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16	Attorneys for Plaintiff Isaiah D. Hughes					
17	SUPERIOR COURT OF THE STATE OF CALIFORNIA					
18	IN AND FOR THE COUNTY OF SAN FRANCISCO					
19	ISAIAH D. HUGHES, an individual, on behalf of himself and on behalf of all persons	Case No.: CGC-22-599270				
20	similarly situated,	[Action Filed: April 21, 2022]				
21	Plaintiff,	STIPULATION OF SETTLEMENT OF				
22	V.	CLASS AND PAGA ACTION CLAIMS AND RELEASE OF CLAIMS				
23	ASIAN AND PACIFIC ISLANDER WELLNESS CENTER, INC. (dba SAN					
24	FRANCISCO COMMUNITY HEALTH CENTER), a California corporation; and					
25	DOES 1-50, Inclusive,					
26	Defendants.					
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This Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims is entered into by and between Plaintiff ISAIAH D. HUGHES (hereinafter "Plaintiff"), on behalf of himself and on behalf of all persons similarly situated, and Defendant ASIAN AND PACIFIC ISLANDER WELLNESS CENTER, INC. (dba SAN FRANCISCO COMMUNITY HEALTH CENTER) (hereinafter, "Defendant"):

I. <u>DEFINITIONS</u>

- A. "Action" shall mean the putative class action lawsuit designated *Isaiah D. Hughes v.*Asian and Pacific Islander Wellness Center, Inc., et al., San Francisco Superior Court

 Case No. CGC-22-599270, filed April 21, 2022.
- B. "Agreement" or "Settlement Agreement" means this Stipulation of Settlement of Class and PAGA Action and Release of Claims.
- C. "Attorneys' Expenses" means the award of expenses that the Court authorizes to be paid to Class Counsel for the expenses they have incurred of up to \$25,000.00.
- D. "Attorneys' Fees" means the award of fees that the Court authorizes to be paid to Class Counsel for the services they have rendered to Plaintiff and the Settlement Class in the Action, currently not to exceed one-third of the Gross Settlement Amount currently estimated to be \$83,333.33 out of \$250,000.00. Attorneys' Fees will be divided between Class Counsel as follows (50% to JCL Law Firm, APC, and 50% to Zakay Law Group, APLC).
- E. "Claims Administration Expenses" shall mean the amount paid to the Settlement Administrator from the Gross Settlement Amount for administering the Settlement pursuant to this Agreement currently estimated not to exceed \$6,500.
- F. "Class" or the "Class Members" means all non-exempt employees who are or previously were employed by Asian and Pacific Islander Wellness Center, Inc. dba San Francisco Community Health Center who performed work in California during the period of April 21, 2018 through the earlier of May 2, 2023 or the date on which the total number of Workweeks worked by the Class Members equals 8,800.

- G. "Class Counsel" shall mean Jean-Claude Lapuyade, Esq. of JCL Law Firm, APC, and Shani Zakay, Esq. of Zakay Law Group, APLC.
- H. "Class Data" means information regarding Class Members that Defendant will in good faith compile from its records and provide to the Settlement Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall include: each Class Member's full name; last known address; Social Security Number; start dates and end dates of employment.
- I. "Class Period" means the period of April 21, 2018 through the earlier of May 2, 2023 or the date on which the total number of Workweeks worked by the Class Members equals 8,800.
- J. "Class Representative" or "Plaintiff" shall mean Isaiah D. Hughes.
- K. "Court" means the Superior Court for the State of California, County of San Francisco, currently presiding over the Action.
- L. "Defendant" shall mean Asian and Pacific Islander Wellness Center, Inc. dba San Francisco Community Health Center.
- M. "Effective Date" means the earliest date, following entry by the Court (or Courts) of an order (or orders) and judgment finally approving this Settlement, upon which one of the following have occurred: (i) if no objection is filed to the settlement and no objector appears at the hearing on final approval, the date of the Court's entry of the order granting final approval, (ii) if an objection is filed to the settlement and/or an objector appears at the hearing on final approval, then the earlier of the following: (a) the expiration of all potential appeal periods without a filing of a notice of appeal of the final approval order or judgment, i.e., sixty (60) days after the entry of the final approval order and judgment by an appellate court as a result of any appeal(s), or (c) final dismissal or denial of all such appeals (including any petition for review, rehearing, certiorari, etc.) such that the final approval order and judgment concerning the Action is no

longer subject to further judicial review. If this Settlement is approved through

motions in both Courts, then Effective Date shall mean the latter of both approvals.

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Community Health Center who performed work in California during the period of February 14, 2021 through the earlier of May 2, 2023 or the date on which the total number of Workweeks worked by the Class Members during the Class Period equals 8,800.

- V. "PAGA Payment Ratio" means the respective PAGA Pay Periods during the PAGA Period for each PAGA Member divided by the sum total of the PAGA Pay Periods for all PAGA Members during the PAGA Period.
- W. "PAGA Pay Periods," for purposes of calculating the distribution of the PAGA Member Payment, as defined herein, means the number of pay periods of employment during the PAGA Period that each PAGA Member worked in California.
- X. "PAGA Period" means the period of February 14, 2021 through the earlier of May 2,2023 or the date on which the total number of Workweeks worked by the ClassMembers during the Class Period equals 8,800.
- Y. "PAGA Payment" shall mean Ten Thousand Dollars (\$10,000) to be allocated from the Gross Settlement Amount, with 25% of the payment going to the PAGA Members ("PAGA Member Payment") and 75% of the payment going to the Labor and Workforce Development Agency ("LWDA Payment"). The amount of the PAGA Payment is subject to Court approval pursuant to California Labor Code section 2699(1). Any reallocation of the Gross Settlement Amount to increase the PAGA Payment will not constitute grounds by either party to void this Agreement, so long as the Gross Settlement Amount remains the same.
- Z. "Parties" means Plaintiff and Asian and Pacific Islander Wellness Center, Inc. dba San Francisco Community Health Center, collectively, and "Party" shall mean either Plaintiff or Asian and Pacific Islander Wellness Center, Inc. dba San Francisco Community Health Center, individually.
- AA. "Payment Ratio" means the respective Workweeks for each Class Member divided by the sum total Workweeks for all Class Members during the Class Period.

- BB. "QSF" means the Qualified Settlement Fund established, designated and maintained by the Settlement Administrator to fund the Gross Settlement Amount.
- CC. "Released Class Claims" shall mean all Class claims alleged in the Operative Complaint, or which could have been alleged in the Operative Complaint based on the facts alleged, which occurred during the Class Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and class claims outside the Class Period.
- DD. "Released PAGA Claims" shall mean all PAGA claims alleged in the Operative Complaint and Plaintiff's PAGA notice to the LWDA which occurred during the PAGA Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and PAGA claims outside of the PAGA Period.
- EE. "Released Parties" shall mean Defendant Asian and Pacific Islander Wellness Center, Inc. dba San Francisco Community Health Center and all related companies, subsidiaries, owners, shareholders, members, agents (including, without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and exempt employees) predecessors, successors, and assigns.
- FF. "Response Deadline" means the date forty-five (45) calendar days after the Settlement Administrator mails Notice Packets to Class Members and the last date on which Class Members may submit requests for exclusion or objections to the Settlement.
- GG. "Service Award" means an award in the amount of \$10,000 or in an amount that the Court authorizes to be paid to the Class Representative, in addition to his Individual Settlement Payment and his individual PAGA Member Payment, in recognition of his efforts and risks in assisting with the prosecution of the Action and in exchange for executing a general release of the Released Parties for the Released Class Claims and the Released PAGA Claims as set forth herein.

- 6. Failure to Provide Accurate Itemized Wage Statements in Violation Cal. Lab. Code §§ 226 and 226.2;
- 7. Failure to Provide Wages When Due in Violation of Cal. Lab. Code §§ 201, 202 and 203;
- 8. Failure to Reimburse Employees for Required Expenses in Violation of Cal. Lab Code § 2802;
- 9. Violations of PAGA in Violation of Cal. Lab. Code §§ 2698 et seq.
- C. The Class Representative believes he has claims based on alleged violations of the California Labor Code, and the Industrial Welfare Commission Wage Orders, and that class certification is appropriate because the prerequisites for class certification can be satisfied in the Action, and this action is manageable as a PAGA representative action.
- D. Defendant denies any liability or wrongdoing of any kind associated with the claims alleged in the Action, disputes any wages, damages and penalties claimed by the Class Representative are owed, and further contends that, for any purpose other than settlement, the Action is not appropriate for class or representative action treatment. Defendant contends, among other things, that at all times it complied with the California Labor Code and the Industrial Welfare Commission Wage Orders.
- E. The Class Representative is represented by Class Counsel. Class Counsel investigated the facts relevant to the Action, including conducting an independent investigation as to the allegations, reviewing documents and information exchanged through informal discovery, and reviewing documents and information provided by Defendant pursuant to informal requests for information to prepare for mediation. Defendant produced for the purpose of settlement negotiations certain employment data concerning the Settlement Class, which Class Counsel reviewed and analyzed with the assistance of an expert. Based on their own independent investigation and evaluation, Class Counsel are of the opinion that the Settlement with Defendant is fair, reasonable and adequate, and is in the best interest of the Settlement Class in

light of all known facts and circumstances, including the risks of significant delay, defenses asserted by Defendant, uncertainties regarding class certification, and numerous potential appellate issues. Although it denies any liability, Defendant is agreeing to this Settlement solely to avoid the inconveniences and cost of further litigation. The Parties and their counsel have agreed to settle the claims on the terms set forth in this Agreement.

- F. On February 2, 2023, the Parties participated in mediation with Steven J. Rottman, Esq., an experienced mediator of wage and hour class and PAGA actions. The mediation concluded with a settlement, which was subsequently memorialized in the form of a "Memorandum of Understanding".
- G. This Agreement replaces and supersedes the Memorandum of Understanding and any other agreements, understandings, or representations between the Parties. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant that the claims in the Action of Plaintiff or the Class Members have merit or that Defendant bears any liability to Plaintiff or the Class on those claims or any other claims, or as an admission by Plaintiff that Defendant's defenses in the Action have merit.
- H. The Parties believe that the Settlement is fair, reasonable, and adequate. The Settlement was arrived at through arm's-length negotiations, considering all relevant factors. The Parties recognize the uncertainty, risk, expense, and delay attendant to continuing the Action through trial and any appeal. Accordingly, the Parties desire to settle, compromise and discharge all disputes and claims arising from or relating to the Action fully, finally, and forever.
- I. The Parties agree to certification of the Class for purposes of this Settlement only. If for any reason the Settlement does not become effective, Defendant reserves the right to contest certification of any class for any reason and reserves all available defenses to the claims in the Action.

III. <u>TERMS OF AGREEMENT</u>

A. Settlement Consideration and Settlement Payments by Defendant.

- 1. Settlement Consideration. In full and complete settlement of the Action, and in exchange for the releases set forth below, Defendant shall pay a Gross Settlement Amount of Two Hundred and Fifty Thousand Dollars and Zero Cents (\$250,000.00), which shall be inclusive of the following: the sum of the Individual Settlement Payments, the Service Award, the Attorneys' Fees, and Attorneys' Expenses, PAGA Payment, and the Claims Administration Expenses, as specified in this Agreement. The Parties agree that this is a non-reversionary Settlement and that no portion of the Gross Settlement Amount shall revert to Defendant. Other than Defendant's share of employer payroll taxes, Defendant shall not be required to pay more than the Gross Settlement Amount.
- 2. <u>Payment of the Gross Settlement Amount</u>. Defendant shall fund the Gross Settlement Amount within (30) calendar days after the Effective Date, by transferring the Gross Settlement Amount via wire transfer to the Settlement Administrator.
- Class Size. Defendant represents that the Settlement Class was comprised of 124 individuals who collectively worked approximately 8,000 workweeks from April 21, 2018 to February 2, 2023.
- 4. <u>Share of Payroll Taxes</u>. Defendant's share of employer side payroll taxes is in addition to the Gross Settlement Amount and shall be paid together with the Gross Settlement Amount on the Funding Date.
- B. <u>Release by Settlement Class Members</u>. As of the Funding Date, in exchange for the consideration set forth in this Agreement, Plaintiff and the Settlement Class Members release the Released Parties from the Released Class Claims for the Class Period.

- C. Release by the PAGA Members. As of the Funding Date, in exchange for the consideration set forth in this Agreement, the Plaintiff, the LWDA and the State of California release the Released Parties from the Released PAGA Claims for the PAGA Period. As a result of this release, the PAGA Members shall be precluded from bringing claims against Defendant for the Released PAGA Claims. The express purpose of this conditional Settlement is to forever bar Plaintiff, the LWDA, the State of California, and any PAGA Members from acting on behalf of or purporting to act on behalf of the LWDA to assert any of the PAGA Members' Released PAGA Claims against the Released Parties in any future litigation.
- D. <u>Conditions Precedent</u>. This Settlement will become final and effective only upon the occurrence of all of the following events:
 - 1. The Court enters an order granting preliminary approval of the Settlement;
 - 2. The Court enters an order granting final approval of the Settlement and a final judgment;
 - 3. If an objector appears at the final approval hearing, the time for appeal of the final judgment and order granting final approval of Settlement expires; or, if an appeal is timely filed, there is a final resolution of any appeal from the judgment and order granting final approval of Settlement; and
 - 4. Defendant fully funds the Gross Settlement Amount.
- E. <u>Nullification of Settlement Agreement</u>. In the event that this Settlement Agreement is not preliminarily or finally approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits Defendant from obtaining a complete resolution of the Released Class Claims and/or Released PAGA Claims, or if Defendant fails to fully fund the Gross Settlement Amount:
 - 1. This Settlement Agreement shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral

- proceeding for any purpose or with respect to any issue, substantive or procedural;
- 2. The conditional class certification (obtained for any purpose) shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural; and
- 3. None of the Parties to this Settlement will be deemed to have waived any claims, objections, defenses or arguments in the Action, including with respect to the issue of class certification.
- 4. Defendant shall bear the sole responsibility for any cost to issue or reissue any curative notice to the Settlement Class Members and all Claims Administration Expenses incurred to the date of nullification.
- F. Termination. Defendant has the right in its sole and exclusive discretion to terminate and withdraw from the Settlement at any time prior to the date the Court enters final approval if 10.00% or more of Class Members timely and validly opt out of the Settlement or if the Court fails to approve material terms of the Settlement, including the scope of the release. Defendant must make such election within fifteen (15) business days of being notified by the Settlement Administrator of a 10.00% or greater opt-out rate or the Court's failure to approve the material terms of the Settlement without prejudice.
- G. <u>Certification of the Settlement Class</u>. The Parties stipulate to conditional class certification of the Class for the Class Period for purposes of this Settlement only. In the event that this Settlement is not approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits Defendant from obtaining a complete resolution of the Released Class Claims and/or the Released PAGA Claims, the conditional class certification (obtained for any purpose) shall be void *ab initio* and of no force or effect, and shall not be admissible

- in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural.
- H. Tax Liability. The Parties make no representations as to the tax treatment or legal effect of the payments called for, and Class Members and/or PAGA Members are not relying on any statement or representation by the Parties in this regard. Class Members and/or PAGA Members understand and agree that they will be responsible for the payment of any taxes and penalties assessed on the Individual Settlement Payments and/or PAGA Members' individual shares of the PAGA Member Payment described and will be solely responsible for any penalties or other obligations resulting from their personal tax reporting of Individual Settlement Payments and/or PAGA Members' individual shares of the PAGA Member Payment.
- I. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section, the "acknowledging party" and each Party to this Agreement other than the acknowledging party, an "other party") acknowledges and agrees that: (1) no provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department circular 230 (31 CFR part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other Party or any attorney or advisor to any other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other Party to avoid any tax penalty that may be imposed on the acknowledging party, and (3) no attorney or adviser to any other Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by

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- the acknowledging party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.
- J. Preliminary Approval Motion. Within sixty (60) calendar days of execution of this Agreement or as soon as reasonably possible, Class Counsel shall draft and file with the Court a motion for order granting preliminary approval and supporting papers, which shall include this Settlement Agreement. Plaintiff will provide Defendant's counsel with a draft of the motion at least five (5) business days prior to the filing of the motion to give Defendant an opportunity to propose changes or additions to the motion.
- K. <u>Settlement Administrator</u>. The Settlement Administrator shall be responsible for: establishing and administering the QSF; calculating, processing and mailing payments to the Class Representative, Class Counsel, LWDA, Class Members and PAGA Members; printing and mailing the Notice Packets to the Class Members as directed by the Court; receiving and reporting the objections and requests for exclusion; calculating, deducting and remitting all legally required taxes from Individual Settlement Payments and distributing tax forms for the wage portion, the penalties portion, and the interest portion of the Individual Settlement Payments and/or PAGA Members' individual shares of the PAGA Member Payment; processing and mailing tax payments to the appropriate state and federal taxing authorities; providing declaration(s) as necessary in support of preliminary and/or final approval of this Settlement; and other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities by among other things, sending a weekly status report to the Parties' counsel stating the date of the mailing, the number of Requests for Exclusion it receives (including the numbers of valid and deficient), and the number of Notices of Objection received.

L. <u>Notice Procedure</u>.

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1. <u>Class Data.</u> No later than ten (10) business days after the preliminary approval date, Defendant shall provide the Settlement Administrator with the Class Data for purposes of preparing and mailing Notice Packets to the Class Members.

2. Notice Packets.

a)

The Notice Packet shall contain the notice of class action Settlement ("Class Notice") in a form substantially similar to the form attached as **Exhibit A.** The Class Notice shall inform Class Members and PAGA Members that they need not do anything in order to receive an Individual Settlement Payment and/or PAGA Members' individual shares of the PAGA Member Payment and to keep the Settlement Administrator apprised of their current mailing address, to which the Individual Settlement Payments and/or PAGA Members' individual shares of the PAGA Member Payment will be mailed following the Funding Date. The Class Notice shall set forth the release to be given by all Class Members who do not request to be excluded from the Settlement Class and/or PAGA Members in exchange for an Individual Settlement Payment and/or PAGA Members' individual shares of the PAGA Member Payment, the number of Workweeks worked by each Class Member during the Class Period, if any, and the number of PAGA Pay Periods worked by each PAGA Member during the PAGA Period, if any, and the estimated amount of their Individual Settlement Payment if they do not request to be excluded from the Settlement and each PAGA Members' share of the PAGA Member Payment, if any. The Settlement Administrator shall use the Class Data to determine Class Members' Workweeks and PAGA Members' PAGA Pay Periods. The Class Notice will also advise the PAGA Members that they will release the Released PAGA Claims and will

- receive their share of the PAGA Member Payment regardless of whether they request to be excluded from the Settlement.
- b) The Notice Packet's mailing envelope shall include the following language: "IMPORTANT LEGAL DOCUMENT- YOU MAY BE ENTITLED TO PARTICIPATE IN A CLASS ACTION SETTLEMENT; A PROMPT REPLY TO CORRECT YOUR ADDRESS IS REQUIRED AS EXPLAINED IN THE ENCLOSED NOTICE."
- 3. Notice by First Class U.S. Mail. Upon receipt of the Class Data, the Settlement Administrator will perform a search based on the National Change of Address Database to update and correct any known or identifiable address changes. No later than twenty one (21) calendar days after preliminary approval of the Settlement, the Settlement Administrator shall mail copies of the Notice Packet to all Class Members via regular First-Class U.S. Mail and electronic mail. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Class Member. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Class Member.
- 4. <u>Undeliverable Notices</u>. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to any forwarding address provided. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to determine a correct address by lawful use of skip-tracing, or other search using the name, address and/or Social Security number of the Class Member involved, and shall then perform a re-mailing, if another mailing address is identified by the Settlement Administrator. In addition, if any Notice Packets, which are addressed to Class Members who are currently employed by Defendant, are returned to the Settlement Administrator as non-delivered and no forwarding

address is provided, the Settlement Administrator shall notify Defendant. Defendant will request that the currently employed Class Member provide a corrected address, and transmit to the Settlement Administrator any corrected address provided by the Class Member. Class Members who received a remailed Notice Packet shall have their Response Deadline extended fifteen (15) days from the original Response Deadline.

- 5. Disputes Regarding Individual Settlement Payments. Class Members will have the opportunity, should they disagree with Defendant's records regarding the start and end dates of employment to provide documentation and/or an explanation to show contrary dates. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Individual Settlement Payment shall be binding upon the Class Member and the Parties.
- 6. <u>Disputes Regarding Administration of Settlement</u>. Any disputes not resolved by the Settlement Administrator concerning the administration of the Settlement will be resolved by the Court under the laws of the State of California. Before any such involvement of the Court, counsel for the Parties will confer in good faith to resolve the disputes without the necessity of involving the Court.
- 7. Exclusions. The Class Notice contained in the Notice Packet shall state that Class Members who wish to exclude themselves from the Settlement must submit a signed copy of the enclosed "Request for Exclusion" form to the Settlement Administrator by the Response Deadline. A Request for Exclusion form will be mailed together with the Notice Packet to all Class Members. The Request for Exclusion will not be valid if it is not timely submitted, if it

is not signed by the Class Member, or if it does not contain the name and address and last four digits of the Social Security number of the Class Member. The date of the postmark on the mailing envelope or fax stamp on the Request for Exclusion shall be the exclusive means used to determine whether the Request for Exclusion was timely submitted. Any Class Member who submits a timely Request for Exclusion shall be excluded from the Settlement Class will not be entitled to an Individual Settlement Payment and will not be otherwise bound by the terms of the Settlement for the Settlement Class or have any right to object, appeal or comment thereon. However, any Class Member that submits a timely Request for Exclusion that is also a PAGA Member will still receive his/her pro rata share of the PAGA Member Payment, as specified below, and in consideration, will be bound by the Released PAGA Claims as set forth herein. Settlement Class Members who fail to submit a valid and timely Request for Exclusion on or before the Response Deadline shall be bound by all terms of the Settlement and any final judgment entered in this Action if the Settlement is approved by the Court. No later than fourteen (14) calendar days after the Response Deadline, the Settlement Administrator shall provide counsel for the Parties with a final list of the Class Members who have timely submitted Requests for Exclusion.

8. Objections. The Class Notice contained in the Notice Packet shall state that Class Members who wish to object to the Settlement may submit to the Settlement Administrator a written statement of objection ("Notice of Objection") by the Response Deadline. The postmark date of mailing shall be deemed the exclusive means for determining that a Notice of Objection was served timely. The Notice of Objection, if in writing, must be signed by the Settlement Class Member and state: (1) the case name and number; (2) the name of the Settlement Class Member; (3) the address of the Settlement Class Member; (4) the last four digits of the Settlement Class Member's Social

Security number; (5) the basis for the objection; and (6) if the Settlement Class Member intends to appear at the final approval/settlement fairness hearing. Class Members who fail to make objections in writing in the manner specified above may still make their objections orally at the final approval/settlement fairness hearing with the Court's permission. Settlement Class Members will have a right to appear at the final approval/settlement fairness hearing to have their objections heard by the Court regardless of whether they submitted a written objection. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to file or serve written objections to the Settlement or appeal from the order and final judgment. Class Members who submit a written Request for Exclusion may not object to the Settlement. Class Members may not object to the PAGA Payment.

- M. <u>Funding and Allocation of the Settlement Amount</u>. Defendant is required to pay the Gross Settlement Amount plus any employer's share of payroll taxes as mandated by law within the time specified hereinabove.
 - 1. Calculation of Individual Settlement Payments. Individual Settlement Payments shall be paid from the Net Settlement Amount and shall be paid pursuant to the formula set forth herein. Using the Class Data, the Settlement Administrator shall add up the total number of Workweeks during the Class Period for all Class Members. The respective Workweeks for each Class Member will be divided by the total Workweeks for all Class Members, resulting in the Payment Ratio for each Class Member. Each Class Member's Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Class Member's estimated Individual Settlement Payments. Each Individual Settlement Payment will be reduced by any legally mandated employee tax withholdings (e.g., employee payroll taxes, etc.). Individual Settlement Payments for Class Members who submit valid and timely Requests for Exclusion will be redistributed to Settlement Class Members

who do not submit valid and timely Requests for Exclusion on a pro rata basis based on their respective Payment Ratios.

- Calculation of Individual Payments to the PAGA Members. Using the Class Data, the Settlement Administrator shall add up the total number of PAGA Pay Periods for all PAGA Members during the PAGA Period. The respective PAGA Pay Periods for each PAGA Member will be divided by the total PAGA Pay Periods for all PAGA Members, resulting in the PAGA Payment Ratio for each PAGA Member. Each PAGA Member's PAGA Payment Ratio will then be multiplied by the PAGA Member Payment to calculate each PAGA Member's estimated share of the PAGA Member Payment.
- 3. Allocation of Individual Settlement Payments. For tax purposes, Individual Settlement Payments shall be apportioned as follows: 33.33% as payment for alleged unpaid wages, 33.33% as alleged unpaid interest, and 33.33% as alleged civil and statutory penalties. The wage portion of the Individual Settlement Payments shall be reported on IRS Form W-2 and the penalty portion and interest portion of the Individual Settlement Payments shall be reported on IRS Form 1099 issued pursuant to the Settlement Agreement. Plaintiff and each Settlement Class Member bear the full responsibility for payment of any taxes or withholding that are found to be owed from the Individual Class Payment.
- 4. Allocation of PAGA Member Payments. For tax purposes, PAGA Member Payments shall be allocated and treated as 100% penalties and shall be reported on IRS Form 1099. Payroll tax withholdings and deductions will not be withheld from these individual PAGA Member Payments. Plaintiff and each PAGA Member bears the full responsibility for payment of any taxes or withholding that are found to be owed from the PAGA Member Payments.
- 5. <u>No Credit Toward Benefit Plans</u>. The Individual Settlement Payments and individual shares of the PAGA Member Payment made to Settlement Class

Members and/or PAGA Members under this Settlement Agreement, as well as any other payments made pursuant to this Settlement Agreement, will not be utilized to calculate any additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans.

- 6. All monies received by Settlement Class Members under the Settlement which are attributable to wages shall constitute income to such Settlement Class Members solely in the year in which such monies actually are received by the Settlement Class Members. It is the intent of the Parties that Individual Settlement Payments and individual shares of the PAGA Member Payment provided for in this Settlement agreement are the sole payments to be made by Defendant to Settlement Class Members and/or PAGA Members in connection with this Settlement Agreement, with the exception of Plaintiff, and that the Settlement Class Members and/or PAGA Members are not entitled to any new or additional compensation or benefits as a result of having received the Individual Settlement Payments and/or their shares of the PAGA Member Payment.
- 7. <u>Mailing</u>. Individual Settlement Payments and individual shares of the PAGA Member Payment shall be mailed by regular First-Class U.S. Mail to Settlement Class Members' and/or PAGA Members' last known mailing address no later than fifteen (15) business days after the Funding Date.
- 8. <u>Expiration</u>. Any checks issued to Settlement Class Members and PAGA Members shall remain valid and negotiable for one hundred and eighty (180) days from the date of their issuance. If a Settlement Class Member and/or

PAGA Member does not cash his or her settlement check within 90 days, the Settlement Administrator will send a letter to such persons, advising that the check will expire after the 180th day, and invite that Settlement Class Member and/or PAGA Members to request reissuance in the event the check was destroyed, lost or misplaced. In the event an Individual Settlement Payment and/or PAGA Members' individual share of the PAGA Member Payment check has not been cashed within one hundred and eighty (180) days, all funds represented by such uncashed checks, plus any interest accrued thereon, shall be redistributed to the Settlement Class Members.

9. Service Award. In addition to the Individual Settlement Payment and his individual share of the PAGA Member Payment to be paid to Plaintiff, Plaintiff will apply to the Court for an award of not more than \$10,000.00, as the Service Award. Defendant will not oppose a Service Award of not more than \$10,000.00 for Plaintiff. The Settlement Administrator shall pay the Service Award, either in the amount stated herein if approved by the Court or some other amount as approved by the Court, to Plaintiff from the Gross Settlement Amount no later than fifteen (15) business days after the Funding Date. Any portion of the requested Service Award that is not awarded to the Class Representative shall be part of the Net Settlement Amount and shall be distributed to Settlement Class Members as provided in this Agreement. The Settlement Administrator shall issue an IRS Form 1099 — MISC to Plaintiff for his Service Award. Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on his Service Award and shall hold harmless the Released Parties from any claim or liability for taxes, penalties, or interest arising as a result of the Service Award. The Service Award shall be in addition to Plaintiff's Individual Settlement Payment as a Settlement Class Member. Approval of this Settlement shall not be conditioned on Court approval of the requested amount of the Service Award. If the Court reduces

or does not approve the requested Service Award, Plaintiff shall not have the right to revoke the Settlement, and it will remain binding.

10. Attorneys' Fees and Attorneys' Expenses. Defendant understands Class Counsel will file a motion for Attorneys' Fees not to exceed one-third of the Gross Settlement Amount currently estimated to be \$83,333.33 and Attorneys' Expenses supported by Class Counsel's billing statement not to exceed Twenty Five Thousand Dollars and Zero Cents (\$25,000.00). Any awarded Attorneys' Fees and Attorneys' Expenses shall be paid from the Gross Settlement Amount. Any portion of the requested Attorneys' Fees and/or Attorneys' Expenses that are not awarded to Class Counsel shall be part of the Net Settlement Amount and shall be distributed to Settlement Class Members as provided in this Agreement. The Settlement Administrator shall allocate and pay the Attorneys' Fees to Class Counsel from the Gross Settlement Amount no later than fifteen (15) calendar days after the Funding Date. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the payment made pursuant to this paragraph. The Settlement Administrator shall issue an IRS Form 1099 — MISC to Class Counsel for the payments made pursuant to this paragraph. If the Court reduces or does not approve the requested Attorneys' Fees, or Attorneys' Expenses, Plaintiff and Class Counsel shall not have the right to revoke the Settlement, or to appeal such order, and the Settlement will remain binding.

11. PAGA Payment. Ten Thousand Dollars (\$10,000) shall be allocated from the Gross Settlement Amount for the PAGA Payment. The Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Payment (\$7,500) to the LWDA no later than fifteen (15) calendar days after the Effective Date. The Settlement Administrator shall pay twenty-five percent (25%) of the PAGA Payment (\$2,500) to the PAGA Members no later than fifteen (15) calendar days after the Effective Date. For purposes of

distributing the PAGA Member Payments to the PAGA Members, each PAGA Member shall receive their pro-rata share of the PAGA Member Payment using the PAGA Payment Ratio as defined above.

- 12. <u>Claims Administration Expenses</u>. The Settlement Administrator shall be paid for the costs of administration of the Settlement from the Gross Settlement Amount. The estimate of the Claims Administration Expenses is \$6,500. The Settlement Administrator shall be paid the Claims Administration Expenses no later than fifteen (15) calendar days after the Funding Date.
- N. Final Approval Motion. Class Counsel and Plaintiff shall use best efforts to file with the Court a motion for order granting final approval and entering judgment, within twenty-eight (28) days following the expiration of the Response Deadline, which motion shall request final approval of the Settlement and a determination of the amounts payable for the Service Award, the Attorneys' Fees and Attorneys' Expenses, the PAGA Payment, and the Claims Administration Expenses. The Parties agree that the proposed judgment submitted to the Court in connection with the motion for final approval shall include language entering judgment on Plaintiff's Operative Complaint in its entirety, with prejudice, subject to Court approval. Plaintiff will provide Defendant's counsel with a draft of the motion at least five (5) business days prior to the filing of the motion to give Defendant an opportunity to propose changes or additions to the motion.
 - 1. <u>Declaration by Settlement Administrator</u>. No later than seven (7) days after the Response Deadline, the Settlement Administrator shall submit a declaration in support of Plaintiff's motion for final approval of this Settlement detailing the number of Notice Packets mailed and re-mailed to Class Members, the number of undeliverable Notice Packets, the number of timely Requests for Exclusion, the number of Notices of Objection received, the amount of the average Individual Settlement Payment and highest Individual Settlement Payment, the Claims Administration Expenses, and any

- other information as the Parties mutually agree or the Court orders the Settlement Administrator to provide.
- 2. <u>Final Approval Order and Judgment</u>. Class Counsel shall present an order granting final approval of class action Settlement to the Court for its approval, and judgment thereon, at the time Class Counsel files the motion for final approval.
- O. Review of Motions for Preliminary and Final Approval. Class Counsel will provide an opportunity for counsel for Defendant to review the motions for preliminary and final approval, including the order granting final approval of class action Settlement, and judgment before filing with the Court. The Parties and their counsel will cooperate with each other and use their best efforts to obtain the Court's approval of the motions for preliminary and final approval of the Settlement, and entry of judgment.
- P. <u>Cooperation</u>. The Parties and their counsel will cooperate with each other and use their best efforts to finalize the Settlement, and to use any other efforts that may be necessary by order of the Court, or otherwise, to effectuate the Settlement.
- Q. <u>Interim Stay of Proceedings</u>. The Parties agree to stay all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement, pending the final approval/Settlement fairness hearing to be conducted by the Court.
- R. <u>Amendment or Modification</u>. This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.
- S. <u>Entire Agreement</u>. This Agreement and any attached exhibit constitute the entire Agreement among these Parties, and no oral or written representations, warranties or inducements have been made to any Party concerning this Agreement or its exhibit other than the representations, warranties and covenants contained and memorialized in this Agreement and its exhibit.
- T. <u>Notice of Settlement to the LWDA</u>. Plaintiff is responsible for timely filing a notice of claim and notice of settlement with the LWDA.

- U. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The person signing this Agreement on behalf of Defendant represents and warrants that he/she is authorized to sign this Agreement on behalf of Defendant. Plaintiff represents and warrants that he is authorized to sign this Agreement and that he has not assigned any claim, or part of a claim, covered by this Settlement to a third-party.
- V. No Public Comment: The Parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry, or have any communication with the press about the fact, amount or terms of the Settlement Agreement. Class Counsel further agrees not to use the Settlement Agreement or any of its terms for any marketing or promotional purposes. Nothing herein will restrict Class Counsel from including publicly available information regarding this settlement in future judicial submissions regarding Class Counsel's qualifications and experience. Further, Class Counsel will not include, reference or use the Settlement Agreement for any marketing or promotional purposes, either before or after the motion for preliminary approval is filed.
- W. <u>Binding on Successors and Assigns</u>. This Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties, as previously defined.
- X. <u>California Law Governs</u>. All terms of this Agreement and the exhibit and any disputes shall be governed by and interpreted according to the laws of the State of California.
- Y. <u>Counterparts</u>. This Agreement may be executed in one or more counterparts by facsimile, electronic signature, or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them shall be deemed to be one and the same instrument. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

- Z. <u>This Settlement Is Fair, Adequate and Reasonable</u>. The Parties believe this Settlement is a fair, adequate and reasonable settlement of this Action and have arrived at this Settlement after extensive arms-length negotiations, taking into account all relevant factors, present and potential.
- AA. <u>Jurisdiction of the Court</u>. The Parties agree that the Court shall retain jurisdiction with respect to the interpretation, implementation and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing and enforcing the Settlement and all orders and judgments entered in connection with this Agreement.
- BB. <u>Invalidity of Any Provision</u>. Before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable.
- CC. No Unalleged Claims. Plaintiff and Class Counsel represent that they do not currently intend to pursue any claims against the Released Parties, including, but not limited to, any and all claims relating to or arising from Plaintiff's employment with Defendant, regardless of whether Class Counsel is currently aware of any facts or legal theories upon which any claims or causes of action could be brought against Released Parties, including those facts or legal theories alleged in the Operative Complaint in this Action. The Parties further acknowledge, understand and agree that this representation is essential to the Agreement and that this Agreement would not have been entered into were it not for this representation.
- DD. <u>Waiver of Certain Appeals</u>. The Parties agree to waive appeals and to stipulate to class certification for purposes of this Settlement only.
- EE. No Admissions by the Parties. Plaintiff has claimed and continues to claim that the Released Class Claims and Released PAGA Claims have merit and give rise to liability on the part of Defendant. Defendant claims that the Released Class Claims and

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1	Released PAGA Claims have no merit and do not give rise to liability. This Agreement			
2	is a compromise of disputed claims. Nothing contained in this Agreement and no			
3	documents referred to and no action taken to carry out this Agreement may be			
4	construed or used as an admission by or against the Defendant or Plaintiff or Class			
5	Counsel as to the merits or lack thereof of the claims asserted. Other than as may be			
6	specifically set forth herein, each Party shall be responsible for and shall bear its/hi			
7	own attorney's fees and costs.			
8				
9	IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:			
10	DATED: Isaiah D. Hughes			
11	Isalah D. Hughes			
12	IS SO AGREED, FORM AND CONTENT, BY DEFENDANT:			
13	d > h			
14	DATED: 10/3/2023 Asian and Pacific Islander Wellness Center, Inc. dba			
15	San Francisco Community Health Center			
16	Lance Toma			
17	Printed Name			
18	Chief Executive Officer			
19	Title			
20	IT IS SO AGREED AS TO FORM BY COUNSEL:			
21				
22	DATED: JCL LAW FIRM, A.P.C.			
23	By:			
24	Attorneys for Plaintiff and the Settlement Class			
25	Members and PAGA Members			
26				
27	DATED: ZAKAY LAW GROUP, APLC			
28	ZAKAT LAW GROOT, AI LC			

1	Released PAGA Claims have no merit and do not give rise to liability. This Agreemer			
2	is a compromise of disputed claims. Nothing contained in this Agreement and no			
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7	own attorney's fees and costs.			
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9	IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:			
10	DATED: Oct 4, 2023 Isaiah D. Hughes			
11	Isaian D. Hughes			
12	IS SO AGREED, FORM AND CONTENT, BY DEFENDANT:			
13				
14	DATED: Asian and Pacific Islander Wellness Center, Inc. db			
15	San Francisco Community Health Center			
16				
17	Printed Name			
18				
19	Title			
20	IT IS SO AGREED AS TO FORM BY COUNSEL:			
21				
22	DATED: October 4, 2023 JCL LAW FIRM, A.P.C.			
23	By:			
24	Attorneys for Plaintiff and the Settlement Clas			
25	Members and PAGA Members			
26				
27	DATED. October 4, 2023 ZAKAY LAW GROUP, API C			
28	DATED: Coloder 4, 2023 ZAKAY LAW GROUP, APLC			

1		and S	
2		By:	
3		Attorneys for Plaintiff and the Settlement Members and PAGA Members	Class
4		Memoers and I AGA Memoers	
5	DATED: October 4, 2023	MESSNER REEVES, LLP	
6		MESSNER REEVES, LLP By: Suffang & Gillette	
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8		Attorneys for Defendant	
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