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Samantha LaFrance and the Putative Class

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SANTA BARBARA

SAMANTHA LAFRANCE, individually, and on behalf of other members of the general public similarly situated,

Plaintiff,

v.

BLUE CLOUD PEDIATRIC SURGERY CENTER, LLC, a Delaware limited liability company; BLUE CLOUD INVESTMENT HOLDINGS LLC, a Delaware limited liability company; and DOES 1 through 10, inclusive,

Defendants.

Case No. 24CV05452
Assigned to: Hon. James F. Rigali

DECLARATION OF CAMRON DOWLATSHAHI IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT

Date: June 30, 2026
Time: 8:30 a.m.
Dept: SM 2

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

DECLARATION OF CAMRON DOWLATSHAHI

I, Camron Dowlatshahi, declare as follows:

1. I am an attorney at law, duly licensed to practice before all the Courts of the State of California and I am a partner at Mills Sadat Dowlat LLP ("MSD"), attorney of record for Samantha LaFrance ("Ms. LaFrance" or "Plaintiff") and all employees aggrieved or similarly situated. I am familiar with the file in this matter and if called as a witness I could and would competently testify to the following facts of my own personal knowledge.

History of the Litigation

2. On June 13, 2024, Ms. LaFrance sent a demand letter to her former Blue Cloud Pediatric Surgery Center, LLC and Blue Cloud Investment Holdings LLC (collectively, "Defendants" or "Blue Cloud") requesting her personnel file and payroll records in furtherance of putative wage and hour claims, including for unpaid meal and rest break premiums, inaccurate wage statements, and penalties for unpaid wages as well as other related penalties.

3. On September 23, 2024, my firm (hereinafter "Plaintiff's Counsel" or "Class Counsel") submitted to the California Labor and Workforce Development Agency ("LWDA") a Private Attorneys General Act ("PAGA") notice pursuant to Labor Code section 2699.3 on behalf of Ms. LaFrance. The notice included allegations against Blue Cloud regarding failure to provide meal and rest breaks, failure to pay premiums, failure to pay overtime at the proper overtime rate, inaccurate wage statements, and unpaid wages. Plaintiff received no indication that the LWDA intended to investigate.

4. On September 26, 2024, Plaintiff filed in the Superior Court of the State of California, County of Santa Barbara, Case No. 24CV05452 (the "Action"), asserting the following claims that Blue Cloud:

(a) Failed to pay minimum wage for all hours worked in violation of California Labor Code §§ 1182.12, 1194, 1194.2, 1197 and 1197.1; §§ 1194 and 1198;

(b) Failed to pay overtime compensation in violation of California Labor Code §§ 1194 and 1198;

(c) Failed to provide meal periods in violation of California Labor Code §§ 226.7 & 512 and the applicable IWC Wage Order;

(d) Failed to provide rest periods in violation of California Labor Code §§ 226.7 & 512 and the applicable IWC Wage Order;

(e) Failed to indemnify necessary business expenses in violation of California Labor Code § 2802;

(f) Failed to pay waiting time penalties in violation of California Labor Code §§ 201-203;

(g) Failed to provide accurate wage statements in violation of California Labor Code § 226;

(h) Violated California Business and Professions Code § 17200 *et seq*.; and

(i) Violated the Private Attorney General Act, Cal. Labor Code §§ 2698, *et seq*.

5. On March 26, 2025, the Parties filed a joint stipulation granting Plaintiff leave to file a first amended complaint to redefine the proposed class. On April 8, 2025, pursuant to the Parties' stipulation, the Court granted Plaintiff leave to file a First Amended Complaint, which corrected the definition of the proposed class. The First Amended Complaint was filed on April 15, 2025 and is the operative complaint in the Action ("Operative Complaint").

6. Blue Cloud denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.

7. On July 30, 2025, the Parties participated in an all-day mediation presided over by Michael Mandel, a respected mediator of wage and hour representative and class actions. Following the mediation, each side, represented by its respective counsel, were able to agree to settle the Action based upon a mediator's proposal, which was memorialized in the form of a Memorandum of Understanding. Thereafter, Plaintiff entered into a long-form settlement agreement with Defendants.

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8. While finalizing the long-form Settlement Agreement, the parties agreed that Plaintiff would file an amended complaint and an amended LWDA PAGA notice letter adding Blue Cloud Investment Holdings LLC as a defendant in this action. Pursuant to the parties' joint stipulation, the Court granted Plaintiff leave to amend on April 14, 2026. Plaintiff thereafter filed the Second Amended Complaint on April 22, 2026, which is now the operative complaint in this action (the "Operative Complaint"). Plaintiff also filed the Amended PAGA Notice Letter on April 22, 2026.

9. Prior to mediation, Plaintiff obtained necessary documents and information to sufficiently investigate the claims such that Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

10. In particular, Plaintiff's Counsel obtained, through informal discovery, meal and rest break policies and overtime policies, as well as the estimated number of pay periods, workweeks, and employees from December 2021 to May 2025. In addition, Plaintiff's Counsel reviewed and analyzed a sampling of time and payroll records for putative class members and aggrieved employees, Defendants' statements of wage-and-hour policies provided to putative class members and aggrieved employees, including employee handbooks, among other things. Plaintiff's Counsel, through Plaintiff's expert statistician, conducted a statistical analysis of the information, extrapolated the data to cover the period from September 2020 through July 2025, and presented the information during mediation. Plaintiff's Counsel also investigated the law as applied to the facts discovered regarding the alleged claims of Plaintiff and potential defenses thereto, and the potential damages claimed by Plaintiff.

11. While Defendants denied, and continues to deny, each of the allegations asserted in the litigation, the Parties tentatively agreed upon terms to settle the litigation on a class and representative basis after considering the sharply disputed factual and legal issues involved in this Action, the risks associated with further prosecution, and the substantial benefits to be received pursuant to the compromise and settlement of the Action.

12. The Court has not yet granted class certification.

13. My firm is not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

14. I am informed and believe that Plaintiff represents that she is not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

15. I am informed and believe that Defendants and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

The Proposed Settlement

16. Subject to court approval pursuant to Code of Civil Procedure section 382 and California Rules of Court, rule 3.679, *et seq.*, Plaintiff and Defendants have agreed to settle the Action by agreement upon the terms and conditions and for the consideration set forth in the Settlement Agreement, a copy of which is as **Exhibit 1**. A summary of the terms of the settlement is as follows:

- Defendants will stipulate, for the purposes of this settlement only, to certification of a class defined as: all individuals who were employed by Defendant and/or the Released Parties in California and classified as a non-exempt, hourly W-2 employee at any time from September 26, 2020 through September 30, 2025 (the "Class Period" and each individual in the class a "Class Member") (Dowlatshahi Decl., Exhibit 1, ¶¶ 1.5, 1.9, 1.13);
- Defendants shall pay a total of $945,000.00, which is referred to hereafter as the Gross Settlement Amount (*id.*, ¶ 1.22, 3.1);
- Defendants shall additionally be responsible for payment of the employer portion of payroll taxes due on the wage portion of each Individual Class Payment (*id.*, ¶ 3.1);
- An Individual Class Payment will be 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 (*id.*, ¶ 3.3(a));

- The Administration Expenses, not to exceed $6,850.00, will be paid out of the Gross Settlement Amount (*id.*, ¶ 3.2(c));
- Class Counsel will apply for, and Defendants will not oppose, attorneys' fees of not more than one-third (1/3) of the Gross Settlement Amount, which fees are currently estimated to be $315,000.00, and Class Counsel Litigation Expenses of not more than $20,000.00, all of which will be paid out of the Gross Settlement Amount (*id.*, ¶ 3.2(b));
- Class Counsel will apply for, and Defendants will not oppose, an enhancement award of not more than $5,000.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member) to the Plaintiff (the "Class Representative Service Payment"), which will be paid out of the Gross Settlement Amount (*id.*, ¶ 3.2(a));
- All Participating Class Members will release Defendants and all other Released Parties from all claims that were alleged in or reasonably could have been alleged based on the facts occurring during the Class Period as stated in the PAGA Notices or the Operative Complaints. Except as set forth in Exhibit 1 at ¶ 6.3, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside of the Class Period (*id.*, ¶ 6.2);
- Twenty percent (20%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 80 percent (80%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for non-wages, expense reimbursement, interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS Forms 1099. Participating Class Members assume full responsibility and liability for any taxes

owed on their Individual Class Payment (*id.*, ¶ 3.3(a)i.);

- Defendants have agreed to pay $75,000.00 as PAGA Penalties, with seventy-five percent (75%) or $56,250.00 of which will be paid to the LWDA, and twenty-five percent (25%) or $18,750.00 of which will be allocated to the Individual PAGA Payments (*id.*, ¶ 3.2(d))—all of which shall be paid out of the Gross Settlement Amount;
- The PAGA Period means the period from September 23, 2023 through September 30, 2025 (*id.*, ¶ 1.31); and
- Participating Class Members will have 180 days from the date of mailing of the check to cash their check. The face of each check shall prominently state the "void date." The Administrator will cancel all checks not cashed by the void date. (*Id.*, ¶ 5.2.) For any check uncashed or cancelled after the void date, the Administrator shall transmit the funds represented by such checks to Legal Aid at Work, a Court-approved nonprofit organization or foundation consistent with California Code of Civil Procedure section 384, subdivision (b) ("Cy Pres Recipient"). (*Id.*, ¶ 5.4.)

Settlement Agreement and Accompanying Documents

17. Attached to the Settlement Agreement as Exhibit A thereto is the proposed Notice of Proposed Settlement of Class Action and Hearing Date for Final Court Approval ("Class Notice") to be distributed to the Class Members in English.

18. The Parties have agreed to use ILYM Group, Inc., an experienced settlement administrator, to administer the settlement ("Administrator"). It is requested that the Court appoint ILYM Group, Inc. to serve as the Administrator.

19. The Parties have agreed that the administration costs, not to exceed $6,850.00, will be paid out of the Gross Settlement Amount. A copy of the proposed bid from ILYM Group, Inc., which outlines the proposed administration costs, is attached hereto as **Exhibit 2**.

20. I am informed and believe that Plaintiff represents that she has no interest or relationship, financial or otherwise, with the Administrator.

21. My firm has no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

22. I am informed and believe that Defendants and Defense Counsel represent that they also have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

23. On or about April 22, 2026, my firm submitted a copy of the Class and Representative Action Settlement to the LWDA in compliance with Labor Code section 2699, subdivision (1)(2). A true and correct copy of the confirmation from the LWDA in connection with Plaintiff is attached hereto as **Exhibit 3**.

The Settlement Was Negotiated at Arm's-Length and Is Not Collusive

24. I believe that the settlement that has been reached, subject to this Court's approval, is the product of tremendous effort and a great deal of expense by the Parties and their counsel. The settlement was reached after extensive factual and legal investigation and research, a review of pleadings, informal discovery, exchanges of documents and information, statistical analysis of Defendants' employee data, review of Defendants' employment policies, discussions with Plaintiff and other witnesses regarding Defendants' wage practices, correspondence and negotiation between counsel, settlement discussions prior to mediation, a full day of mediation, review of evidence and rulings in similar actions litigated elsewhere in the state, and a review of similar cases in the same industry elsewhere in the country.

25. The settlement amount is, of course, a compromise figure. It considered the risks related to class certification, liability, damages, and all the defenses asserted by Defendants.

26. Plaintiff asserts that the wage and hour claims and the claims for resulting penalties would be certified. On the other hand, Defendants argued that: Plaintiff cannot meet the requirements of class certification as it claims that any wage discrepancies are not the product of an overarching policy or practice that was uniformly applied; and that Defendants' meal and rest period policies are/were compliant.

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27. I am informed and believe that Defendants further contends that class certification would not be warranted because individual liability issues predominate over any class allegations.

28. While Plaintiff and I believe in her chances of success in certifying the claims if permitted, we also recognize the potential risk, expense, and complexity posed by litigation on a class basis.

29. Plaintiff's claims in this Action—claims that involve numerous Class Members during the Class Period working with Defendants—would require substantial preparation and discovery and ultimately would involve the deposition and presentation of numerous more witnesses (including Class Members and expert witnesses), as well as the consideration, preparation, and analysis of expert reports. Therefore, further class litigation, if permitted, would have carried with it significant expense incurred by each side (above and beyond the tens of thousands of dollars of expense already incurred).

30. Plaintiff and Defendants have very strong, and opposing, positions on liability in this case. Defendants deny any wrongdoing of any kind associated with the claims alleged in the Action, and further denies that, for any purpose other than that of settling this lawsuit, the allegations in the Action are appropriate for class treatment.

31. I am informed and believe that in light of the sharply contested legal and factual issues, the risks of continued litigation, and substantial benefits to Class Members under the settlement, the terms and conditions of this class settlement are fair and reasonable to all sides.

The Settlement Amount Is Well Within the Range of Reasonableness

32. I believe that the settlement amount reached in this case provides significant recovery to participating Class Members, based on the circumstances, and easily falls within the range of reasonableness.

33. Based on payroll and employee data produced by Defendants prior to mediation, approximately 215 individuals were employed by Blue Cloud during the class period contemplated at mediation (*i.e.,* September 26, 2020 to July 30, 2025), including roughly 130 former employees. The average hourly rate for employees during this period was $33.88, and the data reflected

approximately 21,505 total workweeks. For PAGA purposes, there were an estimated 3,724 pay periods at issue since September 26, 2023.

34. Plaintiff contends that Blue Cloud is liable for numerous violations of California wage and hour laws. Plaintiff and Defendants' 214 other employees never took rest breaks, often took lunch breaks late and were almost always either working or interrupted during their lunch breaks. Defendants' employees routinely worked around the clock and were not provided with premium pay or proper overtime pay for all hours worked.

35. The financial remedies available to the Class stem from damages and/or penalties for the claims for unpaid wages and meal and rest break violations. The following outlines my firm's estimation of the maximum potential value of these claims and any basis for the discounting thereof.

Failure to Provide Rest Breaks:

36. Plaintiff contends that by failing to provide her and other Class Members rest breaks altogether, Defendants will be liable for premium pay of at least one hour of pay per weekday for every employee. The average hourly rate of all Class Members during the Class Period was approximately $33.88. Assuming a rest period violation occurred during 100% of shifts, Defendants would be liable for approximately $2,668,016 in damages. At a 50% violation rate, damages would be approximately $1,334,008. Even at a conservative 25% violation rate, damages would still total well into the six figures at $667,004. Therefore, for the Class, Defendants conservatively owe approximately $667,004 in unpaid premium pay for rest breaks alone.

Failure to Provide Uninterrupted Off-Duty Meal Breaks:

37. Plaintiff alleges that Defendants failed to ensure that Class Members received timely, uninterrupted off-duty meal breaks. Defendants routinely failed to provide adequate staffing or shift coverage, making it impossible for employees to take full and timely meal and rest breaks. Even when employees did clock out, their meal breaks were frequently delayed, interrupted, or cut short due to ongoing work responsibilities.

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38. Further, Defendants failed to pay any premium pay for missed meal and rest breaks for two full years during the class period. When Defendants began paying premium pay in 2024, it failed to do so accurately.

39. Assuming no meal breaks were waived, Defendants would be liable for approximately $2,591,481 in premium pay at a 100% violation rate. Plaintiff's expert analysis of the class data identified approximately 50,430 shifts with a short, late, or missing meal period where the employee did not receive premium pay (*i.e.*, a 65.9% violation rate). Defendants contend that it has paid at least 3,368 meal period premiums during the class period. Even taking these payments into account, Plaintiff argued that Defendants would still owe approximately $1,708,568 in premium pay for non-compliant meal breaks.

Inaccurate Wage Statements:

40. Plaintiff asserts that Defendants failed to provide accurate wage statements to Class Members. As a result, it is liable for penalties up to the statutory maximum of $4,000 per employee (*i.e.*, 215 employees), totaling approximately $860,000.

Waiting Time Penalties:

41. Plaintiff argues that because Defendants failed to pay premium pay and overtime, it owes waiting time penalties equivalent to a day's wages to each former employee for 30 days. For approximately 130 former employees, Defendants owe $1,057,056 in waiting time penalties.

PAGA Penalties:

42. Plaintiff contends that based on the fact that there are 130 aggrieved employees, Defendants will be liable for significant PAGA penalties and class damages. With respect to PAGA, there is a reasonable dispute as to whether PAGA penalties stack. Numerous cases have held that under PAGA more than one civil penalty may be imposed per employee, per pay period for different Labor Code violations.

43. Here, Plaintiff asserts that Defendants committed at least five separate Labor Code violations per employee, per pay period, as set forth in the First Amended Complaint—failure to provide uninterrupted off-duty meal periods, failure to provide rest periods, failure to provide accurate wage statements, and failure to pay wages upon termination. Plaintiff argues that given

the 3,724 PAGA pay periods and assuming $100 for initial and subsequent violations, Defendants will be liable for $2,398,853 if penalties stack.

44. Despite this potential recovery, given that PAGA penalties would likely be deemed duplicative of other penalties awardable here, given the extreme "haircuts" many courts are giving to PAGA penalties, and given the presence here of class-action allegations (the absence of which often being the reason so-called "Plan B" PAGA penalties are sought to begin with), PAGA penalties were discounted.

45. Nevertheless, the amount of PAGA civil penalties to be paid from the Gross Settlement Amount is fair to those affected (*see Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 77) and is allocated at twenty-five percent (25%) to the Aggrieved Employees ($18,750.000) and seventy-five percent (75%) to LWDA ($56,250.00).

Gross Settlement Amount:

46. Class Counsel obtained a Gross Settlement Amount of $945,000.00. This Gross Settlement Amount represents a significant recovery. Class Counsel considers this to be a fair, reasonable and adequate settlement for Class Members, when considering all issues and risks related to liability, the hurdles to class certification, and considering the case law regarding fair, reasonable, and adequate settlements.

47. My opinion that this settlement represents a result well within the range of reasonableness for the class is based on its weighing of the maximum possible recovery against the strengths of the defenses to class certification, liability, and damages as outlined herein. Regarding the claims under the PAGA, I believe the allocation is reasonable based upon my analysis of the claims in the Action and the relative role of the LWDA and the discretion courts possess, and typically exercise, to reduce PAGA penalties.

The Proposed Attorneys' Fees and Costs Are Reasonable

48. Class Counsel seeks an attorneys' fees award of not more than one-third (1/3) of the Gross Settlement Amount, which fees are currently estimated to be $315,000.00, and Class Counsel Litigation Expenses of not more than $20,000.00.

49. I believe the requested fee falls well within the historical range of attorneys' fee awards under the common fund theory, which is generally from 25 to 50 percent.

50. The requested fee is fair compensation for undertaking complex, risky, expensive, and time-consuming litigation on a contingent fee basis.

51. Indeed, this case was litigated with conflict between counsel, including whether penalties could be obtained for aggrieved employees in the form of unpaid wages, and the approximate number of class members and violations.

52. Moreover, when information was obtained through formal and informal means, extensive work was performed by Class Counsel, including the review of voluminous records and analyses regarding the certifiability and merits of Plaintiff's claims, the merits of those claims, and what damages would be recoverable. Additionally, thousands of dollars were expended, including in filing fees, for statisticians to analyze Defendants' data, and to attend mediation to try to resolve this Action.

53. As Plaintiff's Counsel, my firm bore, and continues to bear, the entire risk and cost of litigation associated with this class action on a pure contingency basis.

54. The factual and legal issues posed in this case were evolving and difficult, particularly in light of the disputes between the Parties regarding discovery, violation rates, and other legal matters.

55. My firm has already expended significant hours on this matter, including through:

- the initial investigation of the matter, including extensive client interviews;
- seeking informal discovery from Defendants, including written policies, time records, and pay records;
- meeting and conferring regarding mediation, and negotiating with opposing counsel regarding the parameters thereof;
- analyzing written policies (including meal and rest break policies and other related wage-and-hour polices) produced by Defendants;
- analyzing time and payroll records (in conjunction with Plaintiff) produced by Defendants;

- analyzing other employee data produced by Defendants;
- conducting witness interviews;
- preparing for and attending mediation;
- negotiating a Memorandum of Understanding;
- negotiating and finalizing a long form settlement agreement;
- preparing a draft class notice and obtaining bids for administration;
- filing Class and Representative Action Complaints in this Action; and
- preparing the Motion for Preliminary Approval.

56. Moreover, further efforts will be necessary for preliminary and final approval.

57. Based on my past experience in wage and hour class action litigation, Class Counsel is very likely to be called upon, after the Class Notice has been sent, to expend substantial amounts of additional time to help Class Members understand the terms of the proposed settlement, and to assist Class Members in the preparation and documentation of their claims.

58. I also believe it is also likely that, even after final approval of the settlement has been granted, Class Counsel will be called upon to expend additional amounts of time in the presentation and resolution of contests and disputes relating to Class Members' claims under the terms of the proposed settlement, as to the amounts of individual claims and perhaps other individual issues.

59. Finally, I believe that my office will have to work with the Settlement Administrator to submit a report to this Court regarding the distribution plan pursuant to Code of Civil Procedure section 384, along with a proposed amended judgment, which will require further time and cost.

60. I graduated with a Bachelor of Arts degree with a major in Political Science from Purdue University in 2011. I received my Juris Doctorate from New York University School of Law in 2015. I became an Active Member of the State Bar of California in 2016 and have been an Active Member in good standing continuously since.

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61. After graduating from law school, I worked as an associate at the global law firm White & Case LLP, where I represented clients in complex civil litigation, including in class actions. I then worked for Loeb & Loeb LLP, another global law firm, where I continued working as a complex civil litigator, including in class and PAGA actions. I joined MSD as a partner in 2021.

62. My current practice primarily involves employment law and advocating for the rights of employees in wage-and-hour litigation through class and representative actions. My hourly rate is $850.00.

63. I worked on this case with my partner, Arash Sadat ("Mr. Sadat"). Mr. Sadat graduated with a Bachelor of Arts degree with a major in Sociology from University of California, Santa Barbara, in 2004. He graduated *cum laude* and received his Juris Doctorate from Loyola Law School in 2011. He became an Active Member of the State Bar of California in 2011 and has been an Active Member in good standing continuously since.

64. After graduating from law school, Mr. Sadat worked as an associate at the global law firm White & Case LLP, where he specialized in complex commercial litigation and white-collar defense. While at White & Case LLP, he represented clients in a variety of business disputes, including in jury trials and arbitrations. Thereafter, he worked as an associate at Brown White & Osborn LLP, a Southern California litigation boutique. In 2017, Mr. Sadat founded Sadat Law Group (now known as MSD). MSD specializes in employment litigation, business disputes, and probate litigation.

65. While a partner at MSD, Mr. Sadat has represented employees in hundreds of employment actions and has also represented clients such as Target Corporation and the Government of Japan, in addition to numerous other businesses in litigation in California and elsewhere.

66. Mr. Sadat's hourly rate is $950.00. Many of MSD's hourly clients pay this hourly rate for his work.

67. California courts have previously approved Mr. Sadat's charged rates. *See, e.g.*, 147-151 *W. 25th St., LLC v. GRG Collective, et al*. (Los Angeles Super. Ct. June 5, 2023) Case

No. 19STCV07425; *Johnson v. Reliant Property Management, Inc*. (Solano County Super. Ct. May 22, 2023) Case No. FCM176825.

68. My firm has the experience, resources, and means necessary to allow us to provide adequate representation as Class Counsel to all class members in this litigation.

69. Currently, my firm is acting as counsel in at least 80 wage and hour individual actions and 30 wage and hour class actions.

70. In addition to the present case, MSD currently serves as lead class counsel in multiple pending, or recently resolved, wage-and-hour class and representative actions across various California jurisdictions. The firm has successfully obtained preliminary approval in several matters and continues to litigate complex cases statewide on behalf of workers, including: *To v. Intuitive Surgical, Inc.*, Case No. 24CV449420 (Santa Clara Superior Court, class size approx. 2,073); *Frank, et al. v. Golf and Tennis Pro Shop*, Case No. CVRI2401197 (Riverside County Superior Court, class size approx. 470, final approval granted); *Martinez v. Stanford By the Sea Eco Resort, et al*., Case No. 24CV00539 (Mendocino County Superior Court, class size approx. 196, final approval granted); *Nations v. SAS Retail Services LLC*, Case No. C23-00122 (Contra Costa County Superior Court, class size approx. 178); *Zhou v. Golden Bridge International Logistics, LLC*, Case No. 24STCV05766 (Los Angeles Superior Court, class size approx. 63); *Briones v. Shengyun LLC*, Case No. 30-2024-01388222-CU-OE-CXC (Orange County Superior Court); and *Marshall v. Tailored Shared Services, LLC, et al*., Case No. CIVSB2332636 (San Bernardino Superior Court). These matters reflect our firm's ongoing commitment to representing employees in high-stakes wage-and-hour litigation throughout the state.

71. Under my supervision, Mir Raza ("Mr. Raza"), an associate attorney at MSD, assisted in litigating the case, preparing for mediation, and drafting the Motion for Preliminary Approval of Class and Representative Action Settlement.

72. Mr. Raza graduated *magna cum laude* from the University of California, Los Angeles, with a Bachelor of Arts in Political Science and a minor in History in 2019. He earned his Juris Doctor from Loyola Law School, Los Angeles in 2024. During law school, Mr. Raza

served as a law clerk for multiple government agencies, including the Los Angeles County Counsel's Office, the Federal Public Defender's Office for the Central District of California, and the National Labor Relations Board.

73. Mr. Raza became an Active Member of the State Bar of California in November 2024 and has been an Active Member in good standing continuously since. Mr. Raza is an associate attorney at MSD and represents employees in all aspects of employment litigation, including wage-and-hour class and representative actions involving claims related to unpaid wages, meal and rest break violations, inaccurate wage statements, the California Private Attorneys General Act, and unfair business practices. Mr. Raza's hourly rate is $450.00.

74. Under my supervision, Isabella Fiorentino ("Ms. Fiorentino"), a paralegal employed by MSD, also assisted in preparing the Complaint, First and Second Amended Complaint, and Motion for Preliminary Approval of Class Action Settlement. Ms. Fiorentino graduated *cum laude* from the University of Pennsylvania, College of Arts and Sciences with a Bachelor of Arts in Philosophy, Politics, and Economics and minors in Ancient History and Legal Studies and History from the College of Arts and Sciences and Wharton School, respectively. Ms. Fiorentino has been employed by MSD since 2023 and has three years of experience in litigation support, specializing in matters relating to business litigation, employment actions, and personal injury. Ms. Fiorentino's hourly rate is $250.

75. My firm has also reasonably incurred approximately $14,190.49 in litigation costs. Such costs were reasonably incurred because they were actually incurred and required to prosecute the Action. For example, they include, but are not limited to, the complaint filing fee, mediation fee, and expert witness fees. The complaint filing fee was required for Ms. LaFrance to initiate the Action, and the mediation fee facilitated the Parties' settlement discussions, which ultimately led to the Settlement Agreement. The expert witness fees were paid to Plaintiff's statistician, who prepared the analysis that resulted in this settlement.

76. The Parties have agreed to reimbursement of litigations costs not to exceed $20,000.00, and any un-awarded litigation costs shall be allocated to the Net Settlement Amount by the Administrator.

77. The risk undertaken by my office in prosecuting this matter has been substantial. Specifically, if we had not succeeded in resolving this class action, we would have received no compensation for the considerable time and effort devoted to litigating the case. The risk of nonpayment in these types of matters is very real and not uncommon. Additionally, dedicating resources to this case limited our ability to take on other matters that may have offered a higher likelihood of recovery with less risk.

78. Since most individuals cannot afford to retain counsel on an hourly basis, MSD represents the vast majority of its employment law clients on a contingency fee basis. Under this arrangement, we do not receive compensation unless we prevail at trial or secure a settlement for our clients.

79. MSD assumes the risk that we will not be compensated for our time or costs unless we obtain a successful outcome for our client. For this reason, it would not be sustainable for us to represent employees on a contingency basis if we were only awarded our standard hourly rates following a successful outcome. To remain viable and continue representing workers in employment matters, it is essential that we recover more than our hourly rates in cases where we prevail.

80. Thus, the Court should preliminarily approve the requested attorneys' fees and costs, which are justified by the results achieved, the complexity of the issues, the difficulty of the case, the time expended, and the great risk undertaken by Class Counsel.

81. I believe the fees and costs requested are justified by the results achieved, the complexity of the issues, the difficulty of the case, and the great risk undertaken by my firm.

82. I am informed and believe the requested attorneys' fees will not be opposed by Defendants, and believe the requested attorneys' fees are well within established guidelines.

The Requested Enhancement Reward to the Named Plaintiff as Class Representative Is Reasonable

83. I believe that Plaintiff, who served as Named Plaintiff, is entitled to an enhancement award for her service as class representative, for answering extensive questions by Class Counsel,

for being available by phone during mediation, and the risk in being the Named Plaintiff. Furthermore, Plaintiff will be providing Defendants a general release of all claims in exchange for the enhancement award.

84. I can attest that Plaintiff devoted a great deal of time assisting counsel in this case, communicated with counsel frequently, and was a valuable participant in the strategy for and success of the mediation. Plaintiff risked intrusive discovery and the payment of employer costs.

85. In my experience, the typical enhancement award in wage and hour class actions ranges from approximately $10,000 to $40,000, although some awards are higher. In contrast, Class Counsel requests a very reasonable amount – not more than $5,000.00 to Plaintiff as a Class Representative Service Payment for her service.

86. I am informed and believe that Defendants do not oppose the requested enhancement to Plaintiff.

87. The Declaration of Samantha LaFrance in support of the requested enhancement award is concurrently filed with the Motion for Preliminary Approval.

<u>The Proposed Class Notice Is Adequate</u>

88. Here, the proposed Class Notice approved by the Parties is attached as Exhibit A to the Settlement Agreement and meets all of the necessary criteria. The proposed Class Notice provides Class Members with an explanation of the case, how their individual settlement payments will be calculated, their option to participate in the Settlement, object to it, or exclude themselves along with the corresponding deadlines, their option to hire an attorney if they desire or appear without an attorney, the date of the final fairness hearing (which will be inserted in the materials once the date is set by the Court), and the binding effect of final approval for those individuals who do not exclude themselves from the Settlement. The proposed Class Notice also provides contact information for Class Counsel and the Settlement Administrator should Class Members have any questions.

89. I believe that the proposed Class Notice meets all the requirements specified in the California Rules of Court, provides "sufficient information" about the Settlement and Class Member options, and therefore, merits Court approval.

The Proposed Cy Pres Recipient Is Reasonable

90. For any portion of the Net Settlement Sum or PAGA Payment allocated to Participating Class Members and/or Aggrieved Employees that is not claimed by them by cashing their respective settlement checks within 180 days, the remaining amount shall be paid to Legal Aid at Work under the doctrine of *cy pres*.

91. I believe that utilizing a *cy pres* beneficiary is reasonable and appropriate in this case pursuant to California Code of Civil Procedure section 384 subdivision (b), to ensure any unclaimed funds are distributed to the fullest extent possible in a manner that furthers the purposes of this wage and hour class action and PAGA case.

92. The proposed *cy pres* beneficiary, Legal Aid at Work, is a nonprofit organization that partners with low-wage and marginalized workers in California to help them understand and assert their workplace rights through free legal clinics, individual representation, and policy advocacy. These services promote the same goals as this lawsuit, namely, ensuring that workers are paid properly and treated lawfully.

93. I am informed and believe that Defendants and Defense Counsel have no financial or other relationship or any involvement in the governance or work of the proposed *cy pres* recipient.

94. I am informed and believe that Plaintiff has no financial or other relationship or any involvement in the governance or work of the proposed *cy pres* recipient.

95. My firm has no financial or other relationship or any involvement in the governance or work of the proposed *cy pres* recipient, and I believe the organization qualifies as an appropriate *cy pres* beneficiary under California law.

96. In the event the Court does not approve of the proposed *cy pres* recipient, Class Counsel and Defendants' Counsel agree that any uncashed settlement checks shall instead be transmitted to the California State Controller's Office as unclaimed property in the name of the respective Class Member, in accordance with applicable law.

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97. I am informed and believe that the Parties are prepared to stipulate to this alternative procedure to ensure compliance with Code of Civil Procedure section 384 and to facilitate approval of the settlement.

<u>Conditional Certification for Settlement Purposes</u>

Numerosity:

98. While as few as ten (10) class members can be sufficiently numerous, Defendants identified far more putative Class Members (*i.e.*, an estimated class size of 215).

99. I believe this number exceeds the minimum number of individuals required to meet the numerosity requirement. In short, this number is sufficiently numerous to establish the numerosity requirement; in fact, it is nearly enough for numerosity to be *presumed* satisfied.

Identifiable:

100. In this litigation, the class is identifiable because its definition is precise and comprised of objective criteria rendering the Class Members discernable. The objective criteria includes the nature of the position held by the Class Member (*i.e.*, non-exempt); the time period during which the Class Member held the position (*i.e.*, from September 26, 2020 through September 30, 2025); the state in which the Class Member worked (*i.e.*, California); and the employer of the Class Member (*i.e.*, Defendants). Such objective terms are sufficient for finding a class identifiable. (*See e.g., Wilner v. Sunset Life Ins. Co.* (2000) 78 Cal.App.4th 952, 959-60.)

Commonality:

101. In this litigation, common issues include, without limitation, whether Defendants violated applicable wage and hour laws, *i.e.*, failed to provide uninterrupted meal and rest periods or compensation in lieu thereof, failed to provide timely final paychecks, failed to provide accurate itemized wage statements, and failed to pay overtime wages due.

102. I believe that because there are numerous common issues, this requirement is satisfied for purposes of settlement.

Typicality:

103. Plaintiff's claims are precisely the same as those of the class she seeks to represent: like other members of the Class, Ms. LaFrance was employed by Defendants during the relevant

time period as a non-exempt employee, and Plaintiff contends that Defendants' wage policies were uniformly applied to current and former non-exempt employees.

104. I believe therefore that Plaintiff's claims are typical of those of the Class Members.

Adequacy of Representation:

105. I believe that no conflicts, disabling or otherwise, exist between Plaintiff and Class Members because Plaintiff and Class Members have allegedly been damaged by the same purported conduct (*i.e.*, they were classified as non-exempt employees, not paid premium pay, not paid proper overtime wages due, etc.), and thus, Plaintiff has the incentive to fairly represent all Class Members' claims to achieve the maximum possible recovery.

106. My firm consists of experienced employment litigation attorneys with a successful track record litigating wage-and-hour matters. We currently serve as lead counsel in multiple pending wage-and-hour class and representative actions across California jurisdictions, including several that have already obtained preliminary approval of class and PAGA settlements.

107. After a thorough investigation and settlement discussions, the Parties arrived at terms that they viewed as in the best interest of the Class Members and the Parties.

108. I am informed and believe that Plaintiff's goals have been realized via redress for the employees whose wage and hour rights were violated.

109. I am informed and believe that while Defendants deny liability, it has nonetheless agreed to settle the matter to avoid any potential expense.

110. Should the Court refuse to grant preliminary approval of this Settlement, many of the Class Members may be denied any recourse for Defendants' alleged violations.

Superiority of Class Action:

111. I believe that this wage and hour class action meets all the criteria to establish that it is a superior vehicle for resolution of the issues it seeks to resolve. First, it pertains to purported uniform practices, including Defendants allegedly: not paying its non-exempt employees for all time under Defendants' control, not making meal and rest breaks available to non-exempt employees, and not paying meal and rest break premiums for missed meal and rest breaks. This allows claims of many individuals to be resolved at the same time, eliminates the possibility of

repetitious litigation, and affords small claimants with a method of obtaining redress for claims which otherwise would be too insufficient to warrant individual litigation. It is also brought by a former employee who is not at as great a risk of retaliation as current employees, who are less likely to seek such redress for themselves.

112. I believe that a class action would eradicate the concern of inconsistent rulings regarding the wage and hour issues brought as part of this class action.

113. I believe that the class action meets all criteria for certification.

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

Executed this 22nd day of April 2026 at Los Angeles, California.

Camron Dowlatshahi

EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between plaintiff Samantha LaFrance ("Plaintiff") and Defendant Blue Cloud Pediatric Surgery Centers, LLC and Blue Cloud Investment Holdings, LLC (collectively, "Defendant"). The Agreement refers to Plaintiff and Defendant collectively as the "Parties," or individually as "Party."

1. DEFINITIONS

In addition to other terms defined in this Agreement, the terms below have the following meaning in this Agreement:

1.1. "Action" means the lawsuit alleging wage and hour violations against Defendant captioned *LaFrance v. Blue Cloud Pediatric Surgery Center, LLC,* Case No. 24CV05452, initiated on September 26, 2024 and pending in Superior Court of the State of California, County of Santa Barbara.

1.2. "Administrator" means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. "Administration Expenses" 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.

1.4. "Aggrieved Employees" means all individuals who were employed by Defendant in California and classified as a non-exempt employee at any time during the PAGA Period.

1.5. "Class" means all individuals who were employed by Defendant and/or the Released Parties in California and classified as a non-exempt, hourly W-2 employee at any time during the Class Period.

1.6. "Class Counsel" means Arash Sadat, Mir Raza, and Camron Dowlatshahi of Mills Sadat Dowlat LLP.

1.7. "Class Counsel Fees" and "Class Counsel Litigation Expenses" mean the amounts to be paid to Class Counsel for fees and expenses, respectively, as approved by the Court, to compensate Class Counsel for their legal work in connection with the Action, including their pre-filing investigation, their filing of the Action, all related litigation activities, all Settlement work, all post-Settlement compliance procedures, and related litigation expenses billed in connection with the Action.

1.8. "Class Data" means Class Member identifying information in Defendant's possession including the Class Member's name, last-known mailing address, Social Security number, email address (if known and available to Defendant), and number of Workweeks and PAGA Pay Periods.

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

1.10. "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 by use of available email addresses, phone numbers, social security numbers, credit reports, LinkedIn and Facebook.

1.11. "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 the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12. "Class Notice Packet" means the Class Notice to be provided to the Class Members by the Administrator in the form set forth as Exhibit A to this Agreement (other than formatting changes to facilitate printing by the Administrator).

1.13. "Class Period" means the period of time from September 26, 2020 through September 30, 2025.

1.14. "Class Representative" means the named Plaintiff in the Operative Complaint in the Actions seeking Court approval to serve as the Class Representative.

1.15. "Class Representative Service Payment" means the service payment made to the Plaintiff as Class Representative in order to compensate her for initiating the Actions, performing work in support of the Actions, and undertaking the risk of liability for Defendant's expenses.

1.16. "Court" means the Superior Court of California, County of Santa Barbara.

1.17. "Defendant" collectively means Blue Cloud Pediatric Surgery Centers, LLC and Blue Cloud Investment Holdings LLC.

1.18. "Defense Counsel" means Ryan Eddings of Hanson Bridgett LLP.

1.19. "Effective Date" means the date by when both of the following have occurred the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the

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

1.20. "Final Approval" means the Court's order granting final approval of the Settlement substantially in the form attached hereto as Exhibit C to this Agreement and incorporated by reference into this Agreement.

1.21. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement to determine whether to approve finally and implement the terms of this Agreement and enter the Judgment.

1.22. "Gross Settlement Amount" means Nine Hundred Forty-Five Thousand Dollars ($945,000) which is the total amount to be paid by Defendant as provided by this Agreement except as provided in Paragraph 9 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 Litigation Expenses, Class Representative Service Payment and the Administration Expenses. This Gross Settlement Amount is an all-in amount without any reversion to Defendant, and excludes any employer payroll taxes, if any, due on the portion of the Individual Class Payments allocated to wages which shall not be paid from the Gross Settlement and shall be the separate additional obligation of Defendant.

1.23. "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.

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

1.25. "Judgment" means the judgment entered by the Court based upon Final Approval substantially in the form attached hereto as Exhibit C to this Agreement and incorporated by reference into this Agreement.

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

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

1.28. "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, Class Counsel Litigation Expenses, and the Administration Expenses. The Net Settlement Amount is to be paid to Participating Class Members as Individual Class Payments.

1.29. "Non-Participating Class Member" means a Class Member who opts out of the Class Settlement by submitting a valid and timely Request for Exclusion to the Administrator.

1.30. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.31. "PAGA Period" means the period of time from September 23, 2023 through September 30, 2025.

1.32. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.33. "PAGA Notices" means Plaintiff's September 23, 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 PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees ($18,750) and the 75% to LWDA ($56,250) in settlement of PAGA claims.

1.35. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion.

1.36. "Plaintiff" means Samantha LaFrance, the named plaintiff in the Action.

1.37. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement, substantially in the form attached hereto as Exhibit B to this Agreement and incorporated by this reference herein.

1.38. "Released Class Claims" means all claims that were alleged, or reasonably could have been alleged, based facts stated in the Operative Complaint and which occurred during the Class Period during employment in a non-exempt, hourly W-2 position in California including but not limited to: (a) any and all claims involving any alleged failure to pay minimum wages for all hours worked; (b) failure to pay overtime compensation; (c) failure to provide meal periods; (d) failure to provide rest periods; (e) failure to indemnify necessary business expenses; (f) waiting time penalties; (g) failure to provide accurate wage statements; and (h) unfair business practices. Except as expressly set forth in this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or California class claims outside of the Class Period.

1.39. "Released PAGA Claims" means all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notices, and which occurred during the PAGA Period during employment in a non-exempt, hourly W-2 position in California including but not limited to claims for PAGA penalties resulting from: (a) any and all claims involving any alleged failure to pay minimum wages for all hours worked; (b) failure to pay overtime compensation; (c) failure to provide meal periods; (d) failure to provide rest periods; (e) failure to indemnify necessary business expenses; (f) waiting time penalties; (g) failure to provide accurate wage statements; and (h) unfair business practices. The Released PAGA Claims do not include other PAGA claims, underlying wage and hour claims, claims for wrongful termination, discrimination, unemployment insurance, disability and worker's compensation, and PAGA claims outside of the PAGA Period.

1.40. "Released Parties" means: Defendant and each of its former and present parents, subsidiaries and affiliates, and each of their respective directors, officers, shareholders, owners, attorneys, insurers, predecessors, successors, assigns and subsidiaries.

1.41. "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.

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

1.43. "Settlement" means the disposition of the Action and all related claims effectuated by this Agreement and the Judgment.

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

2. RECITALS

2.1. On October 3, 2024, Plaintiff commenced this Action against Defendant in the Superior Court of the State of California, County of Santa Barbara. Plaintiff's Complaint asserted claims that Defendant:

(a) Failed to pay minimum wage for all hours worked in violation of California Labor Code §§ 1182.12, 1194, 1194.2, 1197 and 1197.1;
(b) Failed to pay overtime compensation in violation of California Labor Code §§ 1194 and 1198;
(c) Failed to provide meal periods in violation of California Labor Code §§ 226.7 & 512 and the applicable IWC Wage Order;

(d) Failed to provide rest periods in violation of California Labor Code §§ 226.7 & 512 and the applicable IWC Wage Order;
(e) Failed to indemnify necessary business expenses in violation of California Labor Code § 2802
(f) Failed to pay waiting time penalties in violation of California Labor Code §§ 201-203;
(g) Failed to provide accurate wage statements in violation of California Labor Code § 226;
(h) Violated California Business and Professions Code § 17200 *et seq.*; and
(i) Violated the Private Attorney General Act, Cal. Labor Code §§ 2698, et seq..

2.2. On April 8, 2025, pursuant to the Parties' stipulation, the Court granted Plaintiff leave to file a First Amended Complaint, which corrected the definition of the proposed class.

2.3. The First Amended Complaint is the operative complaint in the Action ("Operative Complaint").

2.4. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.5. On July 30, 2025, the Parties participated in an all-day mediation presided over by Michael Mandel, a respected mediator of wage and hour representative and class actions. Following the mediation, each side, represented by its respective counsel, were able to agree to settle the Action based upon a mediator's proposal which was memorialized in the form of a Memorandum of Understanding. This Agreement replaces and supersedes the Memorandum of Understanding and any other agreements, understandings, or representations between the Parties.

2.6. Prior to mediation, Plaintiff obtained sufficient documents and information to sufficiently investigate the claims such that Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.7. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant that the claims in the Action of Plaintiff or the Class have merit or that Defendant bears any liability to Plaintiff or the Class on those claims or any other claims, or as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree to certification of the Class for purposes of this Settlement only. If for any reason the settlement does not become effective, Defendant reserves the right to contest certification of any class for any reason and reserves all available defenses to the claims in the Action.

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

3. MONETARY TERMS

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay $945,000 and no more as the Gross Settlement Amount. This amount is all-inclusive of all payments contemplated in this resolution, excluding any employer-side payroll taxes on the portion of the Individual Class Payments allocated to wages which shall be separately paid by Defendant to the Administrator. 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 Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2. Payments from the Gross Settlement Amount. Subject to the terms and conditions of this Agreement, the Administrator will make the following payments out of the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval.

(a) To Plaintiff: Class Representative Service Payments to the Class Representative of not more than $5,000 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's request for Class Representative Service Payments that do not exceed this amount. As part of the motion for Class Counsel Fees and Class Litigation Expenses, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves Class Representative Service Payments less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payments.

(b) To Class Counsel: Class Counsel Fees of not more than one-third (1/3) of the Gross Settlement Amount, which is currently estimated to be $315,000, and Class Counsel Litigation Expenses of not more than $20,000. Defendant will not oppose requests for these payments provided that do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees and Class Litigation Expenses no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees and/or a Class Counsel Litigation Expenses 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 any Class Counsel Fee payment and/or Class Counsel Litigation Expenses payment. The Administrator will pay the Class Counsel Fees and Class Counsel Expenses using one or more IRS 1099 Forms. The Counsel Litigation Expenses Payment shall be allocated between firms based upon the expenses actually incurred as set forth in the declarations by Class Counsel. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees and the Class Counsel Litigation Expenses and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these payments.

(c) To the Administrator: Administration Expenses not to exceed $6,850.00 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 less than $6,850.00, the Administrator will retain the remainder in the Net Settlement Amount for distribution to Participating Class Members.

(d) To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $75,000 to be paid from the Gross Settlement Amount, with 75% ($56,250) allocated to the LWDA PAGA Payment and 25% ($18,750) allocated to the Individual PAGA Payments.

i. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties ($18,750) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

ii. 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.

3.3. Payments from the Net Settlement Amount. Subject to the terms and conditions of this Agreement, the Administrator will make the following payments out of the Net Settlement Amount, in the amounts outlined below or as otherwise specified by the Court in the Final Approval.

(a) To Each Participating Class Member: An Individual Class Payment 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.

i. 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 non-wages, expense reimbursement, 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.

ii. 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.

4. SETTLEMENT FUNDING

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on its records, Defendant has represented that the Class consists of 215 Class Members who collectively worked a total of 21,505 Workweeks, and 117 Aggrieved Employees who worked a total of 3,724 PAGA Pay Periods.

4.2. Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator 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 the Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than 30 days after the Effective Date.

5. PAYMENTS FROM THE GROSS SETTLEMENT AMOUNT

5.1. Within 14 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, the Class Counsel Fees, the Class Counsel Litigation Expenses, and the Class Representative Service Payment.

5.2. 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 "void date", which is 180 days after the date of mailing, when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Class Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database. If a Participating Class Member's or Aggrieved Employee's check is not cashed within 120 days after its last mailing to the affected individual, the Administrator will also send the individual a notice informing him or her that unless the check is cashed by the void date, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced but not cashed.

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

5.4. 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 Legal Aid at Work, a Court-approved nonprofit organization or foundation consistent with Code of Civil Procedure Section 384(b) ("Cy Pres Recipient"). The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient.

5.5. 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.

6. RELEASE 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, Participating Class Members, Aggrieved Employees and the LWDA will release claims against all Released Parties as follows:

6.1. Plaintiff's Release. Plaintiff and her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, rights, damages (including punitive, statutory or liquidated damages), penalties, liabilities, restitution, attorneys' fees, costs, expenses, interests and losses under federal, state, local or common law, or at equity, whether known or unknown, accrued or unaccrued, asserted or unasserted, which Plaintiff has or may have against the Released Parties as of the date of execution of this Agreement, including, but not limited to: (a) any and all past, present, or future claims, lawsuits, demands, actions, or causes of actions (collectively "Claims"), which Plaintiff now has, owns, or holds, or claims to have, own, or hold or which each at any time heretofore had owned or held, or claimed to have had, owned, or held, up to the date of execution of this Agreement; (b) all claims that were, or reasonably could have been, alleged based on the facts contained, in the Operative Complaint filed in this Action, the PAGA Notice, or ascertained during the pendency of the Action; and (c) all claims released under Paragraphs 6.2 and 6.3 below("Plaintiff's Release"). The scope of Plaintiff's Release in this Agreement includes, but is not limited to, a full general release of any and all Claims or potential Claims that she may have against Defendant and/or against any of the other Released Parties, for any and all injunctive relief, declaratory relief, physical injury stemming from emotional distress, personal injury stemming from emotional distress, and injury of any and all other kinds, and/or any and all other kinds of alleged damages, or other monetary obligation, or obligation of any other sort, including but not limited to, any and all compensatory damages, emotional distress damages, punitive damages, costs, attorneys' fees, and any and all other kinds of damages that are based in whole or in part on any act or omission occurring before this Agreement becomes effective. Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

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

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

6.2. <u>Release by Participating Class Members</u>. All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from the Released Class Claims.

6.3. <u>Release of PAGA Claims</u>. All Aggrieved Employees and the LWDA are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from the Released PAGA Claims.

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

7.1. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, 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/or the proposed Cy Pres Recipient; 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/or the proposed Cy Pres Recipient; (v) a signed declaration from Class Counsel attesting to its competency to represent the Class Members; 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)), this Agreement (Labor Code section 2699, subd. (l)(2)); (vi) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (vii) all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator and/or the Cy Pres Recipient, if any. In their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement

7.2. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 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 to the Administrator.

7.3. 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.

8. SETTLEMENT ADMINISTRATION

8.1. Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc.

agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Administrator's duties will include preparing, printing, and mailing the Class Notice Packet to all Class Members; conducting a National Change of Address search to update Class Member addresses before mailing the Class Notice Packets; re-mailing Class Notice Packets that are returned to the Class Member's new address; setting up a toll-free telephone number and email and a fax number to receive communications from Class Members; receiving and reviewing for validity completed Requests for Exclusion; providing the Parties with weekly status reports about the delivery of Class Notice Packets and receipt of Requests for Exclusion, objections and disputes; calculating Individual Class Payments and Individual PAGA Payments; issuing the checks to effectuate the payments due under the Settlement; issuing the tax reports required under this Settlement; and otherwise administering the Settlement pursuant to this Agreement. 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.

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

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

8.4. Notice to Class Members.

(a) 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.

(b) Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The 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.

(c) Not later than 7 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.

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

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

8.5. Requests for Exclusion (Opt-Outs).

(a) Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than the Response Deadline (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

(b) 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.

(c) Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraph 6.2 of the Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

(d) Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.3 of this Agreement and are eligible for an Individual PAGA Payment. If a Class Member submits both a Request for Exclusion and an objection, only the Request for Exclusion will be accepted and the objection will be void.

8.6. Challenges to Calculation of Workweeks. Each Class Member shall have until the Response Deadline (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks 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 as to the challenges

8.7. Objections to Settlement.

(a) 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 and/or Class Representative Service Payment.

(b) Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, or in addition to a written objection, 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 the Response Deadline (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

(c) Non-Participating Class Members have no right to object to any of the class action components of the Settlement. If a Class Member submits both a Request for Exclusion and an objection, only the Request for Exclusion will be accepted and the objection will be void.

8.8. 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.

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

(b) Request for Exclusion (Opt-Outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 7 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).

(c) 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.

(d) 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.

(e) Administrator's Declaration. Not later than 7 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.

(f) Final Report by Administrator. Within 10 days after the Administrator disburses all funds of 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 7 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. If a second declaration attesting to the distribution of uncashed checks is required, the Administrator shall provide this second declaration at least 7 days before any deadline for a second declaration and Class Counsel shall be responsible for filing the second declaration with the Court.

9. CLASS SIZE MODIFICATION AND ESCALATOR CLAUSE. Based on its records, Defendant provided figures as to the Class size as set forth in paragraph 4.1 above. If the number of workweeks in the Class Period ends up exceeding the amount in paragraph 4.1 (i.e., 21,505) by more than 10%, then the gross settlement amount will be increased in proportion to the extent by which the number of workweeks worked by Class Members within the Class Period exceeds 10% more than 21,505 (i.e., exceeds 23,656). For example, if the number of workweeks worked by Class Members in the Class Period is 11% higher than 21,505, the gross settlement amount will be increased by 1% (i.e., to $954,450). In the alternative, Defendant may elect to shorten the Class Period to stay within the 10% cushion.

10. DEFENDANT'S RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Administration Expenses incurred as of the date Defendant makes this election to withdraw. Defendant must notify Class Counsel and the Court of its election to withdraw not later than 7 days after the Administrator sends the final Exclusion List to Defense Counsel. Invalid Requests for Exclusion will have no effect on this threshold for an election.

11. MOTION FOR FINAL APPROVAL. Unless otherwise ordered by the Court, not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699(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 7 days prior to filing the Motion for Final Approval.

Class Counsel and Defense Counsel will expeditiously meet and confer and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

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

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

11.3. 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 under C.C.P. section 664.6 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.

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

11.5. 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 address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on an equal basis, any additional Administration Expenses reasonably incurred at the time of 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.

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

13. ADDITIONAL PROVISIONS

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

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

13.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees have not and 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.

13.4. 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.

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

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

13.7. 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.

13.8. 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.

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

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

13.11. 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.

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

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

13.14. 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 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.

13.15. 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.

13.16. 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.

13.17. 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 Class:

Arash Sadat
Camron Dowlatshahi
Mir Raza
Mills Sadat Dowlat LLP
333 South Hope Street, 40th Floor
Los Angeles, CA 90071
Tel.: (213) 628-3856
E-Mail: arash@msdlawyers.com
mir@msdlawyers.com
camron@msdlawyers.com

To Defendant:

Ryan L. Eddings
Hanson Bridgett LLP
500 Capitol Mall, Suite 1500
Sacramento, CA 95814
Tel.: (559) 220-3731

E-Mail: REddings@hansonbridgett.com

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

13.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process from the mediation on July 30, 2025 until the earlier of the Effective Date or the date this Agreement shall no longer be of any force or effect.

13.20. Fair Settlement. The Parties, Class Counsel and Defense Counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, both current and potential.

14. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: 01/07/2026

Samantha LaFrance (Jan 7, 2026 21:25:15 PST)
Plaintiff Samantha LaFrance

Dated: ___________

____

__________________________[name]
For Defendant Blue Cloud Pediatric Surgery Center, LLC

Dated: December 23, 2025

____
Camron Dowlatshahi
Mills Sadat Dowlat LLP
Attorney for Plaintiff Samantha LaFrance

Dated: ___________

____
Ryan L. Eddings
Hanson Bridgett LLP
Attorney for Defendant

E-Mail: REddings@hansonbridgett.com

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

13.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process from the mediation on July 30, 2025 until the earlier of the Effective Date or the date this Agreement shall no longer be of any force or effect.

13.20. Fair Settlement. The Parties, Class Counsel and Defense Counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, both current and potential.

14. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: 01/07/2026

Samantha LaFrance (Jan 7, 2026 21:25:15 PST)
Plaintiff Samantha LaFrance

Dated: ___________

____

__________________________[name]
For Defendant Blue Cloud Pediatric Surgery Center, LLC

Dated: December 23, 2025

____
Camron Dowlatshahi
Mills Sadat Dowlat LLP
Attorney for Plaintiff Samantha LaFrance

Dated: January 9, 2026

____
Ryan D. Eddings
Hanson Bridgett LLP
Attorney for Defendant

E-Mail: REddings@hansonbridgett.com

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

13.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process from the mediation on July 30, 2025 until the earlier of the Effective Date or the date this Agreement shall no longer be of any force or effect.

13.20. Fair Settlement. The Parties, Class Counsel and Defense Counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, both current and potential.

14. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: 01/07/2026 Samantha LaFrance (Jan 7, 2026 21:25:15 PST)
Plaintiff Samantha LaFrance

Dated: 1/9/2026 Devin Larsen

Devin Larsen CEO [name]
For Defendant Blue Cloud Pediatric Surgery Center, LLC

Dated: December 23, 2025
Camron Dowlatshahi
Mills Sadat Dowlat LLP
Attorney for Plaintiff Samantha LaFrance

Dated: ___________ ______________________________
Ryan L. Eddings
Hanson Bridgett LLP
Attorney for Defendant

EXHIBIT A

[NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION AND HEARING DATE FOR FINAL COURT APPROVAL]

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

Samantha LaFrance v. Blue Cloud Pediatric Surgery Centers, LLC, *et al.*

Santa Barbara County Superior Court, Case No. 24CV05452

The Superior Court for the State of California authorized this Notice. Read it carefully!

This is not junk mail, spam, 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 Defendant Blue Cloud Pediatric Surgery Centers, LLC and Blue Cloud Investment Holdings, LLC (collectively, "Defendant") for alleged wage and hour violations. The Action was filed by a former non-exempt employee of Defendant ("Plaintiff") and seeks payment of back wages and other relief for a class of all non-exempt employees who worked for Defendant in California ("Class Members") during the Class Period (September 26, 2020, through September 30, 2025) and penalties under the California Labor Code Private Attorneys General Act of 2004 ("PAGA") (Labor Code §§ 2698, et seq.). for all non-exempt employees who worked for Defendant in California ("Aggrieved Employees") during the PAGA Period (September 23, 2023, through September 30, 2025).

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

Based on Defendant's records, and the Parties' current assumptions, your Individual Class Payment is estimated to be $________ (less tax 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 did not 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 ________ pay periods during the PAGA Period. If you believe that you worked more workweeks and/or pay periods during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval of the Settlement. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

If you worked for Defendant during the Class Period and/or the PAGA Period, you have three basic options under the Settlement:

1. **Do Nothing**. You do not 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 directly assert Class Period wage claims and PAGA Period penalty claims against Defendant.

2. **Opt-Out of the Class Settlement**. You can exclude yourself from the Class Settlement (opt-out) by submitting a 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 directly pursue Class Period wage claims against Defendant, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

3. **Object to the Class Settlement.** If you do not opt out of the Class Settlement, you may object to the terms of the Settlement, including the proposed payments to Class Members, the requested attorneys' fees and litigation costs, or the Class Representative Service Payment. You may object by sending a written objection to the Administrator. You may also object at the Final Approval Hearing, even if you did not submit a written objection. Only Participating Class Members (*i.e.,* those who do not opt out) may object. If you object, you will still be eligible to receive an Individual Class Payment and/or Individual PAGA Payment and will still be bound by the Settlement if it is approved.

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 Do Not Have to Do Anything to Participate in the Settlement. If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to directly assert the wage claims against Defendant that are covered by this Settlement ("Released Claims").

You Can Opt-Out of the Class Settlement, but not the PAGA Settlement. The Opt-Out Deadline is DATE. If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.

You Cannot Opt-out of the PAGA Portion of the Proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue PAGA Released Claims (defined below).

Participating Class Members Can Object to the Class Settlement, but not the PAGA Settlement. Written objections must be submitted by DATE. All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff. Other than the PAGA portion of this Settlement, you can object to any aspect of this Settlement. See Section 7 of this Notice.

You Can Participate at the Final Approval Hearing. The Court's Final Approval Hearing is scheduled to take place on DATE. You do not 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 also verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.

You Can Challenge the Calculation of Your Workweeks/Pay Periods. Written challenges must be submitted by DATE. The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Workweeks and number of 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 DATE. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former non-exempt employee of Defendant. The Action accuses Defendant of violating California labor laws for (1) failure to pay minimum wage for all hours worked, (2) failure to pay overtime compensation, (3) failure to provide meal periods, (4) failure to provide rest periods, (5) failure to indemnify necessary business expenses, (6) waiting time penalties, (7) failure to provide accurate wage statements, and (8) violation of the Business and Profession Code Unfair Competition Law. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the PAGA. Plaintiff is represented by attorneys ("Class Counsel") in the Action.

Defendant strongly denies violating any laws or failing to pay any wages and contends 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 violated any laws. In the meantime, Plaintiff and Defendant hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an end to the Action by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a Judgment ending the 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 of law 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 Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable, and adequate, authorized this Notice, and scheduled a hearing to determine whether to finally approve the Settlement.

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

Defendant Will Pay $945,000.00 as the Gross Settlement Amount ("Gross Settlement Amount"). Defendant has agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement Amount 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 LWDA. Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement not more than 30 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

Court Approved Deductions from Gross Settlement Amount. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement Amount. The Court will decide these amounts at the Final Approval Hearing:

- Up to $315,000.00 (one-third of the Gross Settlement Amount) to Class Counsel for attorneys' fees and up to $20,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
- Up to $5,000.00 as a Class Representative Service Payment to Plaintiff for filing the Action, working with Class Counsel and representing the Class. A Class Representative Service Payment will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
- Up to $6,850 to the Administrator for services administering the Settlement.
- Up to $75,000.00 for PAGA Penalties, 75% of which would be allocated to the LWDA as an LWDA PAGA Payment and 25% of would be allocated to the Aggrieved Employees as Individual PAGA Payments based on the number of pay periods they worked for Defendant in California for at least one day during the PAGA Period (the "PAGA Pay Periods").

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

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 Amount") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

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 penalties and interest ("Non-Wage Portion"). The Wage Portions are subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portions. 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 if you have any questions about the tax consequences of the proposed Settlement.

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 do not cash it by the Void Date, your check will be automatically cancelled, and the monies will be paid to a non-profit organization or foundation ("Cy Pres"). The Court has approved Legal Aid At Work as the Cy Pres recipient.

Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Settlement, unless you notify the Administrator in writing, not later than DATE, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the Response Deadline. The Request for Exclusion should be a letter from a you or your representative setting forth your name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members ("Non-Participating Class Members") will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

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 facts alleged in the Action during the PAGA Period.

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. Plaintiff and Defendant have agreed that, in either case, the Settlement will be void and, in turn, Defendant will not pay any money and Class Members/Aggrieved Employees will not release any claims against Defendant.

Administrator. The Court has appointed a neutral company, ILYM Group, Inc. (the "Administrator"), to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member challenges over Workweeks/Pay Periods, 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.

Participating Class Members' Release. After the Judgment is final and Defendant has fully funded the Gross Settlement Amount 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 and penalties during the Class Period and PAGA Period based on the facts alleged in the Action and resolved by this Settlement.

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Defendant and all other Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the facts alleged in the Complaint, including claims for: (1) unpaid regular, overtime and minimum wages, (2) meal period violations, (3) rest period violations, (4) business expense reimbursements, (5) failure to maintain and provide accurate and complete wage statements, payroll and/or personnel records, (6) waiting time penalties, and (7) violation of the Unfair Competition Law during the Class Period. Except as set forth in Section 6.2 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendant has paid the Gross Settlement, all Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the facts alleged in the Action and resolved by this Settlement for the PAGA Period.

All Aggrieved Employees release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, Defendant and all other Released Parties, from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts alleged in the Complaint and the PAGA Notice, including for (1) unpaid regular, overtime and minimum wages, (2) meal period violations, (3) rest period violations, (4) business expense reimbursements, (5) wage statement violations, (6) failure to maintain accurate and complete payroll and/or personnel records, (7) waiting time penalties, and (8) violation of the Unfair Competition Law during the PAGA Period.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENTS?

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.

Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing $18,750.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of Pay Periods worked by each individual Aggrieved Employee.

Workweek/Pay Period Challenges. The number of 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 on the first page of this Notice. You have until DATE to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 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 Aggrieved Employees) and Defense Counsel. The Administrator's decision is final. You cannot appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

Participating Class Members. The Administrator will send, by U.S. mail, a single check, to the extent possible, to every Participating Class Member (*i.e.*, every Class Member who does not opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment. Otherwise, two checks will be sent.

Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the 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 you submit communicating your request to be excluded. Be sure to personally sign your request, identify the Action as *Samantha LaFrance v. Blue Cloud Pediatric Surgery Center, LLC.*, Santa Barbara County Superior Court Case No. 24CV05452, 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 DATE, or it will be invalid. Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendant are asking the Court to approve. At least 16 court days before the Final Approval Hearing, Class Counsel will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and 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 Payment. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website (https://www.ilymgroup.com/) or the Court's website (https://santabarbara.courts.ca.gov).

A Participating Class Member who disagrees with any aspect of the Settlement or the Motion for Final Approval may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. The deadline for sending written objections to the Administrator is DATE. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Samantha LaFrance v. Blue Cloud Pediatric Surgery Center, LLC*, *et al.,* Santa Barbara County Superior Court Case No. 24CV05452, and include your name, current address, telephone number, and approximate dates of employment with 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. A Participating Class Member may appear at the Final Approval Hearing to object to the Settlement without having submitted a written objection to the Administrator in advance. See Section 8 of this Notice for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but do not have to, attend the Final Approval Hearing on DATE at TIME in Department SM 2 of the Santa Barbara County Superior Court, located at 312 East Cook Street, Building E, Santa Maria, CA 93454. Class members may appear at the final approval hearing in person or remotely using the Zoom link for Department SM 2, and should review the remote appearance instructions beforehand:

https://www.zoomgov.com/j/1605433416?pwd=eUN3b2Q2bC9UOTNySGxacnpPMThwQT09

Class members who wish to appear remotely are encouraged to contact class counsel at least three days before the hearing, if possible, so that potential technology or audibility issues can be avoided or minimized. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement Amount will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually. Check the Court's website for the most current information.

It is possible the Court will reschedule the Final Approval Hearing. You should check the Court's website beforehand to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Settlement Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Settlement Agreement, the Judgment or any other Settlement documents is to go to ILYM Group, Inc.'s website at (https://www.ilymgroup.com/). You can also telephone or send the Administrator an email using the contact information listed below, or consult the Santa Barbara County Superior Court website by going to https://santabarbara.courts.ca.gov (Online Services and then Case Records Search) and entering the Case Number for the Action, 24CV05452. You can also make personally review documents pertaining to the Action in the Clerk's Office of the Court.

DO NOT CONTACT THE COURT TO OBTAIN INFORMATION OR TO ASK QUESTIONS ABOUT THIS NOTICE OR THE SETTLEMENT.

Class Counsel:
Arash Sadat
arash@msdlawyers.com
Camron Dowlatshahi
camron@msdlawyers.com
Mir Raza
mir@msdlawyers.com
MILLS SADAT DOWLAT LLP
333 S. Hope Street, 40th Floor
Los Angeles, CA 90071

Settlement Administrator:

____
Email Address:
Mailing Address:
Telephone:
Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK(S)?

If you lose or misplace your settlement check(s) before cashing it/them, the Administrator will replace it/them as long as you request a replacement before the Void Date on the face of the original check(s). If your check is already void you should consult the Fund for instructions on how to retrieve the money.

11. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT B

[ORDER GRANTING PRELIMINARY APPROVAL]

EXHIBIT C

[FINAL APPROVAL ORDER AND JUDGMENT]

EXHIBIT 2

ILYM | GROUP, Inc.
CLASS ACTION ADMINISTRATION

Case Name: LaFrance v. Blue Cloud Pediatric Surgery Center, LLC

Tuesday, September 9, 2025

Requesting Attorney:
Isabella Fiorentino
Mills Sadat Dowlat LLP
isabella@msdlawyers.com
213.279.7590

ILYM Group Contact:
Lisa Mullins & Kelsey Stern
ILYM Group, Inc.
Lisa@ilymgroup.com
714.878.8836

Estimate For Administrative Solutions: Class & PAGA

KEY ASSUMPTIONS	
Total Number of Class Members	215
Estimated Percentage of Remails	15%
Certified Spanish Translation	Yes
ILYM Group Static Website	No
Case Duration (Years)	1

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

Case Startup:	$325.00
Project Management:	$1,995.00
Notification & Mailing:	$698.65
Distribution (Includes EIN, Bank Acct * /QSF Setup):	$2,816.35
Case Conclusion:	$1,015.00
Estimated ILYM Fees & Expenses:	**$6,850.00**

ILYM | GROUP, Inc.
CLASS ACTION ADMINISTRATION

Case Name: LaFrance v. Blue Cloud Pediatric Surgery Center, LLC

Tuesday, September 9, 2025

Requesting Attorney's Name: Isabella Fiorentino

Activity	Rate Type	Unit Cost	Volume	Amount
CASE STARTUP				
Initial Setup - Import and Formatting of Data*	Hourly	$150.00	1	$150.00
Programming of Class Database	Hourly	$175.00	1	$175.00
			Subtotal	**$325.00**

**ILYM assumes that data will be in a standard format. Client will be notified immediately if not in standard format to correct data or ILYM can convert to standard format @ $150.00 per hour.*

Activity	Rate Type	Unit Cost	Volume	Amount
PROJECT MANAGEMENT				
Project Manager (Case notification and maintenance)	Hourly	$120.00	3	$360.00
Staff Hours for Processing Returned Mail	Hourly	$70.00	1	$70.00
Staff Hours for Processing Opt-Outs, Disputes & Objection(s)	Hourly	$70.00	1	$70.00
Report Processing	Hourly	$70.00	1	$70.00
Certified Spanish Translation	Flat Fee	$1,250.00	1	$1,250.00
NCOA	Flat Rate	$75.00	1	$75.00
Toll Free Customer Service Representative	Flat Fee	$100.00	1	$100.00
Weekly Reports	Flat Rate	$750.00	1	Waived
			Subtotal	**$1,995.00**

Activity	Rate Type	Unit Cost	Volume	Amount
NOTIFICATION & MAIILING				
Fulfillment of Notice, English & Spanish	Per Piece	$1.50	215	$322.50
USPS First Class Postage	Per Piece	$0.85	215	$182.75
Re-Mails (Forward/Skip trace Undeliverables)	Per Piece	$2.00	28	$55.90
Storage, Photocopies, Deliveries	Flat Fee	$137.50	1	$137.50
			Subtotal	**$698.65**

ILYM | GROUP, Inc.
CLASS ACTION ADMINISTRATION

Case Name: LaFrance v. Blue Cloud Pediatric Surgery Center, LLC

Tuesday, September 9, 2025

Requesting Attorney's Name: Isabella Fiorentino

Activity	Rate Type	Unit Cost	Volume	Amount
DISTRIBUTION (Includes EIN, Bank Acct * /QSF Setup)				
Distribution Setup & Management	Hourly	$150.00	2	$300.00
Account Reconciliation & Distribution Reporting	Hourly	$125.00	2	$250.00
Check, Stub & Release - Print & Mail (W2/1099)	Per Check	$1.00	215	$215.00
USPS First Class Postage	Per Piece	$0.74	215	$159.10
Re-Mails (Forward/Skip trace Undeliverables up to 10%)	Per Piece	$1.50	22	$32.25
Preparation of Taxes	Hourly	$120.00	3	$360.00
Annual Filing of Tax Return	Per Year	$1,500.00	1	$1,500.00

**Additional Bank fees may apply*

			Subtotal	**$2,816.35**

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

			Subtotal	**$1,015.00**

Estimated ILYM Fees & Expenses: $6,850.00

ILYM Group's Terms and Conditions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT 3

PROOF OF SERVICE

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 333 South Hope Street, 40th Floor, Los Angeles, CA 90071. I made service at the direction of a member of the Bar of this Court.

On April 22, 2026, I served the foregoing document(s) described as **DECLARATION OF CAMRON DOWLATSHAHI IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT** on the person(s) below, as follows:

Ryan L. Eddings Hanson Bridgett LLP 500 Capitol Mall, Suite 1500 Sacramento, CA 95814 REddings@hansonbridgett.com MGutierrez@hansonbridgett.com	Attorneys for Defendants Blue Cloud Pediatric Surgery Center, LLC and Blue Cloud Investment Holdings LLC

☑ **(BY E-MAIL OR ELECTRONIC TRANSMISSION)** Pursuant to Code of Civil Procedure section 1010.6, subdivision (e), I transmitted the document(s) electronically to the person(s) at the e-mail address(es) listed above. The transmission was reported as complete and without error.

Executed April 22, 2026 at Los Angeles, California

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

Isabella Fiorentino