

1 **FIRST AMENDED JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT**

2 This First Amended Joint Stipulation of Class Action and PAGA Settlement (“Settlement,”  
3 “Agreement,” or “Settlement Agreement”) is made and entered into by and between Plaintiff Quincy  
4 O’Neal (“Plaintiff” or “Class Representative”), individually, and on behalf of all others similarly  
5 situated, and on behalf of aggrieved employees, and, the State of California with respect to aggrieved  
6 employees, on the one hand, and Defendant Included Health, Inc., formerly known as Grand Rounds,  
7 Inc. (“Defendant”), on the other hand (together, Plaintiff and Defendant are referred to as “Parties”  
8 and individually as “Party”).

9 The Parties agree to supplant the Joint Stipulation of Class Action and PAGA Settlement  
10 entered into by the Parties on or around October 7, 2024 with this First Amended Joint Stipulation of  
11 Class Action and PAGA Settlement.

12 This Settlement Agreement shall be binding on Plaintiff, Settlement Class Members (as  
13 defined herein), PAGA Employees, the State of California as to the employment of PAGA Employees  
14 (as defined herein), and Defendant, subject to the terms and conditions hereof and the approval of the  
15 Court.

16 **RECITALS**

17 1. On August 14, 2023, Plaintiff provided written notice to the Labor and Workforce  
18 Development Agency (“LWDA”) by online submission and to Defendant by U.S. Certified Mail,  
19 pursuant to California Labor Code Section 2699.3, of the specific provisions of the California Labor  
20 Code alleged to have been violated by Defendant (“PAGA Letter”). On August 15, 2023, Plaintiff  
21 filed a Class Action Complaint for Damages in the action entitled *Quincy O’Neal v. Included Health,*  
22 *Inc., formerly known as Grand Rounds, Inc.*, San Francisco County Superior Court Case No. CGC-  
23 23-608391 (“Action”), thereby commencing a putative class action against Included Health, Inc.,  
24 Grand Rounds Health, and Doctor on Demand Professionals of California. On October 17, 2023,  
25 pursuant to the Parties’ joint stipulation, the Court dismissed Doctor on Demand Professionals of  
26 California without prejudice, with a waiver of fees and costs as against Doctor on Demand  
27 Professionals of California.

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1           2.       On October 20, 2023, Plaintiff filed a Complaint for Enforcement Action Under the  
2 Private Attorneys General Act, Cal. Labor Code §§ 2698 Et Seq. against Defendant in the action  
3 entitled *Quincy O’Neal v. Included Health, Inc., formerly known as Grand Rounds, Inc.*, San Francisco  
4 County Superior Court Case No. CGC-23-609901 (“PAGA Action”).

5           3.       On January 2, 2024, Plaintiff filed a First Amended Class Action Complaint for  
6 Damages and Enforcement Action Under the Private Attorneys General Act, California Labor Code  
7 §§ 2698 Et Seq. (“Operative Complaint”) in the Action against Defendant, which, *inter alia*, added a  
8 cause of action under the Private Attorneys General Act of 2004 pursuant to California Labor Code  
9 Section 2698 *et seq.* (“PAGA”), and in which included all allegations alleged in the PAGA Action.  
10 Subsequently, the PAGA Action was dismissed without prejudice on April 5, 2024.

11           4.       The Operative Complaint alleges ten (10) causes of action for violations of the  
12 California Labor Code for failure to pay minimum and overtime wages, failure to provide compliant  
13 meal periods and premium payments in lieu thereof, failure to provide compliant rest periods and  
14 premiums payments in lieu thereof, failure to timely pay wages during employment and upon  
15 termination, failure to provide accurate wage statements, and failure to reimburse necessary business  
16 expenses, for violations of California Business & Professions Code Section 17200, *et seq.* based on  
17 the aforementioned California Labor Code violations, including for off-the-clock work and time  
18 rounding, and for failure to include all non-discretionary compensation in the regular rate of pay for  
19 all wages required to be calculated at the regular rate of pay; and for civil penalties under PAGA based  
20 on the aforementioned California Labor Code violations.

21           5.       Defendant denies all materials allegations set forth in the Action and its underlying  
22 Operative Complaint and has asserted numerous affirmative defenses. Notwithstanding, in the interest  
23 of avoiding further litigation, the Parties desire to fully and finally settle the Action, Released Class  
24 Claims (as defined herein), and Released PAGA Claims (as defined herein).

25           6.       Class Counsel diligently investigated the class and PAGA claims against Defendant,  
26 including any and all applicable defenses and the applicable law. The investigation included, *inter*  
27 *alia*, the exchange of information, data, and documents, and review of corporate policies and practices.  
28 The Parties have engaged in sufficient informal discovery and investigation to assess the relative

merits of the claims and contentions of the Parties.

7. On March 15, 2024, the Parties participated in mediation with Monique Ngo-Bonnici, Esq. (the “Mediator”), a respected mediator of complex wage and hour actions, and with the assistance of the Mediator’s evaluations, the Parties reached the settlement that is memorialized herein. The Parties’ settlement discussions were conducted at arms’ length, and the Settlement is the result of an informed and detailed analysis of Defendant’s potential liability and exposure in relation to the costs and risks associated with continued litigation. Based on Class Counsel’s investigation and evaluation, Class Counsel believes that the settlement with Defendant for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members, State of California, and PAGA Employees in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation and various defenses asserted by Defendant.

8. The Parties expressly acknowledge that this Settlement Agreement is entered into solely for the purpose of compromising significantly disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendant. If for any reason this Settlement Agreement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

### **DEFINITIONS**

9. The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective.

a. “Attorneys’ Fees and Costs” means attorneys’ fees approved by the Court for Class Counsel’s litigation and resolution of the Action and all actual costs and expenses incurred and to be incurred by Class Counsel in connection with the Action, as set forth in Paragraph 12.

b. “Class” or “Class Member(s)” means all current and former non-exempt employees who worked for Defendant in the State of California at any time during the Class Period.

c. “Class Counsel” means Jonathan M. Genish, Miriam L. Schimmel, Joana Fang, Alexandra Rose, and Jared C. Osborne of Blackstone Law, APC, who will seek to be appointed counsel for the Class.

1           d.       “Class List” means a complete list of all Class Members that Defendant will  
2 diligently and in good faith compile from its records and provide to the Settlement Administrator,  
3 subject to a protective order entered in the Action but in the event the Court does not agree to sign the  
4 protective order, the Class List will be produced subject to an agreement between Defendant and the  
5 Settlement Administrator governing the dissemination, disclosure, and use of confidential  
6 information. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet  
7 containing the following information for each Class Member: (1) full name; (2) last known mailing  
8 address; (3) Social Security number; (4) hire date; (5) termination date (if applicable); and (6) any  
9 other information as is necessary for the Settlement Administrator to calculate Workweeks and PAGA  
10 Workweeks (if applicable).

11           e.       “Class Notice” means the Notice of Class Action Settlement, substantially in  
12 the form attached hereto as “**Exhibit A**.”

13           f.       “Class Period” means the period from August 15, 2019 through June 30, 2024.

14           g.       “Class Settlement” means the settlement and resolution of all Released Class  
15 Claims.

16           h.       “Court” means the Superior Court of the State of California for the County of  
17 San Francisco.

18           i.       “Defendant’s Counsel” means David L. Cheng and Min K. Kim of Ford &  
19 Harrison LLP.

20           j.       “Effective Date” means the following: (i) if no Settlement Class Member  
21 objects to the Class Settlement, then the Effective Date will be the date of Final Approval; or (ii) if  
22 any Settlement Class Member objects to the Class Settlement, the Effective Date will be the sixty-  
23 sixth (66th) calendar day after the date of Final Approval, provided no appeal is initiated by an  
24 objector; or (iii) if a timely appeal is initiated by an objector, then the Effective Date will be the day  
25 after final resolution of that appeal (including any requests for rehearing and/or petitions for certiorari),  
26 resulting in an exhaustion of appeals and final judicial approval of the Settlement.

27           k.       “Employer Taxes” means the employer’s share of taxes in connection with the  
28 wages portion of Individual Settlement Shares, which shall be paid by Defendant in addition to the

1 Gross Settlement Amount.

2 l. “Enhancement Payment” means the amount to be paid to Plaintiff, in  
3 recognition of his effort and work in prosecuting the Action on behalf of Class Members, as set forth  
4 in Paragraph 13.

5 m. “Final Approval” means the determination by the Court that the Settlement is  
6 fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

7 n. “Final Approval Hearing” means the hearing at which the Court will consider  
8 and determine whether the Settlement should be granted Final Approval.

9 o. “Final Approval Order and Judgment” means the order granting final approval  
10 of the Settlement and entering judgment thereon, in a form and content mutually agreed to by the  
11 Parties, and subject to approval by the Court.

12 p. “Gross Settlement Amount” means the amount of Four Hundred Fifteen  
13 Thousand Dollars and Zero Cents (\$415,000.00) to be paid by Defendant in full satisfaction of the  
14 Action, Released Class Claims, and Released PAGA Claims, which includes all Attorneys’ Fees and  
15 Costs, Enhancement Payment, PAGA Amount, Settlement Administration Costs, and Net Settlement  
16 Amount to be paid to the Settlement Class Members. Defendant shall pay the Employer Taxes  
17 separately and in addition to the Gross Settlement Amount. The Gross Settlement Amount is non-  
18 reversionary; no portion of the Gross Settlement Payment will return to Defendant. The Gross  
19 Settlement Amount is subject to increase, as provided in Paragraph 16.

20 q. “Individual PAGA Payment” means the *pro rata* share of the PAGA Employee  
21 Amount that a PAGA Employee may be eligible to receive under the PAGA Settlement, to be  
22 calculated in accordance with Paragraph 18.

23 r. “Individual Settlement Payment” means the net payment of each Settlement  
24 Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and  
25 withholdings with respect to the wages portion of the Individual Settlement Share, as provided in  
26 Paragraph 19.

27 s. “Individual Settlement Share” means the *pro rata* share of the Net Settlement  
28 Amount that a Class Member may be eligible to receive under the Class Settlement, to be calculated

1 in accordance with Paragraph 17.

2 t. “LWDA Payment” means the amount of Thirty-Seven Thousand Five Hundred  
3 Dollars and Zero Cents (\$37,500.00), i.e., 75% of the PAGA Amount, that the Parties have agreed to  
4 pay to the LWDA under the PAGA Settlement, as set forth in Paragraph 14.

5 u. “Net Settlement Amount” means the portion of the Gross Settlement Amount  
6 that is available for distribution to Settlement Class Members, which is the Gross Settlement Amount  
7 less the Court-approved Attorneys’ Fees and Costs, Enhancement Payment, PAGA Amount, and  
8 Settlement Administration Costs.

9 v. “Notice of Objection” means a Settlement Class Member’s written objection to  
10 the Class Settlement, which must: (a) contain the case name and number of the Action; (b) contain the  
11 objector’s full name, signature, address, and telephone number; (c) contain a written statement of all  
12 grounds for the objection accompanied by any legal support for such objection; (d) contain copies of  
13 any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail  
14 to the Settlement Administrator at the specified address, postmarked on or before the Response  
15 Deadline.

16 w. “PAGA Amount” means the allocation of Fifty Thousand Dollars and Zero  
17 Cents (\$50,000.00) from the Gross Settlement Amount for the PAGA Settlement. Seventy-five  
18 percent (75%) of the PAGA Amount, or \$37,500.00, will be paid to the LWDA (i.e., the LWDA  
19 Payment) and the remaining twenty-five percent (25%), or \$12,500.00, will be distributed to the  
20 PAGA Employees (i.e., the PAGA Employee Amount).

21 x. “PAGA Employees” means all current and former non-exempt employees who  
22 worked for Defendant in the State of California at any time during the PAGA Period.

23 y. “PAGA Employee Amount” means the amount of Twelve Thousand Five  
24 Hundred Dollars and Zero Cents (\$12,500.00), i.e., 25% of the PAGA Amount, to be distributed to  
25 PAGA Employees on a *pro rata* basis based on their PAGA Workweeks.

26 z. “PAGA Period” means the period from August 14, 2022 through June 30, 2024.

27 aa. “PAGA Settlement” means the settlement and resolution of all Released PAGA  
28 Claims.

1           bb.     “PAGA Workweeks” means the number of weeks each PAGA Employee  
2 worked for Defendant as a non-exempt employee in California during the PAGA Period. The PAGA  
3 Workweeks will be calculated by the Settlement Administrator based on each PAGA Employee’s start  
4 date or the beginning of the PAGA Period, whichever is later, and separation date or the last day of  
5 the PAGA Period, whichever is earlier, based on the Class List provided by Defendant. In order to be  
6 counted as a PAGA Workweek, the PAGA Employee must have worked at least one day in that week.

7           cc.     “Preliminary Approval” means the date on which the Court enters the  
8 Preliminary Approval Order.

9           dd.     “Preliminary Approval Order” means the order granting preliminary approval  
10 of the Settlement, in a form and content mutually agreed to by the Parties, and subject to approval by  
11 the Court.

12           ee.     “Released Class Claims” means any and all claims, debts, liabilities, demands,  
13 obligations, guarantees, costs, expenses, attorneys’ fees, damages, or causes of action which were  
14 alleged or which could have been alleged based on the factual allegations in the Operative Complaint,  
15 arising during the Class Period, under any federal, state, or local law, and shall specifically include  
16 claims for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal  
17 and rest periods and associated premium payments, timely pay wages during employment and upon  
18 termination, provide accurate wage statements, and reimburse necessary business-related expenses in  
19 violation of California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.7, 510, 512(a), 1194,  
20 1194.2, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage  
21 Order, claims for recovery of unpaid wages in violation of California Business and Professions Code  
22 sections 17200, *et seq.* based on the aforementioned California Labor Code violations, including for  
23 off-the-clock work and time rounding, and for failure to include all non-discretionary compensation  
24 in the regular rate of pay for all wages required to be calculated at the regular rate of pay, and all claims  
25 for attorneys’ fees and costs and statutory interest in connection therewith, and any other claims,  
26 including claims for statutory penalties, pertaining to the Class Members.

27           ff.     “Released PAGA Claims” means any and all claims which were alleged or  
28 which could have been alleged based on the factual allegations in the Operative Complaint and/or

1 PAGA Letter, arising during the PAGA Period, for civil penalties under the Private Attorneys General  
2 Act of 2004, California Labor Code Sections 2698 *et seq.*, including all claims for attorneys' fees and  
3 costs related thereto, for Defendant's alleged failure to pay overtime and minimum wages, provide  
4 compliant meal and rest periods and associated premium payments, timely pay wages during  
5 employment and upon termination, provide complaint wage statements, maintain complete and  
6 accurate payroll records, and reimburse necessary business-related expenses in violation of the  
7 California Labor Code, including, without limitation, Sections 201, 202, 203, 204, 226(a), 226.7, 510,  
8 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare  
9 Commission Wage Order. This includes, without limitation, the non-payment of wages arising from  
10 allegations of off-the-clock work, time rounding, unpaid meal break premiums, unpaid rest break  
11 premiums, and for failure to include all non-discretionary compensation in the regular rate of pay for  
12 all wages required to be calculated at the regular rate of pay.

13 gg. "Released Parties" means Defendant and all of its related entities, owners,  
14 current and former officers, directors, employees who are not Class Members, members, insurers,  
15 shareholders, parents, subsidiaries, affiliates, agents, predecessors, successors, and assigns.

16 hh. "Request for Exclusion" means a letter submitted by a Class Member indicating  
17 a request to be excluded from the Class Settlement, which must: (a) contain the case name and number  
18 of the Action; (b) contain the Class Member's full name, signature, address, and telephone number;  
19 (c) clearly state that the Class Member does not wish to be included in the Class Settlement; and (d)  
20 be returned by mail to the Settlement Administrator at the specified address, postmarked on or before  
21 the Response Deadline.

22 ii. "Response Deadline" means the deadline by which Class Members must submit  
23 a Request for Exclusion, Notice of Objection, and/or Workweeks Dispute, which shall be the date that  
24 is forty-five (45) calendar days from the initial mailing of the Class Notice by the Settlement  
25 Administrator to Class Members, unless the 45th day falls on a Sunday or Federal holiday, in which  
26 case the Response Deadline will be extended to the next day on which the United States Postal service  
27 is open. The Response Deadline may also be extended by express agreement between Class Counsel  
28 and Defendant's Counsel. Under no circumstances, however, will the Settlement Administrator have



1 the authority to extend the Response Deadline. In the event that a Class Notice is re-mailed to a Class  
2 Member, the Response Deadline for that Class Member shall be extended fifteen (15) calendar days  
3 from the original Response Deadline.

4           jj.       “Settlement Administrator” means CAC Services Group, LLC, or any other  
5 third-party class action settlement administrator agreed to by the Parties and approved by the Court  
6 for purposes of administering the Settlement. The Parties and their counsel each represent that they  
7 do not have any financial interest in the Settlement Administrator or otherwise have a relationship  
8 with the Settlement Administrator that could create a conflict of interest.

9           kk.       “Settlement Administration Costs” means the costs payable from the Gross  
10 Settlement Amount to the Settlement Administrator for administering the Settlement, as set forth in  
11 Paragraph 15.

12           ll.       “Settlement Class” or “Settlement Class Member(s)” means all Class Members  
13 who do not submit a timely and valid Request for Exclusion.

14           mm.       “Workweeks” means the number of weeks each Class Member worked for  
15 Defendant as a non-exempt employee in California during the Class Period. The Workweeks will be  
16 calculated by the Settlement Administrator based on each Class Member’s start date or the beginning  
17 of the Class Period, whichever is later, and separation date or the last day of the Class Period,  
18 whichever is earlier, based on the Class List provided by Defendant. In order to be counted as a  
19 Workweek, the Class Member must have worked at least one day in that week.

20           nn.       “Workweeks Dispute” means a letter submitted by a Class Member disputing  
21 the number of Workweeks and/or PAGA Workweeks to which they have been credited, which must:  
22 (a) contain the case name and number of the Action; (b) contain the Class Member’s full name,  
23 signature, address, and telephone number; (c) clearly state that the Class Member disputes the number  
24 of Workweeks and/or PAGA Workweeks credited to the Class Member and what the Class Member  
25 contends is the correct number; and (d) be returned by mail to the Settlement Administrator at the  
26 specified address, postmarked on or before the Response Deadline.

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1 **CLASS CERTIFICATION**

2 10. For the purposes of this Settlement only, the Parties stipulate to the certification of the  
3 Class.

4 11. The Parties agree that certification for the purpose of settlement is not an admission  
5 that certification is proper under Section 382 of the California Code of Civil Procedure. Should, for  
6 whatever reason, the Court not grant Final Approval, the Parties' stipulation to class certification as  
7 part of the Settlement shall become null and void ab initio and shall have no bearing on, and shall not  
8 be admissible in connection with, the issue of whether or not certification would be inappropriate in a  
9 non-settlement context.

10 **TERMS OF THE AGREEMENT**

11 NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set  
12 forth herein, the Parties agree, subject to the Court's approval, as follows:

13 12. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application  
14 or motion by Class Counsel for attorneys' fees in the amount up to one-third (1/3) of the Gross  
15 Settlement Amount (i.e., \$138,333.33 if the Gross Settlement Amount is \$415,000.00) and  
16 reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement  
17 of the Action, in an amount not to exceed Eighteen Thousand Dollars and Zero Cents (\$18,000.00),  
18 both of which will be paid from the Gross Settlement Amount. These amounts will cover any and all  
19 work performed and any and all costs incurred by Class Counsel in connection with the litigation of  
20 the Action and PAGA Action, including without limitation all work performed and costs incurred to  
21 date, and all work to be performed and all costs to be incurred in connection with obtaining the Court's  
22 approval of this Settlement Agreement, including any objections raised and any appeals necessitated  
23 by those objections. Class Counsel shall be solely and legally responsible for correctly characterizing  
24 this compensation for tax purposes and for paying any taxes on the amounts received. The Settlement  
25 Administrator shall issue an IRS Form 1099 to Class Counsel for the Attorneys' Fees and Costs. Any  
26 portion of the requested Attorneys' Fees and Costs that is not awarded by the Court to Class Counsel  
27 shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

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1           13.     Enhancement Payment. Defendant agrees not to oppose or impede any application or  
2 motion by Plaintiff for an Enhancement Payment in the amount up to Ten Thousand Dollars and Zero  
3 Cents (\$10,000.00). The Enhancement Payment, which will be paid from the Gross Settlement  
4 Amount, subject to Court approval, will be in addition to his Individual Settlement Payment as a  
5 Settlement Class Member and Individual PAGA Payment as a PAGA Employee. Plaintiff shall be  
6 solely and legally responsible for correctly characterizing this compensation for tax purposes and for  
7 paying any taxes on the amounts received. The Settlement Administrator shall issue an IRS Form  
8 1099 to Plaintiff for the Enhancement Payment. Any portion of the requested Enhancement Payment  
9 that is not awarded by the Court to Plaintiff shall be reallocated to the Net Settlement Amount for the  
10 benefit of the Settlement Class Members.

11           14.     PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of  
12 Fifty Thousand Dollars and Zero Cents (\$50,000.00) shall be allocated from the Gross Settlement  
13 Amount toward penalties under the Private Attorneys General Act, California Labor Code Section  
14 2698, *et seq.* (i.e., the PAGA Amount), of which seventy-five percent (75%), or \$37,500.00, will be  
15 paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%), or \$12,500.00, will be  
16 distributed to PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on the  
17 total number of PAGA Workweeks worked by each PAGA Employee during the PAGA Period (i.e.,  
18 the Individual PAGA Payments).

19           15.     Settlement Administration Costs. The Settlement Administrator will be paid for the  
20 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,  
21 which is currently not to exceed Seven Thousand Dollars and Zero Cents (\$7,000.00). These costs,  
22 which will be paid from the Gross Settlement Amount, subject to Court approval, will include, *inter*  
23 *alia*, printing, distributing, and tracking Class Notices and other documents for the Settlement,  
24 calculating and distributing payments due under the Settlement, issuing of 1099 and W-2 IRS Forms  
25 and all required tax reporting, filings, withholdings, and remittances, providing necessary reports and  
26 declarations, and other duties and responsibilities set forth herein to process the Settlement, and as  
27 requested by the Parties. To the extent the actual Settlement Administrator's costs are greater than the  
28 estimated amount stated herein, such excess amount will be deducted from the Gross Settlement

Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator to undertake the required settlement administration duties shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

16. Escalator Clause. Defendant has represented that the Class Members worked a total of 8,345 workweeks during the period from August 15, 2019 through March 11, 2024. If it is determined by the Settlement Administrator that the total number of Workweeks worked by the Class Members during the above-referenced period of August 15, 2019 through March 11, 2024 actually exceeds 8,345 by more than 10% (i.e., by more than 9,179 Workweeks), then the Gross Settlement Amount will be increased on a *pro rata* basis equal to the percentage increase in the number of Workweeks worked by the Class Members above 10%. For example, if the number of Workweeks increases by 11% to 9,263 Workweeks, then the Gross Settlement Amount will increase by 1%.

17. Individual Settlement Share Calculations. Individual Settlement Shares will be calculated and apportioned from the Net Settlement Amount based on the Class Members' number of Workweeks, as follows:

a. After Preliminary Approval, the Settlement Administrator will divide the Net Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Workweek Value," and multiply each Class Member's individual Workweeks by the Estimated Workweek Value to yield each Class Member's estimated Individual Settlement Share that each Class Member may be entitled to receive under the Class Settlement.

b. After Final Approval, the Settlement Administrator will divide the final Net Settlement Amount by the Workweeks of all Settlement Class Members to yield the "Final Workweek Value," and multiply each Settlement Class Member's individual Workweeks by the Final Workweek Value to each Settlement Class Member's final Individual Settlement Share.

18. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees' number of PAGA Workweeks, as follows: The Settlement Administrator will divide the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the PAGA Workweeks of all PAGA

Employees to yield the “PAGA Workweek Value,” and multiply each PAGA Employee’s individual PAGA Workweeks by the PAGA Workweek Value to yield each PAGA Employee’s Individual PAGA Payment.

19. Tax Treatment of Individual Settlement Shares and Individual PAGA Payments. Each Individual Settlement Share will be allocated as follows: ten percent (10%) wages and ninety percent (90%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The Settlement Administrator will withhold the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes and withholdings). The Employer Taxes will be paid separately and in addition to the Gross Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

20. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiff, Settlement Class Members, PAGA Employees, and Class Counsel any tax forms (i.e., IRS Forms W-2, IRS Forms 1099, etc.) as may be required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement Administrator will also be responsible for calculating the Employer Taxes and forwarding all payroll taxes and other legally required withholdings to the appropriate government authorities.

21. Tax Liability. Plaintiff, Class Counsel, Defendant, and Defendant’s Counsel do not intend anything contained in this Settlement Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiff, Settlement Class Members, and PAGA Employees are not relying on any statement, representation, or calculation by Defendant, the Settlement Administrator, or Class Counsel in this regard. Plaintiff, Class Counsel, Settlement Class Members, and PAGA Employees understand and agree that Plaintiff, Class Counsel, Settlement Class Members, and PAGA Employees will be solely responsible for the payment of any taxes and penalties assessed on the payments described in this Settlement Agreement. Plaintiff, Class

Counsel, Settlement Class Members, and PAGA Employees should consult with their tax advisors concerning the tax consequences of any payment they receive under the Settlement.

22. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS SETTLEMENT 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 WILL 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 SETTLEMENT AGREEMENT, (B) HAS NOT ENTERED INTO THIS SETTLEMENT 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 ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISOR’S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

23. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually are issued to the payee. It is expressly understood and agreed that payments made under this

Settlement shall not in any way entitle Plaintiff, Settlement Class Members, or any PAGA Employee to additional compensation or benefits under any new or additional compensation or benefits, or any bonus, contest, or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle Plaintiff, Settlement Class Members, or any PAGA Employee to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the Class Period).

24. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.

Upon execution of this Settlement Agreement, Plaintiff will obtain a hearing date from the Court for Plaintiff's motion for preliminary approval of the Settlement, which Plaintiff and Class Counsel will be responsible for drafting, and submit this Settlement Agreement to the Court in support of said motion. Class Counsel will provide Defendant's Counsel a draft of the preliminary approval motion before filing it with the Court, including any supporting papers. Defendant agrees not to oppose the motion for preliminary approval of the Settlement consistent with this Settlement Agreement. By way of said motion, Plaintiff will apply for the entry of the Preliminary Approval Order seeking the following:

- a. Conditionally certifying the Class for settlement purposes only;
- b. Granting Preliminary Approval of the Settlement;
- c. Preliminarily appointing Plaintiff as the representative of the Class;
- d. Preliminarily appointing Class Counsel as counsel for the Class;
- e. Approving as to form and content, the mutually-agreed upon and proposed Class Notice and directing its mailing by First Class U.S. Mail;
- f. Approving the manner and method for Class Members to request exclusion from or object to the Class Settlement as contained herein and within the Class Notice;
- g. Scheduling a Final Approval Hearing at which the Court will determine whether Final Approval of the Settlement should be granted.

25. Notice of Settlement to the LWDA. Pursuant to California Labor Code § 2699(1)(2), Class Counsel shall notify the LWDA of the Settlement upon filing the motion for preliminary

1 approval of the Settlement.

2       26.   Delivery of Class List. Within fourteen (14) calendar days of Preliminary Approval,  
3 Defendant will provide the Class List to the Settlement Administrator subject to a protective order  
4 entered in the Action but in the event the Court does not agree to sign the protective order, the Class  
5 List will be produced subject to an agreement between Defendant and the Settlement Administrator  
6 governing the dissemination, disclosure and use of confidential information. The names, addresses,  
7 and Social Security numbers will only be disclosed to the Settlement Administrator and not to Class  
8 Counsel. This information shall be kept confidential and shall not be disclosed, either in writing or  
9 orally, by the Settlement Administrator. The Settlement Administrator shall use due care with respect  
10 to the storage, custody, use, and/or dissemination of the confidential information. Such information  
11 must be stored in a secure fashion and all persons who access the data must agree to keep it  
12 confidential.

13       27.   Notice by First-Class U.S. Mail.

14           a.       Within seven (7) calendar days after receiving the Class List from Defendant,  
15 the Settlement Administrator will perform a search based on the National Change of Address Database  
16 or any other similar services available, such as provided by Experian, for information to update and  
17 correct for any known or identifiable address changes, and will mail a Class Notice in English (in the  
18 form attached as **Exhibit A** to this Settlement Agreement) to all Class Members via First-Class U.S.  
19 Mail, using the most current, known mailing addresses identified by the Settlement Administrator.

20           b.       Any Class Notice returned to the Settlement Administrator as undeliverable on  
21 or before the Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding  
22 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on  
23 the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly  
24 attempt to determine the correct address using a skip-trace or other search, using the name, address,  
25 and/or Social Security number of the Class Member, and perform a single re-mailing within five (5)  
26 calendar days.

27           c.       Compliance with the procedures described herein above shall constitute due and  
28 sufficient notice to Class Members of the Settlement and shall satisfy the requirements of due process.



Nothing else shall be required of or done by the Parties, Class Counsel, or Defendant's Counsel to provide notice of the Settlement.

28. Disputes Regarding Workweeks and/or PAGA Workweeks. Class Members will have an opportunity to dispute the number of Workweeks and/or PAGA Workweeks to which they have been credited, as reflected in their respective Class Notices, by submitting a timely and valid Workweeks Dispute to the Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Workweeks Dispute has been timely submitted. Absent evidence rebutting the accuracy of Defendant's records and data as they pertain to the number of Workweeks and/or PAGA Workweeks to be credited to a disputing Class Member, Defendant's records will be presumed to be correct and determinative of the dispute. However, if a Class Member produces information and/or documents to the contrary, the Settlement Administrator will evaluate the materials submitted by the Class Member and the Settlement Administrator will resolve and determine the number of eligible Workweeks and/or PAGA Workweeks that the disputing Class Member should be credited with under the Settlement. The Settlement Administrator's decision on such disputes will be final and non-appealable.

29. Requesting Exclusion from the Class Settlement. Any Class Member wishing to be excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel the number of timely and valid Requests for Exclusion that are submitted, and also identify the individuals who have submitted a timely and valid Request for Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to request exclusion from the Class Settlement. Any Class Member who submits a Request for Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will

1 not be issued an Individual Settlement Payment. Any Class Member who does not affirmatively  
2 request exclusion from the Class Settlement by submitting a timely and valid Request for Exclusion,  
3 regardless of whether they received a Class Notice, will be bound by all of the terms of the Class  
4 Settlement, including and not limited to those pertaining to the Released Class Claims, as well as any  
5 judgment that may be entered by the Court if it grants Final Approval to the Settlement.  
6 Notwithstanding the above, all PAGA Employees will be bound to the PAGA Settlement and will be  
7 issued their Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

8 30. Objecting to the Class Settlement. To object to the Class Settlement, Settlement Class  
9 Members must submit a timely and complete Notice of Objection to the Settlement Administrator, by  
10 mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing  
11 envelope will be the exclusive means to determine whether a Notice of Objection has been timely  
12 submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's  
13 Counsel the number of Notices of Objection that are submitted (specifying which ones were timely  
14 and complete and which were not), and also attach them to a declaration that is to be filed with the  
15 Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel  
16 seek to solicit or otherwise encourage Settlement Class Members to object to the Class Settlement or  
17 appeal from the Final Approval Order and Judgment. Settlement Class Members, individually or  
18 through counsel, may also present their objection orally at the Final Approval Hearing, regardless of  
19 whether they have submitted a Notice of Objection and without any prior notice. If the Settlement  
20 Administrator receives both a Request for Exclusion and a Notice of Objection, the Settlement  
21 Administrator will honor the submission that is received first and disregard the other.

22 31. Reports by the Settlement Administrator. The Settlement Administrator shall provide  
23 weekly reports to counsel for the Parties providing: (a) the number of undeliverable and re-mailed  
24 Class Notices; (ii) the number of Class Members who have submitted Workweeks Disputes; (iii) the  
25 number of Class Members who have submitted Requests for Exclusion; and (iv) the number of  
26 Settlement Class Members who have submitted Notices of Objection. Additionally, the Settlement  
27 Administrator will provide to counsel for the Parties any updated reports regarding the administration  
28 of the Settlement Agreement as needed or requested, and immediately notify the Parties when it

1 receives a request from an individual or any other entity regarding inclusion in the Class and/or  
2 Settlement or regarding a Workweeks Dispute.

3 32. Defendant's Right to Rescind. If more than ten percent (10%) of the Class Members  
4 submit timely and valid Requests for Exclusion, Defendant may elect to rescind the Settlement  
5 Agreement. Defendant must exercise this right of rescission in writing that is provided to Class  
6 Counsel within fourteen (14) calendar days of the Settlement Administrator notifying the Parties of  
7 the number of Class Members who have submitted timely and valid Requests for Exclusion following  
8 the Response Deadline. If Defendant exercises this option, the Settlement and conditional class  
9 certification shall be considered void, and neither the Settlement, conditional class certification, nor  
10 any of the related negotiations or proceedings, shall be of any force or effect, and the Parties shall  
11 stand in the same position, without prejudice, as if this Settlement had been neither entered into nor  
12 filed with the Court. Further, if Defendant exercises this option, it shall pay any costs of settlement  
13 administration owed to the Settlement Administrator incurred up to that date.

14 33. Certification of Completion. Upon completion of administration of the Settlement, the  
15 Settlement Administrator will provide a written declaration under oath to certify such completion to  
16 the Court and counsel for all Parties.

17 34. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After  
18 the Response Deadline, a Final Approval Hearing will be conducted to determine whether Final  
19 Approval of the Settlement should be granted, along with the amounts properly payable for: (a)  
20 Individual Settlement Shares; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys'  
21 Fees and Costs; (e) Enhancement Payment; and (f) Settlement Administration Costs. The Final  
22 Approval Hearing will not be held earlier than thirty (30) calendar days after the Response Deadline.  
23 Plaintiff and Class Counsel will be responsible for drafting the motion seeking Final Approval of the  
24 Settlement. Class Counsel will provide Defendant's Counsel a draft of the final approval motion  
25 before filing it with the Court. By way of said motion, Plaintiff will apply for the entry of the Final  
26 Approval Order and Judgment, which will provide for, in substantial part, the following:

27 a. Approval of the Settlement as fair, reasonable, and adequate, and directing  
28 consummation of its terms and provisions;

- 1                   b.       Certification of the Settlement Class;
- 2                   c.       Approval of the application for Attorneys' Fees and Costs to Class Counsel;
- 3                   d.       Approval of the application for Enhancement Payment to Plaintiff;
- 4                   e.       Directing Defendant to fund all amounts due under the Settlement Agreement
- 5 and ordered by the Court;
- 6                   f.       Directing Plaintiff to submit notice of the Final Approval Order and Judgment
- 7 to the LWDA in accordance with California Labor Code section 2699(1)(3); and
- 8                   g.       Entering judgment in the Action, while maintaining continuing jurisdiction, in
- 9 conformity with California Rules of Court 3.769 and the Settlement Agreement.

10           35.   Funding of the Gross Settlement Amount. No later than thirty (30) calendar days after

11 the Effective Date, Defendant will deposit the Gross Settlement Amount into a Qualified Settlement

12 Fund ("QSF") within the meaning of Treasury Regulation Section 1.468B-1, *et seq.*, to be established

13 by the Settlement Administrator. Defendant shall provide all information necessary for the Settlement

14 Administrator to calculate necessary payroll taxes including its official name, 8-digit state

15 unemployment insurance tax ID number, and other information requested by the Settlement

16 Administrator, no later than thirty (30) calendar days after the Effective Date. Additionally, no later

17 than five (5) calendar days after the Effective Date, Plaintiff, Class Counsel, and the Settlement

18 Administrator will transmit executed W-9 Forms to Defendant.

19           36.   Distribution of the Gross Settlement Amount. Within five (5) business days of the

20 funding of the Gross Settlement Amount, the Settlement Administrator will issue the Individual

21 Settlement Payments to Settlement Class Members, Individual PAGA Payments to PAGA Employees,

22 LWDA Payment to the LWDA, Enhancement Payment to Plaintiff, Attorneys' Fees and Costs to Class

23 Counsel, and Settlement Administration Costs to itself. The Settlement Administrator shall also set

24 aside the Employer Taxes and all employee-side payroll taxes, contributions, and withholding, and

25 timely forward these to the appropriate government authorities.

26           37.   Settlement Checks. The Settlement Administrator will be responsible for undertaking

27 appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way

28 of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the

PAGA Employees in accordance with this Settlement Agreement. When issuing payments, the

1 Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA  
2 Payment into one check if the intended recipient for both payments is one individual. Settlement Class  
3 Members and PAGA Employees are not required to submit a claim to be issued an Individual  
4 Settlement Payment and/or Individual PAGA Payment. Each Individual Settlement Payment and  
5 Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180)  
6 calendar days from the date the checks are issued, and thereafter, shall be canceled. Any funds  
7 associated with such canceled checks shall be distributed by the Settlement Administrator to the State  
8 of California's Unclaimed Property Fund in the name of the Settlement Class Member and/or PAGA  
9 Employee. The Parties agree that this disposition results in no "unpaid residue" under California Civil  
10 Procedure Code § 384, as the entire Net Settlement Amount will be paid out to Settlement Class  
11 Members, whether or not they cash their settlement checks. Therefore, Defendant will not be required  
12 to pay any interest on such amounts. The Settlement Administrator shall undertake amended and/or  
13 supplemental tax filings and reporting required under applicable local, state, and federal tax laws that  
14 are necessitated due to the cancelation of any Individual Settlement Payment and/or Individual PAGA  
15 Payment checks. Settlement Class Members whose Individual Settlement Payment checks are  
16 canceled shall, nevertheless, be bound by the Class Settlement, and PAGA Employees whose  
17 Individual PAGA Payment checks are canceled shall, nevertheless, be bound by the PAGA Settlement.

18 38. Class Settlement Release. Upon the full funding of the Gross Settlement Amount,  
19 Plaintiff and all Settlement Class Members will be deemed to have fully, finally, and forever released,  
20 settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

21 39. PAGA Settlement Release. Upon the full funding of the Gross Settlement Amount,  
22 Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees will  
23 be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and  
24 discharged the Released Parties of all Released PAGA Claims.

25 40. Plaintiff's General Release. Upon the full funding of the Gross Settlement Amount,  
26 Plaintiff, individually and on his own behalf, will be deemed to have fully, finally, and forever  
27 released, settled, compromised, relinquished, and discharged the Released Parties from any and all  
28 claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages,

1 or causes of action of any kind or nature whatsoever, known or unknown, suspected or unsuspected,  
2 asserted or unasserted, which Plaintiff, at any time of execution of this Settlement Agreement, had or  
3 claimed to have or may have, including but not limited to any and all claims arising out of, relating to,  
4 or resulting from his employment and/or separation of employment with the Released Parties,  
5 including any claims arising under any federal, state, or local law, statute, ordinance, rule, or regulation  
6 or Executive Order relating to employment, including, but in no way limited to, all claims for wages  
7 or penalties under the California Labor Code; Business and Professions Code sections 17200 *et seq.*;  
8 all laws relating to violation of public policy, retaliation, or interference with legal rights; any and all  
9 other employment or discrimination laws; whistleblower claims; any tort, fraud, or constitutional  
10 claims; and any breach of contract claims or claims of promissory estoppel. It is agreed that this is a  
11 general release and is to be broadly construed as a release of all claims, provided that, notwithstanding  
12 the foregoing, this Paragraph expressly does not include a release of any claims that cannot be released  
13 hereunder by law. Plaintiff understands and expressly agrees that this Settlement Agreement extends  
14 to claims that he has against Defendant, of whatever nature and kind, known or unknown, suspected  
15 or unsuspected, vested or contingent, past, present, or future, arising from or attributable to an incident  
16 or event, occurring in whole or in part, on or before the execution of this Settlement Agreement. Any  
17 and all rights granted under any state or federal law or regulation limiting the effect of this Settlement  
18 Agreement, including the provisions of Section 1542 of the California Civil Code, ARE HEREBY  
19 EXPRESSLY WAIVED. Section 1542 of the California Civil Code reads as follows:

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

25 41. Final Approval Order and Judgment. The Parties shall provide the Settlement  
26 Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court,  
27 and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for  
28 sixty (60) calendar days. No individualized notice of the Final Approval Order and Judgment to the

1 Class will be required.

2 42. Continued Jurisdiction. After entry of the judgment pursuant to the Settlement, the  
3 Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and  
4 Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the  
5 interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters,  
6 and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this  
7 Settlement Agreement.

8 43. Effects of Termination or Rescission of Settlement. Termination or rescission of the  
9 Settlement Agreement shall have the following effects:

10 a. The Settlement Agreement shall be void and shall have no force or effect, and  
11 no Party shall be bound by any of its terms;

12 b. In the event the Settlement Agreement is terminated, Defendant shall have no  
13 obligation to make any payments to any Party, Class Member, or attorney, except that the terminating  
14 Party shall pay the Settlement Administrator for services rendered up to the date the Settlement  
15 Administrator is notified that the Settlement has been terminated;

16 c. The Preliminary Approval Order, Final Approval Order and Judgment,  
17 including any order certifying the Class, shall be vacated;

18 d. The Settlement Agreement and all negotiations, statements, and proceedings  
19 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be  
20 restored to their respective positions in the Action prior to the execution of the Settlement Agreement;

21 e. Neither this Settlement Agreement, nor any ancillary documents, actions,  
22 statements, or filings in furtherance of the Settlement (including all matters associated with the  
23 mediation) shall be admissible or offered into evidence in the Action or any other action for any  
24 purpose whatsoever; and

25 f. Any documents generated to bring the Settlement into effect, will be null and  
26 void, and any order or judgment entered by the Court in furtherance of this Settlement Agreement will  
27 likewise be treated as void from the beginning.

28 ///

1           44.    No Prior Assignments. The Parties and their counsel represent, covenant, and warrant  
2 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,  
3 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause  
4 of action or right herein released and discharged.

5           45.    Exhibits Incorporated by Reference. The terms of this Settlement include the terms set  
6 forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein.  
7 Any exhibits to this Settlement Agreement are an integral part of the Settlement.

8           46.    Entire Agreement. This Settlement Agreement and any attached exhibits constitute the  
9 entirety of the Parties' agreement relating to the settlement and transaction completed thereby, and all  
10 prior or contemporaneous agreements, understandings, representations, and statements, whether oral  
11 or written and whether by a Party or such Party's legal counsel, are merged herein. No other prior or  
12 contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties  
13 expressly recognize California Civil Code § 1625 and California Code of Civil Procedure § 1856(a),  
14 which provide that a written agreement is to be construed according to its terms and may not be varied  
15 or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written  
16 representations or terms will modify, vary, or contradict the terms of this Settlement Agreement.

17           47.    Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in  
18 the Action (including with respect to California Code of Civil Procedure § 583.310), except such  
19 proceedings necessary to implement and complete this Settlement Agreement, pending the Final  
20 Approval Hearing to be conducted by the Court.

21           48.    Amendment or Modification. Prior to the filing of the motion for preliminary approval  
22 of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement  
23 except by written agreement signed by counsel for all Parties. After the filing of the motion for  
24 preliminary approval of the Settlement, the Parties may not amend or modify any provision of this  
25 Settlement Agreement except by written agreement signed by counsel for all the Parties and subject  
26 to Court approval. A waiver or amendment of any provision of this Settlement Agreement will not  
27 constitute a waiver of any other provision.

28           49.    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 Settlement  
Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant



1 to this Settlement Agreement to effectuate its terms and to execute any other documents required to  
2 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have  
3 full authority to enter into this Settlement Agreement, and further intend that this Settlement  
4 Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible  
5 and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation  
6 confidentiality provisions that otherwise might apply under state or federal law.

7 50. Signatories. It is agreed that because the members of the Class are so numerous, it is  
8 impossible or impractical to have each Settlement Class Member or PAGA Employee execute this  
9 Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the  
10 Class Settlement as to the Settlement Class Members and the binding nature of the PAGA Settlement  
11 as to the PAGA Employees, and the releases provided for by this Settlement Agreement shall have  
12 the same force and effect as if this Settlement Agreement were executed by each Settlement Class  
Member and PAGA Employee.

13 51. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,  
14 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

15 52. California Law Governs. All terms of this Settlement Agreement and attached exhibits  
16 hereto will be governed by and interpreted according to the laws of the State of California.

17 53. Execution and Counterparts. This Settlement Agreement is subject only to the  
18 execution of all Parties. However, this Settlement Agreement may be executed in one or more  
19 counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned  
20 copies of the signature page, will be deemed to be one and the same instrument.

21 54. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this  
22 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at  
23 this Settlement after arm's length negotiations and in the context of adversarial litigation, taking into  
24 account all relevant factors, present and potential. The Parties further acknowledge that they are each  
25 represented by competent counsel and that they have had an opportunity to consult with their counsel  
26 regarding the fairness and reasonableness of this Settlement Agreement. In addition, if necessary to  
27 obtain approval of the Settlement, the Mediator may execute a declaration supporting the Settlement  
28 and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to

1 discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

2 55. Invalidity of Any Provision. Before declaring any provision of this Settlement  
3 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent  
4 possible consistent with applicable precedents so as to define all provisions of this Settlement  
5 Agreement valid and enforceable.

6 56. Plaintiff's Cooperation. Plaintiff agrees to sign this Settlement Agreement and, by  
7 signing this Settlement Agreement, is hereby bound by the terms herein and agrees to fully cooperate  
8 to implement the Settlement.

9 57. Non-Admission of Liability. The Parties enter into this Settlement Agreement to  
10 resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of  
11 continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and  
12 specifically denies, it has violated any federal, state, or local law; violated any regulations or guidelines  
13 promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements;  
14 breached any contract; violated or breached any duty; engaged in any misrepresentation or deception;  
15 or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement  
16 Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be  
17 construed as an admission or concession by Defendant of any such violations or failures to comply  
18 with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement  
19 Agreement, this Settlement Agreement and its terms and provisions shall not be offered or received  
20 as evidence in any action or proceeding to establish any liability or admission on the part of Defendant  
21 or to establish the existence of any condition constituting a violation of, or a non-compliance with,  
22 federal, state, local or other applicable law.

23 58. Captions. The captions and paragraph numbers in this Settlement Agreement are  
24 inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope or  
25 intent of the provisions of this Settlement Agreement.

26 59. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and  
27 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be  
28 construed more strictly against one Party than another merely by virtue of the fact that it may have

1 been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length  
2 negotiations between the Parties, all Parties have contributed equally to the preparation of this  
3 Settlement Agreement.

4 60. Representation By Counsel. The Parties acknowledge that they have been represented  
5 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and  
6 that this Settlement Agreement has been executed with the consent and advice of counsel, and  
7 reviewed in full.

8 61. All Terms Subject to Final Court Approval. All amounts and procedures described in  
9 this Settlement Agreement herein will be subject to final Court approval.

10 62. Notices. All notices, demands, and other communications to be provided concerning  
11 the Settlement Agreement shall be in writing and deemed to have been duly given as of the third  
12 business day after mailing by First Class U.S. Mail, or the day sent by email or messenger, addressed  
13 as follows:

14 To Plaintiff and Class Counsel:

15 Jonathan M. Genish

16 jgenish@blackstonepc.com

17 Miriam L. Schimmel

18 mschimmel@blackstonepc.com

19 Joana Fang

20 jfang@blackstonepc.com

21 Alexandra Rose

22 arose@blackstonepc.com

23 Jared C. Osborne

24 josborne@blackstonepc.com

25 **BLACKSTONE LAW, APC**

26 8383 Wilshire Boulevard, Suite 745

27 Beverly Hills, California 90211

28 Tel: (310) 622-4278 / Fax: (855) 786-6356

To Defendant:

David L. Cheng

dcheng@fordharrison.com

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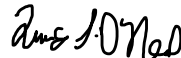
63. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

**IN WITNESS WHEREOF**, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiff and Defendant:

**IT IS SO AGREED.**

Dated: 01/29/2025

**PLAINTIFF QUINCY O'NEAL**

  
\_\_\_\_\_  
Plaintiff Quincy O'Neal

**DEFENDANT INCLUDED HEALTH, INC.,  
FORMERLY KNOWN AS GROUND  
ROUNDS, INC.**

Dated: \_\_\_\_\_


\_\_\_\_\_  
Full Name: \_\_\_\_\_

Title: \_\_\_\_\_  
On behalf of Included Health, Inc., formerly  
known as Grand Rounds, Inc.

**APPROVED AS TO FORM ONLY:**

Dated: January 29, 2025

**BLACKSTONE LAW, APC**

  
\_\_\_\_\_  
Jonathan M. Genish  
Attorneys for Plaintiff Quincy O'Neal  
and Proposed Class Counsel

**FORD & HARRISON LLP**

Dated: \_\_\_\_\_

\_\_\_\_\_  
David L. Cheng  
Min K. Kim

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**PLAINTIFF QUINCY O'NEAL**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Plaintiff Quincy O'Neal

**DEFENDANT INCLUDED HEALTH, INC.,  
FORMERLY KNOWN AS GROUND  
ROUNDS, INC.**

Dated: Jan 30, 2025

Sara Sahni

Sara Sahni (Jan 30, 2025 09:32 EST)

Full Name: Sara Sahni

Title: Senior Counsel

On behalf of Included Health, Inc., formerly  
known as Grand Rounds, Inc.

**APPROVED AS TO FORM ONLY:**

**BLACKSTONE LAW, APC**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Jonathan M. Genish  
Attorneys for Plaintiff Quincy O'Neal  
and Proposed Class Counsel

**FORD & HARRISON LLP**

Dated: January 30, 2025

  
\_\_\_\_\_  
David L. Cheng  
Min K. Kim

*Attorneys for* Defendant Included Health, Inc.,  
formerly known as Grand Rounds, Inc.

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# EXHIBIT A

## **NOTICE OF CLASS ACTION SETTLEMENT**

***Quincy O'Neal v. Included Health, Inc., formerly known as Grand Rounds, Inc.***  
**Superior Court of California for the County of San Francisco, Case No. CGC-23-608391**

### **PLEASE READ THIS CLASS NOTICE CAREFULLY.**

**You have received this Class Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.**

**You do not need to take any action to receive a settlement payment.**

**This Class Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks and/or PAGA Workweeks that you are credited with, if you so choose.**

**YOU ARE NOTIFIED THAT:** A class and representative action settlement has been reached between Plaintiff Quincy O'Neal ("Plaintiff") and Defendant Included Health, Inc., formerly known as Grand Rounds, Inc. ("Defendant") (Plaintiff and Defendant are collectively referred to as the "Parties") in the case entitled *Quincy O'Neal v. Included Health, Inc., formerly known as Grand Rounds, Inc.*, San Francisco County Superior Court, Case No. CGC-23-608391 ("Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

### **I. IMPORTANT DEFINITIONS**

**"Class" or "Class Member"** means all current and former non-exempt employees who worked for Defendant in the State of California at any time during the Class Period.

**"Class Period"** means the period from August 15, 2019 through June 30, 2024.

**"Class Settlement"** means the settlement and resolution of all Released Class Claims.

**"PAGA Employees"** means all current and former non-exempt employees who worked for Defendant in the State of California at any time during the PAGA Period.

**"PAGA Period"** the period from August 14, 2022 through June 30, 2024.

**"PAGA Settlement"** means the settlement and resolution of all Released PAGA Claims.

### **II. BACKGROUND OF THE ACTION**

On August 14, 2023, Plaintiff provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendant of the specific provisions of the California Labor Code that Plaintiff contends were violated ("PAGA Letter"). On August 15, 2023, Plaintiff commenced a putative class action lawsuit by filing a Class Action Complaint for Damages in the Action. On January 2, 2024, Plaintiff filed a First Amended Class Action Complaint for Damages and Enforcement Action Under the Private Attorneys General Act, California Labor Code §§ 2698 Et Seq. ("Operative Complaint") in the Action.

Plaintiff contends that Defendant failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination and associated waiting-time penalties, provide accurate wage statements, and reimburse business expenses, and thereby engaged in unfair business practices in violation of the California Business and Professions Code section 17200, *et seq.*, and conduct that gives rise to penalties under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, *et seq.* ("PAGA"). Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys' fees and costs.

Defendant denies all of the allegations in the Action or that it violated any law.



The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into a First Amended Joint Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement Agreement”).

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed CAC Services Group, LLC as the administrator of the Settlement (“Settlement Administrator”), Plaintiff Quincy O’Neal as representative of the Class (“Class Representative”), and the following Plaintiff’s attorneys as counsel for the Class (“Class Counsel”):

Jonathan M. Genish  
Miriam L. Schimmel  
Joana Fang  
Alexandra Rose  
Jared C. Osborne  
**Blackstone Law, APC**  
8383 Wilshire Boulevard, Suite 745  
Beverly Hills, California 90211  
Tel: (310) 622-4278 / Fax: (855) 786-6356

If you are a Class Member, you need not take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks and/or PAGA Workweeks credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Employee, you do not need to take any action to receive an Individual PAGA Payment; you will not have the opportunity to object or seek exclusion from the PAGA Settlement and all PAGA Employees will be bound to the PAGA Settlement if the Court grants final approval of the Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant has any liability to Plaintiff, Class Members, or PAGA Employees. Plaintiff and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, the State of California, and PAGA Employees.

### **III. SUMMARY OF THE PROPOSED SETTLEMENT**

#### **A. Settlement Formula**

The total gross settlement amount is Four Hundred Fifteen Thousand Dollars and Zero Cents (\$415,000.00) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees, in an amount not to exceed one-third (1/3) of the Gross Settlement Amount (i.e., \$138,333.33 if the Gross Settlement Amount is \$415,000.00), and reimbursement of litigation costs and expenses, in an amount not to exceed Eighteen Thousand Dollars and Zero Cents (\$18,000.00) to Class Counsel; (2) Enhancement Payment in an amount not to exceed Ten Thousand Dollars and Zero Cents (\$10,000.00) to Plaintiff for his services in the Action; (3) the amount of Fifty Thousand Dollars and Zero Cents (\$50,000.00) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Amount”), of which the LWDA will be paid 75% (\$37,500.00) (“LWDA Payment”) and the remaining 25% (\$12,500.00) will be distributed to PAGA Employees (“PAGA Employee Amount”); and (4) Settlement Administration Costs in an amount not to exceed Seven Thousand Dollars and Zero Cents (\$7,000.00) to the Settlement Administrator.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of weeks each Class Member worked for Defendant as a non-exempt employee in California during the Class Period (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to yield an estimated Individual Settlement Share that each Class Member may be entitled to receive under the Class Settlement (which is listed in Section III.C below).

Class Members who do not submit a timely and valid Request for Exclusion (“Settlement Class Members”) will be issued their final Individual Settlement Payment.

Each Individual Settlement Share will be allocated as ten percent (10%) as wages, which will be reported on an IRS Form W-2, and ninety percent (90%) as penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of payroll taxes and withholdings with respect to the wages portion of the Individual Settlement Shares resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”). The employer’s share of taxes and contributions in connection with the wages portion of Individual Settlement Shares (“Employer Taxes”) will be paid by Defendant separately and in addition to the Gross Settlement Amount.

PAGA Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Employee Amount (“Individual PAGA Payment”) based on the number of weeks each PAGA Employee worked for Defendant as a non-exempt employee in California during the PAGA Period (“PAGA Workweeks”). The Settlement Administrator had divided the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the PAGA Workweeks of all PAGA Employees to yield the “PAGA Workweek Value,” and multiplied each PAGA Employee’s individual PAGA Workweeks by the PAGA Workweek Value to yield each PAGA Employee’s Individual PAGA Payment.

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to taxes or withholdings, and will be reported on IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA Employees at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

#### **B. Your Workweeks and PAGA Workweeks (if applicable) Based on Defendant’s Records**

According to Defendant’s records:

- **From August 15, 2019 through June 30, 2024 (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks.**
- **From August 14, 2022 through June 30, 2024 (i.e., the PAGA Period), you are credited as having worked [REDACTED] PAGA Workweeks.**

If you wish to dispute the Workweeks and/or PAGA Workweeks credited to you, you must submit your dispute in writing to the Settlement Administrator (“Workweeks Dispute”). The Workweeks Dispute must: (a) contain the case name and number of the Action (*O’Neal v. Included Health, Inc., formerly known as Grand Rounds, Inc.*, Case No. CGC-23-608391); (b) contain your full name, signature, address, and telephone number; (c) clearly state that you dispute the number of Workweeks and/or PAGA Workweeks credited to you and what you contend is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked **on or before [Response Deadline]**.

#### **C. Your Estimated Individual Settlement Share and Individual PAGA Payment (if applicable)**

As explained above, your estimated Individual Settlement Share and Individual PAGA Payment (if applicable) is based on the number of Workweeks and PAGA Workweeks (if applicable) credited to you.

**Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED]. The Individual Settlement Share is subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.**

**Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.**

The settlement approval process may take multiple months. Your Individual Settlement Share and Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Payment (if applicable) may be higher or lower.

#### **D. Release of Claims**

Upon the full funding of the Gross Settlement Amount, Plaintiff and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

Upon the full funding of the Gross Settlement Amount, Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

“Released Class Claims” means any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees, damages, or causes of action which were alleged or which could have been alleged based on the factual allegations in the Operative Complaint, arising during the Class Period, under any federal, state, or local law, and shall specifically include claims 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 employment and upon termination, provide accurate wage statements, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.7, 510, 512(a), 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Order, claims for recovery of unpaid wages in violation of California Business and Professions Code sections 17200, *et seq.* based on the aforementioned California Labor Code violations, including for off-the-clock work and time rounding, and for failure to include all non-discretionary compensation in the regular rate of pay for all wages required to be calculated at the regular rate of pay, and all claims for attorneys’ fees and costs and statutory interest in connection therewith, and any other claims, including claims for statutory penalties, pertaining to the Class Members.

“Released PAGA Claims” means any and all claims which were alleged or which could have been alleged based on the factual allegations in the Operative Complaint and/or PAGA Letter, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*, including all claims for attorneys’ fees and costs related thereto, 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 employment and upon termination, provide compliant wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of the California Labor Code, including, without limitation, 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 Order. This includes, without limitation, the non-payment of wages arising from allegations of off-the-clock work, time rounding, unpaid meal break premiums, unpaid rest break premiums, and for failure to include all non-discretionary compensation in the regular rate of pay for all wages required to be calculated at the regular rate of pay.

“Released Parties” means Defendant and all of its related entities, owners, current and former officers, directors, employees who are not Class Members, members, insurers, shareholders, parents, subsidiaries, affiliates, agents, predecessors, successors, and assigns.

#### **E. Attorneys’ Fees and Costs to Class Counsel**

Class Counsel will seek attorneys’ fees in an amount not to exceed one-third (1/3) of the Gross Settlement Amount (i.e., \$138,333.33 if the Gross Settlement Amount is \$415,000.00) and reimbursement of litigation costs and expenses in an amount not to exceed Eighteen Thousand Dollars and Zero Cents (\$18,000.00) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiff, Class Members, and PAGA Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

**F. Enhancement Payment to Plaintiff**

Plaintiff will seek the amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) (“Enhancement Payment”), in recognition of his services in connection with the Action. The Enhancement Payment will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, it will be paid to Plaintiff in addition to his Individual Settlement Payment and Individual PAGA Payment that he is entitled to under the Settlement.

**G. Settlement Administration Costs to Settlement Administrator**

Payment to the Settlement Administrator is estimated not to exceed Seven Thousand Dollars and Zero Cents (\$7,000.00) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Notices of Objection, and Workweeks Disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

**IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?**

**A. Participate in the Settlement**

**If you want to participate in the Class Settlement and receive money from the Class Settlement, you do not have to do anything.** You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement and if the Court grants final approval of the Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released Class Claims against the Released Parties as described in Section III.D above.

If you are a PAGA Employee and the Court grants final approval of the Settlement, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims against the Released Parties as described in Section III.D above.

As a Class Member and PAGA Employee (if applicable), you will not be separately responsible for the payment of attorney’s fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney’s fees and expenses.

**B. Request Exclusion from the Class Settlement**

Class Members may request to be excluded from the Class Settlement by submitting a letter (“Request for Exclusion”) to the Settlement Administrator, at the following address:

[Settlement Administrator]  
[Mailing Address]

A Request for Exclusion must: (a) contain the case name and number of the Action (*O’Neal v. Included Health, Inc., formerly known as Grand Rounds, Inc.*, Case No. CGC-23-608391); (b) contain your full name, signature, address, and telephone number; (c) clearly state that you do not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address above, postmarked **on or before** [Response Deadline].

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be issued an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a timely and valid Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. PAGA Employees will be bound to the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

### **C. Object to the Class Settlement**

You can object to the Class Settlement as long as you have not submitted a Request for Exclusion by submitting a written objection (“Notice of Objection”) to the Settlement Administrator.

The Notice of Objection must: (a) contain the case name and number of the Action (*O’Neal v. Included Health, Inc., formerly known as Grand Rounds, Inc.*, Case No. CGC-23-608391); (b) contain your full name, signature, address, and telephone number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before [Response Deadline]**.

You may also appear at the Final Approval Hearing and present your objection orally, regardless of whether you have submitted a Notice of Objection and without any prior notice.

If you submit both a Request for Exclusion and Notice of Objection, the Settlement Administrator will honor the submission that is received first and disregard the other.

### **V. FINAL APPROVAL HEARING**

The Court will hold a Final Approval Hearing in Department 613 of the San Francisco County Superior Court, located at Civil Center Courthouse, 400 McAllister St., San Francisco, California 94102, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Attorneys’ Fees and Costs to Class Counsel, Enhancement Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

The Final Approval Hearing may be continued without further notice to the Class Members and PAGA Employees. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

You can find more information regarding appearing remotely through CourtCall online at: <https://courtcall.com/schedule/>.

### **VI. ADDITIONAL INFORMATION**

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers, which are on file with the Court.

You may view the Settlement Agreement and other documents filed in the Action for free by visiting The Civic Center Clerk’s Office located at Civil Center Courthouse, Civil Records Division, 400 McAllister St., Room 103, San Francisco, California 94012, during business hours, or online by visiting the following website: <https://sf.courts.ca.gov/online-services/case-information>, clicking “Access Now” under Civil Case Query and typing in the Court Case Number “CGC-23-608391.” **The Court’s website is free to use.**

You may also visit the Settlement Administrator’s website at **[redacted]** for key documents in the Action.

**PLEASE DO NOT TELEPHONE THE COURT, THE JUDGE, OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.**

**IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.**