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Electronically  
**FILED**  
by Superior Court of California, County of San Mateo  
ON **4/3/2023**  
By /s/ Vanessa Jimenez  
Deputy Clerk

15 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
16 **FOR THE COUNTY OF SAN MATEO**

17 AMIN AHMED, as an individual and on  
18 behalf of all others similarly situated,

19 Plaintiff,

20 vs.

21 CAREDX, INC., a Delaware corporation;  
22 and DOES 1 through 50, inclusive,

23 Defendants.

Case No.: 22-CIV-02294

(Assigned to the Hon. Marie S. Weiner, Dept. 2)

**DECLARATION OF LARRY W. LEE IN  
SUPPORT OF PLAINTIFF'S MOTION FOR  
PRELIMINARY APPROVAL OF CLASS  
ACTION AND PAGA SETTLEMENT**

Date: April 25, 2023

Time: 2:00 p.m.

Dept.: 2

Complaint Filed: June 6, 2022

FAC Filed: December 27, 2022

Trial Date: None Set



1 engage in informal settlement discussions. In connection therewith, Defendant produced data  
2 relating to the number of allegedly deficient wage statements issued to the putative class  
3 members and represented that there were approximately 90 putative class members who received  
4 1,830 wage statements wherein a shift differential was paid. After thorough investigation and  
5 evaluation of the facts and claims and negotiations conducted over the course of months, the  
6 Parties reached the current proposed settlement.

7 9. In resolution of Plaintiff's class and PAGA claims, the Parties entered into the  
8 Stipulation of Class Action and PAGA Settlement and Release ("Settlement," "Stipulation,"  
9 "Agreement," or "Settlement Agreement"), a true and correct copy of which is attached herewith  
10 as **Exhibit A**.

#### 11 SUMMARY OF THE SETTLEMENT TERMS

12 10. The Settlement Agreement provides for a Maximum Settlement Amount of  
13 Seventy Thousand Dollars (\$70,000.00). Settlement Agreement ¶ 1.19. Attorneys' fees of up to  
14 one-third (1/3) of the Maximum Settlement Amount, or \$23,333.00, will be paid to as the Class  
15 Counsel Award, along with Class Counsel Costs of up to \$4,000.00. *Id.* ¶ 3.14. An Enhancement  
16 Award to the Class Representative of up to \$5,000.00 will be paid to Plaintiff. *Id.* ¶ 3.13. The  
17 Settlement Administrator will be paid up to \$5,750.00 for the costs of administering this  
18 settlement. *Id.* ¶ 3.17. The payment of PAGA penalties, or PAGA Payment, is Five Thousand  
19 Dollars (\$5,000.00), of which 75% (\$3,750.00) shall be paid to the LWDA and 25% (\$1,250.00)  
20 shall be paid to the Class Members. *Id.* ¶ 3.15.

21 11. Based on the Net Settlement Amount, on a pure raw average, each Class Member  
22 will receive approximately \$363 (\$32,667 / 90 class members). Such amounts for each person  
23 could increase or decrease depending on a number of factors, including the number of opt outs  
24 received. The approximate amount each person will be entitled to will not be known until the  
25 class data is transferred to the Settlement Administrator for processing.

26 12. Funds represented by Class Settlement Payment and PAGA Penalties Payment  
27 checks remaining un-cashed for more than 180 days after issuance will be distributed in  
28 accordance with California Code of Civil Procedure § 384(b) to the designated *cy pres* recipient

1 Legal Aid at Work. Settlement Agreement ¶¶ 3.10, 3.12.5. I do not have any conflict of interest  
2 with Legal Aid at Work nor does Class Counsel.

3 **POTENTIAL STATUTORY AND CIVIL PENALTIES**

4 13. Plaintiff's counsel negotiated the settlement sum based on a clear understanding  
5 of the maximum exposure in this case.

6 14. Plaintiff calculated maximum exposure for Labor Code § 226 penalties to be  
7 approximately \$178,500.00 ((1,830 wage statements x \$100) – (90 x \$50)) = \$178,500.00) and  
8 maximum derivative PAGA penalties of \$183,000.00 (1,830 x \$100 = \$183,000.00), if the Court  
9 were to award \$100 per pay period. See Cal. Lab. Code §§ 226(e); 2699(f). If the Court  
10 awarded the higher \$250 penalty set forth in Labor Code § 226.3 on Plaintiff's PAGA claim, the  
11 PAGA penalties could be as \$457,500. Compare *Raines v Coasta Pacific Food Distributors,*  
12 *Inc.*, 23 Cal. App. 5th 667 (2018) (holding appropriate penalty was \$250) with *Gunther v. Alaska*  
13 *Airlines, Inc.*, 72 Cal. App. 5th 334, 355-56 (2021) (declining to apply heightened penalty of  
14 \$250).

15 15. In either case, the Court retains the discretion to reduce the PAGA penalties  
16 awarded. See Cal. Labor Code § 2699(e). Pursuant to Labor Code § 2699(e)(2), the Court can  
17 decline to award PAGA penalties where “if, based on the facts and circumstances of the  
18 particular case, to do otherwise, would result in an award that is unjust, arbitrary and oppressive,  
19 or confiscatory.” Indeed, as shown in the Court of Appeal's decision in *Carrington v. Starbucks*  
20 *Corp.*, while the plaintiff prevailed on his PAGA claim upon trial, the trial court reduced the  
21 maximum PAGA penalty amount by 90%, citing the employer's good faith attempt at complying  
22 with the law. 30 Cal. App. 5th 504 (2018). Upon review, the Court of Appeal found such  
23 reduction to be proper. *Id.* at 539. Thus, while Plaintiffs estimate PAGA penalties to be awarded  
24 by the court at \$100 per pay period, pursuant to Labor Code Section 2699(f), if the Court were to  
25 reduce the penalties by 90%, as was done in *Carrington*, the potentially available penalties  
26 would be greatly reduced and only after expending significant time and effort in litigating the  
27 case through trial.

28 16. Based on the above, the \$70,000.00 settlement comprises approximately 19% of

1 the realistic exposure if Plaintiff was successful in obtaining Labor Code § 226(e) penalties and  
2 the Court awarded \$100 per pay period. This exceeds many settlements approved by numerous  
3 courts.

4 **THE SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE**

5 17. Plaintiff believes that the Class can be certified, Plaintiff also believes in the  
6 fairness of the settlement that is based on factoring in the uncertainty and risks to Plaintiff  
7 involved in not prevailing on one or more of the causes of action or theories alleged in the  
8 operative Complaint, the possibility of non-certification, and the potential for appeals. Moreover,  
9 as Defendant adamantly disputes that it should be liable for the full extent of the penalties, there  
10 is a possibility that Plaintiff and the Class would be awarded fewer or no penalties at trial.

11 18. Based on their own independent investigation and evaluation, the Parties and their  
12 respective counsel are of the opinion that settlement for the consideration and on the terms set  
13 forth in the Settlement Agreement is fair, reasonable, and adequate and is in the best interests of  
14 the Class and Defendant in light of all known facts and circumstances and the expenses and risks  
15 inherent in litigation.

16 **ATTORNEY EXPERIENCE**

17 19. From the inception of the case, Class Counsel have zealously represented the  
18 interests of the Class. For example, the informal discovery exchanged by the Parties was directed  
19 towards class issues. Class Counsel engaged in significant meet and confer discussions with  
20 opposing counsel to obtain informal data and documents and to discuss the merits of the claims  
21 on behalf of the Class. This settlement was obtained for the benefit of the Class, as opposed to  
22 the individual Class Representative.

23 20. Both Plaintiff's and Defendant's counsel have a great deal of experience in wage  
24 and hour class action litigation. Plaintiff's counsel have been approved as class counsel in a  
25 number of wage and hour class actions and have extensive litigation experience.

26 21. Based on my review of all the information, and based on my experience in class  
27 action litigation, I believe this settlement to be fair, adequate, and reasonable.

28 22. I was retained based upon a contingency fee arrangement wherein Plaintiff's

1 counsel agreed to advance all costs and receive no fee unless a recovery was accomplished.  
2 Specifically, had Plaintiff failed to prevail on these cases, counsel for Plaintiff would have spent  
3 a significant amount of time, money and other resources without any benefit or return. In  
4 addition, had Plaintiff also failed to prevail in the present cases, Defendant would have been able  
5 to seek costs in connection with its defense of the case.

6 23. I am one of the primary attorneys on this matter. My qualifications are as follows:  
7 I received my J.D. from Arizona State University College of Law in 2003. During law school, I  
8 was a summer associate at the law firm of Brobeck, Phleger & Harrison. I graduated cum laude  
9 from Arizona State University College of Law in the top 10% of my class. While I was in law  
10 school, I was the Associate Managing Editor of the Arizona State University College of Law,  
11 Law Journal. Upon graduation, I practiced law as an associate at the Los Angeles County offices  
12 of Ogletree Deakins Nash Smoak & Stewart, P.C., a national employment defense law firm that  
13 represents a significant number of Fortune 500 companies.

14 24. My firm's primary focus is employment law. I have handled a number of wage  
15 and hour matters including class actions and multiple-plaintiff actions. I have a practice that  
16 encompasses cases throughout the State of California, including but not limited to the Los  
17 Angeles Superior Courts, the Orange County Superior Courts, the San Francisco County  
18 Superior Courts, the San Diego County Superior Courts, and the United States District Courts for  
19 the Central, Eastern, Northern, and Southern Districts of California.

20 25. I have been named as Class Counsel in a number of class actions that have been  
21 granted final approval by the Superior Courts of Los Angeles County, Orange County, San  
22 Francisco County, Alameda County, Contra Costa County, Monterey County, San Bernardino  
23 County, Santa Clara County, Sonoma County, and other counties, as well as the United States  
24 District Court for the Central, Eastern, and Northern Districts of California, including but not  
25 limited to the following class actions: *Chan Lanier v. Citigroup, Inc. et al.*, San Francisco  
26 Superior Court Case No. CGC-05-445143; *Naqvi v. Acoustic Home Loans et al.*, Orange County  
27 Superior Court Case No. 05CC00263; *Ortega v. AIG*, Central District of California Case No. CV  
28 06-0196-RSWL (PJWx); *Universal Protection Overtime Cases*, Orange County Superior Court,

1 Judicial Council Coordination Proceeding No. 4480; *Hernandez v. CVS Corp. et al.*, Judicial  
2 Council Coordination Proceeding No. 4539; *Padilla v. Safeway*, San Benito County Superior  
3 Court Case No. CU-16-00182; *Valles v. Community Hospital of the Monterey Peninsula*,  
4 Monterey County Superior Court Case No. 17CV003452; *DirecTv Wage and Hour Cases*, Santa  
5 Clara Superior Court Judicial Council Coordination Proceeding No. 4850; *Perez v. Standard*  
6 *Drywall, Inc.*, Alameda County Superior Court Case No. RG15761142; and *Davis v. Nugget*  
7 *Market, Inc.*, Yolo County Superior Court Case No. CV-18-558.

8 **NOTICE TO THE LWDA**

9 26. Concurrent with the filing of this Motion, Plaintiff uploaded this motion and  
10 proposed order to the LWDA’s website. A true and correct copy of the LWDA confirmation is  
11 attached hereto as **Exhibit B**.

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

14 Executed on this 3<sup>rd</sup> day of April 2023, at Los Angeles, California.

15 

16 \_\_\_\_\_  
Larry W. Lee

# EXHIBIT A



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 23 ktulyathan@diversitylaw.com

24 Attorneys for Plaintiff  
 25 AMIN AHMED

26 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
 27 COUNTY OF SAN MATEO

28 AMIN AHMED, as an individual and on  
 behalf of himself and others similarly  
 situated,

Plaintiff,

vs.

CAREDX, INC., a Delaware corporation;  
 and DOES 1 through 50, inclusive,

Defendants.

CASE NO. 22CIV02294

**STIPULATION OF CLASS ACTION  
 AND PAGA SETTLEMENT AND  
 RELEASE**

Dept: 2  
 Judge: Hon. Marie S. Weiner

Complaint Filed: June 6, 2022

**STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE**

IT IS HEREBY STIPULATED, by and between Plaintiff AMIN AHMED, on behalf of himself and the Settlement Class Members, on the one hand, and Defendant CAREDx, INC., on the other hand, and subject to the approval of the Court, that the above-captioned Lawsuit and related case *Amin Ahmed v. CareDx, Inc.*, San Mateo Superior Court, Case No. 22CIV02294, are hereby being compromised and settled pursuant to the terms and conditions set forth herein (the “Settlement,” “Stipulation,” or “Agreement”).

**1. DEFINITIONS**

Unless otherwise defined herein, initial capitalized terms used in this Agreement shall have the meanings set forth below:

1.1 “CareDx” means Defendant CareDx, Inc.

1.2 “Class” or “Class Members” means all current and former hourly employees of Defendant, who worked in California and were paid shift differential wages at any time during the Class Period.

1.3 “Class Counsel” means Larry W. Lee, Max W. Gavron, Kwanporn “Mai” Tulyathan of Diversity Law Group, PC. and William Marder of Polaris Law Group.

1.4 “Class Counsel Costs” or “Litigation Costs Award” means expenses and costs actually incurred by Class Counsel according to proof and subject to Court approval for Class Counsel’s litigation and resolution of this Lawsuit. Class Counsel Costs shall be paid from the Maximum Settlement Amount. Any portion of the requested Class Counsel Costs that is not awarded to Class Counsel shall be a part of the Net Settlement Amount and distributed to Settlement Class Members as provided in this Agreement.

1.5 “Class Information” means information regarding Class Members that Defendant will in good faith compile from its records and provide only to the Settlement Administrator. Class Information shall be provided as a password-protected, Microsoft Excel spreadsheet and shall include each Class Member’s: (a) full name; (b) last known address; (c) Social Security number; and (d) Compensable Pay Periods (as defined below in Paragraph 1.10). Because Social Security numbers are included in the Class Information, the Settlement Administrator shall

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1 maintain the Class Information in confidence, it shall be transmitted in password-protected file(s),  
2 and access shall be limited to those with a need to use the Class Information as part of the  
3 administration of the Settlement.

4 1.6 “Class Counsel Award” or “Attorneys’ Fees Award” means attorneys’ fees for  
5 Class Counsel’s litigation and resolution of this Lawsuit not to exceed one-third (33.333%) of the  
6 Maximum Settlement Amount, subject to approval by the Court. The Court shall review the  
7 requested amount of the Class Counsel Award, and the approved amount shall be paid from the  
8 Maximum Settlement Amount. Any portion of the requested Class Counsel Award that is not  
9 awarded to Class Counsel shall be a part of the Net Settlement Amount and distributed to  
10 Settlement Class Members as provided in this Agreement.

11 1.7 “Class Period” means the period from June 6, 2021 through and including October  
12 7, 2022.

13 1.8 “Class Representative” means Plaintiff Amin Ahmed.

14 1.9 “Class Settlement Payment” means the net amount paid by way of check to each  
15 Settlement Class Member. The Class Settlement Payment Amount shall be calculated pursuant to  
16 Paragraph 3.12.

17 1.10 “Compensable Pay Periods” means all pay periods in which a Class Member  
18 worked for Defendant in California and was paid a shift differential during the Class Period.

19 1.11 “Court” shall mean the Superior Court of California for the County of San Mateo.

20 1.12 “Defendant” means Defendant CareDx, Inc.

21 1.13 “Defense Counsel” or “Counsel for Defendant” shall mean Paul Hastings LLP,  
22 515 South Flower Street, 25th Floor, Los Angeles, California 90071, including the attorneys  
23 Jennifer S. Baldocchi, Esq. and Chris A. Jalian, Esq.

24 1.14 “Effective Date” means the latest of the following dates: (i) the date that the  
25 deadline for seeking appellate review of the Court’s Final Approval Order and Judgment has  
26 passed without the filing of a timely appeal or timely request for review, or, if an appeal of the  
27 Court’s Final Approval Order and Judgment is commenced, then (ii) the date the Court of Appeal  
28

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1 or the California Supreme Court has rendered a final ruling affirming the Court’s Final Approval  
2 Order and Judgment without material modification.

3 1.15 “Enhancement Award” means the amount approved by the Court to be paid to the  
4 Class Representative in recognition of his effort and time as Class Representative, and in  
5 consideration for his release of all claims against Released Parties. Class Counsel shall seek an  
6 Enhancement Award for Plaintiff Amin Ahmed of up to Five Thousand Dollars (\$5,000).  
7 Defendant agrees not to oppose the motion by Plaintiff for said Enhancement Award, so long as  
8 the requested Enhancement Award does not exceed this amount. Any portion of the requested  
9 Enhancement Award that is not awarded shall be a part of the Net Settlement Amount and  
10 distributed to Settlement Class Members as provided in this Agreement.

11 1.16 “Final Approval Hearing” means the hearing held on the motion for final approval  
12 of the Settlement.

13 1.17 “Final Approval Order and Judgment” means the Court’s entry of an order  
14 granting final approval of the Settlement and entering judgment in this Lawsuit based thereon, in  
15 conformity with California Rules of Court rule 3.769(h).

16 1.18 “Lawsuit” means the wage-and-hour class action lawsuit entitled *Amin Ahmed v.*  
17 *CareDx, Inc.*, now pending in the Superior Court of California for the County of San Mateo and  
18 designated as Case No. 22CIV02294.

19 1.19 “Maximum Settlement Amount” means Seventy Thousand Dollars (\$70,000.00).  
20 Defendant’s obligation to fund the Maximum Settlement Amount is limited to \$70,000.00.  
21 However, if the total number of Compensable Pay Periods is 5% greater than 1,830 pay periods  
22 (*i.e.*, 1,921 pay periods), the Maximum Settlement Amount shall be proportionally increased to  
23 the same percentage as the total number of Compensable Pay Periods exceeds 1,921 (*i.e.*, if there  
24 was 10% increase in the number Compensable Pay Periods, Defendant would increase the Gross  
25 Settlement Amount by 5%).

26 1.20 “Net Settlement Amount” means the amount of monies available for distribution to  
27 Settlement Class Members, which shall be the Maximum Settlement Amount less the Class  
28 Counsel Award, Class Counsel Costs, Enhancement Award, Settlement Administration Costs,  
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1 and PAGA Payment.

2 1.21 “Notice of Class Action Settlement” or “Class Notice” means the Notice of Class  
3 Action Settlement, substantially in the form attached hereto as Exhibit A.

4 1.22 “Operative Complaint” refers to the First Amended Class Action Complaint for  
5 violations of California Labor Code §§ 226 and 2699, et seq..

6 1.23 “PAGA Payment” means the allocation of Five Thousand Dollars (\$5,000),  
7 payable from the Maximum Settlement Amount, subject to approval by the Court, for penalties  
8 under the Private Attorneys General Act (“PAGA”). Per California Labor Code section 2699(i),  
9 Three Thousand Seven Hundred and Fifty Dollars (\$3,750) (“LWDA Payment”), representing  
10 75% of the PAGA Payment, will be paid to the California Labor Workforce Development  
11 Agency (“LWDA”). The remaining One Thousand Two Hundred and Fifty Dollars (\$1,250),  
12 representing 25% of the PAGA Payment, shall be distributed to Settlement Class Members as part  
13 of the Net Settlement Amount as described in Paragraph 3.12.

14 1.24 “PAGA Penalties Payment” means the amount payable to each Class Member for  
15 the release of his or her Released PAGA Claims, regardless of whether the Settlement Class  
16 Member objects, opts out, or otherwise excludes himself or herself from the Released Class  
17 Claims. The amount of the PAGA Penalties Payment shall be calculated pursuant to Paragraph  
18 3.12 herein.

19 1.25 “Parties” means Plaintiff and Defendant, and “Party” shall mean either Plaintiff or  
20 Defendant, respectively.

21 1.26 “Plaintiff” means Amin Ahmed.

22 1.27 “Preliminary Approval” or “Preliminary Approval Date” means the date the Court  
23 enters the Preliminary Approval Order.

24 1.28 “Preliminary Approval Order” means the Order granting preliminary approval of  
25 the Settlement.

26 1.29 “Released Class Claims” means any and all California state law wage-and-hour  
27 claims, rights, demands, liabilities, and/or causes of action of every nature and description, arising  
28 from or related to any and all claims that were asserted or could have been asserted based on the  
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1 facts alleged in the Operative Complaint on file with the court in the Lawsuit during the Class  
2 Period, including, without limitation, claims for penalties, attorneys' fees, and litigation costs.

3 1.30 "Released PAGA Claims" means any and all individual and representative claims  
4 that could have been assessed upon and collected from the Released Parties under California  
5 Labor Code section 2698, et seq. based on the factual allegations contained in the PAGA notices  
6 and Operative Complaint on file with the court in this action during the Class Period, including  
7 but not limited to California Labor Code sections 226 and 226.3 and any resulting claim for  
8 attorneys' fees and costs under PAGA.

9 1.31 "Released Parties" means CareDx, Inc., and all of its respective current and former  
10 parents, subsidiaries, predecessors and successors, and affiliated entities, and each of its  
11 respective officers, directors, employees, partners, shareholders, and agents, and any other  
12 successors, assigns, or legal representatives.

13 1.32 "Request for Exclusion" means a request to be excluded from the Settlement that  
14 is made in conformity with this Agreement, the instructions in the Class Notice, and the Court's  
15 orders.

16 1.33 "Response Deadline" means the date that is forty-five calendar (45) days after the  
17 Settlement Administrator mails the Class Notice to Class Members and the last date on which  
18 Class Members may: (a) postmark or fax Requests for Exclusion to the Settlement Administrator;  
19 or (b) postmark or fax Objections to the Settlement to the Settlement Administrator.

20 1.34 "Settlement Account" means the account established by the Settlement  
21 Administrator pursuant to the terms of this Stipulation into which all monies funded by Defendant  
22 under the terms of the Settlement shall be deposited and from which all monies payable under the  
23 terms of this Settlement shall be paid, as set forth herein.

24 1.35 "Settlement Administration Costs" means the amount to be paid to the Settlement  
25 Administrator from the Maximum Settlement Amount for the administration of the Settlement.  
26 The Settlement Administration Costs amount is presently estimated not to exceed Five Thousand  
27 Seven Hundred and Fifty Dollars (\$5,750.00). If the Settlement Administration Costs are  
28 awarded in an amount less than Five Thousand Seven Hundred and Fifty Dollars (\$5,750.00), the

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1 unawarded portion shall be a part of the Net Settlement Amount and distributed to Settlement  
2 Class Members as provided in this Agreement.

3 1.36 “Settlement Administrator” means Phoenix Settlement Administrators.

4 1.37 “Settlement Class Members” or “Settlement Class” means all Class Members who  
5 do not submit a valid and timely Request for Exclusion.

6 **2. RECITALS**

7 2.1 Description and Procedural Posture of the Litigation. On May 23, 2022, Plaintiff  
8 submitted a notice to the LWDA alleging that CareDx violated California’s wage statement  
9 requirements, and notifying the LWDA of his intention to pursue a claim for civil penalties  
10 arising therefrom. On June 6, 2022, Plaintiff Amin Ahmed filed the Lawsuit against CareDx  
11 alleging a single cause of action for violation of California’s wage statement (i.e., California  
12 Labor Code section 226). Shortly thereafter, the Parties exchanged documents and information  
13 necessary to engage in settlement discussions. Specifically, CareDx provided information  
14 pertaining to Plaintiff and other Class Members’ arbitration agreements, and data regarding the  
15 total number of pay periods in which any Class Member received a shift differential. Counsel for  
16 the Parties then exchanged settlement demands and offers, and ultimately agreed to resolve the  
17 action for the Maximum Settlement Amount. On December 27, 2022, Plaintiff filed his First  
18 Amended Complaint.

19 2.2 Certification of the Settlement Class. The Parties stipulate and agree to the  
20 certification of this Lawsuit for purposes of this Settlement only. Should the Settlement not  
21 become final and effective as herein provided, class certification shall immediately be set aside  
22 (subject to further proceedings on motion of any party to certify or deny certification thereafter).  
23 The Parties’ willingness to stipulate to class certification as part of the Settlement shall have no  
24 bearing on, and shall not be admissible in or considered in connection with, the issue of whether a  
25 class should be certified in a non-settlement context in this Lawsuit and shall have no bearing on,  
26 and shall not be admissible or considered in connection with, the issue of whether a class should  
27 be certified in any other lawsuit.

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1           2.3     Benefits of Settlement to Class Members. Plaintiff and Class Counsel recognize  
2 the expense and length of continued proceedings necessary to litigate their disputes through trial  
3 and through any possible appeals. Plaintiff has also taken into account the uncertainty and risk of  
4 the outcome of further litigation, and the difficulties and delays inherent in such litigation.  
5 Plaintiff and Class Counsel are also aware of the burdens of proof necessary to establish liability  
6 for the claims asserted in the Lawsuit, both generally and in response to Defendant's defenses  
7 thereto (many of which have been shared during the course of the Parties' extensive settlement  
8 negotiations), and potential difficulties in establishing damages and entitlement to monetary  
9 recovery for the Class Members. Plaintiff and Class Counsel have also taken into account  
10 Defendant's agreement to enter into a settlement that confers substantial relief upon Class  
11 Members based on the terms set forth herein. Based on the foregoing, Plaintiff and Class Counsel  
12 have determined that the Settlement set forth in this Agreement is a fair, adequate, and reasonable  
13 settlement and is in the best interests of the Class Members.

14           2.4     Defendant's Reasons for Settlement. Defendant has concluded that any further  
15 defense of this litigation would be protracted and expensive for all Parties. Substantial amounts  
16 of time, energy, and resources of Defendant have been and, unless this Settlement is made, will  
17 continue to be, devoted to the defense of the claims asserted by Plaintiff. Defendant has also  
18 taken into account the risks of further litigation in reaching its decision to enter into this  
19 Settlement. Despite continuing to contend that they are not liable for any of the claims set forth  
20 by Plaintiff in the Lawsuit, Defendant has, nonetheless, agreed to settle in the manner and upon  
21 the terms set forth in this Agreement to put to rest the claims as set forth in the Lawsuit.

22           2.5     Class Members' Claims. Plaintiff, on behalf of Class Members, has claimed and  
23 continue to claim that the Released Class Claims and Released PAGA Claims have merit and give  
24 rise to liability on the part of Defendant. This Agreement is a compromise of disputed claims.  
25 Nothing contained in this Agreement (and exhibit/attachment hereto) and no documents referred  
26 to herein and no action taken to carry out this Agreement may be construed or used as an  
27 admission by or against the Class Members or Class Counsel as to the merits or lack thereof of  
28 the claims asserted.

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1           2.6     Defendant’s Defenses. Defendant has claimed and continues to claim that the  
2 Released Class Claims and Released PAGA Claims have no merit and do not give rise to liability.  
3 This Agreement is a compromise of disputed claims. Nothing contained in this Agreement and  
4 no documents referred to herein and no action taken to carry out this Agreement may be  
5 construed or used as an admission by or against Defendant as to the merits or lack thereof of the  
6 claims asserted.

7           2.7     Maximum Amount Payable by Defendant. Under the terms of this Settlement, the  
8 maximum amount payable by Defendant shall not exceed the Maximum Settlement Amount. **As**  
9 **the Settlement represents payment for civil and statutory penalties, no portion of the Settlement**  
10 **will be attributable to wages and no payroll taxes will be assessed on the Settlement Amount.**

11 **3.     TERMS OF AGREEMENT**

12           The Parties agree as follows:

13           3.1     For purposes of this Settlement only, Defendant waives all defenses and  
14 challenges it may have to the First Amended Complaint, including based on the statute of  
15 limitations and/or timely and proper exhaustion of administrative notice requirements. Should,  
16 for whatever reason, the settlement set forth in this Agreement not become final, Defendant will  
17 retain any and all defenses and challenges to a subsequent First Amended Complaint.

18           3.2     Releases Given by Plaintiff and the Settlement Class.

19           3.2.1    As To All Settlement Class Members. As of the Effective Date, all  
20 Settlement Class Members, including Plaintiff, release the Released Parties from the Released  
21 Class Claims and Released PAGA Claims.

22           3.2.2    General Release of Class Representative’s Claims. Plaintiff releases and  
23 discharges all Released Parties from any and all claims relating to or arising from his employment  
24 with Defendant or its termination, including but not limited to: Any and all wage-and-hour  
25 claims arising under the laws of the State of California, including, without limitation, statutory,  
26 constitutional, contractual, and/or common law claims for wages, damages, restitution,  
27 unreimbursed expenses, equitable relief, penalties, liquidated damages, and/or punitive damages  
28 (including, without limitation, claims under any applicable Industrial Welfare Commission Wage  
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1 Order, the California Private Attorneys General Act, or any other provision of the California  
2 Labor Code); Title VII of the Civil Rights Act of 1964; 42 U.S.C. § 1981; the Americans With  
3 Disabilities Act; Sections 503 and 504 of the Rehabilitation Act of 1973; the Family and Medical  
4 Leave Act; the Fair Labor Standards Act; the Employee Retirement Income Security Act; the  
5 Occupational Safety and Health Act; the Worker Adjustment and Retraining Notification Act, as  
6 amended; the California Unfair Competition Law (Cal. Bus. & Prof. Code § 17200 et seq.); the  
7 California Fair Employment and Housing Act; any state, civil, or statutory laws, including any  
8 and all human rights laws and laws against discrimination; any other federal, state, or local  
9 statutes, codes, or ordinances; any common law, contract law, or tort law cause of action; and any  
10 claims for interest, attorneys' fees, and/or costs. Plaintiff expressly waives the protections of  
11 California Civil Code section 1542, which reads as follows:

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

17           3.3 Tax Liability. The Parties make no representations as to the tax treatment or legal  
18 effect of the payments called for hereunder, and Class Members are not relying on any statement  
19 or representation by the Parties in this regard. Class Members understand and agree that they will  
20 be responsible for the payment of any taxes and penalties assessed on the payments described  
21 herein and will hold the Parties free and harmless from and against any claims resulting from  
22 treatment of such payments as non-taxable damages, including the treatment of such payment as  
23 not subject to withholding or deduction for payroll and employment taxes.

24           3.4 No Knowledge of Other Claims. Class Counsel and Plaintiff agree and represent  
25 that they are not aware of any claim that could have been brought against Defendant by any  
26 person or entity, other than the claims that were alleged or could have been alleged in the  
27 Lawsuit, or could have been alleged based on the facts alleged in the Lawsuit or arising out of the  
28 circumstances giving rise to the Lawsuit.

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1           3.5     Settlement Approval and Implementation Procedures. As part of this Settlement,  
2 the Parties agree to the following procedures for obtaining the Court’s preliminary approval of the  
3 Settlement, certifying a Class for settlement purposes only, notifying Class Members of the  
4 Settlement, obtaining the Court’s final approval of the Settlement, and processing the Class  
5 Settlement Payments and PAGA Penalties Payments.

6           3.5.1     Preliminary Approval and Certification. The Parties will jointly submit  
7 this Stipulation to the Court for its preliminary approval. Such submission will include this  
8 Agreement, the proposed Class Notice, attached hereto as Exhibit A, and any motions,  
9 memoranda, and evidence as may be necessary for the Court to determine that this Agreement is  
10 fair, adequate, and reasonable. The Parties agree to request the Court to enter an order approving  
11 the certification of a provisional Settlement Class after the preliminary approval hearing in  
12 accordance with California Rules of Court, Rule 3.769(c).

13           3.5.2     Class Information. No more than twenty (20) business days after the  
14 entry of the Preliminary Approval Order, Defendant shall provide the Settlement Administrator  
15 with the Class Information for purposes of mailing the Class Notice to Class Members.

16           3.5.3     Efforts to Locate Class Members. The Parties agree that locating and  
17 contacting Class Members who are former employees of Defendant is an important and material  
18 aspect of the Settlement. In this regard, the Settlement Administrator shall undertake diligent  
19 efforts to locate Class Members and utilize the best practicable means available for purposes of  
20 verifying and/or updating the current address and telephone numbers for all Class Members  
21 (including skip tracing). The address(es) identified by the Settlement Administrator as the current  
22 mailing address shall be presumed to be the best mailing address for each Class Member. The  
23 cost of diligently attempting to find the best contact information of the Class Members shall be  
24 included in the Settlement Administration Costs and Defendant shall not, under any  
25 circumstances, be required to pay any additional funds for the investigatory duties to be  
26 performed by the Settlement Administrator.

27           3.5.4     Notice By First Class U.S. Mail. No more than fourteen (14) calendar  
28 days after receiving the Class Information from Defendant as provided herein, the Settlement  
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1 Administrator shall mail copies of the Class Notice to all Class Members by regular First-Class  
2 U.S. Mail. Prior to mailing the Class Notices, the Settlement Administrator will use the United  
3 States Postal Service National Change of Address Database to locate updated addresses to ensure  
4 that the Class Notice is sent to all Class Members at the addresses most likely to result in receipt  
5 of the Class Notice. It will be conclusively presumed that, if an envelope so mailed has not been  
6 returned within thirty (30) calendar days of the mailing, the Class Member received the Class  
7 Notice.

8                   3.5.5     Undeliverable Notices. Any Class Notice that is returned to the  
9 Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed  
10 to the forwarding address affixed thereto, if any. If no forwarding address is provided, the  
11 Settlement Administrator shall make any further reasonable efforts to obtain an updated mailing  
12 address within five (5) business days of the date of the return of the Class Notice, including,  
13 without limitation, conducting one skip trace. If an updated mailing address is identified, the  
14 Settlement Administrator shall resend the Class Notice to the Class Member. Class Members to  
15 whom a Class Notice is re-sent after having been returned undeliverable to the Settlement  
16 Administrator shall have fourteen (14) calendar days thereafter or until the Response Deadline  
17 has expired, whichever is later, to mail or fax the Request for Exclusion or Notice of Objection.  
18 A Class Notice that is re-sent shall inform the recipient of this adjusted deadline. The date of the  
19 postmark on the Request for Exclusion, either based on the date on the return envelope or the date  
20 of the fax stamp, shall be the exclusive means used to determine whether a Class Member has  
21 timely returned his or her Request for Exclusion on or before the adjusted deadline. Unless  
22 otherwise agreed by the Parties, a Request for Exclusion shall be deemed valid only if it is signed  
23 by the Class Member and postmarked or fax stamped on or before the adjusted deadline. If a  
24 Class Member's Class Notice is returned to the Settlement Administrator more than once as non-  
25 deliverable, then the Settlement Administrator shall not be required to undertake any additional  
26 re-mailing of the returned Class Notice.

27                   3.5.6     Compliance with the procedures specified in Paragraphs 3.5.2 through  
28 3.5.5 herein shall constitute due and sufficient notice to Class Members of this Settlement and  
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1 shall satisfy the requirement of due process. Nothing else shall be required of, or done by, the  
2 Parties, Class Counsel, and Defense Counsel to provide notice of the proposed Settlement.

3 3.6 Disputes. Class Members will have the opportunity, should they disagree with  
4 Defendant's records regarding their Compensable Pay Periods as stated on their Class Notice, to  
5 dispute this information by submitting a written letter to the Settlement Administrator on or  
6 before the Response Deadline, that: (1) contains the name, address, telephone number, last four  
7 digits of the Social Security number, and signature of the Class Member; (2) contains the case  
8 name and number of the Lawsuit; (3) clearly indicates that the Class Member seeks to dispute his  
9 or her Compensable Pay Periods; (4) provides documentation and/or an explanation to show  
10 contrary Compensable Pay Periods; and (5) is postmarked or fax-stamped by the Response  
11 Deadline and returned to the Settlement Administrator at the specified address or fax telephone  
12 number. If there is a dispute, the Settlement Administrator will consult with the Parties to  
13 determine whether an adjustment is warranted. Defendant's records will be presumed  
14 determinative.

15 3.7 Exclusions (Opt Outs). The Class Notice shall state that Class Members who wish  
16 to exclude themselves from the Settlement must submit a Request for Exclusion by the Response  
17 Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number,  
18 last four digits of the Social Security number, and signature of the Class Member; (2) contain the  
19 case name and number of the Lawsuit; (3) clearly indicate that the Class Member seeks to  
20 exclude him or herself from the Settlement; and (4) be postmarked or fax-stamped on or before  
21 the Response Deadline and returned to the Settlement Administrator at the specified address or  
22 fax telephone number. The date of the postmark on the Request for Exclusion, either based on  
23 the postmark date on the return mailing envelope or date of the fax stamp, shall be the exclusive  
24 means used to determine whether a Request for Exclusion has been timely submitted. Class  
25 Members who receive a Class Notice but fail to submit a valid and timely Request for Exclusion  
26 on or before the Response Deadline shall be bound by all terms of the Settlement and any Final  
27 Approval Order and Judgment entered in this Lawsuit if the Settlement is approved by the Court.  
28 No later than fourteen (14) calendar days after the Response Deadline, the Settlement

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1 Administrator shall provide Defense Counsel with a complete list of all members of the Class  
2 who have timely submitted Requests for Exclusion. At no time shall any of the Parties or their  
3 counsel seek to solicit or otherwise encourage members of the Class to submit Requests for  
4 Exclusion from the Settlement. Any Class Member who submits a valid and timely Request for  
5 Exclusion shall forfeit his or her right to receive a Class Settlement Payment under this  
6 Agreement, the amount of which will be part of the Net Settlement Amount to be distributed to  
7 Settlement Class Members as provided in this Agreement, nor have any right to object, appeal, or  
8 comment on the Settlement. However, any Class Member who submits a valid and timely  
9 Request for Exclusion shall still be issued his/her portion of the PAGA Penalties Amount and be  
10 subject to the Released PAGA Claims.

11 3.8 Objections. The Class Notice shall state that Settlement Class Members (i.e. Class  
12 Members who have not excluded themselves from the Settlement) who wish to object to the  
13 Settlement must submit a written statement of objection (“Notice of Objection”) on or before the  
14 Response Deadline and may do so by mailing or faxing the Notice of Objection to the Settlement  
15 Administrator. The date of postmark or fax stamp shall be deemed the exclusive means for  
16 determining that a Notice of Objection was timely submitted. The Notice of Objection must:  
17 (1) contain the name, address, telephone number, last four digits of the Social Security number,  
18 and signature of the Class Member; (2) contain the case name and number of the Lawsuit;  
19 (3) clearly indicate that the Class Member seeks to object to the Settlement; (4) state the legal and  
20 factual basis for the objection; (5) state whether the Settlement Class Member intends to appear at  
21 the Final Approval Hearing; and (6) be postmarked or fax-stamped on or before the Response  
22 Deadline and returned to the Settlement Administrator at the specified address or fax telephone  
23 number. The Settlement Administrator shall within five calendar (5) days of receiving an  
24 objection provide the Parties with copies of the Notices of Objection. The Settlement  
25 Administrator will lodge all objections that it receives with the Court by attaching them to its  
26 declaration to be filed with the Court in support of the motion for final approval of the Settlement.

27 3.9 No Solicitation of Objections or Requests for Exclusions. The Parties agree to use  
28 their best efforts to carry out the terms of this Settlement. At no time shall any of the Parties or  
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1 their counsel seek to solicit or otherwise encourage Class Members to submit Requests for  
2 Exclusion, objections to the Settlement, or to appeal from the Court’s Final Approval Order and  
3 Judgment.

4 3.10 Uncashed Checks. If a Class Settlement Payment check is returned to the  
5 Settlement Administrator as undeliverable within sixty (60) calendar days of mailing to a  
6 Settlement Class Member, the Settlement Administrator shall promptly attempt to obtain a valid  
7 mailing address by performing a skip trace search and, if another address is identified, shall re-  
8 mail the check to the newly identified address.

9 If a Class Settlement Payment check is not cashed or deposited within one hundred eighty  
10 (180) calendar days after the date it is mailed to a Settlement Class Member, it will be voided.  
11 The funds from such voided checks will be maintained by the Settlement Administrator and  
12 transmitted to Legal Aid at Work pursuant to California Code of Civil Procedure section 384(b)  
13 as a *cy pres* recipient.

14 3.11 Funding and Allocation of Settlement. Defendant are required to fully fund and  
15 pay Seventy Thousand Dollars (\$70,000.00) of the Maximum Settlement Amount within twenty  
16 (20) calendar days of the Effective Date. Defendant shall provide the funds for the Settlement to  
17 the Settlement Administrator by certified check or by wire transfer. The Settlement  
18 Administrator shall deposit the funds in the Settlement Account. Distributions from the  
19 Settlement Account shall occur in conformity with the Court’s Final Approval Order and  
20 Judgment. No more than five (5) calendar days after the Settlement is fully funded, the  
21 Settlement Administrator will provide the Parties with an accounting of all anticipated payments  
22 and awards from the fund. Payments from the fund shall be made for: (1) the Class Settlement  
23 Payments to Settlement Class Members; (2) the Enhancement Award, as specified in this  
24 Agreement and approved by the Court; (3) Class Counsel Award and Class Counsel Costs, as  
25 specified in this Agreement and approved by the Court; (4) the Settlement Administration Costs,  
26 as specified in this Agreement and approved by the Court; and (5) the PAGA Payment (including  
27 the LWDA Payment and PAGA Penalties Payments), as specified in this Agreement and  
28 approved by the Court.

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1           3.12   **Class Settlement Payments and PAGA Penalties Payments.**

2           3.12.1   Class Settlement Payments and PAGA Penalties Payments shall be  
3 mailed by regular First-Class U.S. Mail to Settlement Class Members' last known mailing  
4 address within thirty (30) calendar days after the Effective Date.

5           3.12.2   Each Settlement Class Member's share of the Net Settlement Amount  
6 shall be determined as follows: The dollars per Compensable Pay Period ("Pay Period Value")  
7 will be calculated by dividing the Net Settlement Amount by the total number of Compensable  
8 Pay Periods. The Pay Period Value will be multiplied by the number of Compensable Pay  
9 Periods the Settlement Class Member worked to determine the distribution, prior to legal  
10 deductions, for each Settlement Class Member ("Class Settlement Payments").

11           3.12.3   Class Settlement Payments (as defined in Paragraph 3.12.2) will be  
12 allocated entirely to interest/penalties/non-wage damages. The Settlement Administrator shall  
13 issue the appropriate tax documents associated with the Class Settlement Payments and PAGA  
14 Penalties Payments, including an IRS Form 1099 for the amounts allocated as  
15 interest/penalties/non-wage damages.

16           3.12.4   The PAGA Penalties Payments payable to each Class Member shall be  
17 determined as follows: Compensable Pay Periods will be the sum of all pay periods Class  
18 Members worked for Defendant in California during the Class Period. **The dollars per**  
19 **Compensable Pay Period ("Pay Period Value") will be calculated by dividing the PAGA**  
20 **Settlement Amount by the total Compensable Pay Periods. The Pay Period Value will be**  
21 **multiplied by the number of Compensable Pay Periods worked as a member of the Class during**  
22 **the Class Period to determine the distribution for the Class Member ("the PAGA Penalties**  
23 **Payments").** The PAGA Penalties Payments are considered to be penalties and will be paid out  
24 without reduction for any taxes or other withholdings and will be reported on an IRS Form 1099  
25 (if required). The Settlement Administrator shall issue the appropriate tax documents associated  
26 with the PAGA Penalties Payments.

27           3.12.5   Any checks issued to Class Members shall remain valid and negotiable  
28 for one hundred eighty (180) calendar days from the date of their issuance, and after that time, the

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1 total amount of any uncashed checks shall be transmitted pursuant to Paragraph 3.10.

2 3.12.6 No benefit, including, but not limited to, pension benefits and/or 401(k),  
3 shall increase or accrue as a result of any payment made as a result of the Settlement. Except for  
4 the Class Representative's Enhancement Award, Class Members are not eligible to receive any  
5 compensation other than Settlement Class Member Payment and PAGA Penalties Payment, as a  
6 result of this Settlement.

7 3.13 Enhancement Award. Defendant agrees not to oppose or object to any application  
8 or motion by Plaintiff to be appointed Class Representative and for a Class Representative's  
9 Enhancement Award. Defendant agrees not to oppose the motion by Plaintiff for said Class  
10 Representative's Enhancement Award, so long as the requested Class Representative's  
11 Enhancement Award does not exceed Five Thousand Dollars (\$5,000.00). Any portion of the  
12 requested Class Representative's Enhancement Award that is not awarded shall be a part of the  
13 Net Settlement Amount to be distributed to Settlement Class Members as provided in this  
14 Agreement. The Class Representative's Enhancement Award is intended to be in recognition of  
15 the Class Representative's efforts and time as Class Representative and in consideration for his  
16 execution of this Stipulation and his release of all claims against Released Parties (as defined in  
17 Paragraph 1.33). The Enhancement Award shall be paid to Plaintiff from the Maximum  
18 Settlement Amount within thirty (30) calendar days after the Effective Date. The Settlement  
19 Administrator shall issue an IRS Form 1099-MISC to Plaintiff for his Enhancement Award.  
20 Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on his  
21 Enhancement Award and shall hold harmless Defendant from any claim or liability for taxes,  
22 penalties, or interest arising as a result of the Enhancement Award. The Enhancement Award  
23 shall be in addition to the Plaintiff's Class Settlement Payment as a Settlement Class Member. In  
24 the event that the Court awards less than the requested amount of the Enhancement Award, then  
25 any portion of the requested amount not awarded to Plaintiff shall be included in the Net  
26 Settlement Amount before it is distributed as provided in this Agreement. In the event the Court  
27 reduces or does not approve the requested Enhancement Award, Plaintiff shall not have the right  
28 to revoke his agreement to the Settlement, which shall remain legally binding and enforceable on

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1 the Parties.

2           3.14 Class Counsel Award and Costs. Defendant agrees not to oppose or object to any  
3 application or motion by Class Counsel for attorneys' fees not to exceed one-third (33.333%) of  
4 the Maximum Settlement Amount or Twenty Three Thousand Three Hundred and Thirty Three  
5 Dollars (\$23,333.00) and Class Counsel Costs not to exceed Fourth Thousand Dollars  
6 (\$4,000.00), as supported by declarations from Class Counsel, from the Maximum Settlement  
7 Amount. Class Counsel shall be paid any Court-approved fees and costs within thirty (30)  
8 calendar days after the Effective Date. Class Counsel shall be solely and legally responsible to  
9 pay all applicable taxes on the payment made pursuant to this Paragraph. The Settlement  
10 Administrator shall issue an IRS Form 1099-MISC to Class Counsel for the payments made  
11 pursuant to this Paragraph. This Settlement is not contingent upon the Court's awarding Class  
12 Counsel any particular amount in attorneys' fees and costs. In the event the Court reduces or  
13 does not approve the requested Class Counsel Award and/or Class Counsel Costs, the Settlement  
14 shall remain legally binding and enforceable on the Parties. Any amount requested by Class  
15 Counsel for the Class Counsel Award and/or Class Counsel Costs and not granted by the Court  
16 shall be included in the Net Settlement Amount before it is distributed as provided in this  
17 Agreement.

18           3.15 PAGA Payment. Subject to approval by the Court, the Parties shall allocate a total  
19 of Five Thousand Dollars (\$5,000.00) for payment of penalties pursuant to PAGA. Per California  
20 Labor Code section 2699(i), Three Thousand Seven Hundred Fifty Dollars (\$3,750), representing  
21 75% of the PAGA Payment, will be paid to the California's Labor Workforce Development  
22 Agency from the Maximum Settlement Amount by the Settlement Administrator within thirty  
23 (30) calendar days after the Effective Date. The remaining One Thousand Two Hundred Fifty  
24 Dollars (\$1,250.00), representing 25% of the PAGA Payment, shall be distributed to Settlement  
25 Class Members as part of the Net Settlement Amount as described in Paragraph 3.12. It is  
26 intended by the Parties that the LWDA Payment shall satisfy the distribution requirements of Cal.  
27 Lab. Code § 2698 et seq. If the Court awards a lesser amount for the PAGA Payment, then the  
28 LWDA Payment shall be adjusted to 75% of the Court-approved amount, and any remaining

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1 portion shall be part of the Net Settlement Amount and available for distribution to Settlement  
2 Class Members as provided in this Agreement.

3 3.16 Option to Terminate Settlement. If, after the Response Deadline and before the  
4 Final Approval Hearing, the number of individuals who submitted timely and valid Requests for  
5 Exclusion from the Settlement exceeds ten percent (10%) of all Class Members, Defendant shall  
6 have, in its sole discretion, the option to rescind this Settlement within seven (7) business days of  
7 being informed, in writing, of this information, by the Settlement Administrator. If Defendant  
8 exercise its option to terminate this Settlement, Defendant shall pay all Settlement Administration  
9 Costs incurred up to the date of termination. If the option to terminate this Settlement is  
10 exercised by Defendant, Defendant shall exercise it by providing written notice to Class Counsel,  
11 in conformity with Paragraph 3.36 herein.

12 3.17 Settlement Administration Costs. The Settlement Administrator shall be paid for  
13 the costs of administration of the Settlement from the Maximum Settlement Amount. Such costs  
14 of administration are estimated not to exceed Five Thousand Seven Hundred Fifty Dollars  
15 (\$5,750.00). No fewer than twenty-one calendar (21) days prior to the Final Approval Hearing,  
16 the Settlement Administrator shall provide the Parties with a statement detailing the costs of  
17 administration. The Settlement Administrator, on Defendant's behalf, shall have the authority  
18 and obligation to make payments, credits and disbursements, including payments and credits in  
19 the manner set forth herein, to Settlement Class Members calculated in accordance with the  
20 methodology set out in this Agreement and orders of the Court. The Parties agree to cooperate in  
21 the Settlement administration process and to make all reasonable efforts to control and minimize  
22 the cost and expenses incurred in administration of the Settlement. The Parties each represent  
23 they do not have any financial interest in the Settlement Administrator or otherwise have a  
24 relationship with the Settlement Administrator that could create a conflict of interest. The  
25 Settlement Administrator shall be responsible for: processing and mailing payments to Plaintiff,  
26 Class Counsel, Settlement Class Members, and the LWDA; printing and mailing the Class Notice  
27 to the Class Members as directed by the Court; receiving and reporting the Requests for  
28 Exclusion, Disputes or Objections submitted by Class Members (including providing weekly

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1 status reports); providing declaration(s) as necessary in support of preliminary and/or final  
2 approval of this Settlement; reporting of such payments; and other tasks as the Parties mutually  
3 agree or the Court orders the Settlement Administrator to perform. The Settlement Administrator  
4 shall keep the Parties timely apprised of the performance of all Settlement Administrator  
5 responsibilities. Any legally-mandated tax reports, tax forms, tax filings, or other tax documents  
6 required by administration of this Agreement shall be prepared by the Settlement Administrator.  
7 Any expenses incurred in connection with such preparation shall be a cost of administration of the  
8 Settlement. The Settlement Administrator shall be paid the Settlement Administration Costs  
9 within thirty (30) calendar days after the Effective Date.

10 3.18 Final Approval Hearing. At a reasonable time following the Response Deadline,  
11 the Court shall hold the Final Approval Hearing, where objections, if any, may be heard, and the  
12 Court shall determine amounts properly payable for (i) the Class Counsel Award and Class  
13 Counsel Costs, (ii) the Enhancement Award, (iii) the PAGA Payment, and (v) the Settlement  
14 Administration Costs.

15 3.19 Entry of Judgment. If the Court approves this Settlement at the Final Approval  
16 Hearing, the Parties shall request that the Court enter judgment, with the Court retaining  
17 jurisdiction over the Parties to enforce the terms of the judgment, pursuant to California Rules of  
18 Court 3.769. To provide notice of judgment to the Class, the Settlement Administrator will post  
19 the Court's Final Approval Order and Judgment on its website for sixty (60) calendar days after  
20 the date of entry of the Final Approval Order and Judgment, and no individualized notice will be  
21 required.

22 3.20 Nullification of Settlement Agreement. In the event: (i) the Court does not enter  
23 the Preliminary Approval Order as provided herein; (ii) the Court does not grant final approval of  
24 the Settlement as provided herein; (iii) the Court does not enter a Final Approval Order and  
25 Judgment as provided herein; or (iv) the Settlement does not become final for any other reason,  
26 this Settlement Agreement shall be null and void and any order or judgment entered by the Court  
27 in furtherance of this Settlement shall be treated as void from the beginning. In such a case, the  
28 Parties and any funds to be awarded under this Settlement shall be returned to their respective

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1 statuses as of the date and time immediately prior to the execution of this Agreement, and the  
2 Parties shall proceed in all respects as if this Agreement had not been executed, except that any  
3 fees already incurred by the Settlement Administrator shall be paid by the Parties in equal shares.  
4 In the event an appeal is filed from the Court's Final Approval Order and Judgment, or any other  
5 appellate review in this action is sought, administration of the Settlement shall be stayed pending  
6 final resolution of the appeal or other appellate review.

7 3.21 No Admission by the Defendant. Defendant denies any and all claims alleged in  
8 this Lawsuit and denies all wrongdoing whatsoever. This Agreement is not a concession or  
9 admission and shall not be used against Defendant as an admission or indication with respect to  
10 any claim of any fault, concession, or omission by Defendant.

11 3.22 Dispute Resolution. Except as otherwise set forth herein, all disputes concerning  
12 the interpretation, calculation of payment of settlement claims, or other disputes regarding  
13 compliance with this Agreement shall be resolved as follows:

14 3.22.1 If Plaintiff or Class Counsel, on behalf of Plaintiff or any Settlement  
15 Class Members, or Defendant at any time believe that the other Party has breached or acted  
16 contrary to the Agreement, that party shall notify the other party in writing of the alleged  
17 violation.

18 3.22.2 Upon receiving notice of the alleged violation or dispute, the responding  
19 party shall have ten (10) business days to correct the alleged violation and/or respond to the  
20 initiating party with the reasons why the Party disputes all or part of the allegation.

21 3.22.3 If the response does not address the alleged violation to the initiating  
22 party's satisfaction, the Parties shall negotiate in good faith for up to ten (10) business days to  
23 resolve their differences.

24 3.22.4 If the Parties are thereafter still unable to resolve their differences after  
25 twenty (20) business days, either Party may file a motion with the Court, including and not  
26 limited to, pursuant to California Rules of Court rule 3.769 and/or California Civil Procedure  
27 Code section 664.6. The prevailing party to any such motion shall also be entitled to recover its  
28 reasonable attorneys' fees and costs incurred in connection with any such motion.

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1           3.23 Exhibits and Headings. The terms of this Agreement include the terms set forth in  
2 the attached Exhibit, which are incorporated by this reference as though fully set forth herein.  
3 The Exhibit to this Agreement is an integral part of the Settlement. The descriptive headings of  
4 any paragraphs or sections of this Agreement are inserted for convenience of reference only and  
5 do not constitute a part of this Agreement.

6           3.24 Interim Stay of Proceedings. The Parties agree to stay all proceedings in the  
7 Lawsuit, subject to necessary compliance with the Court's orders, except such proceedings  
8 necessary to implement and complete the Settlement, in abeyance pending the Final Approval  
9 Hearing to be conducted by the Court.

10           3.25 Amendment or Modification. This Agreement may be amended or modified only  
11 by a written instrument signed by counsel for all Parties or their successors-in-interest and  
12 approved by the Court.

13           3.26 Entire Agreement. This Agreement and attached Exhibits constitute the entire  
14 Agreement among the Parties, and no oral or written representations, warranties, or inducements  
15 have been made to any Party concerning this Agreement or its Exhibits other than the  
16 representations, warranties, and covenants contained and memorialized in the Agreement and its  
17 Exhibits.

18           3.27 Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant  
19 and represent they are expressly authorized by the Parties whom they represent to negotiate this  
20 Agreement and to take all appropriate actions required or permitted to be taken by such Parties  
21 pursuant to this Agreement to effectuate its terms and to execute any other documents required to  
22 effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each  
23 other and use their best efforts to effect the implementation of the Settlement. In the event the  
24 Parties are unable to reach agreement on the form or content of any document needed to  
25 implement the Settlement, or on any supplemental provisions that may become necessary to  
26 effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve  
27 such disagreement. The persons signing this Agreement on behalf of Defendant represent and  
28 warrant that they are authorized to sign this Agreement on behalf of Defendant. Plaintiff

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1 represents and warrants that he is authorized to sign this Agreement and that he has not assigned  
2 any claim, or part of a claim, covered by this Settlement to a third party.

3 3.28 Binding Nature of Agreement. This Agreement shall be binding upon, and inure  
4 to the benefit of, the successors, heirs, assigns, and third-party beneficiaries of the Parties hereto,  
5 as previously defined. To the extent permitted by law, the Class Members who do not opt out of  
6 this Settlement shall also be bound by this Agreement and any judgment relating thereto.

7 3.29 California Law Governs. All terms of this Agreement and the Exhibit hereto shall  
8 be governed by and interpreted according to the laws of the State of California.

9 3.30 This Settlement is Fair, Adequate, and Reasonable. The Parties believe and  
10 stipulate that this Settlement is a fair, adequate, and reasonable settlement of this Lawsuit and  
11 have arrived at this Settlement after extensive, arms-length, non-collusive negotiations, taking  
12 into account all relevant factors, present and potential.

13 3.31 Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction  
14 with respect to the interpretation, implementation, and enforcement of the terms of this  
15 Agreement and all orders and judgments entered in connection therewith, and the Parties and their  
16 counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing  
17 and enforcing the Settlement embodied in this Agreement and all orders and judgments entered in  
18 connection therewith.

19 3.32 Invalidity of Any Provision. Before declaring any provision of this Agreement  
20 invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible  
21 consistent with applicable precedents so as to define all provisions of this Agreement valid and  
22 enforceable.

23 3.33 No Right to Terminate Based on Reduction of Class Counsel Award or Class  
24 Counsel Costs. The Parties agree that any reduction in the Class Counsel Award and Class  
25 Counsel Costs shall not constitute grounds to terminate or void the Settlement or otherwise  
26 increase the maximum amount payable by Defendant under this Agreement, which shall not  
27 exceed the Maximum Settlement Amount defined herein.

28 3.34 Cooperation. The Parties agree to cooperate fully with one another to accomplish  
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1 and implement the terms of this Settlement. Such cooperation shall include, but not be limited to,  
2 execution of such other documents and the taking of such other action as may be reasonably  
3 necessary to timely fulfill the terms and approval by the Court of this Settlement. The Parties to  
4 this Settlement shall use their best efforts, including all efforts contemplated by this Settlement  
5 and any other efforts that may become necessary by Court order or otherwise, to effectuate this  
6 Settlement and the terms set forth herein.

7           3.35   Publicity. Plaintiff and Class Counsel agree that they will not issue (before the  
8 date of the filing of the motion for preliminary approval of this Settlement) any press releases,  
9 initiate any contact with the press, respond to any press inquiry, post any new material on any  
10 internet websites, or have any communication with the press about the Lawsuit, and/or the fact,  
11 amount, or terms of the Settlement. Before the date of the filing of the motion for preliminary  
12 approval of the Settlement, Plaintiff and Class Counsel will not initiate any contact with the Class  
13 Members or anyone else about the Settlement, except that: (a) Class Counsel, if contacted by a  
14 Class Member, may respond that a settlement has been reached and that the details will be  
15 communicated in a forthcoming Court-approved notice; (b) Plaintiff, if contacted by a Settlement  
16 Class Member, may respond only that the Settlement Class Member should contact Class  
17 Counsel, and (c) Class Counsel and Plaintiff will undertake all required submissions to the  
18 LWDA as required by the PAGA statute in connection with this Settlement and will also provide  
19 Defendant's Counsel with a copy of the papers submitted to the LWDA, either prior to or on the  
20 same day as the submission to the LWDA. If Plaintiff or Class Counsel violate this Paragraph,  
21 including without limitation, by making a disclosure to any non-party that (a) a settlement has  
22 been reached; or (b) any of the terms of the Settlement, before the Court has preliminarily  
23 approved the Settlement, Defendant may rescind the Settlement, rendering it null and void or take  
24 any action Defendant deem appropriate.

25           3.36   Notices. Unless otherwise specifically provided, all notices, demands, or other  
26 communications in connection with this Agreement shall be: (1) in writing; (2) deemed given on  
27 the third business day after mailing; and (3) sent via United States registered or certified mail,  
28 return receipt requested, addressed as follows:

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To Plaintiff:  
  
DIVERSITY LAW GROUP, P.C.  
Larry W. Lee  
Max W. Gavros  
Kwanporn “Mai” Tulyathan  
515 S. Figueroa Street, Suite 1250  
Los Angeles, California 90071

To Defendant:  
  
PAUL HASTINGS LLP  
Jennifer S. Baldocchi, Esq.  
Chris A. Jalian, Esq.  
515 South Flower Street, Twenty-Fifth Floor  
Los Angeles, California 90071-2228

3.37 Execution by Settlement Class Members. It is agreed that it is impossible or impractical to have each Settlement Class Member execute this Settlement Agreement. The Notice of Settlement will advise all Class Members of the binding nature of the Released Class Claims and Released PAGA Claims as to Settlement Class Members, and such shall have the same force and effect as if each Settlement Class Member executed this Agreement.

3.38 Execution by Plaintiff. Plaintiff, by signing this Stipulation, are bound by the terms herein.

3.39 The Parties hereto agree that the terms and conditions of this Stipulation of Settlement are the result of lengthy, intensive, arms-length, non-collusive negotiations between the Parties, and that this Agreement shall not be construed in favor of or against any of the Parties by reason of their participation in the drafting of this Agreement.

3.40 Counterparts. This Agreement shall become effective upon its execution by all of the undersigned. Plaintiff, Class Counsel, Defendant, and Defense Counsel may execute this Stipulation in counterparts, by electronic signature including DocuSign, and execution of counterparts shall have the same force and effect as if each had signed the same instrument. Copies of the executed Agreement, including scans or PDF versions, shall be effective for all purposes as though the signatures contained therein were original signatures.

**STIPULATED, AGREED, AND ACCEPTED.**

Date: 1/24/2023

**PLAINTIFF AMIN AHMED**

Print Name: Amin Ahmed

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Signature: DocuSigned by:  
*Amin Ahmed*  
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**DEFENDANT CAREDX**

Date: January 24, 2023

Print Name: Avi Ronai  
Chief Administrative & Legal Officer  
Title: and Secretary


Signature: DocuSigned by:  
*Avi Ronai*  
AC627898280F41F...

**APPROVED.**

**DIVERSITY LAW GROUP, PC**  
Counsel for Plaintiff

Date: January 24, 2023

Print Name: Larry W. Lee

Signature: 

**PAUL HASTINGS LLP**  
Counsel for Defendant

Date: January 24, 2023

Print Name: Chris A. Jalian

Signature: DocuSigned by:  
*Chris Jalian*  
8E9388FCE27E493...

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# EXHIBIT A

# **NOTICE OF PROPOSED CLASS ACTION SETTLEMENT**

*Amin Ahmed. v. CareDx, Inc., Case No. 22CIV02294*  
Superior Court of California for the County of San Mateo

*A court authorized this notice. This is not a solicitation from a lawyer.*

**ATTENTION: ALL CURRENT AND FORMER HOURLY EMPLOYEES OF CAREDX, INC., WHO WORKED IN CALIFORNIA AND WERE PAID SHIFT DIFFERENTIAL WAGES AT ANY TIME DURING THE PERIOD FROM JUNE 6, 2021 TO OCTOBER 7, 2022 (“CLASS” OR “CLASS MEMBER(S)”).** CLASS MEMBERS ARE ENTITLED TO PARTICIPATE IN A PROPOSED CLASS ACTION SETTLEMENT AND RECEIVE A SETTLEMENT PAYMENT.

*Based on your employment records and the terms of the Settlement, your Individual Settlement Share is estimated to be <<estamount>>.*

**PLEASE READ THIS NOTICE CAREFULLY. IT EXPLAINS YOUR RIGHTS AND OPTIONS, AND STRICT DEADLINES FOR EXERCISING THEM.**

- A proposed class action and representative settlement (“the Settlement”) has been reached between plaintiff Amin Ahmed (“Plaintiff”), on behalf of himself and the below-defined Class Members, and CareDx, Inc. (“Defendant”).
- The Settlement resolves a class and representative lawsuit that alleges Defendant did not provide compliant wage statements. The lawsuit alleges claims under the California Labor Code and the Private Attorneys General Act (“PAGA”).
- Because Defendant’s records show that you qualify as a Class Member, you will receive money from the Settlement if the Court grants final approval.
- Notwithstanding the terms of this Settlement, Defendant denies any wrongdoing and entered into the Settlement as a compromise to resolve this dispute.

## **OVERVIEW OF YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT**

<b>DO NOTHING</b>	If you do nothing, and the Court grants final approval of the Settlement, you will be bound by the terms of the Settlement and judgment entered based thereon and the release of claims described below in Section 7. You will be mailed a settlement check at the last address that Defendant or the Settlement Administrator has on file for you.
<b>ASK TO BE EXCLUDED</b>	If you do not wish to participate in the class action Settlement, you must send a letter requesting exclusion to the Settlement Administrator. You will keep the right to sue Defendant on your own about the claims resolved by this Settlement. Your request for exclusion must be postmarked or fax-stamped <b>no later than [Response Deadline]</b> . Your exclusion request shall not apply to the portion of the Settlement related to the Released PAGA Claims. See Sections 9 and 10 for more information.
<b>OBJECT</b>	If you wish to object to the Settlement, you must send an objection letter to the Settlement Administrator that is postmarked or fax-stamped <b>no later than [Response Deadline]</b> . See Section 13 for more information.

- These rights and options, and how to exercise them, are explained in more detail in this notice.
- The Court handling this case still has to decide whether to grant final approval of the Settlement. Settlement

payments will only be issued if the Court grants final approval of the Settlement.

- **Additional information regarding the Settlement is available through the Settlement Administrator or Class Counsel, whose contact information is provided in this notice.**

## **BASIC INFORMATION**

### **1. Why did I get this notice?**

For purposes of this Settlement, “Class Members” or “Class” means of all current and former hourly employees of Defendant, who worked in California and were paid shift differential wages at any time during the period June 6, 2021 through October 7, 2022 (the “Class Period”). Defendant’s records show that you are a member of the Class defined above.

### **2. What is the Action about?**

Plaintiff is a former hourly of Defendant. He alleges that Defendant did not provide compliant wage statements to hourly employees who earned a shift differential, in violation of the California Labor Code and PAGA. Plaintiff alleges that he and the Class Members are entitled to statutory and civil penalties, attorneys’ fees, and costs.

Defendant denies engaging in any wrongful conduct as alleged in this case and continues to deny the claims and charges of wrongdoing and liability.

Both Plaintiff and Defendant believe that the Settlement is fair, adequate, and reasonable, and that it is in the best interest of the members of the Settlement Class defined below in Section 4.

### **3. Why is this lawsuit a class and representative action?**

In a class action, one or more people called the “Plaintiffs” sue on behalf of people who may have similar alleged claims, called the putative “class” or “class members.” The Court has made no determination that the case should be certified as a “class action,” except for purposes of this Settlement. Similarly, in a representative PAGA action, the “Plaintiff” sues on behalf of the State of California to recover PAGA civil penalties for alleged California Labor Code violations experienced by other employees. On **[insert date]**, the Honorable Marie S. Weiner issued an order conditionally certifying the Class for purposes of settlement only.

## **THE SETTLEMENT BENEFITS—WHAT YOU GET**

### **4. What does the settlement provide?**

The parties reached a Settlement in which Defendant’s total maximum payment amount will not exceed \$70,000.00 (“Maximum Settlement Amount”).

The “Net Settlement Amount” is the portion of the Maximum Settlement Amount eligible for distribution to Class Members minus the payments below, which are subject to approval by the Court.

- **Fee and Cost Award for Class Counsel.** Deducted from the Maximum Settlement Amount will be sums approved by the Court for attorneys’ fees not to exceed \$23,333.33, which represents 33% of the Maximum Settlement Amount, and attorneys’ actual costs not to exceed \$4,000.00.
- **Plaintiff’s Enhancement Award.** Deducted from the Maximum Settlement Amount will be sum approved by the Court for an enhanced recovery for Plaintiff for serving as the class representative of up to for \$5,000.00.
- **PAGA Award.** Deducted from the Maximum Settlement Amount will be a PAGA Award approved by the Court of up to \$5,000.00, of which \$3,750.00 will be paid to the State of California Labor and Workforce Development Agency for alleged penalties.
- **Settlement Administration Costs.** Deducted from the Maximum Settlement Amount will be the costs of the Settlement Administrator, **[insert administrator]** approved by the Court, which estimated at no more than

\$ \_\_\_\_\_.

Your Individual Settlement Share may be comprised of two parts, as follows: (i) all Settlement Class Members who do not opt-out of the settlement will receive a Class Settlement Payment; and (ii) all Settlement Class Members also will receive a PAGA Penalties Payment. The Class Settlement Payment and PAGA Penalties Payment will be calculated, as follows:

#### Class Settlement Payments

Each Settlement Class Member's share of the Net Settlement Amount shall be determined as follows: The dollars per Compensable Pay Period ("Pay Period Value") will be calculated by dividing the Net Settlement Amount by the total number of Compensable Pay Periods. The Pay Period Value will be multiplied by the number of Compensable Pay Periods the Settlement Class Member worked to determine the distribution, prior to legal deductions, for each Settlement Class Member ("Class Settlement Payments"). For tax purposes, Class Settlement Payments will be allocated entirely as penalties (to be reported on an IRS Form 1099).

#### PAGA Penalties Payments

PAGA Penalties Payments payable to each Class Member shall be determined as follows: Compensable Pay Periods will be the sum of all pay periods Class Members worked for Defendant in California during the Class Period. The dollars per Compensable Pay Period ("PAGA Pay Period Value") will be calculated by dividing the PAGA Settlement Amount by the total Compensable Pay Periods. The PAGA Pay Period Value will be multiplied by the number of Compensable Pay Periods worked as a member of the Class during the Class Period to determine the distribution for the Class Member ("the PAGA Penalties Payments"). For tax purposes, the PAGA Penalties Payments will be entirely allocated as penalties (to be reported on an IRS Form 1099).

No benefit, including but not limited to pension benefits and/or 401(k), shall increase or accrue as a result of any payment made as a result of this Settlement.

The Parties are not providing tax or legal advice or making representations regarding tax obligations or consequences, if any, related to any settlement amounts paid to Class Members. Each Settlement Class Member will assume any tax obligations or consequences that may arise from any settlement amount paid to him or her and should consult with a tax expert if he or she has questions.

### **5. What am I giving up in exchange for the settlement benefits?**

Each Class Member who does not submit a timely request for exclusion shall release Defendant and all of its respective current and former parents, subsidiaries, predecessors and successors, and affiliated entities, and each of its respective officers, directors, employees, partners, shareholders, and agents, and any other successors, assigns, or legal representatives (collectively, the "Released Parties") from any and all California state law wage-and-hour claims, rights, demands, liabilities, and/or causes of action of every nature and description, arising from or related to any and all claims that were asserted or could have been asserted based on the facts alleged in the Operative Complaint on file with the court in the Action during the Class Period, including, without limitation, , including, without limitation, claims for penalties, attorneys' fees, and litigation costs (collectively, the "Released Class Claims").

Also, in exchange for the PAGA Award, the State of California, Plaintiff and the Class Members will release the Released Parties from any and all individual and representative claims that could have been assessed upon and collected from the Released Parties under California Labor Code section 2698, et seq. based on the factual allegations contained in the PAGA notices and Operative Complaint on file with the court in this action during the Class Period, including but not limited to California Labor Code sections 226 and 226.3 and any resulting claim for attorneys' fees and costs under PAGA (collectively, the "Released PAGA Claims").

### **HOW TO GET A SETTLEMENT PAYMENT**

## 6. How do I receive my Class Settlement Payment and PAGA Penalties Payment?

If the Court grants final approval of the Settlement, thereafter, you automatically will be issued your (i) Class Settlement Share if you do not opt out of the Settlement, as described in Section 9, and (ii) PAGA Penalties Payment. You will be mailed your Class Settlement Share and PAGA Penalties Payment by check at the last address that Defendant have on file for you (unless you timely provide an updated address to the Settlement Administrator).

## 7. When will I get my payment(s)?

Payments will be distributed only after the Court grants final approval and the Settlement is effective pursuant to the terms of the settlement agreement and the Court's orders. The timing of distribution of payments will depend on the date of entry of an order by the Court granting final approval of the Settlement and entry of judgment based thereon. For more information about the estimated timing of payments, you can check with the Settlement Administrator.

## 8. How do I dispute the Compensable Pay Periods used to calculate my Individual Settlement Share?

If you disagree with the Compensable Pay Periods that are credited to you based on Defendant's records, which are stated on Page 1 of this Notice, and you wish to dispute this information, you must do so by submitting a written letter to the Settlement Administrator that: (1) contains your name, address, telephone number, last four digits of your Social Security number, and your signature; (2) contains the case name and number of the Action; (3) clearly indicates that you seek to dispute your Compensable Pay Periods; (4) provides documentation and/or an explanation to show contrary Compensable Pay Periods; and (5) is postmarked or fax-stamped **no later than [Response Deadline]** and returned to the Settlement Administrator at the following address or fax telephone number:

[insert Settlement Administrator's information]

### **EXCLUDING YOURSELF FROM THE SETTLEMENT**

## 9. How do I ask the Court to exclude me from the settlement of the Released Class Claims?

If you do not wish to participate in the class action portion of the Settlement ("opt out"), you must complete and send a timely written request for exclusion ("Request for Exclusion") **no later than [Response Deadline]**. The Request for Exclusion must: (1) contain your name, address, telephone number, last four digits of your Social Security number, and signature; (2) contain the case name and number of the Action; (3) clearly indicate that you seek to exclude yourself from the Settlement; and (4) be returned to the Settlement Administrator, postmarked or fax-stamped **on or before [Response Deadline]**, at the address or fax telephone number that is listed above in Section 8.

Requests for Exclusion that do not include all required information and/or that are not timely submitted will be deemed null, void, and ineffective. Class Members who fail to submit a valid and timely Request for Exclusion on or before the above-specified deadline shall be bound by all terms of the Settlement and any judgment entered in the Action if the Settlement is approved by the Court.

## 10. Why can't I exclude myself from the settlement of the Released PAGA Claims?

PAGA claims are brought on behalf of the State of California by an employee who has been given permission by the State of California to litigate on its behalf. Any settlement of PAGA claims, once approved, is binding on the State and forecloses future lawsuits by the State (or other employees acting on its behalf) that seek PAGA civil penalties for the settled alleged violations. Thus, because the claim for PAGA civil penalties belongs to the State and not individual employees, there is no mechanism for employees to exclude themselves from the settlement of the Released PAGA Claims.

## 11. If I exclude myself, can I get anything from the settlement?

If you exclude yourself now you will not receive your Class Settlement Payment and you will not give up the Released Class Claims. But, even if you exclude yourself, you may still receive a PAGA Penalties Payment (see Section 5 for

eligibility) and be bound by the Released PAGA Claims.

### **12. If I don't exclude myself, can I sue later?**

No. If you do not exclude yourself, you give up the right to sue Defendant and the Released Parties for the Released Claims described above. You must exclude yourself from the Settlement to start or continue your own lawsuit to pursue any of the Released Claims.

## **OBJECTING TO THE SETTLEMENT**

### **13. How do I object to the Settlement?**

Any Class Member may object to the Settlement, or any portion thereof, by submitting a written objection ("Notice of Objection") on or before **[Response Deadline]**. The Notice of Objection must: (1) contain the name, address, telephone number, last four digits of the Social Security number, and signature of the Class Member; (2) contain the case name and number of the Action; (3) clearly indicate that the Class Member seeks to object to the Settlement; (4) state the legal and factual basis for the objection; (5) state whether the Class Member intends to appear at the Final Approval Hearing; and (6) be returned to the Settlement Administrator, postmarked or fax-stamped no later than **[Response Deadline]** at the address or fax telephone number that is listed above in Section 8.

If a Class Member wishes to appear at the Final Approval Hearing and orally present his or his objection to the Court, they may do so whether or not they submitted a written objection to the Settlement Administrator. Any Class Member who submits an objection or appears at the Final Approval Hearing to submit a verbal objection remains eligible to receive monetary compensation from the Settlement. Class Members who submit Requests for Exclusion may not object to the Settlement.

### **14. What's the difference between objecting and asking to be excluded?**

Objecting is telling the Court you do not like something about the Settlement. Excluding yourself is telling the Court that you do not want to be part of the Settlement.

### **15. When and where will the Court decide whether to approve the settlement?**

The Court will hold a hearing to decide whether to grant final approval of the Settlement ("Final Approval Hearing"). You are not required to attend this hearing. The Final Approval Hearing will be held on **[insert time/date]** in Department 17 at the Superior Court of California for the County of Los Angeles, located at **800 North Humboldt Street, San Mateo, California 94401**. The hearing may be moved to a different date and/or time without additional notice. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will also decide how much to pay Class Counsel.

### **16. Do I have to come to the hearing?**

No. Class Counsel will answer any questions the judge may have. But you are welcome to come. If you submit a written objection in conformity with the requirements set forth herein, you do not have to come to the Final Approval Hearing to talk about it, and the Court will consider your objection. You may also pay another lawyer to attend on your behalf, but it is not required.

### **17. May I speak at the hearing?**

If a Class Member wishes to appear at the Final Approval Hearing and orally present his or his objection to the Court they may do so regardless of whether or not they submitted a written objection.

## **IF YOU DO NOTHING**



## 18. What happens if I do nothing at all?

If you do nothing, you will automatically receive a payment from this Settlement as described above and you will be bound by the Settlement (including and not limited to the release of Released Claims against Released Parties) and the judgment entered based thereon.

### THE LAWYERS REPRESENTING YOU

## 19. Do I have a lawyer in this case?

The Court has appointed the following lawyers, who represent Plaintiff, to serve as counsel for the Class (“Class Counsel”):

DIVERSITY LAW GROUP, P.C.  
Larry W. Lee  
Max W. Gavron  
Kwanporn “Mai” Tulyathan  
515 S. Figueroa Street, Suite 1250  
Los Angeles, CA 90071  
Telephone: (213) 488-6555  
Facsimile: (213)488-6554

POLARIS LAW GROUP, P.C.  
William Marder  
501 San Benito Street, Suite 200  
Hollister, CA 95023  
Telephone: (831) 531-4214  
Facsimile: (831) 634-0333

## 20. How will the costs of the Action and the settlement be paid?

The costs of the Action and the Settlement are paid from the Maximum Settlement Amount, subject to approval by the Court.

### GETTING MORE INFORMATION

## 21. How do I get more information?

This notice summarizes the Settlement. More details are in the Settlement Agreement. You may contact Class Counsel or the Settlement Administrator for more information. The Settlement Administrator may be contacted at the previously-mentioned mailing address and fax telephone number, as well as at the following toll-free telephone number: [Settlement Administrator’s toll-free telephone number].

**PLEASE DO NOT CONTACT DEFENDANT, DEFENDANT’S ATTORNEYS, THE CLERK OF THE COURT, OR THE JUDGE WITH QUESTIONS ABOUT THE SETTLEMENT.**

# EXHIBIT B

**From:** [DIR PAGA Unit](#)  
**To:** [Olympia Pena](#)  
**Subject:** Thank you for your Proposed Settlement Submission  
**Date:** Monday, April 3, 2023 3:15:04 PM

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04/03/2023 03:14:38 PM

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

Item submitted: Proposed Settlement

If you have questions or concerns regarding this submission or your case, please send an email to [pagainfo@dir.ca.gov](mailto:pagainfo@dir.ca.gov).

DIR PAGA Unit on behalf of  
Labor and Workforce Development Agency

Website: [http://labor.ca.gov/Private\\_Attorneys\\_General\\_Act.htm](http://labor.ca.gov/Private_Attorneys_General_Act.htm)