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[PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL OF CLASS AND PAGA REPRESENTATIVE ACTION SETTLEMENT

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On June 1, 2023, Plaintiffs Lydia Garcia and Vanessa Garcia ("Plaintiffs") filed a motion requesting that this Court enter an order (1) granting preliminary approval of the settlement set forth in the First Amended Class Action and PAGA Representative Action Settlement Agreement and Release (the "Settlement" or "Settlement Agreement") entered into between Plaintiffs and Defendant Clinicas de Salud del Pueblo, Inc., doing business as Innercare or innercare ("Defendant"; together with Plaintiffs, the "Parties"); (2) conditionally certifying the Settlement Class; (3) preliminarily appointing and designating CounselOne, PC and Lawyers for Justice, PC as Class Counsel; (4) preliminarily appointing Lydia Garcia and Vanessa Garcia as Class Representatives; (5) preliminarily appointing CPT Group, Inc. as the Settlement Administrator; (6) preliminarily approving the allocations for Attorneys' Fees and Litigation Expenses, Service Payments, PAGA Settlement Amount, and Settlement Administration Fees and Expenses; (7) approving the proposed Notice of Class Action and PAGA Representative Action Settlement and Hearing Date for Final Court Approval ("Class Notice"), Request for Exclusion Form, and Objection to Settlement Form (together, the "Notice Packet"); (8) directing the Settlement Administrator to undertake the notice and settlement administration process in conformity with the deadlines and procedures provided by the Settlement Agreement; and (9) scheduling a Final Approval Hearing.

The Court, having read and considered the papers on the motion, the arguments of counsel, and the law, and good cause appearing therefore, hereby ORDERS:

- 1. The Court preliminarily approves the Settlement Agreement, attached as **EXHIBIT**1 to the Declaration of Anthony J. Orshansky in Support of Plaintiffs' Motion for Preliminary Approval of Class and PAGA Representative Action Settlement. This Order incorporates by reference the definitions in the Settlement Agreement, and all capitalized terms defined therein shall have the same meaning in this Order as set forth in the Settlement Agreement.
- 2. It appears to the Court that the Settlement has been reached as the result of intensive, serious and non-collusive, arms-length negotiations, and was entered into in good faith. The Court further finds that the Parties conducted extensive investigation and research, and that they were able to reasonably evaluate their position and the strengths and weaknesses of the claims with the

assistance of an experienced mediator. The Parties have provided the Court with enough information about the nature and magnitude of the claims being settled, as well as the impediments to recovery, to allow the Court to make an independent assessment that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate, and reasonable. Any final determination of those issues will be made at the Final Approval Hearing.

- 3. The Court preliminarily finds that there is sufficient evidence to suggest that the Settlement, including the allocations for the Attorneys' Fees and Litigation Expenses, Service Payments, PAGA Settlement Amount, Settlement Administration Fees and Expenses, and payments to the Participating Class Members and Aggrieved Employees provided thereby, might be within the range of reasonableness of a settlement that could ultimately be given final approval by this Court. Indeed, the Court has reviewed the monetary recovery that is being granted as part of the Settlement and preliminarily finds that there is sufficient evidence to suggest that the monetary settlement awards made available to the Participating Class Members and Aggrieved Employees are fair, adequate, and reasonable when balanced against the probable outcome of further litigation relating to certification, liability, and damages issues. Any final determination of these issues will be made at the final hearing.
- 4. The Court concludes that, for settlement purposes only, the proposed Class meets the requirements for certification under section 382 of the California Code of Civil Procedure in that: (a) the Class is ascertainable and so numerous that joinder of all members of the Class is impracticable; (b) common questions of law and fact predominate, and there is a well-defined community of interest amongst the members of the Class with respect to the subject matter of the litigation; (c) Plaintiffs' claims are typical of the claims of the members of the Class; (d) Plaintiffs will fairly and adequately protect the interests of the members of the Class; (e) a class action is superior to other available methods for the efficient adjudication of the controversy; and (f) Class Counsel are qualified to act as counsel for Plaintiffs in their individual capacity and as the representatives of the Class.
- 5. The Court conditionally certifies, for settlement purposes only, the Class, defined as follows:

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with the Settlement Agreement.

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and EXHIBIT 3, respectively (the Notice Packet, as defined above). The Notice Packet shall be provided to Class Members in the manner set forth in the Settlement Agreement. The Court finds that the Notice Packet appears to fully and accurately inform the Class Members of all material elements of the Settlement, of Class Members' right to be excluded from the Settlement by submitting a Request for Exclusion Form, of Class Members' right to dispute the Workweeks and Pay Periods credited to each of them by submitting information on their Workweeks and Pay Periods, and of each Class Member's right and opportunity to object to the Settlement by submitting an Objection to Settlement Form to the Settlement Administrator. The Court further finds that distribution of the Notice Packet substantially in the manner and form set forth in the Settlement Agreement and this Order, and that all other dates set forth in the Settlement Agreement and this Order, meet the requirements of due process and shall constitute due and sufficient notice to all tamente en acomo treje especialmente de la ligada de despetada de presentado, de cuencia especial de la constancia persons entitled thereto. The Court further orders the Settlement Administrator to mail the Notice destar en paliquandan fiji i Marqida oʻzi sovi sovi Wilahrvash oʻzovil bayvil ossos sistribasish oʻziscis Packets by First Class U.S. Mail to Class Members and Aggrieved Employees within twenty-one (21) days after the Class Member Data is provided to the Settlement Administrator, in accordance

12. The Court hereby preliminarily approves the proposed procedure set forth in the Settlement Agreement for seeking exclusion from the Class Settlement. Any Class Member may request to be excluded from the Class Settlement by mailing a signed Request for Exclusion Form indicating a request to be excluded from the Class Settlement in conformity with the requirements set forth in the Class Notice, and containing all information required by the Class Notice and Settlement Agreement, to the Settlement Administrator, on or before the date that is forty-five (45) days after the Settlement Administrator initially mails the Notice Packet. A Request for Exclusion Form must: (a) contain the Class Member's signature, printed full name, current address, current telephone number, and last four (4) digits of his or her Social Security number; (b) contain a clear statement indicating that the Class Member seeks exclusion from the Settlement; and (c) be mailed or delivered to the Settlement Administrator timely. Any Class Member who timely and validly submits a Request for Exclusion Form shall not be entitled to receive an Individual Class Payment and shall not be bound by the Class Action Settlement or the Judgment on the Class Action;

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however, Aggrieved Employees will be bound to the PAGA Settlement and Judgment and will be issued their Individual PAGA Payment irrespective of whether they have submitted a Request for Exclusion Form. Class Members who have not submitted a valid and timely Request for Exclusion Form (i.e., Participating Class Members) shall be bound by the Settlement Agreement and any final judgment based thereon.

The Court hereby preliminarily approves the proposed procedure set forth in the 13. Settlement Agreement for objecting to the Class Settlement. Any Class Member may object to the Class Settlement, as long as they have not submitted a Request for Exclusion Form, by mailing or delivering an Objection to Settlement Form, in conformity with the requirements set forth in the Class Notice, to the Settlement Administrator no later than 45 days after the Settlement Administrator first mails the Notice Packet to the Class Members. The Objection to Settlement Form must (i) state the nature and basis for the objection; and (ii) set forth the objector's signature, control and has been been all but of the color printed full name, current address, current telephone number, and last four (4) digits of his or her Social Security number. Any Class Member may also appear at the Final Approval Hearing, in person or by his/her/their own attorney, to object to the Settlement and show cause why the Court should not approve the Settlement, or object to the motion for awards of the Service Payments to named Plaintiffs Lydia Garcia and Vanessa Garcia, and the Class Counsel's Attorneys' Fees and Litigation Expenses, as set forth in the Class Notice, whether or not they have objected in writing or notified the Parties that they intend to appear. If a Class Member does not submit an objection or appear in person to object, either personally or through counsel, such Objection shall be deemed waived, unless otherwise ordered by the Court; however, a Class Member shall not be required to appear in person to object, either personally or through counsel, if the Class Member has submitted a written objection, nor is an objecting party required to file or serve, or state in their objection, a notice of intention to appear at the hearing on the motion for final approval.

14. A Final Approval Hearing shall be held before this Court on | a.m./p.m., in Department 10 of the Riverside County Superior Court, located at 4050 Main Street, Riverside, California 92501, to determine all necessary matters concerning the ranas no struto del cest e o centrolada troval e atgunación e trolago Settlement, including: whether the proposed settlement of the action on the terms and conditions ormatical parte capital districts colora capita percator in 600 picca (4) regis al las activis as the

provided for in the Settlement is fair, adequate, and reasonable and should be finally approved by the Court; whether a judgment, as provided in the Settlement, should be entered herein; whether the plan of allocation contained in the Settlement should be approved as fair, adequate, and reasonable to the Participating Class Members and Aggrieved Employees; and whether to finally approve the requests for the Attorneys' Fees and Litigation Expenses, Service Payments, PAGA Settlement Amount, and Settlement Administration Fees and Expenses.

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- Attorneys' Fees and Litigation Expenses, Service Payments, PAGA Settlement Amount, and Settlement Administration Fees and Expenses, along with the appropriate declarations and supporting evidence, including the Settlement Administrator's declaration that, among other things, authenticates each Exclusion Form and Objection Form received, by to be heard at the Final Approval Hearing.
- 16. The Court reserves the right to continue the date of the Final Approval Hearing without further notice to Class Members. However, the Settlement Administrator shall give notice to any objecting party of any continuance of the Final Approval Hearing.
- 17. The Court retains jurisdiction to consider all further applications arising out of or in connection with the Settlement.

IT IS SO ORDERED.

Dated: 6 2625

Hon. Harold Hopp Judge of the Superior Court

EXHIBIT 1

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

Lydia Garcia and Vanessa Garcia, Plaintiffs, vs. Clinicas de Salud del Pueblo, Inc., a California corporation; and DOES 1 through 100, inclusive, Defendants, Riverside Superior Court Case

No. RIC1905175

The Superior Court for the State of California authorized this Notice. Read it carefully! It is not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from an employee class and representative action lawsuit ("Action") against Clinicas de Salud del Pueblo, Inc. ("Clinicas") for alleged wage-and-hour violations. The Action was filed by two former Clinicas employees ("Plaintiffs") and seeks payment of (1) back wages and other relief for a class of all persons who worked for Clinicas in the State of California, while classified as hourly or non-exempt, at any time during the Class Period from October 15, 2015, through [INSERT_DATE the Court enters an Order granting preliminary approval of the Settlement] ("Class Members"); and (2) penalties under the California Private Attorneys General Act ("PAGA") for all persons who worked for Clinicas in the State of California, while classified as hourly or non-exempt, at any time during the PAGA Period (from October 15, 2018, through [INSERT_DATE the Court enters an Order granting preliminary approval of the Settlement] ("Aggrieved Employees").

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

Based on Clinicas's records, and the Parties' current assumptions, your Individual Class
Payment is estimated to be \$ (less withholding) and your Individual PAGA Payment
is estimated to be \$ The actual amount you will receive likely may be different and will
depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then
according to Clinicas's records you are not eligible for an Individual PAGA Payment under the
Settlement because you did not work during the PAGA Period.)
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The above estimates are based on Clinicas's records showing that you worked ______ Pay Periods during the PAGA Period. If you believe that you worked more Workweeks during the Class Period or more Pay Periods during the PAGA Period, you can submit a challenge by the deadline date. See Section E.3. of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. **Read this Notice carefully. You will be deemed to have carefully read and understood it.** At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs' attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment

that requires Clinicas to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Clinicas. See Section **D.9.** and **D.10.** of this Notice.

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

- On Nothing. You do not have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage, expense reimbursement and statutory penalty claims, and you will release your PAGA Period penalty claims against Clinicas. See Section D.9. and 10. of this Notice.
- (2) Opt Out of the Class Settlement. You can exclude yourself from the Class Settlement (opt out) by submitting a written Request for Exclusion Form to the Settlement Administrator. If you opt out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims, expense and statutory penalty claims against Defendant. If you are an Aggrieved Employee, you will remain eligible for an Individual PAGA Payment. You cannot opt out of the PAGA Settlement.

Clinicas will not retaliate against you for any actions you take with respect to the proposed Settlement.

A. SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Do Not Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if eligible). In exchange, you will give up your right to assert the wage, expense and statutory penalty claims and PAGA claims against Clinicas that are covered by this Settlement as detailed in the Participating Class Members' Release and Aggrieved Employees' PAGA Release. See Section D.9. and D.10. of this Notice.
You Can Opt Out of the Class Settlement but not the PAGA Settlement	If you do not want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Settlement Administrator a written Request for Exclusion Form (copied attached). See Section G. of this Notice. Once excluded, you will
The Opt-out Deadline is [DATE TO BE INSERTED which is 45 days following the	be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section H. of this Notice.
date the Settlement Administrator mails the Notice of Class Action	You cannot opt out of the PAGA portion of the proposed Settlement. Clinicas must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights

Settlement to the Class	to pursue claims covered by the Aggrieved Employees' PAGA Release. See Section D.10 of this Notice.
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [DATE TO BE INSERTED which is 45 days following the date the Settlement Administrator mails the Notice of Class Action Settlement to the Class Members]	All Class Members who do not opt out ("Participating Class Members") can object to any aspect of the proposed Settlement by sending the Settlement Administrator a written Objection to Settlement Form (copied attached) or appearing at the Court's Final Approval Hearing. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section H. of this Notice.
You Can Participate in the [FINAL APPROVAL DATE TO BE INSERTED] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on DATE TO BE INSERTED . You do not have to attend but you do have the right to appear in person (or hire an attorney to appear on your behalf at your own cost). Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section H. of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by [DATE TO BE INSERTED which is 45 days following the date the Settlement Administrator mails the Notice of Class Action Settlement to the Class Members]	The amount of your Individual Class Payment depends on how many Workweeks you worked at least one day during the Class Period, while the amount of your Individual PAGA Payment (if any) depends how many Pay Periods you worked at least one day during the PAGA Period. The number of Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Clinicas's records are stated on the first page of this Notice. If you disagree with either of these numbers, you must send the Settlement Administrator, via U.S. First Class Mail, the number and dates of Class Workweeks and PAGA Pay Periods you believe you worked during the applicable Class and PAGA Periods. You must postmark your challenge by [DATE TO BE INSERTED which is 45 days following the date the Settlement Administrator mails the Notice of Class Action Settlement to the Class Members]. See Section E.3. of this Notice.

B. WHAT IS THE ACTION ABOUT?

The Operative Complaint (i.e., the First Amended Complaint) in this Action alleges that Clinicas violated California labor laws by (a) failing to pay wages, including overtime premium pay and the minimum wage; (b) failing to provide meal and/or rest periods in accordance with applicable law, including payments equivalent to one hour of the employee's regular rate of pay for missed,

short, or late meal and/or rest periods and alleged non-payment of wages for meal periods worked and not taken; (c) omitting certain types of remuneration when calculating an employee's regular rate of pay; (d) failing to pay compensation at employees' final rate of pay for unused vested paid vacation days at the termination of employment and associated penalties thereon; (e) failing to indemnify and/or reimburse employees for all business expenses; (f) failing to maintain required records; (g) failing to issue compliant wage statements; (h) failing to issue timely payment of wages during, and upon termination of, employment; and (i) engaging in unfair business practices. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code sections 2698 through 2699.8) ("PAGA").

Plaintiffs are represented by attorneys in the Action: CounselOne, P.C. and Lawyers for Justice, PC ("Class Counsel.")

Clinicas strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

C. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Clinicas or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Clinicas hired an experienced, neutral mediator in an effort to resolve the Action by negotiating a proposed settlement to end the case by agreement, rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Settlement Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Settlement Agreement, Plaintiffs and Clinicas have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Clinicas does not admit any violations or concede the merit of any claims.

Plaintiffs and Class Counsel strongly believe that: (1) Clinicas has agreed to pay a fair, reasonable, and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) the Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement. The Court has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at the hearing the Court has scheduled to determine whether to grant Final Approval.

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

1. Clinicas Will Pay \$1,783,812.50 as the Gross Settlement Amount ("Gross Settlement"). Clinicas has agreed to deposit the Gross Settlement into an account controlled by the Settlement Administrator of the Settlement. The Settlement Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, named Plaintiffs' Service Payments, Class Counsel's attorney's fees and litigation expenses, the Settlement Administrator's fees and expenses, and civil penalties to the California Labor and Workforce Development Agency ("LWDA Payment"). Assuming the Court grants Final Approval, Clinicas

will fund the Gross Settlement plus the employer-paid portion of the payroll taxes due on wage payments made from the Net Settlement Amount to Class Members ("Employer Taxes") not more than fifteen (15) days after the Settlement's Effective Date. The Settlement's Effective Date will be the earlier of (i) the deadline for filing a timely appeal if no such appeal from the final approval of the Settlement and judgment is filed; or (ii) if a timely appeal is filed, the date the appeal is dismissed or withdrawn or the date of final affirmation of the judgment on appeal if the appeal is not dismissed or withdrawn; or (iii) the date the Court grants final approval of the Settlement and enters the judgment if both (a) no Participating Class Member files an objection to the Settlement, and (b) the Court awards the full Service Payments sought by Plaintiffs and the full Class Counsel's Attorneys' Fees and Litigation Expenses sought by Class Counsel. The Settlement Administrator will make the required payments within seven (7) business days after Clinicas deposits the Gross Settlement and Employer Taxes.

- 2. <u>Court Approved Deductions from Gross Settlement</u>. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$624,334.38 (35% of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$40,000.00 for their actual litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment. Class Counsel's attorneys' fees will be allocated as follows: 57.5% to Lawyers for Justice, PC and 42.5% to CounselOne, P.C.
 - B. Up to \$8,000 as a Service Payment to each Plaintiff for filing and prosecuting the Action, working with Class Counsel, and representing the Class. A Service Payment will be the only monies the named Plaintiffs will receive under this Settlement other than their Individual Class Payments and any Individual PAGA Payment.
 - C. Up to \$30,000 to the Settlement Administrator for its fees and expenses incurred in administering this Settlement.
 - D. Up to \$150,000 for PAGA Penalties, allocated 75% (\$112,500) to the LWDA PAGA Payment and 25% (\$37,500) in Individual PAGA Payments to the Aggrieved Employees, distributed *pro rata* based on their PAGA Period Pay Periods.

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

3. <u>Net Settlement Distributed to Class Members</u>. After making the above deductions in amounts approved by the Court, the Settlement Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class

Payments to Participating Class Members based *pro rata* on their Class Period Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiffs and Clinicas are asking the Court to approve an allocation of 40% of each Individual Class Payment to taxable wages ("Wage Portion") and 60% to penalties and interest ("Non-Wage Portion). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. (Clinicas will separately pay the Employer Taxes it owes on the Wage Portion.) The Individual PAGA Payments are counted as penalties, rather than wages, for tax purposes. The Settlement Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099-MISC Forms.

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

- Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you do not cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California State Controller's Office, Unclaimed Property Division in your name. If the monies represented by your check are sent to the Controller's Unclaimed Property Division, you should consult the Division for instructions on how to retrieve your money. See https://www.sco.ca.gov/upd form claim.html.
- 6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you send a written Request for Exclusion Form (attached) to the Settlement Administrator, not later than forty-five (45) days following the date the Settlement Administrator mails this Notice. Follow the directions in Section G. of this Notice if you wish to opt out.

Those Class Members who opt out (i.e., Non-Participating Class Members) will not receive an Individual Class Payment, but will preserve their rights to personally pursue wage-and-hour claims against Defendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Clinicas based on the PAGA Period facts alleged in the Action. See Section **D.10.** of this Notice.

- 7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Clinicas have agreed that, in either case, the Settlement will be void: Clinicas will not pay any money (other than the Settlement Administrator's fees and costs up to the date the Settlement is void) and Class Members will not release any claims against Clinicas.
- 8. <u>Settlement Administrator</u>. The Court has appointed a neutral company, CPT Group, Inc. (the "Settlement Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Settlement Administrator will also decide Class Member challenges over Workweeks and Pay Periods, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Settlement Administrator's contact information is contained in Section J. of this Notice.
- 9. Participating Class Members' Release. After the Judgment is final and Clinicas has fully funded the Gross Settlement (and separately paid all Employer Taxes associated with the Settlement), Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Clinicas or the Released Parties (defined below) to recover wages, expenses, penalties, interest, or any other relief with respect to the claims that are resolved by this Settlement.

The Participating Class Members will be bound by the following release:

As of the Effective Date of the Settlement, and payment by Defendant to the Settlement Administrator of the full amount of the Gross Settlement and Employer's Taxes, the Participating Class Members fully release and discharge Clinicas de Salud del Pueblo, Inc. and the other Released Parties of any and all claims that were alleged, or that reasonably could have been alleged based on the facts asserted, in the Operative Complaint, for the duration of the This includes statutory, constitutional, Class Period. contractual or common law claims for wages, damages, unpaid costs or expenses, penalties, liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief, that were alleged or reasonably could have been alleged based on the facts asserted in the Operative Complaint for violations of the California Labor Code (sections 201, 202, 203, 204, 226, 226.7, 510, 512, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 2800, 2802), California Industrial Welfare Commission Wage Order No. 4 interpreting the Labor Code. and California Business and Professions Code (sections

17200 through 17209) for the following categories of allegations, to the fullest extent such claims are releasable by law: (a) all claims for failure to pay wages, including overtime premium pay and the minimum wage; (b) all claims for the failure to provide meal and/or rest periods in accordance with applicable law, including payments equivalent to one hour of the employee's regular rate of pay for missed, short or late meal and/or rest periods and alleged non-payment of wages for meal periods worked and not taken; (c) all claims for the alleged omission of any kind of remuneration when calculating an employee's regular rate of pay; (d) all claims for the alleged failure to pay compensation at employees' final rate of pay for unused vested paid vacation days; (e) all claims for the alleged failure to indemnify and/or reimburse employees for any business expenses; (f) all claims for failure to maintain required records; (g) all claims for failure to issue compliant wage statements; (h) all claims for failure to issue timely payment of wages during, and upon termination of, employment; (i) all claims for engaging in unfair business practices; and (i) all associated claims for civil and statutory penalties. The Class Members understand and agree that this release includes a good-faith compromise of disputed wage claims. The Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, Social Security, workers' compensation, or claims based on facts occurring outside the Class Period. The "Released Parties" are (i) Clinicas de Salud del Pueblo, Inc. (doing business as "innercare" and "Innercare") ("Clinicas"); (ii) Palo Verde Valley Innercare, Inc., which is the lessor of the Clinicas Clinic located at 852 E Danenberg Drive, El Centro, CA 92243, and does not employ any hourly or non-exempt employees; and (iii) the present and former officers, directors, employees, agents, successors, and assigns of Clinicas and Palo Verde Valley Innercare, Inc.

10. Aggrieved Employees' PAGA Release. After the Judgment is final and Clinicas has fully funded the Gross Settlement (and separately paid all Employer Taxes associated with the Settlement), all Aggrieved Employees will be barred from asserting PAGA claims released by this Settlement against Clinicas and the Released Parties (defined below), whether or not Aggrieved Parties exclude themselves from the Settlement. This means that all Aggrieved Employees (including those who are Participating Class Members and those who opt out of the Class Settlement) cannot sue, continue to sue, or participate in any other PAGA

claim against Clinicas or the Released Parties based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Releases are as follows:

As of the Effective Date of the Settlement, and payment by Defendant to the Settlement Administrator of the full amount of the Gross Settlement and Employer's Taxes, Plaintiffs on behalf of the State of California, the LWDA, and the Aggrieved Employees-release and discharge Clinicas de Salud del Pueblo, Inc. and the Released Parties of any and all claims for civil penalties that were alleged, or that reasonably could have been alleged based on the facts asserted, in the PAGA Notices and Operative Complaint, for the duration of the PAGA Period. This includes all claims for penalties, attorneys' fees, litigation costs, restitution, or equitable relief, recoverable through PAGA (California Labor sections 2698 through 2699.8) and arising out of or based upon the facts asserted in the PAGA Notices and Operative Complaint for violations of any provision of the California Labor Code or California Industrial Welfare Commission Wage Order No. 4; including the following categories of allegations, to the fullest extent such claims are releasable by law: (a) all PAGA claims predicated on the failure to pay wages, including overtime premium pay and the minimum wage; (b) all PAGA claims predicated on the failure to provide meal and/or rest periods in accordance with applicable law, including payments equivalent to one hour of the employee's regular rate of pay for missed, late or short meal and/or rest periods and alleged non-payment of wages for meal periods worked and not taken; (c) all PAGA claims predicated on the alleged omission of any kind of remuneration when calculating an employee's regular rate of pay; (d) all PAGA claims predicated on the alleged failure to pay compensation at employees' final rate of pay for unused vested paid vacation days; (e) all PAGA claims predicated on the alleged failure to indemnify and/or reimburse employees for all business expenses; (f) all PAGA claims for failure to maintain required records; (g) all PAGA claims for failure to issue compliant wage statements; (h) all PAGA claims for failure to issue timely payment of wages during, and upon termination of, employment; and (i) all other associated PAGA penalties. The "Released Parties" are (i) Clinicas de Salud del Pueblo, Inc. (doing business as "innercare" and "Innercare") ("Clinicas"); (ii) Palo Verde Valley Innercare, Inc., which is the lessor of the Clinicas Clinic located at 852 E Danenberg Drive, El Centro, CA

92243, and does not employ any hourly or non-exempt employees; and (iii) the present and former officers, directors, employees, agents, successors, and assigns of Clinicas and Palo Verde Valley Innercare, Inc.

11. <u>No Waiver of Future Rights</u>. This Settlement does not foreclose or limit the rights of Class Members or Aggrieved Employees with respect to acts or omissions outside of the Class Period or PAGA Period.

E. HOW WILL THE SETTLEMENT ADMINISTRATOR CALCULATE MY PAYMENT?

- 1. <u>Individual Class Payments</u>. The Settlement Administrator will calculate Individual Class Payments. Each Participating Class Member will receive his/her/their *pro rata* share of the Net Settlement Amount based on the number of Workweeks that he/she/they worked in each position covered by the Settlement during the Class Period, calculated as follows: (Class Member's Workweeks worked *divided by* Class Workweeks worked by all Participating Class Members during the Class Period) *multiplied by* Net Settlement Amount *equals* Participating Class Member's Individual Class Payment.
- 2. <u>Individual PAGA Payments</u>. The Settlement Administrator will calculate Individual PAGA Payments. Each Aggrieved Employee will receive his/her/their pro rata share of the Aggrieved Employees' PAGA Settlement based on the number of Pay Periods that he/she/they worked in each position covered by the Settlement during the PAGA Period, calculated as follows: Aggrieved Employee's Pay Periods worked divided by Pay Periods worked by all Aggrieved Employees during the PAGA Period) multiplied by \$37,500 equals Aggrieved Employee's Individual PAGA Payment.
- 3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Clinicas's records, are stated in the first page of this Notice. If you believe any of that information is not correct, you can challenge it by sending a letter to the Settlement Administrator that contains your name, last four digits of your Social Security number, and the number and dates of Class Workweeks and PAGA Pay Periods you believe you worked during the applicable Class and PAGA Periods. You should support your challenge by sending copies of pay stubs or other records if you have them. Your challenge must be sent to the Settlement Administrator via U.S. First Class mail and postmarked no later than [DATE TO BE INSERTED which is 45 days following the date the Settlement Administrator mails the Notice of Class Action Settlement to the Class Members]. Section J. of this Notice has the Settlement Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Settlement Administrator will accept Clinicas's calculation of Workweeks

and/or Pay Periods based on Clinicas's records as accurate unless you send copies of records containing contrary information or the Settlement Administrator discovers a computation error. You should send copies rather than originals because the documents will not be returned to you. The Settlement Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Clinicas's Counsel. The Settlement Administrator's decision is final. You cannot appeal or otherwise challenge its final decision.

F. HOW WILL I GET PAID?

- 1. Participating Class Members. The Settlement Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who does not opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment if the recipient is eligible for both of those payments.
- 2. <u>Non-Participating Class Members.</u> The Settlement Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (*i.e.*, every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Settlement Administrator as soon as possible. Section J. of this Notice has the Settlement Administrator's contact information.

G. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Fill out and submit to the Settlement Administrator a written Request for Exclusion Form (attached) to reflect your wish to be excluded from the Class and to not participate in the proposed Class Action Settlement. The Request for Exclusion Form must be signed by you, and include your printed name, current address, telephone number, and the last four digits of your Social Security number for verification purposes.

You must make the request yourself and personally sign it yourself. If someone else makes the request for you, it will not be valid. Your Request for Exclusion Form must be sent via U.S. First Class Mail to the Settlement Administrator and postmarked no later than [DATE TO BE INSERTED] which is 45 days following the date the Settlement Administrator mails the Notice of Class and PAGA Representative Action Settlement to the Class Members], or it will be invalid. Section J. of the Notice has the Settlement Administrator's contact information.

H. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. At least 16 court days before the Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Awards stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount named Plaintiffs are requesting as their respective Plaintiffs' Service Awards. You can

view copies of these documents 16 court days before the Final Approval Hearing on CPT Group, Inc.'s website at [BE INSERTED] or the Court's website (https://ecomml.riverside.courts.ca.gov) by setting up an account and entering the Case Number for the Action, Case No. RIC1905175. You can also telephone or send an email to Class Counsel or the Settlement Administrator using the contact information listed in Section J. below.

A Participating Class Member who disagrees with any aspect of the Settlement Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Awards may object. Your written Objection to Settlement Form must be sent to the Settlement Administrator via U.S. First Class Mail and must be postmarked no later than [DATE TO BE INSERTED which is 45 days following the date the Settlement Administrator mails this Notice to the Class Members]. You should fill out all sections of the Objection to Settlement Form and sign it. Section J. of this Notice has the Settlement Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section I. of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

I. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but do not have to, attend the Final Approval Hearing on [DATE TO BE INSERTED] at 8:30 a.m. in Department 10 of the Superior Court for the County of Riverside, located at 4050 Main St., Riverside, CA 92501. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Settlement Administrator. The Court will invite comment from objectors, Class Counsel, and counsel for Clinicas before making a decision. You can attend (or hire a lawyer to attend).

It is possible the Court will reschedule the Final Approval Hearing. You should check the Settlement Administrator's website [TO BE INSERTED] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

J. HOW CAN I GET MORE INFORMATION?

The Settlement Agreement sets forth everything Clinicas and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Settlement Agreement attached to the Declaration of Anthony J. Orshansky in Support of Plaintiffs' Motion for Preliminary Approval of Class and Representative Action Settlement, filed June 1, 2023, the Judgment, or any other Settlement documents is to go to CPT Group, Inc.'s website at [BE/INSERTED]. You can also telephone or send an email to Class Counsel or the Settlement Administrator using the contact information listed below, or consult the Superior Court website by going to (https://ecomm1.riverside.courts.ca.gov), setting up an account, and entering the Case Number for the Action, Case No. RIC1905175. You can also make an appointment to personally review court documents in the Clerk's Office at the Courthouse, 4050 Main St., Riverside, CA 92501, by calling (951) 777-3147.

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

Class Counsel: COUNSELONE, PC

Names of Attorneys and Email Address:

Anthony J. Orshansky - anthony a counselonegroup.com Justin Kachadoorian - justin a counselonegroup.com

Mailing Address: 9301 Wilshire Blvd., Suite 650, Beverly Hills, California 90210

Telephone: (310) 277-9945

Fax: (424) 277-3737

Class Counsel: LAWYERS FOR JUSTICE, PC

Names of Attorneys and Email Address:

Edwin Aiwazian - edwin@calljustice.com Joanna Ghosh - joanna@calljustice.com

Mailing Address: 410 West Arden Avenue, Suite 203, Glendale, California 91203

Telephone: (818) 265-1020

Fax: (818) 265-1021

Settlement Administrator:

Name of Company: CPT Group, Inc. Email Address: TO BE INSERTED Mailing Address: TO BE INSERTED Telephone: TO BE INSERTED Fax Number: TO BE INSERTED

K. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Settlement Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the California State Controller's Office, Unclaimed Property Division, for instructions on how to retrieve your money. See https://www.sco.ca.gov/upd form claim.html.

L. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT 2

REQUEST FOR EXCLUSION FORM

Only complete this REQUEST FOR EXCLUSION form if you want to opt out of (not participate in) the settlement of the action known as LYDIA GARCIA, individually, and on behalf of other members of the general public similarly situated; and VANESSA GARCIA, individually, and on behalf of other aggrieved employees pursuant to the California Private Attorneys General Act, Plaintiff, v. CLINICAS DE SALUD DEL PUEBLO, INC., a California corporation; and DOES 1 through 100, inclusive, Defendants, Riverside Superior Court Case No. RIC1905175 ("Garcia v. Clinicas de Salud del Pueblo matter"). IF YOU OPT OUT OF THE SETTLEMENT, YOU WILL NOT RECEIVE ANY PORTION OF THE CLASS ACTION SETTLEMENT AMOUNT.

MY REQUEST FOR EXCLUSION
I confirm that I worked for Defendant Clinicas de Salud del Pueblo (doing business as Innercare) in the State of California, while classified as an hourly or non-exempt employee, at some point during the Class Period from October 15, 2015 through and including
Please exclude me from the settlement class in the <i>Garcia v. Clinicas de Salud del Pueblo</i> matter. I do not wish to receive any payment under the terms of the proposed class action settlement or to otherwise participate in the proposed class action settlement.
Print Full Name:
Last Four Digits of My Social Security Number:
Residence Street Address:
City, State and Zip Code:
Telephone Number:
My Signature: Date:
IN ORDER TO BE VALID, THIS REQUEST FOR EXCLUSION FORM MUST BE COMPLETED, SIGNED BY YOU, MAILED BY FIRST CLASS MAIL, AND POSTMARKED ON OR BEFORE [DATE (45 days from mailing of this notice)]: Send this signed Request for Exclusion Form to the Settlement Administrator at:
Garcia v. Clinicas de Salud del Pueblo Settlement c/o CPT Group, Inc.

EXHIBIT 3

OBJECTION TO SETTLEMENT FORM

INSTRUCTIONS

Only complete this OBJECTION TO SETTLEMENT form if you want to object to the settlement of the action known as LYDIA GARCIA, individually, and on behalf of other members of the general public similarly situated; and VANESSA GARCIA, individually, and on behalf of other aggrieved employees pursuant to the California Private Attorneys General Act, Plaintiff, v. CLINICAS DE SALUD DEL PUEBLO, INC., a California corporation; and DOES 1 through 100, inclusive, Defendants, Riverside Superior Court Case No. RIC1905175 ("Garcia v. Clinicas de Salud del Pueblo matter"). IF YOU OBJECT TO THE SETTLEMENT, AND YOUR OBJECTION IS OVERRULED, YOU WILL BE INCLUDED AS PART OF THE SETTLEMENT AND HAVE YOUR PERTINENT CLAIMS RELEASED. TO AVOID A POTENTIAL RELEASE OF YOUR CLAIMS, YOU MUST FILL OUT THE SEPARATE FORM TITLED: "REQUEST FOR EXCLUSION." Do not fill out both forms.

MY OBJECTION

I confirm that I worked for Defendant Clinicas de Salud del Pueblo, Inc. in the State of California, while classified as an hourly or non-exempt employee, at some point during the Class Period from October 15, 2015 through and including _______, 2023.

I wish to object to the settlement reached in the Clinicas de Salud del Pueblo matter. The nat and basis for the objection are as follows:	ture
(Attach additional pages if necessary)	
Print Full Name:	
Last Four Digits of My Social Security Number:	
Residence Street Address:	
City, State and Zip Code:	
Telephone Number:	
My Signature: Date:	

	to appear or have my attorney appear at the Final Approval Hearing:
Ÿ	Yes
1	No
I	am not certain
SIGNED, MA	TO BE VALID, THIS OBJECTION FORM MUST BE COMPLETED ILED BY FIRST CLASS MAIL, AND POSTMARKED ON OR BEFORE
Administrator a	s from mailing of this notice)]. Send this signed objection form to the Settlemen t:

Optional information (no response is required):