiff
4 shall use, disseminate, or distribute any such information for any purpose whatsoever, except to
5 defend the validity of the settlement of the Action or as required to effectuate the settlement.
6 Class Counsel shall not include, and shall affirmatively remove, any reference to any of the
foregoing subjects in any advertising, mass mailing, website, or other communications. 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.

7 11.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to
8 Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class
9 Counsel by Defendant in connection with the mediation, other settlement negotiations, or in
10 connection with the Settlement, may be used only with respect to this Settlement, and no other
11 purpose, and may not be used in any way that violates any existing contractual agreement,
12 statute, or rule of court. Not later than 90 days after the date when the Court discharges the
13 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 the Class Data
received from Defendant unless, prior to the Court's discharge of the Administrator's obligation,
Defendant make a written request to Class Counsel for the return, rather than the destructions, of
the Class Data.

14 11.15 Headings. The descriptive heading of any section or paragraph of this Agreement is
15 inserted for convenience of reference only and does not constitute a part of this Agreement.

16 11.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement
17 shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
18 weekend or federal legal holiday, such date or deadline shall be on the first business day
thereafter.

19 11.17 Notice. All notices, demands or other communications between the Parties in
20 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:

21 To Plaintiff: Kevin A. Lipeles, Esq.
22 Thomas H. Schelly, Esq.
23 Jasmine Badawi, Esq.
LIPELES LAW GROUP, APC
24 880 Apollo Street, Suite 336
El Segundo, California 90245

25 To Defendant: Shauna N. Correia (Bar No. 232410)
26 Weintraub Tobin Chediak Coleman Grodin
475 Sansome Street, Suite 510
27 San Francisco, California 94111

11.18 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.

11.19 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. Upon the signing of this Agreement, the Parties further agree, that that pursuant to CCP section 583.330, to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

DATED: 9/25 ____, 2025

**PLAINTIFF AND CLASS
REPRESENTATIVE:**


Tara Denise Michael (Sep 25, 2025 11:38:14 PDT)
TARA DENISE MICHAEL

DATED: ____, 2025

DEFENDANT:

POINT QUEST INC.

APPROVED AS TO FORM:

DATED: Sept. 25, 2025

**CLASS COUNSEL:
LIPELES LAW GROUP, APC**


By: Kevin A. Lipeles
Thomas H. Schelly
Jasmine Badawi
Attorneys for Plaintiff
TARA DENISE MICHAEL

DATED: ____, 2025

COUNSEL FOR DEFENDANT:

11.18 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.

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DATED: 9/25 __, 2025

**PLAINTIFF AND CLASS
REPRESENTATIVE:**


Tara Denise Michael (Sep 25, 2025 11:38:14 PDT)
TARA DENISE MICHAEL

DATED: 9/26 __, 2025

DEFENDANT:


POINT QUEST INC.

APPROVED AS TO FORM:

DATED: Sept. 25 2025

**CLASS COUNSEL:
LIPELES LAW GROUP, APC**


By: Kevin A. Lipeles
Thomas H. Schelly
Jasmine Badawi
Attorneys for Plaintiff
TARA DENISE MICHAEL

DATED: __ __, 2025

COUNSEL FOR DEFENDANT:

regard to this situation, including whether to sign this Agreement. MICHAEL acknowledges that she was represented by counsel of her choosing throughout the negotiation of this Agreement. MICHAEL acknowledges that she has been given at least twenty-one (21) days from the time that she received this Agreement and any attached information to consider whether to sign it ("Consideration Period"). She agrees with PQI that any changes to this Agreement, whether material or immaterial, do not restart the running of the Consideration Period. If MICHAEL signed this Agreement before the end of the Consideration Period, it is because she freely chose to do so after carefully considering its terms, and she knowingly and voluntarily waives the remainder of the Consideration Period. She further agrees that PQI has made no threats or promises to induce her to sign this Agreement earlier. MICHAEL shall have seven (7) calendar days from the date she signs this Agreement to rescind (cancel) the Agreement by delivering a written notice of revocation to the same person as she returned this Agreement ("Revocation Period"). If the Revocation Period expires on a weekend or holiday, she will have until the end of the next business day to revoke. If she does not revoke this Agreement within the Revocation Period, this Agreement will become final, binding, and effective on the day after the end of the Revocation Period (the "Effective Date"). She should return a copy of the signed Agreement and any written revocation notice to counsel for PQI, Shauna Correia, Weintraub Tobin, via email at scorreia@weintraub.com.

24. Entire Agreement. This Agreement incorporates the entire understanding between the Parties and recites the whole consideration for the promises exchanged herein. It fully supersedes any and all prior agreements or understandings, written or oral, between the Parties hereto pertaining to the subject matter hereof. The terms of this Agreement are contractual and not mere recitals. This Agreement may not be amended or modified in any respect whatsoever except by a writing duly executed by the Parties, and the Parties agree that they shall make no claim(s) at any time that this Agreement has been orally amended or modified.

IN WITNESS WHEREOF, the undersigned have set their hands the day and year set forth below their respective signatures.

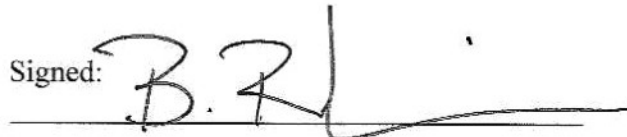
Tara Denise Michael

Dated: Sep 25, 2025


Tara Denise Michael (Reg. No. 201517) - 10.01.2017

For Point Quest Pediatric Therapies, LLC:

Dated: 9-26-25

Signed: 

Title: CFO

For Point Quest, Inc.

Dated: 9-26-25

Signed: 

Title: CFO

Exhibit A

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

***Tara Denise Michael v. Point Quest, Inc.,
Sacramento County Superior Court Case No. 24CV016886***

***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.***

You may be eligible to receive money from an employee class action lawsuit (“**Action**”) against Point Quest Inc., a California corporation, (“**Defendant**”) for alleged wage and hour violations. The Action was filed by a former employee of Defendant, Tara Denise Michael (“**Plaintiff**”) and seeks payment for (1) failure to pay minimum wages (Cal. Lab. Code §§ 1194, 1194.2, 1997. 1197.1, 1198; IWC Wage Order No. 4); (2) failure to provide timely off-duty meal periods (Cal. Lab. Code §§ 226.7, 512; IWC Wage Order No. 4); (3) failure to provide rest periods (Cal. Lab. Code §§ 226.7; IWC Wage Order No. 4); (4) failure to maintain records and provide accurate itemized wage statements (Cal. Lab. Code § 226; IWC Wage Order No. 4); (5) failure to reimburse business expenses (Cal. Lab. Code § 2802); (6) failure to allow inspection of employment records (Cal. Lab. Code § 1198.5); (7) unfair competition (Cal. Bus. & Prof. Code §§ 17200 et seq.); and (8) claims under the Private Attorneys General Act for a class of hourly employees (“**Class Members**”) who worked for Defendant during the Class Period (November 20, 2021, through the date of preliminary approval of the settlement) in the Pediatrics Therapies Division (“**PEDS**”) and who received a “tier stipend” in addition to their hourly base rate of pay; and (b) penalties under the California Private Attorneys General Act (“**PAGA**”) for all hourly employees who worked for Defendant during the PAGA Period (August 23, 2023 through the date of preliminary approval of the settlement) in the Pediatrics Therapies Division (“**PEDS**”) and who received a “tier stipend” in addition to their hourly base rate of pay (“**Aggrieved Employees**”).

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

Based on Defendant’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ [insert pro-rata share of class payment] (less withholding) and your Individual PAGA Payment is estimated to be \$ [insert pro-rata share of PAGA payment]**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendant’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 Defendant’s records showing that **you worked [insert number] workweeks** during the Class Period and **you worked [insert number] PAGA Pay Periods** during the PAGA Period. If you believe that you worked more workweeks or PAGA Pay Periods during either period, you can submit a challenge by the deadline date. See Section 4 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 act. 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 requires Defendant to make payments under the

Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

If you worked for Defendant 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 and PAGA Period penalty claims against Defendant.

(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 Defendant, 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.

Defendant 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 Defendant that are covered by this Settlement, that is, Released Claims (defined below).
You Can Opt Out of the Class Settlement but not the PAGA Settlement The Opt-Out Deadline is [insert date] plus an additional 14 calendar days beyond the Response Deadline for Class Notices re-mailed.	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 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant 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.	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

Written Objections must be submitted by [insert date] plus an additional 14 calendar days beyond the Response Deadline for Class Notices re-mailed.	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 7 of this Notice.
You Can Participate in the [insert date] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [insert date]. 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 verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods. Written Challenges Must be Submitted by [insert date].	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many PAGA Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Pay Periods you worked according to Defendant's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [insert date]. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant. The Action accuses Defendant of violating California labor laws by failing to pay minimum wages, reimbursable expenses, and failing to provide meal periods, rest periods, accurate itemized wage statements, and failing to allow inspection of employment records. Based on the same claims, Plaintiff has also asserted a claim for unfair competition (Cal. Bus. & Prof. Code § 17200) and civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("**PAGA**"). Plaintiff is represented by attorneys in the Action: Kevin A. Lipeles, Thomas H. Schelly, and Jasmine Badawi, Esq. of Lipeles Law Group, APC ("**Class Counsel**").

Defendant strongly denies the allegations in the Operative Complaint, except that Defendant identified an inadvertent mistake with respect to the regular rate of pay calculation for premiums (i.e., for overtime, missed meal period premiums) paid to Class Members who received a "tier stipend" in addition to their normal hourly rate, for certain shifts during the same pay period. In all other respects, Defendant contends that it complied with all applicable laws.

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

So far, the Court has made no determination whether Defendant or Plaintiff is correct on the merits. In the meantime, Plaintiff and Defendant hired an experienced, neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("**Agreement**") and agreeing to jointly ask the Court to enter a judgment ending the

1 Action and enforcing the Agreement, Plaintiff and Defendant have negotiated a proposed Settlement that
2 is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of
3 disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of
4 any claims. Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because
5 they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount considering
6 the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in
7 the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the
8 proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to
9 determine Final Approval.

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

1. Defendant Will Pay \$395,000.00 as the Gross Settlement Amount ("Gross Settlement"). Defendant 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, Class Representative Service Payment, Class Counsel's attorneys' fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement as follows: within thirty (30) days of the Court granting the motion for final approval, Defendant shall deposit the Gross Settlement and the employer's side of payroll taxes on the portion allocated as wages with the Administrator. 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, Plaintiff and/or 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 at the Final Approval Hearing:

A. Up to \$131,666.67 (one-third of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$22,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

B. Up to \$7,250.00 to the Administrator for services administering the Settlement.

C. Up to \$39,500.00 for PAGA Penalties, allocated 65% to the LWDA PAGA Payment and 35% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

D. Up to \$10,000 to the named plaintiff Tara Denise Michael for service to the Action.

Participating Class Members have the right to object to any of these deductions. 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 Defendant are asking the Court to

1 approve an allocation of 25% of each Individual Class Payment to taxable wages (“**Wage**
2 **Portion**”) and 75% to interest and penalties (“**Non-Wage Portion**”). The Wage Portion is subject
3 to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer
4 payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as
5 penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA
6 Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

- 12 5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class
13 Payments and Individual PAGA Payments will show the date when the check expires (the void
14 date, 180 days from mailing). If you don’t cash it by the void date, your check will be
15 automatically cancelled, and the monies will be remitted to Project Purple, a Connecticut 501(c)(3)
16 non-profit corporation.
- 17 6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a
18 Participating Class Member, participating fully in the Class Settlement, unless you notify the
19 Administrator in writing, not later than [insert date], that you wish to opt-out. The easiest way to
20 notify the Administrator is to send a written and signed Request for Exclusion by the [insert date]
21 Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her
22 representative setting forth a Class Member’s name, present address, telephone number, and a
23 simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e.,
24 Non-Participating Class Members) will not receive Individual Class Payments, but will preserve
25 their rights to personally pursue wage and hour claims against Defendant.

26 You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude
27 themselves from the Class Settlement (Non-Participating Class Members) remain eligible for
28 Individual PAGA Payments and are required to give up their right to assert PAGA claims against
Defendant based on the PAGA Period facts alleged in the Action.

- 1 7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court
2 will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also
3 possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendant have
4 agreed that, in either case, the Settlement will be void: Defendant will not pay any money and
5 Class Members will not release any claims against Defendant.
- 6 8. Administrator. The Court has appointed a neutral company, Phoenix Class Action
7 Administration Solutions (the “**Administrator**”), to send this Notice, calculate and make
8 payments, and process Class Members’ Requests for Exclusion. The Administrator will also
9 decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax
10 forms, and perform other tasks necessary to administer the Settlement. The Administrator’s
11 contact information is contained in Section 9 (“How Can I Get More Information?”) of this
12 Notice.
- 13 9. Participating Class Members’ Release. After the Judgment is final and Defendant has fully
14 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 Defendant or related entities 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, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and that occurred or accrued at any time during the Class Period, including, any and all claims involving any alleged: (a) failure to pay minimum wages; (b) failure to provide timely off duty meal periods; (c) failure to provide rest periods; (d) failure to maintain records and provide accurate itemized wage statements; (e) failure to reimburse business expenses; (f) failure to allow inspection of personnel records; and (g) unfair competition. 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, workers' compensation, or claims based on facts occurring outside the Class Period except for damages or penalties that may have flowed from acts or omissions that originally occurred during the Class Period.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendant has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendant, 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 Defendant or their related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement. The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, 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 stated in the Operative Complaint, the PAGA Notice, which arose during the PAGA Period, including any and all PAGA claims for (1) failure to pay minimum wages (Cal. Lab. Code §§ 1194, 1194.2, 1997. 1197.1, 1198; IWC Wage Order No. 4); (2) failure to provide timely off-duty meal periods (Cal. Lab. Code §§ 226.7, 512; IWC Wage Order No. 4); (3) failure to provide rest periods (Cal. Lab. Code §§ 226.7; IWC Wage Order No. 4); (4) failure to maintain records and provide accurate itemized wage statements (Cal. Lab. Code § 226); (5) failure to reimburse business expenses (Cal. Lab. Code § 2802); and (6) failure to allow inspection of employment records (Cal. Lab. Code § 1198.5).

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The "Total Workweeks" will be calculated by summing the total

workweeks for each Settlement Class Member during the Class Period. The Net Settlement Amount shall be divided by the Total Workweeks to arrive at the “Workweek Payment Amount.” Each Participating Class Member’s share of the Settlement shall thereafter be calculated by multiplying that Participating Class Member’s total workweeks during the Class Period by the Workweek Payment Amount.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$XXXXX.00 by the total number of PAGA 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/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant’s records, are stated in the first page of this Notice. You have until [insert date] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 (“How Can I Get More Information?”) 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 Defendant’s calculation of Workweeks and/or Pay Periods based on Defendant’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 and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendant’s Counsel. The Administrator’s decision is final. You can’t appeal or otherwise challenge its final decision.

5. 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.
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 (i.e., every Non-Participating Class Member).

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 9 of this Notice has the Administrator’s contact information.

6. HOW DO I OPT-OUT OF THE CLASS 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 to be excluded. Be sure to personally sign your request, identify the Action as *Tara Denise Michael v. Point Quest Inc.* (Sacramento County Superior Court Case No. 24CV016886), 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. **The Administrator must be sent your request to be excluded by [insert date], or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. 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 Defendant are asking the Court to approve. At least 16 days before the [insert date] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (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 9 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 XXXX or the Court's website <https://www.saccourt.ca.gov/indexes/new-portal-info.aspx>

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award 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 [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 *Tara Denise Michael v. Point Quest Inc.* (Sacramento County Superior Court Case No. 24CV016886) and include your name, current address, telephone number, and approximate dates of employment for Defendant, and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, 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 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [insert date] at [insert time] in Department 22 of the Sacramento Superior Court, located at 720 9th Street, Sacramento, CA 95814. 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 ZoomgovMeeting (<https://saccourt-ca.gov.zoomgov.com/my/sscdept22>). 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 XXXX beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrators's website at XXXX. 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://www.saccourt.ca.gov/indexes/new-portal-info.aspx> and entering the Case Number for the Action, Case No. CV24016886.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

LIPELES LAW GROUP, APC
Kevin A. Lipeles, Esq. (kevin@kallaw.com)
Thomas H. Schelly, Esq. (thomas@kallaw.com)
Jamine Badawi, Esq. (jasmine@kallaw.com)

880 Apollo Street, Suite 336
El Segundo, California 90245
Telephone: (310) 322-2211

Defense Counsel:

Weintraub Tobin
Shauna N. Correia, Esq. (scorreia@weintraub.com)
475 Sansome Street Suite 1400
San Francisco, CA 94111
Telephone: (415) 772-9655

Settlement Administrator:

Phoenix Settlement Administrators
Mailing Address: P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773
Email: info@phoenixclassaction.com

10. 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 (https://www.sco.ca.gov/search_upd.html) for instructions on how to retrieve the funds.

11. 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 B



880 Apollo Street, Suite 336 ♦ El Segundo, CA 90245 ♦ Voice (310) 322-2211 ♦ Fax (310) 322-2252

August 23, 2024

VIA WEBSITE UPLOAD

State of California
Labor and Workforce Development Agency

VIA CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

Point Quest Inc.
1401 21st Street, Suite R
Sacramento, CA 95811

Re: *Michael v. Point Quest Inc.*

Dear Point Quest Inc.:

This office represents Tara Denise Michael. We are informing you of our representation and ask that all further communication regarding this matter be directed to our attention at the address located on this letterhead, and that no contact be made directly with our client. This letter is sent pursuant to the provisions of California Labor Code, §§2699, *et seq.*

I. FACTS & NATURE OF THE DISPUTE

This is a Class Action lawsuit Plaintiff is bringing, seeking relief for Defendant's violations of the California Business & Professions Code §§ 17200 *et seq.*, including full restitution and disgorgement of all compensation retained by Defendant as a result of their unlawful and unfair business practices, as well as injunctive relief.

This action is on behalf of Plaintiff and others similarly situated to recover wages from Defendant due to Defendant's systematic failure to pay minimum wages, to afford proper meal/rest breaks (or pay the statutory compensation due), to issue accurate wage statements, to reimburse business expenses and unfair competition.

Plaintiff seeks compensatory, statutory, declaratory, and injunctive relief for herself and all members of the Class, to compensate these workers for the unpaid wages and to protect current and future workers of Defendant from being subjected to similar wage theft and otherwise unlawful working conditions.

II. § 2699, ET SEQ., LABOR CODE VIOLATIONS

Our client has numerous legal claims against Point Quest Inc. Further investigation and formal discovery will likely uncover other claims and additional facts supporting liability herein.

The details of our client's Labor Code, §2699, claims include, but are not limited to:

A. OFF THE CLOCK WORK

(Labor Code § 203, 226, 510, 558, 1197, 1197.1, and 2699(f)(2); IWC Wage Order No. 4)

Defendant was required to pay their employees for all time worked, even if employees were not clocked in or after they were clocked out. Defendant failed to pay Plaintiff and the Class for any off the clock work they performed. At times Plaintiff and Class members worked hours for which they were not paid because Plaintiff and the Class members were required to have Zoom meetings, phone calls, and texts with Defendant off the clock. Further, Plaintiff and Class members were required to use their personal cell phones for approximately 10-minutes per day off the clock for work-related activities, such as clocking in/out, texting and/or calling their supervisors and using work apps.

Plaintiff and the Class suffered damages in an amount, subject to proof, to the extent they were not paid for their off the clock work.

B. FAILURE TO PAY MINIMUM WAGES

(Cal. Labor Code §§1194, 1194.2, 1997, 1197.1, 1198; IWC Wage Order No. 4)

Defendant failed to satisfy minimum wage requirements. As a result of Defendant requiring Plaintiff and Class members to work off the clock and not affording proper meal/rest breaks, Plaintiff and members of the Class were paid less than minimum wage. This resulted in Defendant's failure to compensate Plaintiff properly for "all hours worked" and consequently underpaid Plaintiff and Class members for the actual hours Plaintiff and Class members worked in violation of *Labor Code* §§ 1197, 1198 and IWC Wage Order No. 4.

C. FAILURE TO PROVIDE REST PERIODS

(Cal. Labor Code § 226.7; IWC Wage Order No. 4)

Defendant failed to provide rest periods as required by Labor Code § 226.7 and the applicable Wage Order. Plaintiff and Class members rest breaks were not afforded and they were interrupted. Plaintiff routinely worked 6 or more hours per day.

By virtue of Defendant's unlawful failure to provide rest periods to the Plaintiff and Class members, Plaintiff and Class members have suffered, and will continue to suffer, damages in amounts which are presently unknown to Plaintiff and Class members,

but which exceed the jurisdictional limits of the Court and which will be ascertained according to proof at trial.

D. FAILURE TO PROVIDE MEAL PERIODS
(Labor Code §226.7; IWC Wage Order No. 4)

Defendant intentionally and improperly denied proper meal periods to Plaintiff and Class member. Plaintiff and Class members were restricted from leaving their jobsites during their meal periods.

By virtue of Defendant's unlawful failure to provide proper meal periods to Plaintiff and Class members, Plaintiff and Class members have suffered, and will continue to suffer, damages in amounts which are presently unknown to them, but which exceed the jurisdictional limits of the Court and which will be ascertained according to proof at trial.

E. FAILURE TO MAINTAIN RECORDS AND PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS
(Cal. Labor Code §226; IWC Wage Order No. 4)

Defendant intentionally and knowingly provided Plaintiff and other members of the Class with weekly itemized wage statements containing inaccurate information regarding the wages earned by Plaintiff and members of the Class in that the payments owed to Plaintiff and the members of the Class for minimum wages, meal and rest breaks not properly afforded, were not included in gross wages earned by Plaintiff and members of the Class.

Plaintiff and members of the Class were damaged by these failures because, among other things, the failures led them to believe that they were not entitled to minimum wages and premium pay for meal/rest breaks not afforded, even though they were so entitled and these failures hindered them from determining the amounts of wages owed to them.

F. FAILURE TO REIMBURSE BUSINESS EXPENSES
(Cal. Labor Code §2802)

Defendant was aware that Plaintiff and Class members were using their personal cell phones, but failed to indemnify Plaintiff and Class members for all their business-related expenses, in accordance with Labor Code §2802. Plaintiff is informed and believes and thereon alleges that at all relevant times, Defendant maintained a practice of not reimbursing Plaintiff and Class Members for their work-related expenses that they incurred in using their personal cell phones for work-related purposes. Plaintiff's cell phone bill was approximately \$80 per month and she was only reimbursed \$5.00 per pay period.

Plaintiff and Class members suffered damages in an amount, subject to proof, to the extent they were not reimbursed for all of their business-related expenses incurred in the discharge of their duties. An employer may never impose a financial burden on employees, with respect to business-related expenses, which would reduce the employees' wage rate below the minimum wage.

G. FAILURE TO ALLOW INSPECTION OF EMPLOYMENT RECORDS
(Cal. Labor Code §1198.5)

On or about August 23, 2024, Plaintiff's counsel issued a written request to you for copies of his personnel records. You have failed and refused to permit Plaintiff to have access to copies of her records.

As a result of your failure and refusal to permit Plaintiff to have full access to her records, Plaintiff will seek injunctive relief and recovery of statutory penalties.

H. UNFAIR COMPETITION
(Cal. Bus. & Prof. Code §§17200 et seq.)

Defendant, through the unfair and unlawful business practices as described herein, has obtained valuable property, money and services from the Plaintiff and the Class and have deprived them of valuable rights and benefits guaranteed by law all to the detriment of Plaintiff and the Class. All the acts described are violations of, among other things, the Labor Code and applicable Industrial Commission Wage Orders, are unlawful and in violation of public policy; and in addition are immoral, unethical, oppressive, and unscrupulous, and thereby constitute unfair and unlawful business practices in violation of Business & Professions Code §§ 17200 *et seq.*

Plaintiff and the Class are entitled to, and are, seeking such relief as may be necessary to restore to them the money and property which Defendant has acquired, or of which Plaintiff and the Class have been deprived by means of the above-described unfair and unlawful business practices.

Moreover, Plaintiff, and all other similarly aggrieved California employees, intend to seek all penalties for the violations described above. Moreover, Plaintiff also intends to recover the actual wages owed to employees under the Labor Code sections that authorize such recovery, including but not limited to Labor Code §558.

III. CONCLUSION

Please take notice this letter is intended to exhaust the pre-litigation requirements set forth under California Labor Code, §§2699, *et seq.* By law, an employee alleging a violation of one of the above-referenced sections must notify his or her employer and the Labor and Workforce Development Agency (LWDA) before he or she can invoke the provisions of §2699, *et seq.*, by

seeking redress in court. (Labor Code § 2699.3(a)(1).) The LWDA must then notify the employer and the employee within 33 calendar days regarding whether it intends to investigate the alleged violation. (Labor Code, §2699.3(a)(2)(B).) If the LWDA advises that it will not investigate, or if no notice is provided within 33 calendar days, the employee may file a lawsuit invoking the provisions under Labor Code, §2699. (Labor Code, §2699.3(a)(2)(A).) It is the intention of this office to file a civil complaint and to bring the appropriate claims under Labor Code, §2699, should your office not address these matters within the proscribed time.

We write this letter subject to and without waiver of our client's rights and remedies, all of which we expressly reserve. This letter is not an express statement of all facts and circumstances concerning this matter.

Sincerely,

LIPELES LAW GROUP, APC

A handwritten signature in blue ink, appearing to read 'K. Lipeles', is positioned above the printed name.

Kevin A. Lipeles, Esq.

EXHIBIT C

EXHIBIT D

Expense List

Date	Type	Matter No	User	Description	Invoice Status	Payee/Vendor	Account	Billable	Amount
8/22/2025	Credit Card Detail	03661-Michael, Tara v. Point Quest, Inc. (C/A)	Vollucci Todd	Filing fee	Not Invoiced	First Legal Network, LLC	Client Costs Advanced	Yes	\$16.45
8/14/2025	Credit Card Detail	03661-Michael, Tara v. Point Quest, Inc. (C/A)	Vollucci Todd	Filing fee	Not Invoiced	First Legal Network, LLC	Client Costs Advanced	Yes	\$32.90
7/22/2025	Hard Cost	03661-Michael, Tara v. Point Quest, Inc. (C/A)	Todd Vollucci	Inv 14202507003	Not Invoiced	Axiom Analytics LLC	Client Costs Advanced	Yes	\$5,202.00
6/25/2025	Credit Card Detail	03661-Michael, Tara v. Point Quest, Inc. (C/A)	Vollucci Todd	Filing fee	Not Invoiced	First Legal Network, LLC	Client Costs Advanced	Yes	\$74.30
6/20/2025	Credit Card Detail	03661-Michael, Tara v. Point Quest, Inc. (C/A)	Vollucci Todd	Michael v Point	Not Invoiced	Judicate West	Client Costs Advanced	Yes	\$12,450.00
5/21/2025	Credit Card Detail	03661-Michael, Tara v. Point Quest, Inc. (C/A)	Vollucci Todd	Filing fee	Not Invoiced	First Legal Network, LLC	Client Costs Advanced	Yes	\$16.45
12/3/2024	Credit Card Detail	03661-Michael, Tara v. Point Quest, Inc. (C/A)	Vollucci Todd	Filing fee	Not Invoiced	First Legal Network, LLC	Client Costs Advanced	Yes	\$15.45
11/7/2024	Credit Card Detail	03661-Michael, Tara v. Point Quest, Inc. (C/A)	Vollucci Todd	Filing fee	Not Invoiced	First Legal Network, LLC	Client Costs Advanced	Yes	\$15.45
10/15/2024	Vendor Bill Detail	03661-Michael, Tara v. Point Quest, Inc. (C/A)	Todd Vollucci	SOP: Point Quest Inc #3661 Inv 1234735	Not Invoiced	Steno Agency, Inc.	Client Costs Advanced	Yes	\$193.95
9/24/2024	Vendor Bill Detail	03661-Michael, Tara v. Point Quest, Inc. (C/A)	Todd Vollucci	Jury fees #3661 Inv 1198517	Not Invoiced	Steno Agency, Inc.	Client Costs Advanced	Yes	\$287.45
9/3/2024	Vendor Bill Detail	03661-Michael, Tara v. Point Quest, Inc. (C/A)	Todd Vollucci	Filing fee #3661 Inv 1156416	Not Invoiced	Steno Agency, Inc.	Client Costs Advanced	Yes	\$2,022.20
Total									\$20,326.60