

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

This Private Attorneys General Act Settlement Agreement and Release of Claims (hereinafter “Settlement Agreement” or “Settlement”) is entered into by and between Lesly Arreguin and Giavanna Peña (collectively referred to herein as “Plaintiffs”), individually and as a representative of the State of California and the Aggrieved Employees (as defined in Section 4(a)(5) below) and Intercare Therapy, Inc. (“Defendant”), subject to approval by the Court. The term “Party” or “Parties” as used herein shall refer to Plaintiff, Defendant, or both, as may be appropriate.

1. **Recitals.** This Settlement Agreement is made with reference to the following facts:

(a) Plaintiffs are both former employees of Defendant. Plaintiff Arreguin was employed by Defendant from approximately August 2022 to approximately December 2022. Plaintiff Peña was employed by Defendant from approximately August 2022 to approximately November 2022;

(b) On September 6, 2023, Blackstone Law, APC (“Plaintiffs’ Counsel”), submitted a letter on behalf of Plaintiffs to the California Labor and Workforce Development Agency (“LWDA”) and Defendant to notify the LWDA and Defendant pursuant to the Private Attorneys General Act of 2004, Labor Code section 2698, *et seq.* (“PAGA”), of Plaintiffs’ intent to seek civil penalties under PAGA for Defendant’s alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders, thereby initiating LWDA Case Number LWDA-CM-979836-23 (“PAGA Notice”);

(c) On October 10, 2023, Plaintiffs filed a Class Action Complaint in the Superior Court of California, County of Los Angeles entitled *Arreguin, et al. v. Intercare Therapy, Inc.* (Case No. 23STCV24676) alleging the following causes of action against Defendant: (1) Unpaid Minimum Wages in Violation of California Labor Code sections 1194, 1197, and 1197.1; (2) Unpaid Overtime Wages in Violation of California Labor Code sections 510 and 1198; (3) Unpaid Meal Period Premiums in Violation of California Labor Code sections 226.7 and 512(a); (4) Unpaid Rest Period Premiums in Violation of California Labor Code section 226.7; (5) Failure to Timely Pay Wages During Employment in Violation of California Labor Code sections 204 and 210; (6) Failure to Provide Accurate Wage Statements in Violation of California Labor Code section 226(a); (7) Failure to Timely Pay Final Wages in Violation of California Labor Code sections 201, 202, and 203; (8) Failure to Reimburse Necessary Business Expenditures in Violation of California Labor Code sections 2800 and 2802; and (9) Unfair Business Practices in Violation of California Business & Professions Code section 17200, *et seq.* (“Class Complaint”);

(d) On November 15, 2023, Plaintiffs filed a Complaint in the Superior Court of California, County of Los Angeles for Enforcement Action Under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* (“PAGA Complaint”), commencing a representative action under PAGA against Defendant, entitled *Arreguin, et al. v. Intercare Therapy, Inc.* (Case No. 23STCV27972) (and together with the Class Complaint, the “Action”). The Operative Complaint asserts a single cause of action for civil penalties under PAGA for violations of the same provisions of the California Labor Code, California Business & Professions Code, and the applicable Industrial Welfare Commission Wage Orders as alleged in the Class Complaint;

(e) Defendant denies and disputes any and all of the alleged claims and allegations in the Class Complaint, PAGA Complaint, and/or the Action, generally, or those that could have been asserted by Plaintiffs as a result of each of their former employment, the separation of their employment, and/or any relationship between Plaintiffs and Defendant;

(f) Counsel for both Parties met and conferred extensively regarding the binding individual arbitration agreements each of Plaintiffs executed during their respective periods of employment with Defendant and the corresponding effect of Plaintiffs' agreement to arbitrate any employment-related disputes on the Action;

(g) On May 1, 2024, the Parties mediated the Action with third-party mediator Monique Ngo-Bonnici, and, with the aid of the mediator's evaluation, the Parties ultimately reached the Settlement described herein to resolve the Action in its entirety;

(h) Prior to mediation, Plaintiffs obtained, through informal discovery, payroll and time records for an adequate and representative sample of the Aggrieved Employee population ("PAGA Data"). Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

(i) There has been no determination on the merits of the Action or the PAGA Notice but, in order to avoid additional cost and the uncertainty of litigation, the Parties desire to resolve the Action and Released Claims (as defined in Section 6(a) below).

2. **No Admission of Wrongdoing.** The Parties agree that neither this Settlement Agreement nor the furnishing of the consideration for this Settlement Agreement shall be deemed or construed at any time for any purpose as an admission by the Released Parties of wrongdoing or evidence of any liability or unlawful conduct of any kind.

3. **Consideration.**

(a) In consideration for Plaintiffs signing this Settlement Agreement and complying with its terms, Defendant shall pay the maximum gross sum of Nine Hundred Eighty-Five Thousand Dollars (\$985,000.00) (the "Gross Settlement Amount") to resolve the Action and Released Claims (as defined in Section 6(a) below), which will be paid as follows:

(1) Attorneys' fees in the amount of thirty five percent (35%) of the Gross Settlement Amount, which is Three Hundred Forty-Four Thousand Seven Hundred Fifty (\$344,750.00), and reimbursement of litigation costs and expenses in the amount of up to Twenty-Five Thousand Dollars (\$25,000.00) (collectively, "Attorneys' Fees and Costs") to Plaintiffs' Counsel, which Defendant will not contest.

(2) A service award of up to the amount of Seven Thousand Five Hundred Dollars (\$7,500.00) ("Service Award") each to Plaintiffs (a total not to exceed \$15,000.00), which Defendant will not contest.

(3) Costs and expenses of administration of the Settlement up to the amount of Sixteen Thousand Five Hundred Dollars and Zero Cents (\$16,500.00) ("Settlement Administration Costs") to Apex Class Action ("Settlement Administrator").

(4) The amounts stated in Sections 3(a)(1) – 3(a)(3) above, once approved by the Court, shall be paid from the Gross Settlement Amount. The balance remaining after these deductions is referred to as the "Net Settlement Amount."

(5) Seventy-five percent (75%) of the Net Settlement Amount will be distributed to the LWDA (“LWDA Payment”); and the remaining twenty-five percent (25%) will be distributed to all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California at any time during the PAGA Period (“Aggrieved Employees”). The period November 15, 2022, to November 13, 2024 is the “PAGA Period.” The twenty-five percent (25%) portion of the Net Settlement Amount payable to the Aggrieved Employees is referred to as the “Employees’ Portion.”

(6) The Aggrieved Employees are estimated to consist of approximately 2,890 individuals who worked approximately 40,000 pay periods during the period November 15, 2022, to November 13, 2024. If the actual number of Pay Periods (as defined in Section 5(b) below) is more than ten percent (10%) above 44,000, the Gross Settlement Amount will be increased proportionally by the percentage that the actual number exceeds the 10% buffer.

(b) Because this is a settlement of PAGA claims for civil penalties only, no portion of the Gross Settlement Amount is allocated to unpaid wages. One hundred percent (100%) of the payments for Attorneys’ Fees and Costs, Service Award, and the Net Settlement Amount to be paid to the LWDA and Aggrieved Employees as described in Section 3(a) above will be treated and reported for tax purposes as non-wage payments and the Settlement Administrator will be responsible for issuing IRS Forms 1099, as required.

4. **Approval and Implementation of the PAGA Settlement.**

(a) The Parties are aware that some courts have approved a PAGA settlement and entered an order approving the settlement and judgment and thereafter closed the case, while others have approved a PAGA settlement and entered only an order approving the settlement with later instructions to file a request for dismissal of the action. The Parties agree to cooperate and take any and all steps required by the Court in the Action to implement the Settlement and terminate the Action pursuant to settlement (i.e., to terminate the Action by way of judgment or dismissal).

(b) The Parties further agree to cooperate in the drafting and/or filing of any further documents and/or filings reasonably necessary to be prepared and/or filed, and to take all steps that may be requested by the Court in order to obtain approval and implementation of this Settlement Agreement, and the payments described in Section 3(a) above.

(c) The Parties shall seek to obtain Court approval of this Settlement Agreement by way of an unopposed motion to be filed by Plaintiffs’ Counsel. Plaintiffs’ Counsel shall provide a draft of all documents to be submitted in connection with the motion to approve this Settlement Agreement to Fisher & Phillips LLP (“Defendant’s Counsel”) for review. Defendant’s Counsel will be given an opportunity to comment on the papers prior to their being filed with the Court, and such comments will be implemented to the extent reasonable.

(d) The Parties expressly acknowledge that the Court’s approval of the Settlement Agreement is a condition precedent to any payments described in this Settlement Agreement. Therefore, the Parties further acknowledge that, should the Court not grant approval of this Settlement Agreement and/or should the Court refuse to grant judgment or dismissal of the Action and close the Action based on the Settlement, the entirety of this Settlement Agreement shall be null and void.

5. **Payment of the Gross Settlement Amount / Notice to Recipients.**

(a) Subject to Court approval of this Settlement Agreement, payment of the sums described in Section 3(a) above shall be made by Defendant by transmitting the Gross Settlement Amount in the below described manner to a qualified settlement account established by the Settlement Administrator for administration of this Settlement. If the date by which payment by Defendant of any installment of the Gross Settlement Amount is due falls on a Saturday, Sunday, or legal holiday in the State of California, then the due date shall be extended to the next business day which is not a Saturday, Sunday, or legal holiday in the State of California.

- (1) The Gross Settlement amount shall be paid in two installments as follows: (1) one installment in the amount of Four Hundred Ninety-Two Thousand Five Hundred Dollars and Zero Cents (\$492,500.00), to be made on or before August 1, 2025; and (2) one installment in the amount of Four Hundred Ninety-Two Thousand Five Hundred Dollars and Zero Cents (\$492,500.00), to be made within one hundred twenty (120) calendar days of payment of the previous installment.

(b) Each Aggrieved Employee will be entitled to a *pro rata* share of 25% of the Net Settlement Amount (i.e., the Employees' Portion) based upon the number of pay periods they each worked during the PAGA Period ("Pay Periods"), based on Defendant's payroll records. Specifically, to calculate each Aggrieved Employee's share of the Employees' Portion ("Individual PAGA Payment"), the Settlement Administrator shall: (i) for each Aggrieved Employee, divide the number of Pay Periods the Aggrieved Employee worked by the total aggregate number of Pay Periods worked by all Aggrieved Employees, and then (ii) multiply this fraction by the Employees' Portion to arrive at each Aggrieved Employee's Individual PAGA Payment.

(1) One hundred percent (100%) of all Individual PAGA Payments are to be considered penalties and the Settlement Administrator will not undertake any deductions, withholding, or remittances for local, state, or federal taxes. Aggrieved Employees' Individual PAGA Payments will be reported on an IRS Form 1099, as required.

(c) The Settlement Administrator shall distribute each Individual PAGA Payment by way of check, along with a cover letter ("Cover Letter") agreed to by the Parties and approved by the Court, in substantially the same form attached hereto as "**Exhibit A**," in the following manner:

(1) No later than fourteen (14) calendar days after the Court's order granting approval of the Settlement, Defendant shall provide the Settlement Administrator with a list of all Aggrieved Employees (the "Aggrieved Employees List"), containing the following information for each Aggrieved Employee: (i) first and last name; (ii) last known address; (iii) last known telephone number; (iv) Social Security number; (v) start and end dates of employment; and (vi) number of Pay Periods.

(2) The Settlement Administrator shall conduct one (1) National Change of Address ("NCOA") search for all individuals identified on the Aggrieved Employees List.

(3) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and first installment of the Gross Settlement Amount, the Settlement Administrator shall mail the agreed-upon Cover Letter and Individual PAGA Payment checks (together, the "PAGA Settlement Package") to all Aggrieved Employees by First-Class United States mail. For each PAGA Settlement Package that is returned undeliverable within thirty (30) calendar days of the initial mailing, the Settlement Administrator

shall promptly attempt to locate an alternative, updated address for the Aggrieved Employee at issue, by using a skip-trace search and shall attempt one (1) re-mailing of the PAGA Settlement Package.

(4) The Individual PAGA Payment checks issued to Aggrieved Employees shall remain valid for one hundred eighty (180) calendar days, and thereafter, shall be canceled. Funds associated with such canceled checks shall be transmitted to the State Controller's Office Unclaimed Property Division in the name of the Aggrieved Employee(s) at issue and in the amount of their respective Individual PAGA Payment(s).

(5) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and second installment of the Gross Settlement Amount, the Settlement Administrator shall transmit the LWDA Payment to the LWDA.

(6) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and first installment of the Gross Settlement Amount, the Settlement Administrator shall transmit the Service Award to Plaintiffs.

(7) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and second installment of the Gross Settlement Amount, the Settlement Administrator shall transmit the Attorneys' Fees and Costs to Plaintiffs' Counsel.

(8) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and second installment of the Gross Settlement Amount, the Settlement Administrator shall transmit the Settlement Administration Costs to itself.

6. **Release of Claims by Plaintiffs and the State of California with Respect to the Aggrieved Employees.**

(a) Upon the full funding of the Gross Settlement Amount, Plaintiffs and the State of California with respect to Aggrieved Employees, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged Defendant and its current and former officers, directors, members, insurers, shareholders, subsidiaries, affiliates, predecessors, successors, and assigns (collectively, the "Released Parties") from any and all claims arising from any of the factual allegations in the PAGA Complaint and PAGA Notice, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.*, for Defendant's alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during and upon separation of employment, provide compliant wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders ("Released Claims"). Plaintiffs and the State of California with respect to Aggrieved Employees are will also be deemed to have released, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims that reasonably could have been alleged, based on the facts stated in the PAGA Complaint and the PAGA Notice during the PAGA Period.

(b) Upon the full funding of the Gross Settlement Amount, Plaintiffs, individually and on their own behalf, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties from any and all claims of every nature whatsoever, known or unknown,

suspected or unsuspected, asserted or unasserted, which Plaintiffs have or may have as of the date of execution of this Settlement Agreement, including but not limited to any and all claims arising out of, relating to, or resulting from Plaintiffs' employment and/or separation of employment with Defendant, including any claims arising under any federal, state, or local laws and claims for unpaid wages, penalties, liquidated damages, breach of contract, breach of implied covenant of good faith and fair dealing, wrongful or retaliatory discharge, harassment, discrimination, defamation, impairment of economic opportunity, and violations of public policy, the Fair Labor Standards Act, the California Labor Code, the California Fair Employment and Housing Act, the California Business and Professions Code, the California Constitution, the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, and the Americans with Disabilities Act of 1990. With respect to those claims released by Plaintiffs in their individual capacity, Plaintiffs acknowledge and waive any and all rights and benefits available under California Civil Code Section 1542, which provides:

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

Plaintiffs understand and agree that claims or facts in addition to or different from those which are now known or believed by them to exist may hereafter be discovered. It is Plaintiffs' intention to, upon the full funding of the Gross Settlement Amount, settle fully and release all claims Plaintiffs now have against the Released Parties, whether known or unknown, suspected or unsuspected. Notwithstanding the above, the general release by Plaintiffs shall not extend to claims for workers' compensation benefits, claims for unemployment benefits, or other claims that may not be released by law.

(c) Separate Non-PAGA Settlement Agreement. The Parties have separately entered into a confidential settlement agreement regarding the non-PAGA claims by Plaintiffs against Defendant. Nothing in this Agreement shall be construed to limit the Parties' rights under the separate agreement.

7. Continuing Jurisdiction of the Court.

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

8. Governing Law and Interpretation.

(a) This Settlement Agreement shall be governed and conformed in accordance with the laws of the State of California. Should any non-material provision of this Settlement Agreement be declared illegal or unenforceable by any court of competent jurisdiction and said provision cannot be modified to be enforceable, that provision shall immediately become null and void, leaving the remainder of this Settlement Agreement in full force and effect.

(b) In the event of a breach of any provision of this Settlement Agreement, any Party reserves the right to institute an action specifically to enforce any term or terms of this Settlement Agreement or seek

damages for breach. In an action to enforce any term or terms of this Settlement Agreement or to seek damages for breach of this Settlement Agreement, the prevailing Party in that action shall be entitled to recover reasonable attorneys' fees and costs from the non-prevailing Party.

9. **Amendment.** This Settlement Agreement may not be modified, altered, or changed except in writing and signed by both Parties' counsel, subject to approval by the Court.

10. **Miscellaneous.**

(a) The Parties agree to stay all proceedings in the Action, including with respect to California Code of Civil Procedure section 583.310, except such proceedings necessary to implement and complete the Settlement, pending approval of the Settlement.

(b) Information provided to Plaintiffs' Counsel pursuant to California Evidence Code section 1152, and all copies and summaries of the PAGA Data provided to Plaintiffs' Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court.

(a) This Settlement Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which, taken together shall constitute the same instrument. A signature made on a faxed or electronically transmitted copy of the Settlement Agreement or a signature transmitted by facsimile or electronic mail shall have the same effect as the original signature.

(b) The section headings used in this Settlement Agreement are intended solely for convenience of reference and shall not in any manner amplify, limit, modify, or otherwise be used in the interpretation of any of the provisions hereof.

(c) This Settlement Agreement was the result of negotiations between the Parties and their respective counsel under the auspices of mediator Monique Ngo-Bonnici. In the event of vagueness, ambiguity, or uncertainty, this Settlement Agreement shall not be construed against the Party preparing it but shall be construed as if both Parties prepared it jointly, and the Parties may present their disputes to the mediator to resolve any vagueness, ambiguity, or uncertainty.

(d) If Plaintiffs or Defendant fail to enforce this Settlement Agreement or to insist on performance of any term, that failure does not mean a waiver of that term or of the Settlement Agreement. This Settlement Agreement remains in full force and effect anyway.

[SIGNATURES CONTAINED ON FOLLOWING PAGE]

HAVING ELECTED TO EXECUTE THIS SETTLEMENT AGREEMENT, TO FULFILL THE PROMISES, AND TO RECEIVE THE CONSIDERATION SET FORTH ABOVE, PLAINTIFFS AND DEFENDANT, FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS SETTLEMENT AGREEMENT.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Settlement Agreement as of the date set forth below:

Dated: 04/22/2025

LESLY ARREGUIN

Lesly Arreguin

Lesly Arreguin

GIAVANNA PEÑA

Dated: _____

Giavanna Peña

INTERCARE THERAPY,

INC.

Dated: 05/29/2025

Arnon Heller

Full Name: Arnon Heller

Title: CEO

On behalf of Intercare Therapy, Inc.

APPROVED AS TO FORM ONLY:

BLACKSTONE LAW, APC

Dated: 04/22/2025

Barbara DuVan-Clarke

Barbara DuVan-Clarke
Attorneys for Plaintiffs

FISHER & PHILLIPS LLP

Dated: 5/30/2025

Lonnie D. Giamela

Lonnie D. Giamela
Carol A. Ibrahim
Attorneys for Defendant

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IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Settlement Agreement as of the date set forth below:

LESLY ARREGUIN

Dated: _____

Lesly Arreguin

GIAVANNA PEÑA

Dated: 04/22/2025



Giavanna Peña

**INTERCARE THERAPY,
INC.**

Dated: _____

Full Name: _____
Title: _____
On behalf of Intercare Therapy, Inc.

APPROVED AS TO FORM ONLY:

BLACKSTONE LAW, APC

Dated: _____

Barbara DuVan-Clarke
Attorneys for Plaintiffs

FISHER & PHILLIPS LLP

Dated: _____

Lonnie D. Giamela
Carol A. Ibrahim
Attorneys for Defendant

Exhibit A

To: <<First Name>><<Last Name>>
<<Street Address>>
<<City>><<State>><<Zip>>

Re: Settlement Payment from *Lesly Arreguin, et al. v. Intercare Therapy, Inc.*, Los Angeles County Superior Court Case No. 23STCV27972

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of <<**amount of payment**>> (“Individual PAGA Payment”). This check is your payment from the settlement in the lawsuit entitled *Lesly Arreguin, et al. v. Intercare Therapy, Inc.*, Los Angeles County Superior Court Case No. 23STCV27972 (“Action”).

The lawsuit was filed on November 15, 2023 by Lesly Arreguin and Giavanna Peña (“Plaintiff”) against their former employer Intercare Therapy, Inc. (“Defendant”), on behalf of the State of California, with respect to each of them individually and on behalf of other allegedly aggrieved employees, to seek recovery of civil penalties pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”), for multiple alleged violations of the California Labor Code and Industrial Welfare Commission Wage Orders, including, *inter alia*, for failure to properly pay minimum and overtime wages, failure to provide compliant meal and rest periods and associated premiums, failure to pay wages during and upon separation of employment, failure to provide compliant wage statements, failure to maintain requisite payroll records, failure to reimburse business expenses, and unfair business practices. Prior to initiating the lawsuit, on September 6, 2023, Plaintiffs submitted a letter to the California Labor and Workforce Development Agency (“LWDA”), pursuant to PAGA, to provide notice of their intent to seek civil penalties under PAGA for Defendant’s alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders, thereby initiating LWDA Case Number LWDA-CM-979836-23 (“PAGA Notice”).

Defendant denies all of Plaintiffs’ allegations and denies any wrongdoing of any kind associated with Plaintiffs’ allegations. A settlement was reached between Plaintiffs and Defendant.

On <<Date>>, the settlement was approved by the Court, with a portion to be paid to the LWDA and a portion to be paid to all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California at any time during the PAGA Period (“Aggrieved Employees”). The period November 15, 2022 to November 13, 2024 is the “PAGA Period.”

You are receiving a portion of the settlement (the enclosed Individual PAGA Payment) because you have been identified as an Aggrieved Employee. Your Individual PAGA Payment is based on the total number of pay periods that you worked for Defendant in California during the PAGA Period. The Individual PAGA Payment is considered to be 100% penalties, which will be reported on an IRS Form 1099 (if applicable). You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

Under the settlement, as of <<date of full funding of the Gross Settlement Amount>>, the Released Parties were fully, finally, and forever released, settled, compromised, relinquished, and discharged from the Released Claims.

“Released Parties” means Defendant and its current and former officers, directors, members, insurers,

shareholders, subsidiaries, affiliates, predecessors, successors, and assigns.

“Released Claims” means any and all claims arising from any of the factual allegations in the Operative Complaint and PAGA Notice, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.*, for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during and upon separation of employment, provide compliant wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders.

The enclosed check is valid for 180 calendar days from the original date of issuance and mailing, and if it is not cashed, deposited, or otherwise negotiated within the 180-day timeframe, it will be canceled, and the funds associated with the canceled check will be transmitted to the State Controller’s Office Unclaimed Property Division in your name and in the amount of your Individual PAGA Payment.

Do not call or write the Court, Office of the Clerk of the Court, Defendant, or Defendant’s counsel to ask questions about the settlement or to ask tax-related questions. If you have any such questions, you may contact [Settlement Administrator] at [toll-free phone number].