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LISA HERNANDEZ

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO**

LISA HERNANDEZ, as an individual and on
behalf of all others similarly situated,

Plaintiff,

vs.

PPH FRANCHISE HOLDINGS, LLC, doing
business as PASSPORT HEALTH, a Nevada
limited liability company; and DOES 1 through
100,

Defendants.

Case No. CIVRS2400494

*[Assigned for all purposes to the Hon. Kory
Mathewson, Dept. R12]*

**DECLARATION OF MILAN MOORE IN
SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

Date: June 4, 2026
Time: 9:00 a.m.
Dept.: R12

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I, MILAN MOORE, declare as follows:

1. I am an Associate with Lidman Law, APC, counsel for named Plaintiff Lisa Hernandez (“Plaintiff”) in the above-captioned matter. I am a member in good standing of the bar of the State of California and am admitted to practice in this Court. I have personal knowledge of the facts stated in this declaration and could testify competently to them if called upon to do so.

2. I am a 2015 graduate of UConn School of Law. I was admitted to the California State Bar in December 2015 after passing the bar exam on my first attempt. Since that time, I have practiced exclusively in the area of employment litigation. Prior to joining Lidman Law, APC, I worked for an employment litigation boutique, where I successfully represented employees in discrimination, harassment, retaliation and wrongful termination cases in both state and federal court. While non-exhaustive, the type of work I performed included: conducting client intakes, performing pre-filing research and analysis, drafting complaints, attending court hearings, corresponding with opposing counsel, drafting and responding to written discovery, preparing for and taking and defending depositions, drafting and opposing motions for remand, demurrers and motions to strike, motions to compel, drafting mediation briefs, and attending mediations.

3. Since June 11, 2018, I have worked as an associate at my current firm, Lidman Law, APC. I am currently staffed on approximately seventy (70) active wage and hour class action lawsuits in both state and federal court.

4. I have been appointed Class Counsel in *Hanke v. C&W Facility Services, Inc.*, Case No. CIVDS1814412, California Superior Court, County of San Bernardino, Honorable Judge David Cohn presiding; *Molina v. Mader News, Inc.*, Case No. BC685960, California Superior Court, County of Los Angeles, Honorable Judge Yvette M. Palazuelos presiding; *Alvarez v. Salamander Fire Protection, Inc.*, Case No. BC688326, California Superior Court, County of Los Angeles, Honorable Judge William F. Highberger presiding; *Fregoso v. Amerigas Propane, Inc.*, Case No. BC697973, California Superior Court, County of Los Angeles, Honorable Rafael A. Ongkeko presiding; *Teran v. Western Plastics, Inc.*, Case No. RIC1722619, California Superior Court, County of Riverside, Honorable Judge

1 Sunshine Sykes presiding; *Villegas de Torres v. El Monte Superstore Inc.*, Case No. BC688477,
2 California Superior Court, County of Los Angeles, Honorable Judge Daniel J. Buckley presiding;
3 *Guzman v. Century Blinds*, Case No. RIC1723654, California Superior Court, County of Riverside,
4 Honorable Judge Sunshine S. Sykes presiding; *George v. Convergence Marketing*, Case No.
5 CIVDS1901039, California Superior Court, County of San Bernardino, Honorable Judge David S.
6 Cohn presiding; *Romero v. Fillmore Hospitality, LLC*, Case No. BC705667, California Superior Court,
7 County of Los Angeles, Honorable Judge Maren E. Nelson presiding; *Davis v. WeDriveU*, Case No.
8 18CV322578, California Superior Court, County of Santa Clara, Honorable Judge Brian C. Walsh
9 presiding; *Acuna v. Canton Food Co., Inc.*, Case No. BC685001, California Superior Court, County of
10 Los Angeles, Honorable Judge David S. Cunningham presiding; and *Contreras v. Worldwide Flight*
11 *Services, Inc.*, Case No. 2:18-cv-06036-PSG-SS, United States District Court for the Central District
12 of California, the Honorable Judge Philip S. Gutierrez presiding.

13 5. As co-lead counsel for Plaintiff and the proposed Settlement Class, I have been
14 intimately involved in every aspect of this case from its inception through the present, and I believe
15 that the proposed Settlement is a favorable result for the Settlement Class Members under the
16 circumstances presented.

17 6. Defendant does business by providing travel medicine and immunization services. On
18 August 6, 2024, Plaintiff filed a class action Complaint against Defendant in San Bernardino County
19 Superior Court, in the matter entitled *Lisa Hernandez v. PPH Franchise Holdings, LLC*, Case No.
20 CIVRS2400494 (the “Action”) alleging the following class action claims: (1) failed to pay all minimum
21 wages owed; (2) failed to pay all overtime wages owed; (3) failed to provide meal periods; (4) failed to
22 authorize and permit rest periods; (5) failed to provide accurate, itemized wage statements; (6) failed to
23 reimburse business expenses; (7) engaged in unfair competition; and (8) is liable for civil penalties
24 under the PAGA.

25 7. After agreeing to participate in mediation, Defendant informally produced documents
26 and information relevant to the claims alleged in advance of mediation, including without limitation
27 timekeeping and payroll data for 30% of the putative class, as well as written wage and hour policies.
28 Additionally, Defendant produced information and data points needed for a productive mediation,

including without limitation, the number of putative class members, workweeks at issue, pay periods at issue, and compensation policies. After a review and analysis of the documents and information produced by Defendant, Class Counsel drew on their extensive experience in similar cases to assess the strengths and weaknesses of Plaintiff's case. This discovery allowed the parties to assess the merits and value of Plaintiff's claims and Defendant's defenses thereto, if a settlement could not be reached.

8. On September 17, 2025, a mediation was held with Kevin Barnes, a well-respected mediator. During mediation, the parties vigorously debated their opposing legal positions, the likelihood of certification of Plaintiff's claims and the legal basis for the claims and defenses. Ultimately, the Parties agreed in principle on a class-wide resolution. In the weeks that followed, the Parties finalized the terms of settlement and executed the Class Action and PAGA Settlement Agreement ("Settlement"). A true and correct copy of the Settlement is attached hereto as **Exhibit 1**. The proposed Class Notice is attached as Exhibit A to the Settlement.

9. If the Court approves this Settlement, Defendant will pay a Gross Settlement Amount ("GSA") of \$125,000.00.¹ Significantly, this Settlement is **non-reversionary**, and no Settlement Class member will have to submit a claim form to receive a Settlement Award. Each Settlement Class member will automatically receive a Settlement Award unless he or she affirmatively opts out of the Settlement. The monetary terms of the Settlement are summarized below:

Gross Settlement Amount ("GSA"):	\$125,000.00
Minus Court-approved attorneys' fees (35% of GSA):	\$43,750.00
Minus Court-approved, verified costs (up to):	\$17,500.00
Minus Court-approved Class Representative Service Award (up to):	\$5,000.00
Minus Settlement Administration Costs:	\$6,000.00
Minus PAGA Penalties to LWDA and Aggrieved Employees:	\$10,000.00
Net Settlement Amount ("NSA"):	\$42,750.00

¹ The settlement is based on Defendant's representation that, as of August 17, 2025, Settlement Class Members have worked approximately 6,400 workweeks during the Class Period. If the total number of workweeks worked exceeds 7,040 (i.e., more than 10% above the estimated amount), then, at Defendant's option, either (a) the portion of the Gross Settlement Amount ("GSA") attributable to non-PAGA claims (i.e., the GSA less the PAGA penalties) shall increase by 1% for every 1% the total workweeks exceed the 10% threshold, or (b) the Class Period and PAGA Period, respectively, shall end on the date the cumulative number of workweeks reaches 7,040. Defendant shall inform Plaintiff and the Administrator of its election within five (5) calendar days of being informed of the triggering of the escalator clause. See Settlement ¶ 8.

1 The Settlement Administrator will provide Defendant PPH Franchise Holdings, LLC with wire
2 transfer information within three (3) days after Final Approval. Defendant shall fund the Settlement
3 thirty (30) days after the Effective Date. "Effective Date" means the date by which both the following
4 have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement;
5 and (b) the Judgment is final. The Judgment is final as of the day after the deadline for filing a notice
6 of appeal from the Judgment, or if a timely appeal from the Judgment is filed, the day after the appellate
7 court affirms the Judgment and issues a remittitur.

8 After deducting amounts for the Court-approved attorneys' fees and verified costs, Service
9 Award to Plaintiff, Settlement Administrator costs, and PAGA penalties, the Settlement requires
10 Defendant to pay a Net Settlement Amount ("NSA") of at least **\$42,750.00** to all Settlement Class
11 Members who do not timely opt out.

12 10. According to Defendants, there are approximately 129 total Settlement Class members
13 defined as:

14 All individuals who are or were employed by Defendant as non-exempt hourly
15 employees in California during the Class Period.

16 Class Period means the period from August 6, 2020 through Preliminary
17 Approval.

18 According to Defendant, there are approximately 129 total Settlement Class Members (who
19 worked a total of approximately 6,400 workweeks during the relevant time period). Thus, the average
20 Individual Settlement Awards (assuming there are no opt-outs) is projected to be approximately
21 **\$331.40.**

22 11. Settlement Class Members' claims arise from Defendant's common, uniform policies
23 and practices that applied to Plaintiff and Settlement Class Members during the class period.
24 Specifically, Plaintiff alleged that that Defendant: (1) failed to pay all minimum wages owed; (2) failed
25 to pay all overtime wages owed; (3) failed to provide meal periods; (4) failed to authorize and permit
26 rest periods; (5) failed to provide accurate, itemized wage statements; (6) failed to reimburse business
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1 expenses; (7) engaged in unfair competition; and (8) is liable for civil penalties under the Private
2 Attorneys General Act.

3 12. As described in the accompanying Motion for Preliminary Approval, Plaintiff alleges
4 that Defendant failed to compensate its non-exempt employees for all time worked. Specifically,
5 Plaintiff alleges that Defendant required Plaintiff to complete pre-shift duties, including without
6 limitation, turning on/off lights and unlocking/locking the facilities, but Plaintiff and the other
7 employees were not permitted to record the time as time worked. As a result, Plaintiff contends that
8 Defendant failed to pay her and other non-exempt employees all minimum and overtime wages owed.
9 *Id.* Accordingly, based on 5 minutes of unpaid time each shift, Plaintiff estimates Defendant's exposure
10 at a total of \$109,868.

11 13. Defendant contends that it compensated Settlement Class Members for all of their time
12 worked. Defendant also contends that its timekeeping practices were lawful, and any unpaid time was
13 *de minimis* and therefore non-compensable. Defendant further asserts that Plaintiff would be unable to
14 certify an unpaid wages class given the individualized inquiries that would be required. In light of these
15 defenses, Plaintiff discounted the maximum exposure by 45% for the risk of non-certification, and an
16 additional 55% to account for Defendant's defenses on the merits to arrive at an estimated exposure of
17 approximately \$27,192.33.

18 14. Plaintiff alleges that Defendant failed to provide its non-exempt employees all required
19 meal periods. Specifically, Plaintiff alleges that Defendant failed to provide 30-minute meal periods
20 before the end of the fifth hour of work and/or or failed to provide a meal period at all. Plaintiff estimates
21 an approximate 3 percent non-compliant rate, and calculates Defendant's exposure at \$40,386, which
22 also takes into account the meal period premiums paid.

23 15. Conversely, Defendant contends that it has always maintained a lawful meal period
24 policy and provided non-exempt employees with an opportunity to take legally compliant meal periods,
25 and any non-compliant meal periods reflected in employee timekeeping records were solely the result
26 of employee choice, rather than any policy or practice of Defendant. Defendant points out that it is
27 only required to "provide" the opportunity to take meal periods, not "ensure" meal periods are taken,
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1 and that they have always done so. Finally, Defendant contends Plaintiff's meal period claim is not
2 suited for class certification, since individual inquiries would be required to assess which employees
3 took non-compliant meal periods, how many meal periods were non-compliant or missed, and the
4 reasons why a particular employee took a non-compliant meal period or missed a meal period during
5 a particular shift. Accordingly, Plaintiff discounted the maximum exposure by 50% for the risk of non-
6 certification, and an additional 35% to account for Defendant's defenses on the merits to arrive at an
7 estimated exposure of \$13,125.45.

8 16. Plaintiff further alleges that Defendant failed to provide any rest periods on shifts
9 worked in excess of 3.5 hours due to the work demands imposed. Based on an estimated one rest
10 period violation per shift, Plaintiff estimates Defendant's liability at \$1,369,221.

11 17. Defendant contends that its policies and procedures authorized and permitted
12 Settlement Class Members to take all off-duty rest periods in compliance with California law.
13 Defendant also argues that Plaintiff's rest period claim is inherently unsuited for class treatment as it
14 requires an individualized inquiry into whether each Settlement Class Member was in fact authorized
15 and permitted to take a compliant rest period, which would evolve into an unmanageable series of
16 mini-trials. Accordingly, Plaintiff discounted the maximum exposure by 65% for the risk of non-
17 certification, and an additional 75% to account for Defendant's defenses on the merits to arrive at an
18 estimated exposure of \$119,806.84.

19 18. Plaintiff alleges that Defendant required her and the other Settlement Class Members to
20 use their personal cellular phone for business purposes. Despite knowing that putative class members
21 had incurred necessary business expenses, Defendant failed to reimburse putative class members in
22 violation of Section 2802 and *Cochran*. Plaintiff estimates employees should have been reimbursed
23 approximately \$20.00 per month, or about \$5.00 per workweek (for all 6,400 estimated workweeks)
24 for reasonable cellular phone related expenses. Therefore, Plaintiff calculated Defendant's maximum
25 exposure at \$32,000.00.

26 19. Defendant asserts that, given the wide array of cellular phone plans, any expenses would
27 be *de minimis*. Moreover, Defendant denies that its employees were required to use their personal
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cellular phones at all. Accordingly, Plaintiff discounted the maximum exposure by 55% for the risk of non-certification, and an additional 40% to account for Defendant's defenses on the merits to arrive at an estimated exposure of approximately \$8,640.00.

20. Plaintiff alleges that Defendant issued inaccurate wage statements in violation of Labor Code section 226 as a result of the alleged unpaid meal and rest period premium wages described above. Plaintiff's data analysis reflected that there were approximately 1,459 wage statements issued during the relevant time period. Therefore, Plaintiff calculated Defendant's maximum exposure for wage statement violations at approximately \$142,650.00.

21. Defendant argues that its alleged wage statement violations could not be shown to be "knowing and intentional," and that Plaintiff cannot show that she or any other employee "suffer[ed] injury" as a result of the alleged wage statement violations, as required by Lab. Code § 226(e) for imposition of penalties. As such, Plaintiff discounted the calculated exposure by 55% for a risk of non-certification and an additional 50% for a risk of being unsuccessful on the merits, to arrive at an estimated total of \$32,096.25.

22. Plaintiff alleges that Defendant is also liable for waiting time penalties under Labor Code section 203 as a result of its failure to pay all wages, i.e., meal and rest period premiums, upon the separation of employment. There are approximately 37 Settlement Class Members who have separated their employment during the relevant time period. Therefore, Plaintiff calculated Defendant's maximum exposure for waiting time penalties at approximately \$793,164.

23. Defendant asserts it has strong defenses to the waiting time claim because there exist good-faith disputes as to Plaintiff's underlying claims, precluding imposition of penalties. Accordingly, Plaintiff discounted the maximum exposure by 65% for the risk of non-certification, and an additional 55% to account for Defendant's defenses on the merits, to arrive at an estimated exposure of \$124,923.33.

24. Plaintiff seeks civil penalties under the PAGA as a result of the foregoing alleged Labor Code violations. Plaintiff calculated Defendant's maximum exposure at \$318,000 based on each unique Labor Code violation.

1 25. Defendant argues that Plaintiff's PAGA claim will fail for the same reasons that her
2 underlying claims will fail. Defendant also maintains that, given its good faith defenses, this Court
3 would exercise its discretion to substantially reduce any PAGA penalties if it were to find Defendant
4 liable for any of Plaintiff's claims. Therefore, Plaintiff discounted the maximum exposure figure by
5 60% for a risk of being unsuccessful on the merits, and an additional 55% to account for the possibility
6 of this Court reducing penalties, to arrive at an estimated exposure of \$57,240.00.

7 26. Using these estimated figures for each of the claims described above, Plaintiff predicted
8 the realistic total recovery for the Settlement Class would be approximately \$383,024.20. The proposed
9 settlement of \$125,000.00 therefore represents approximately 32.6% of the reasonably forecasted
10 recovery for the Settlement Class. Preliminary approval is appropriate as the settlement will provide
11 tangible monetary relief to Settlement Class Members and will still provide an average recovery to
12 Settlement Class Members of over \$330.00.

13 27. Here, Class Counsel will also apply for an attorneys' fees award of one-third of the
14 GSA, which is currently estimated to be 43,750.00, and up to \$17,500.00 in verified costs
15 reimbursement. Plaintiff submits the requested fee is fair compensation for undertaking complex,
16 risky, expensive, and time-consuming litigation on a purely contingent fee basis. Class Counsel has
17 incurred substantial attorney fees conducting pre-filing investigation, analyzing Plaintiff's claims,
18 conducting legal research, reviewing Defendant's documents and policies, analyzing Settlement Class
19 Members' timekeeping data and payroll records, preparing for and attending mediation, negotiating
20 and revising the long-form Settlement, preparing this Motion, and otherwise litigating the case.

21 28. Lidman Law, APC and Haines Law Group, APC do not have any conflict of interest
22 with the Settlement Class.

23 29. Plaintiff has provided written approval of the split of attorneys' fees in this action.

24 30. Plaintiff will seek a service award of \$5,000.00 at the time of seeking final approval,
25 and I believe this is reasonable given Plaintiff's efforts in this case and the risks she undertook on
26 behalf of the Settlement Class members, including the risk that she could be liable for Defendant's
27 costs if this case was unsuccessful. Plaintiff was integral in the prosecution of this action, by, among
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1 other things, providing substantial factual information and documents to Class Counsel, attending
2 multiple meetings and conferences with Class Counsel to discuss the claims and theories at issue in the
3 litigation, participating in mediation, and otherwise actively participating in the prosecution of her
4 claims.

5 31. Although the parties engaged in informal discovery throughout this action, the parties
6 still had significant discovery to complete in formal litigation had the matter not settled. Moreover,
7 Plaintiff still had to file for class certification, and faced the prospect of appeals in the wake of a disputed
8 class certification ruling for Plaintiff and/or an adverse summary judgment ruling. Even if the classes
9 sought to be certified by Plaintiff were in fact certified, the parties would incur considerably more
10 attorneys' fees and costs through a possible decertification motion, trial, and possible appeal. This
11 Settlement avoids those risks and the accompanying expense.

12 I declare under penalty of perjury under the laws of the State of California that the foregoing is
13 true and correct. Executed on January 16, 2026, at El Segundo, California.

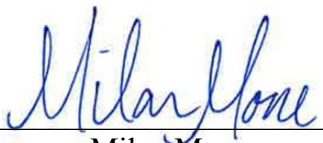
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16 Milan Moore

EXHIBIT 1

EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Lisa Hernandez (“Plaintiff”) and Defendant PPH Franchise Holdings, LLC, doing business as Passport Health (“Defendant” or “Passport Health”). The Agreement refers to Plaintiff and Defendant collectively as “Parties” or individually as “Party.”

1. DEFINITIONS.

- 1.1 “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant captioned *Lisa Hernandez vs. PPH Franchise Holdings, LLC, doing business as Passport Health*, initiated on August 6, 2024, and pending in the Superior Court of the State of California, County of San Bernardino, Case No. CIVRS2400494, and any amended complaints filed.
- 1.2 “Administrator” means Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4 “Class” means all individuals who are or were employed by Defendant as non-exempt hourly employees in California during the Class Period.
- 1.5 “Class Counsel” means Scott Lidman, Milan Moore, and Tiara Gose-Hardy of Lidman Law, APC., and Paul Haines of Haines Law Group, APC.
- 1.6 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.7 “Class Data” means that the class member’s identifying information in Defendant’s possession, including the class member’s name, last-known mailing address, social security number, and number of class period workweeks and PAGA pay periods.
- 1.8 “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 a PAGA Member).
- 1.9 “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.

- 1.10 “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.
- 1.11 “Class Period” means the period from August 6, 2020, through Preliminary Approval.
- 1.12 “Class Representative” means the named Plaintiff, Lisa Hernandez, in the operative complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.13 “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.14 “Court” means the Superior Court of California, County of San Bernardino.
- 1.15 “Passport Health” means the Defendant, PPH Franchise Holdings, LLC, doing business as Passport Health.
- 1.16 “Defense Counsel” means Andrew Levin and Mitchell Wrosch of Ogletree, Deakins, Nash, Smoak & Stewart, P.C.
- 1.17 “Effective Date” means the date by which both 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 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.
- 1.18 “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.19 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.20 “Final Judgment” means the Judgment entered by the Court upon Granting Final Approval of the Settlement.
- 1.21 “Gross Settlement Amount” means \$125,000.00, which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 10 below. 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. Defendant shall be separately responsible for the cost of its share of employer-side payroll taxes. The Settlement is non-reversionary.

- 1.22 “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.
- 1.23 “Individual PAGA Payment” means the PAGA Member’s pro rata share of 35% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.24 “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.25 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.26 “LWDA PAGA Payment” means 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.27 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The Net Settlement Amount is to be paid to Participating Class Members as Individual Class Payments.
- 1.28 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.29 “PAGA Member” means any non-exempt hourly employee who works or worked for Defendant PPH Franchise Holdings, LLC in California at any time during the PAGA Period.
- 1.30 “PAGA Pay Period” means any Pay Period during which a PAGA Member worked for Defendant PPH Franchise Holdings, LLC for at least one day during the PAGA Period.
- 1.31 “PAGA Period” means the period from August 6, 2023, through Preliminary Approval.
- 1.32 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698 et seq.).
- 1.33 “PAGA Notice” means Plaintiff’s August 6, 2024 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.34 “PAGA Penalties” means the total amount of \$10,000.00 in PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 35% to the PAGA Members (\$3,500.00) and 65% to the LWDA (\$6,500.00) in settlement of the PAGA claims.

- 1.35 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36 “Plaintiff” means Lisa Hernandez, the named plaintiff in the Action.
- 1.37 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.38 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.40 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.41 “Released Parties” means PPH Franchise Holdings, LLC, doing business as Passport Health, and any of its former and present directors, officers, shareholders, owners, direct and indirect equity holders, attorneys, insurers, predecessors, successors, assigns, parents, subsidiaries, and affiliates.
- 1.42 “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.
- 1.43 “Response Deadline” means sixty (60) days after the Administrator mails Notice to Class Members and PAGA Members 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 Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.
- 1.44 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.45 “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 6, 2024, Plaintiff filed suit in San Bernardino County Superior Court, asserting claims based on Defendant’s alleged: (1) failure to pay all wages owed; (2) failure to pay all overtime wages owed, (3) failure to provide meal periods; (4) failure to provide rest breaks; (5) failure to provide accurate itemized wage statements; (6) failure to indemnify all necessary business expenditures; (7) waiting time penalties; and (8) violation of California’s Unfair Competition Law (“UCL”). On or about October 31, 2024, Plaintiff filed a First Amended Complaint adding

claims for alleged PAGA penalties. On or about December 3, 2025, Plaintiff filed a Second Amended Complaint re-asserting a claim for waiting time penalties. The Second Amended Complaint shall be the operative complaint in the Action (the “Operative Complaint”).

- 2.2 Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint, and denies any and all liability for the causes of action alleged.
- 2.3 Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant PPH Franchise Holdings, LLC and the LWDA by sending the PAGA Notices.
- 2.4 On August 17, 2025, the Parties participated in an all-day mediation presided over by Kevin Barnes, Esq., which led to this Agreement.
- 2.5 Prior to mediation, Plaintiff obtained, through informal discovery, a sampling of time and corresponding pay records belonging to approximately 30% of Class Members, relevant policies, Plaintiff’s time and payroll records, wage statements, and the total number of Class Period Employees and workweeks worked during the Class Period.
- 2.6 The Court has not granted class certification.

3. **MONETARY TERMS.**

- 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 10 below, Defendant promises to pay \$125,000.00, and no more as the Gross Settlement Amount, and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or PAGA Members 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 Order:
 - 3.2.1 To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$5,000.00 (exclusive of 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 this is for Plaintiff bringing the lawsuit. 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 by no later than sixteen (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, except for those amounts which represent wages as part of the Individual Class Payment. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment. In the event the Court does not approve the entirety of the requested Class Representative Service Payment, such ruling shall not entitle Plaintiff to revoke the Settlement.

- 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than \$43,750.00 (representing 35% of the Gross Settlement Amount), and a Class Counsel Litigation Expenses Payment of not more than \$17,500.00. 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 sixteen (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 or any other Plaintiff's Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless and indemnifies Defendant from any dispute or controversy regarding any division or sharing of any of these Payments. In the event the Court does not approve the entirety of the requested Class Counsel Fees Payment and/or Class Counsel Litigation Expenses payment, such ruling shall not entitle Class Counsel to revoke the Settlement. However, Class Counsel reserves the right to appeal any reduction by the Court.
- 3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed \$6,000, except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less, or the Court approves payment of less than \$6,000, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4 To Each Participating Class Member: An Individual Class Payment is calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class

Period and (b) multiplying the result by each Participating Class Member's Workweeks.

3.2.4.1 Tax Allocation of Individual Class Payments. 20% 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. 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for all 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.

3.2.5 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 according to their respective workweeks.

3.2.6 To the LWDA and Covered Employees: PAGA Penalties in the amount of \$10,000 will be paid from the Gross Settlement Amount, with 65% allocated to the LWDA PAGA Payment and 35% allocated to the Individual PAGA Payments.

3.2.6.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the PAGA Member's 35% share of PAGA Penalties (\$3,500.00) by the total number of PAGA Period Pay Periods worked by all PAGA Members during the PAGA Period and (b) multiplying the result by each PAGA Member's PAGA Period Pay Periods. PAGA Members assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.6.2 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 PAGA Member Pay Periods. Based on a review of its records in advance of mediation, Defendant estimates that the Settlement Class consists of approximately 129 class members who worked a total of approximately

6,400 workweeks during the Class Period and 81 employees who worked during the PAGA Period.

- 4.2 Class Data. No later than thirty (30) calendar days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator in a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data 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. The Settlement Administrator will provide Defendant PPH Franchise Holdings, LLC with wire transfer information within three (3) days after Final Approval. Defendant shall fund the Settlement thirty (30) days after the Effective Date.
- 4.4 Payments from the Gross Settlement Amount. Within ten (10) 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.
- 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 one hundred and eighty (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 PAGA Members including Non-Participating Class Members who qualify as PAGA Members (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 a USPS forwarding address. Within seven (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 the California Controller's Unclaimed Property Fund in the name of the Class Member 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:

- 5.1 **Release by Plaintiff.** In consideration of Plaintiff's awarded Class Representative Service Payment, Plaintiff's Individual Class Payment, and the other terms and conditions of the Settlement, as of the date the Settlement becomes Final and is fully funded, Plaintiff, on behalf of herself and her respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, releases any and all known and unknown claims that arose on or before the date she signs this agreement against Defendant and the Released Parties, including, but not limited to, all claims under the California Fair Employment and Housing Act, California Family Rights Act, Family and Medical Leave Act, the Americans with Disabilities Act, the California Labor Code and IWC Wage Orders, and any and all federal, state, and local laws and ordinances. Expressly excluded from Plaintiff's release are any claims for workers' compensation benefits, unemployment insurance benefits, and any other claims that cannot be released by law.
- 5.2 **Release by Participating Class Members.** In consideration for their awarded Individual Settlement Shares, as of the date the Settlement becomes Final and has

been fully funded, all Participating Class Members will release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns any and all claims arising out of or related to the allegations set forth in the Operative Complaint that arose during the Class Period, including claims for: **(1)** failure to pay all minimum wages owed in violation of Labor Code sections 1194, 1194.2, 1197; **(2)** failure to pay all overtime wages owed in violation of Labor Code sections 204, 510, 558, 1194, 1198; **(3)** failure to provide meal periods in violation of Labor Code section 226.7, 512, 558; **(4)** failure to provide rest breaks in violation of Labor Code sections 226.7 and 516; **(5)** failure to provide accurate wage statements in violation of Labor Code sections 226 *et seq.*; **(6)** failure to indemnify all necessary business expenses in violation of Labor Code section 2802; **(7)** waiting time penalties in violation of Labor Code Section 203; and **(8)** unfair competition in violation of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200 *et seq.*;

- 5.3 Release by PAGA Members. In consideration for their awarded Settlement Shares, as of the date the Settlement becomes Final and has been fully funded, all PAGA Members will release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns any and all claims for civil penalties under PAGA against Defendant and the Released Parties that arise out of or reasonably relate to the claims alleged in the PAGA Notices or that could have been alleged based on the factual allegations in the PAGA Notices (the "Released PAGA Claims"). All PAGA Members who worked for Defendant during the PAGA Period will release the PAGA claims described herein and will receive a portion of the amount set aside as PAGA penalties, regardless of whether they opt out of the release of the Class Claims.
- 5.4 With respect to the Plaintiff's Released Claims only, the Parties stipulate and agree that the Plaintiff shall have, by operation of the judgment and approval order entered by the Court and the Settlement being fully funded, waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits of section 1542 of the California Civil Code, which provides:

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

The Plaintiff shall be deemed to have acknowledged that this Settlement Agreement is intended to waive and release all released claims that she does not know or suspect to exist in her favor at the time of the approval of this Settlement Agreement.

6. **MOTION FOR PRELIMINARY APPROVAL.** Within a reasonable time, Plaintiff will move for an order giving preliminary approval of the Settlement (“Motion for Preliminary Approval”).

- 6.1 **Plaintiff’s Responsibilities.** Plaintiff will prepare all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; and (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members, and its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), and this Agreement (Labor Code section 2699, subd. (l)(2))).
- 6.2 **Responsibilities of Counsel.** Class Counsel is responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than ninety (90) days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval order to the Administrator.
- 6.3 **Duty to Cooperate.** If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together 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 to serve as the Administrator and verified that, as a

condition of appointment, Phoenix Class Action Administration Solutions 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 under U.S. 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 fifteen (15) 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 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 five (5) business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
 - 7.4.4 The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the forty-five (45) 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 by re-mailing the Class Notice.

- 7.4.5 If the Administrator, Defendant 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 fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5 Requests for Exclusion (Opt-Outs)

- 7.5.1 Class Members who wish to exclude themselves from (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than sixty (60) days after the Administrator mails the Class Notice (plus an additional fourteen (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' Release under Paragraph 5.2 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 PAGA Members are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.
- 7.5.5 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review Requests for Exclusion on a rolling basis to ascertain their validity. Not later than ten (10) 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 Settlement submitted (whether valid or invalid).
- 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have sixty (60) days after the Administrator mails the Class Notice (plus an additional fourteen (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 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 sixty (60) days after the Administrator's mailing of the Class Notice (plus an additional fourteen (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 Email Address and Toll-Free Number. The Administrator will establish and maintain an email address and a toll-free telephone number to receive Class Member calls, faxes and emails and to provide 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, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval order and the Judgment.

7.8.2 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.

7.8.3 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.

7.8.4 Administrator's Declaration. Not later than fourteen (14) days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for

Exclusion 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.

7.8.5 Final Report by Settlement Administrator. Within ten (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 fifteen (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. **ESCALATOR CLAUSE.** The settlement is based on Defendant's representation that, as of August 17, 2025, Settlement Class Members have worked approximately 6,400 workweeks during the Class Period. If the total number of workweeks worked exceeds 7,040 (i.e., more than 10% above the estimated amount), then, at Defendant's option, either (a) the portion of the Gross Settlement Amount ("GSA") attributable to non-PAGA claims (i.e., the GSA less the PAGA penalties) shall increase by 1% for every 1% the total workweeks exceed the 10% threshold, or (b) the Class Period and PAGA Period, respectively, shall end on the date the cumulative number of workweeks reaches 7,040. Defendant shall inform Plaintiff and the Administrator of its election within five (5) calendar days of being informed of the triggering of the escalator clause.
9. **DEFENDANT'S RIGHT TO WITHDRAW.** If ten percent (10%) or more of the Class Members, or a number of Class Members whose Individual Settlement Shares represent ten percent (10%) or more of the total of all Individual Settlement Shares, validly elect not to participate in the Settlement, Defendant will have the right to rescind the Settlement, and the Settlement and all actions taken in its furtherance will be null and void. Defendant must exercise this right within fifteen (15) days after the Settlement Administrator notifies the parties of the number of opt-outs, which the Settlement Administrator will do within ten (10) days after the deadline for submission of opt-outs. If Defendant exercises the right to rescind, it will be responsible for the costs of administration of the Settlement incurred through that time.
10. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the scheduled 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 ten (10) 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.

- 10.1 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 (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 10.2 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 faith to attempt to address the Court's concerns. The Court's decision to award less than the amounts requested for the Class 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.
- 10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
- 10.4 Waiver of Right to Appeal. The parties and all Participating Class Members who did not object to the Settlement as provided in this Agreement waive all appeals from the final approval of the Settlement unless the Court materially modifies the Settlement, except that Plaintiff and Class Counsel may appeal from an order by the Court that reduces the amounts sought for the Class Representative Payment or the Class Counsel Fees or Expenses Payment. Such an order or affirmance of such an order will not entitle Plaintiff or the Class to avoid the Settlement. Defendant's payment obligation under the Settlement will be suspended pending an appeal of the Judgment.
- 10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to attempt to address the appellate court's concerns, 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

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

12. **ADDITIONAL PROVISIONS.**

12.1 **No Admission of Liability, Class Certification or Representative Manageability for Other Purposes.** This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by 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 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 the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.2 **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.

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

12.4 **Attorney Authorization.** Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant PPH Franchise Holdings, LLC, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

12.5 **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 as agreed by the Parties, 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.

- 12.6 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.
- 12.7 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.
- 12.8 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 12.9 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.10 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.11 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.
- 12.12 Confidentiality. Plaintiff and her attorneys agree not to issue any press or other media releases or talk to the press or media regarding the Settlement, and Plaintiff's attorneys agree not to publicize the Settlement on their website or social media. In addition, prior to filing of the Motion for Preliminary Approval, Plaintiff and her attorneys will not have any communication with anyone other than family members, clients, Class Members, financial advisors, retained experts, and vendors related to settlement administration, regarding the Settlement. If, before the filing of the Motion for Preliminary Approval, Plaintiff or her attorneys disclose to any unauthorized party (a) that a settlement has been reached or (b) any of the terms of the Settlement except as required by law or to effect the Settlement, Defendant PPH Franchise Holdings, LLC may rescind the Settlement, rendering it null and void.
- 12.13 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) days after the date when the Court discharges the Administrator's

obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destruction of, Class Data.

- 12.14 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 12.15 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter:
- 12.16 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff and the Settlement Class:

LIDMAN LAW, APC

Scott M. Lidman
slidman@lidmanlaw.com
Milan Moore
mmoore@lidmanlaw.com
Tiara Gose-Hardy
tgose@lidmanlaw.com
2155 Campus Drive, Suite 150
El Segundo, California 90245

HAINES LAW GROUP, APC

Paul K. Haines
phaines@haineslawgroup.com
2155 Campus Drive, Suite 180
El Segundo, California 90245

To Defendant PPH Franchise Holdings, LLC:

Andy Levin
andy.levin@ogletree.com
OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.
2415 East Camelback Road, Suite 800
Phoenix, Arizona 85016

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

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

Dated: January 14, 2026


Lisa Hernandez (Jan 14, 2026 13:16:26 PST)

Plaintiff Lisa Hernandez

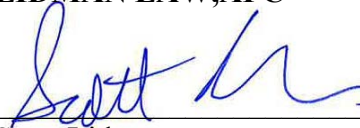
Dated: January __, 2026

Defendant PPH Franchise Holdings, LLC

Approved As to Content:

Dated: January 14, 2026

LIDMAN LAW, APC



Scott Lidman

Attorneys for Plaintiff

- 12.17 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: January __, 2026

Plaintiff Lisa Hernandez

Dated: January 8, 2026



Defendant PPH Franchise Holdings, LLC

Approved As to Content:

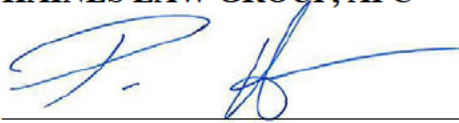
Dated: January __, 2026

LIDMAN LAW, APC

Scott Lidman
Attorneys for Plaintiff

Dated: January 14, 2026

HAINES LAW GROUP, APC



Paul Haines
Attorneys for Plaintiff

Dated: January __, 2026

**OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.**

Andrew Levin
Defendant PPH Franchise Holdings, LLC

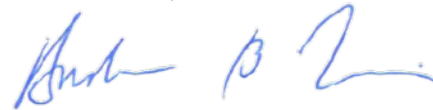
Dated: January __, 2026

HAINES LAW GROUP, APC

Paul Haines
Attorneys for Plaintiff

Dated: January 13, 2026

**OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.**



Andrew Levin
Attorneys for Defendant

EXHIBIT “A”

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO**

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

Lisa Hernandez v. PPH Franchise Holdings, LLC, doing business as Passport Health .
Case No. CIVRS2400494

*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 *PPH Franchise Holdings, LLC, doing business as Passport Health*, (“Passport Health” or “Defendant”) for alleged wage and hour violations. The Action was filed by a former Passport Health employee, Lisa Hernandez (“Plaintiff”), and seeks payment of (1) back and premium wages, statutory penalties, and interest for a class of non-exempt hourly employees who work or worked for Passport Health in California during the Class Period (August 6, 2020, through [REDACTED] [Preliminary Approval]) (“Class Members”); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all non-exempt hourly employees who work or worked for Passport Health in California during the PAGA Period (August 6, 2023, through [REDACTED] [Preliminary Approval]) (“PAGA Members”).

PASSPORT HEALTH EXPRESSLY DENIES VIOLATING ANY LAWS OR FAILING TO PAY ANY WAGES AND CONTENDS IT COMPLIED WITH ALL APPLICABLE LAWS.

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 to make a payment 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 \$_____ (less withholding) and your Individual PAGA Payment is estimated to be \$_____**. 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 _____ workweeks** during the Class Period and **you worked ____ workweeks** during the PAGA Period. If you believe that you worked more workweeks 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 do 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 PAGA Members 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 individual Class Period wage 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 individual wage claims against Defendant. You cannot opt-out of the PAGA portion of the proposed Settlement, and thus, if you are a PAGA member, remain eligible for an Individual PAGA Payment regardless of whether you opt out of the Class 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	<u>If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any).</u> In exchange, you will give up your right to assert claims against Defendant that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement	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 PAGA Members and the PAGA Members 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 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 Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on [REDACTED]. 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	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 Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Period Pay Periods you worked according to 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 _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former Passport Health employee. The Action accuses Defendant of violating California labor laws, asserting claims based on Defendant’s alleged: (1) failure to pay minimum and overtime wages; (2) failure to provide compliant rest periods and pay missed rest break premiums; (3) failure to provide compliant meal periods and pay missed meal period premiums; (4) failure to pay all wages due and owing at separation; (5) failure to provide complete and accurate wage statements; (6) failure to reimburse necessary business expenses; and (7) failure to pay all wages owed upon separation of employment. Plaintiff also asserted a violation of (8) California’s Unfair Competition Law (“UCL”). Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiff is represented by attorneys in the Action: Scott M. Lidman, Milan Moore, and Tiara Gose-Hardy of Lidman Law, APC and Paul K. Haines of Haines Law Group, APC (“Class Counsel.”)

PASSPORT HEALTH STRONGLY DENIES VIOLATING ANY LAWS OR FAILING TO PAY ANY WAGES AND CONTENTS 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 an agreement to 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 Action and enforcing the Agreement, Plaintiff and Defendant have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and PAGA Members. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. Defendant Will Pay \$125,000.00 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 attorney’s 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 not more than thirty (30) days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, 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 \$43,750.00 (35% of the Gross Settlement) to Class Counsel for attorneys’ fees and up to \$17,500.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$5,000 as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class.
 - C. Up to \$6,000 to the Administrator for services administering the Settlement.

- D. Up to \$10,000.00 for PAGA Penalties, allocated 65% to the LWDA PAGA Payment and 35% in Individual PAGA Payments to the PAGA Members based on their PAGA Period Pay Periods.

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 approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to interest and penalties (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay the employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller’s Unclaimed Property Fund in your name. If the monies represented by your check are sent to the Controller’s Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than ___, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the ___Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude

themselves from the Class Settlement (Non-Participating Class Members) remain eligible for 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.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.
8. Administrator. The Court has appointed a neutral company, _____ (the “Administrator”), to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
9. Participating Class Members’ Release. After the Judgment is final and Defendant has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against 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:

In consideration for their awarded Individual Settlement Shares, as of the date the Settlement becomes Final and has been fully funded, all Participating Class Members will release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, all claims arising out of or related to the allegations set forth in the Operative Complaint that arose during the Class Period, including claims for: **(1)** failure to pay all minimum wages owed in violation of Labor Code sections 1194, 1194.2, 1197; **(2)** failure to pay all overtime wages owed in violation of Labor Code sections 204, 510, 558, 1194, 1198; **(3)** failure to provide meal periods in violation of Labor Code section 226.7, 512, 558; **(4)** failure to provide rest breaks in violation of Labor Code sections 226.7 and 516; **(5)** failure to provide accurate wage statements in violation of Labor Code sections 226 *et seq.*; **(6)** failure to indemnify all necessary business expenses in violation of Labor Code section 2802; **(7)** waiting time penalties in violation of Labor Code Section 203; **(8)** unfair competition in violation of California’s Unfair Competition Law

(Bus. & Prof. Code, §§ 17200 *et seq.*; and **(9)** all claims for liquidated damages, penalties, interest, fees, costs based on the foregoing).

10. PAGA Members' 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 PAGA Members will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. This means that all PAGA Members, 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 its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The PAGA Members' Releases for Participating and Non-Participating Class Members are as follows:

In consideration for their awarded Settlement Shares, as of the date the Settlement becomes Final and has been fully funded, all PAGA Members will release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, any and all claims for civil penalties under PAGA against Defendant and the Released Parties that arise out of or reasonably relate to the claims alleged in the PAGA Notices or that could have been alleged based on the factual allegations in the PAGA Notices (the "Released PAGA Claims"). All PAGA Members who worked for Defendant during the PAGA Period will release the PAGA claims described herein and will receive a portion of the amount set aside as PAGA penalties, regardless of whether they opt out of the release of the Class Claims.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$ _____ by the total number of PAGA Pay Periods worked by all PAGA Members and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual PAGA Member.
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 _____ 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 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 PAGA Members. 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 PAGA Member 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 be excluded. Be sure to personally sign your request, identify the Action as *Hernandez vs. PPH Franchise Holdings, LLC, doing business as Passport Health*, Superior Court of the State of California, County of San Bernardino, Case No. CIVRS2400494, 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 ____, 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 sixteen (16) days before the ____ 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.

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 _____.** 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 as *Lisa Hernandez vs. PPH Franchise Holdings, LLC, doing business as Passport Health*, Superior Court of the State of California, County of San Bernardino, Case No. CIVRS2400494, 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 _____ at _____ am/pm in Department R12 of the San Bernardino County Superior Court, located at San Bernardino County Superior Court, 247 W. 3rd Street, San Bernardino, CA 92415. 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, at your own expense, to attend) either personally or virtually via Zoom. 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 Court's website <https://cap.sb-court.org/login/> 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. You can 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://cap.sb-court.org/login/>) and entering the Case Number for the Action, Case No. CIVRS2400494.

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

Class Counsel:

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Settlement Administrator:

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 Unclaimed Property Fund 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 2

EXHIBIT 2

LIDMAN LAW

2155 CAMPUS DRIVE, SUITE 150, EL SEGUNDO, CA 90245

OFFICE: (424) 322-4772

FAX: (424) 322-4775

August 6, 2024

VIA LWDA WEBSITE

Labor and Workforce Development Agency

Attn: PAGA Administrator

1515 Clay Street, Suite 801

Oakland, CA 94612

VIA U.S. CERTIFIED MAIL – RETURN RECEIPT REQUESTED

PPH Franchise Holdings, LLC, doing business as Passport Health, a Nevada limited liability company

c/o Becky DeGeorge, Agent for Service of Process

CSC - Lawyers Incorporating Service

2710 Gateway Oaks Drive

Sacramento, CA 95833

Re: *Lisa Hernandez v. PPH Franchise Holdings, LLC, doing business as Passport Health, a Nevada Limited Liability Company*

To Whom It May Concern:

Please be advised that this law firm represents Lisa Hernandez in claims arising from her employment with PPH Franchise Holdings, LLC, doing business as Passport Health, a Nevada limited liability company (“Defendant”). Ms. Hernandez is an “aggrieved employee” as defined by Labor Code sections 2699, *et seq.* due to Defendant’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code section 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated.

For purposes of this letter, an “aggrieved employee” should be considered to include all current and former hourly, non-exempt employees in California who worked, at least in part, during the one year immediately preceding the date of this letter through the date of trial, the date judgment is entered, the date of settlement, and/or other date approved by the Court.

Ms. Hernandez, a current non-exempt employee, has been employed by Defendant since approximately April 2023. During her employment with Defendant, Ms. Hernandez held the job title of Registered Nurse in which her duties included, without limitation, administering vaccines, consulting, inventory, and opening and closing the facilities.

During her employment with Defendant, Ms. Hernandez is generally scheduled to work Monday from 9:00 a.m. to 2:00 p.m., and Wednesday and Thursday from 8:45 a.m.

to 5:15 p.m. Defendant required Ms. Hernandez to clock in and out by logging into a website-based timekeeping system that kept track and record of her time worked. Ms. Hernandez often works 6-8.5 hour shifts.

During her employment with Defendant, Ms. Hernandez and other hourly, non-exempt employees had not been paid for all time worked. Specifically, she and other hourly, non-exempt employees are charged with opening and closing the facilities and associated duties, but Defendant only pays Ms. Hernandez and the other hourly, non-exempt employees based on the time stamp from when they are at the computer logging in or out of the timekeeping system. This policy and/or practice does not capture, at a minimum, time spent turning off lights, walking to the door, and locking the facility. As such, Ms. Hernandez and other hourly, non-exempt employees perform work duties while off-the-clock. This practice by Defendant results in Defendant not properly tracking the time worked by Ms. Hernandez and other hourly, non-exempt employees, and also results in Defendant not paying them for all wages owed for the work they performed, including failing to pay them all required minimum and overtime wages.

Throughout Ms. Hernandez's employment with Defendant, Ms. Hernandez and other hourly, non-exempt employees were not provided all legally required meal periods due to Defendant's meal period policies and practices, which fail to provide 30-minute duty free first meal periods before the end of the fifth hour of work in violation of California law. As a result of the work demands imposed by Defendant and Ms. Hernandez and other hourly, non-exempt employees being the only employee at their clinic location, Defendant often provided meal periods that were either interrupted, late, short, or failed to provide a required meal period altogether. Further, when Ms. Hernandez and other hourly, non-exempt employees are provided a meal period, they are not permitted by Defendant to leave the facility and remain under the control of Defendant.

Although Ms. Hernandez and other hourly, non-exempt employees were not provided with all legally-compliant meal periods to which they were entitled, Defendant failed to compensate them with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

Ms. Hernandez and other hourly, non-exempt employees were also not authorized and permitted to take all legally required and compliant rest periods due to Defendant's rest period policies and practices. Specifically, due to Defendant's practices of understaffing and the work demands imposed by Defendant, Defendant did not authorize and permit one rest period for every four hours worked, or *major fraction thereof*. Indeed, Ms. Hernandez and other hourly, non-exempt employees have not been authorized and permitted to take any rest periods during their employment with Defendant.

On those occasions when Ms. Hernandez and other hourly, non-exempt employees were not authorized and permitted to take all legally-compliant rest periods to which they were entitled, Defendant failed to compensate them with the required rest period premium for each workday in which they experienced a rest period violation as mandated by Labor Code § 226.7.

Defendant also failed to reimburse Ms. Hernandez and other hourly, non-exempt employees for necessary business expenses incurred during the relevant time period. Specifically, Defendant required Ms. Hernandez and other hourly, non-exempt employees to purchase nursing scrubs, but they were not reimbursed for their purchases. Defendant also required Ms. Hernandez and other hourly, non-exempt employees to use their personal cellular phone for business purposes. Accordingly, despite Ms. Hernandez and the other hourly, non-exempt employees being required to purchase nursing scrubs and use their personal cellular phones, Defendant did not reimburse them for all necessary expenditures or losses incurred by the employees in direct consequence of the discharge of their duties, or of their obedience to the directions of the employer in violation of California law.

As a result of Defendant's failure to pay all minimum wages, overtime wages, as well as meal period premium wages and rest period premium wages, Defendant maintained inaccurate payroll records and issued inaccurate wage statements to Ms. Hernandez and other hourly, non-exempt employees.

As a further result of Defendant's failure to pay all overtime and/or minimum wages owed, and failure to pay all meal and rest period premium wages, Defendant failed to provide pay Ms. Hernandez and other hourly, non-exempt employees all wages owed twice a month and/or upon their separation of employment with Defendant.

As described above, Defendant committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 5 ("Wage Order 5"):

Minimum Wage Violations

Defendant was required to pay Ms. Hernandez and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1194; 1194.2, 1197; The Wage Order 5, § 4. Ms. Hernandez and other aggrieved employees were not paid for all hours worked due to Defendant's timekeeping and compensation practices.

Overtime Violations

Defendant was required to pay Ms. Hernandez and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; the Wage Order 5, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee." This Section further provides, "Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated equal to one and one-half times their regular rate of pay for all overtime hours worked." As explained above, Ms. Hernandez and other hourly, non-exempt employees worked overtime hours

but were not properly compensated due to Defendant's policy and practice of rounding and/or shaving its non-exempt employees' time.

Meal Period Violations

As alleged above, Defendant failed to provide Ms. Hernandez and other Aggrieved Employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 5, § 11. Specifically, due to the work demands imposed by Defendant, Ms. Hernandez and other Aggrieved Employees were often unable to take a duty-free 30-minute meal period before the end of the fifth hour of work. As a result, their meal periods were often late, short, interrupted, missed, or otherwise unlawful. As a result, Ms. Hernandez and other Aggrieved Employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided."). Although Ms. Hernandez and other Aggrieved Employees were not provided with all legally-compliant meal periods to which they were entitled, Defendant failed to compensate Ms. Hernandez and other Aggrieved Employees with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

Rest Period Violations

Defendant also failed to authorize and permit Ms. Hernandez and other Aggrieved Employees to take all required rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 5, § 12. As alleged above, Defendant's rest period policies/practices fail to authorize and permit all rest periods for every four hours worked, or *major fraction thereof*. Specifically, as a result of the work demands imposed by Defendant, Defendant did not authorize and permit any rest periods. As a result, Ms. Hernandez and other Aggrieved Employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest period is not provided.")

Failure to Reimburse Necessary Expenditures

As described above, Defendant required Ms. Hernandez and other hourly, non-exempt employees to purchase nursing scrubs. Further, Defendant required Ms. Hernandez and other hourly, non-exempt employees to use their personal cellular phone to discharge their duties. Accordingly, despite the non-exempt employees being required to purchase

nursing scrubs and use their personal cellular phone, Defendant did not reimburse Ms. Hernandez or other hourly, non-exempt employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of their duties, or of their obedience to the directions of the employer in violation of California law. Defendant's policy of not providing reimbursement for necessary work-related expenses is in violation of Wage Order 5, and Labor Code §§ 2802 and 2804 ("An employer shall indemnify his or her employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or obedience to the directions of the employer."). Ms. Hernandez and other aggrieved employees are therefore entitled to reimbursement of such unpaid work expenses with interest.

Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. Defendant failed to timely pay Ms. Hernandez and other Aggrieved Employees all of their wages and/or final wages twice a month or at the time of separation of employment, respectively. This included, among other things, underpaid minimum and overtime wages, and meal and rest period premium wages. Pursuant to Labor Code § 203, Defendant's failure to pay all final wages due to Aggrieved Employees was willful and, consequently, entitles Aggrieved Employees to waiting time penalties equal to one day of wages at their standard hourly rate for each day Defendant failed to pay their final wages after their separation, up to a maximum of thirty days.

Wage Statement Violations

Defendant knowingly and intentionally, as a matter of uniform practice and policy, failed to furnish Ms. Hernandez and other Aggrieved Employees with accurate and complete, itemized wage statements that included, among other requirements, all minimum and overtime wages earned, meal and rest period premiums, in violation of Labor Code § 226 *et seq.* Defendant's failure to furnish Ms. Hernandez and other aggrieved employees with complete and accurate, itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all minimum and overtime wages earned, and meal and rest period premium wages, and deprived them of the information necessary to identify discrepancies in Defendant's reported data.

As an "aggrieved employee," Ms. Hernandez will initiate a civil action on behalf of herself and other Aggrieved Employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Ms. Hernandez's own investigation, and on information and belief, Defendant committed the following Labor Code violations:

- a) Defendant violated Labor Code §§ 1194, 1194.2, and 1197 by failing to pay Ms. Hernandez and other aggrieved employees the statutory minimum wage for all hours worked;

- b) Defendant violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Ms. Hernandez and other aggrieved employees all overtime compensation earned;
- c) Defendant violated Labor Code §§ 226.7, 512, and 558 by failing to provide all legally required meal periods and failing to pay meal period premiums to Ms. Hernandez and other aggrieved employees;
- d) Defendant violated Labor Code §§ 226.7, 516, and 558 by failing to provide all legally required rest periods and failing to pay rest period premiums to Ms. Hernandez and other aggrieved employees;
- e) Defendant violated Labor Code § 226 by failing to furnish Ms. Hernandez and other aggrieved employees with accurate and compliant itemized wage statements;
- f) Defendant violated Labor Code § 2802, by failing to reimburse Ms. Hernandez and other aggrieved employees for all necessary business expenditures incurred in the discharge of their duties;
- g) Defendants violated Labor Code § 203-204 by failing to pay Ms. Hernandez and other aggrieved employees all earned wages at least twice during each calendar month and/or at the time of separation of employment; and
- h) Defendant violated Labor Code § 1174 by failing to maintain accurate records on behalf of Ms. Hernandez and other aggrieved employees.

Pursuant to Labor Code section 2699.3(a)(2)(A), please notify us and Defendant if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,

LIDMAN LAW, APC



Scott M. Lidman