1 2	DIVERSITY LAW GROUP, P.C. Larry W. Lee (State Bar No. 228175) lwlee@diversitylaw.com			
	Simon L. Yang (State Bar No. 260286)			
3	sly@diversitylaw.com 515 South Figueroa Street, Suite 1250			
4	Los Angeles, California 90071 Telephone: (213) 488-6555			
5	Facsimile (213) 488-6554			
6	WEBBER LAW GROUP Kelsey A. Webber (State Bar No. 303721)			
7	Kelsey.Webber@WebberLawGroup.com 333 University Ave, Suite 200			
8	Sacramento, California 95825 Telephone: (916) 588-0683			
9	Attorneys for Plaintiff and the Class			
10	Maureen K. Bogue (State Bar No. 194755)			
11	maureen@pacificemploymentlaw.com Noah Levin (State Bar No. 263069) noah@pacificemploymentlaw.com PACIFIC EMPLOYMENT LAW, INC. 260 California Street, Suite 500 San Francisco, CA 94111 Tel.: (415) 985-7300 Fax: (415) 985-7301  Attorneys for Defendant			
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17	SUPERIOR COURT OF THE STATE OF CALIFORNIA			
18	FOR THE COUNTY OF SACRAMENTO			
19	WENDIE BRANDT, as an individual and on	Case No. 34-2021-00296816		
20	behalf of all others similarly situated, and as a private attorney general,	[Assigned to the Hon. Jill H.	Talley, Dept. 27]	
21	Plaintiff,	JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT		
22	VS.	AND I AGA SETTLEMENT		
23	KIDS CARE DENTAL & ORTHODONTICS, a California corporation; and DOES 1 through 50, inclusive,	Complaint Filed:	March 18, 2021	
24		FAC Filed:	April 19, 2021	
25	Defendants.			
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## JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

This Joint Stipulation of Class Action and PAGA Settlement is entered into by and between Plaintiff, Wendie Brandt, on the one hand, and Defendant, Reeves. D.D.S. and Lavalley, D.D.S., a Dental Corporation d/b/a Kids Care Dental & Orthodontics, on the other hand.

### 1. **DEFINITIONS**

As used in this Agreement, the following terms shall have the following meanings:

- 1.1. Action. "Action" means the civil lawsuit originally entitled *Wendie Brandt v. Kids Care Dental & Orthodontics*, filed on or about March 18, 2021, in the Superior Court of the State of California for the County of Sacramento designated as Case No. 34-2021-00296816.
- **1.2. Administrator.** "Administrator" means the third-party settlement administrator approved by the Court to administer the settlement.
- **1.3. Agreement.** "Agreement" means this Joint Stipulation of Class Action and PAGA Settlement.
- **1.4.** Class Counsel. "Class Counsel" means Larry W. Lee and Simon L. Yang of Diversity Law Group, P.C. and Kelsey A. Webber of Webber Law Group.
- 1.5. Class Member. "Class Member" means all current and former non-exempt employees of Defendant in the State of California during the Class Period who did not sign a separation agreement during the Class Period. Defendant represents that there are approximately 1,277 Class Members.
- **1.6.** Class Notice. "Class Notice" means the Notice of Class Action Settlement, substantially in the form attached as Exhibit A.
  - 1.7. Class Period. "Class Period" means September 16, 2016, through September 26,, 2022.
  - **1.8. Court.** "Court" means the Superior Court of California for the County of Sacramento.
- **1.9. Defendant.** "Defendant" means Reeves. D.D.S. and Lavalley, D.D.S., a Dental Corporation d/b/a Kids Care Dental & Orthodontics.
- **1.10. Defendant's Counsel.** "Defendant's Counsel" means Maureen K. Bogue and Noah Levin of Pacific Employment Law, Inc.
- **1.11. Effective Date.** "Effective Date" means: (a) the day following the expiration of the time for the filing of an appeal of the Final Approval Order; or (b) if any appeals of the Final Approval

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Class Member's potential payment from the Net Settlement Amount for the class action settlement.

**1.14.1. Individual Class Payment.** "Individual Class Payment" means a Settlement

initiating the Action on behalf of a putative class of current and former non-exempt employees of

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Defendant in the State of California. The Action pursued class action claims for Defendant's alleged failures to pay or timely pay all wages and overtime due, reimburse business expenses, and furnish accurate itemized wage statements. On April 19, 2021, Plaintiff filed a first amended complaint which also pursued representative action claims under the Labor Code Private Attorneys General Act of 2004 ("PAGA").

- 2.2. Class Counsel's Investigation. Plaintiff and Defendant met and conferred about the alleged claims. On September 21, 2021, and numerous dates thereafter, Plaintiff and Defendant exchanged information and documents that Plaintiff contended supported the claims and that Defendant contended supported its defenses, including for example an arbitration agreement. The Parties continued engaging in informal discovery, and Defendant provided Plaintiff with additional information about the factual allegations relating to Defendant's clock-in procedures and work uniforms. Class Counsel continued investigating the alleged claims and also analyzed any defenses raised by Defendant. Plaintiff met and conferred with Defendant about potential underpayments of overtime and additional hours of regular rate wages for meal and rest break violations. Ultimately, Defendant agreed to schedule a mediation to potentially resolve the pled and additionally alleged claims.
- 2.3. Mediation and Settlement. On September 26, 2022, the Parties attended a mediation with Tripper Ortman, an experienced mediator knowledgeable of both the wage and hour laws and class and representative action claims at issue in the Action. With the mediator's assistance and based upon the mediator's proposal, the Parties were able to agree to settlement terms, which were negotiated in light of all known facts and circumstances—including the uncertainty associated with litigation, the risks of significant delay, and numerous potential appellate issues. The settlement was achieved only after extensive arm's length negotiations both during and in the weeks leading up to the mediation.
- **2.4. No Admission of Liability.** Defendant denies all of the allegations made by Plaintiff in the Action, including those to be pled in the operative second amended complaint. Although Defendant denies all of the allegations made by Plaintiff in the Action, Defendant has agreed to settle the Action on the terms and conditions set forth in this Agreement for the sole purpose of avoiding the burden, expense, and uncertainty of continuing the Action.

- **2.5.** Class Counsel's Evaluation. Based on Class Counsel's ongoing investigation and evaluation, Class Counsel is of the opinion that the terms set forth in this Agreement are fair, reasonable, adequate, and in the best interests of Class Members.
- 2.6. Certification of Settlement Class. This Agreement is contingent upon the approval and certification by the Court of a class for purposes of settlement. The Parties agree to cooperate and take all steps necessary and appropriate to effectuate all aspects of this Agreement and to obtain a Preliminary Approval Order and then Final Approval Order.

# 3. NOTICE TO CLASS MEMBERS

- **3.1. Administrator**. Plaintiff and Class Counsel shall request that the Court appoint Phoenix Settlement Administrators as the Administrator for purposes of sending notice of the settlement to Class Members.
- 3.2. Class Data for Administrator. Within 14 business days of the Preliminary Approval Order, Defendant shall provide to the Administrator each Class Member's last known mailing address, as well as data sufficient for the Administrator to perform all necessary responsibilities pursuant to this Agreement.
- 3.3. Mailing of Notice. Within seven days of receipt of the Class Data, the Administrator shall send Class Notice to each Class Member via First Class U.S. Mail, using the last known mailing address for each Class Member, based on class data provided by Defendant. Any Class Notice returned to the Administrator as undeliverable shall be sent promptly via First Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Administrator shall promptly attempt to determine the correct address using a single skip-trace search and shall then promptly send a single re-mailing. This shall be the sole means of notice to Class Members.
- **3.4. Proof of Mailing.** The Administrator shall provide Class Counsel and Defendant's Counsel a declaration of due diligence and proof of mailing with regard to mailing of Class Notice.

# 4. CLASS MEMBERS' RESPONSE OPTIONS

**4.1. Consideration Period.** Class Members shall be provided 45 calendar days after the postmark date of the initial mailing of Class Notice to exercise any rights to opt out of the settlement. Except as provided herein, no Class Member responses that are postmarked more than 45 calendar days

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27 28 after the initial mailing of Class Notice shall be considered. The Parties shall do nothing to encourage or solicit Class Members to opt out of or object to the settlement.

- 4.2. **Objection Right and Effect.** Settlement Class Members shall be given the opportunity to object to the terms of the class action settlement. Settlement Class Members may object to the class action settlement by mailing to the Administrator an objection within 45 calendar days after the postmark date of the initial mailing of Class Notice, which describes the objection and states any intention to appear at the final approval hearing. Any Settlement Class Member who does not comply with the objection procedures in the Class Notice shall be deemed to have waived any objections and shall be foreclosed from making any objection, whether by appeal or otherwise, to the settlement. Settlement Class Members who object to the settlement pursuant to the terms of the Class Notice shall remain subject to being bound by the release provisions in this Agreement pursuant to a Final Approval Order and shall remain eligible to receive an Individual Class Payment. Class Members do not have the right to object to the terms of the PAGA settlement.
- 4.3. Opt-Out Right and Effect. Class Members shall be given the opportunity to opt out of the settlement. Class Members may opt out of the settlement by mailing to the Administrator a Request for Exclusion, which expresses their desire to be excluded from the Settlement Class. Any Request for Exclusion that does not comply with the procedures in the Class Notice shall be deemed void and ineffective. Class Members who opt out of the settlement pursuant to the terms of the Class Notice shall not receive any Individual Class Payments, shall not be bound by the class action release provisions in this Agreement pursuant to a Final Approval Order, and shall not be permitted to object to the settlement or appeal. If a Class Member submits both a Request for Exclusion and an objection, the Administrator shall attempt to determine whether the Class Member would like to withdraw either the Request for Exclusion or the objection. If the Class Member does not withdraw a Request for Exclusion, or if the Administrator cannot contact the Class Member who submits both a Request for Exclusion and an objection, the Request for Exclusion shall be deemed valid and shall be deemed to invalidate the objection. Class Members do not have the right to opt out of the PAGA settlement.

- **4.4. Objection Response.** The Administrator must provide a copy of any objection received to Class Counsel and Defendant's Counsel upon receipt. Either of the Parties may file a response to any written objection no later than five court days before the final approval hearing.
- 4.5. **Defendant's Right to Terminate.** If more than 5% of Class Members opt out of the class action settlement, then Defendant shall have the right to terminate the Agreement by notifying Plaintiff's Counsel in writing within seven days of notification that more than 5% of Class Members have opted out of the class. If Defendant exercises the right to terminate the Agreement, Defendant shall be responsible for any Administration Costs incurred to date.
- 4.6. Proof of Class Members' Responses. As soon as practicable after the end of the consideration period, the Administrator shall provide a declaration attesting to (by number of relevant individuals), its mailing of Class Notice, its inability to deliver Class Notice due to invalid addresses, and its receipt of valid Requests for Exclusion or objections. The Administrator shall prepare any supplemental declarations regarding the administration of the settlement, as necessary or as jointly requested by the Parties or the Court.

#### 5. SETTLEMENT PROCEEDS

5.1. Gross Settlement Amount. Defendant agrees to pay a non-reversionary Gross Settlement Amount of \$800,000.00. The Gross Settlement Amount was negotiated based on Defendant's representation that there are approximately 68,817 relevant workweeks from January 2, 2017, through August 17, 2022. To the extent that the actual number of relevant workweeks during the Class Period exceeds 68,817 by more than 10.0% (i.e., more than 6,882), the Gross Settlement Amount shall increase on a pro rata basis equal to the percentage increase exceeding 10.0% (e.g., if the actual number were 11.0% greater than 68,817, then the Gross Settlement Amount would be increased by 1.0%). Under no other circumstances will Defendant's payment exceed the Gross Settlement Amount, except that Defendant will make additional payments to the Administrator representing its share of any employer payroll taxes to be paid in connection with the Settlement (e.g., FICA, FUTA, payroll taxes, or any similar tax or charge).

to PAGA Employees and Settlement Class Members, without the need to submit a claim form. The

Administrator shall calculate the amounts of payments described below. If a Class Member disputes

Individual Settlement Payments. Individual Settlement Payments shall be distributed

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any employee data, disputes will be resolved and decided by the Administrator, and the Administrator's decision on all disputes will be final and non-appealable.

- **5.3.1. Individual PAGA Payments.** The 25% portion of the PAGA Penalty Fund shall be distributed to PAGA Employees as Individual PAGA Payments and proportionally allocated among PAGA Employees based on the total number of workweeks for each Settlement Class Member during the PAGA Period. Individual PAGA Payments shall be subject to IRS Form 1099 reporting.
- **5.3.2.** Individual Class Payments. The Net Settlement Amount shall be distributed to Settlement Class Members as Individual Class Payments and proportionally allocated among Settlement Class Members based on the total number of workweeks for each Settlement Class Member during the Class Period. 10% of Individual Class Payments shall be allocated to wages and subject to IRS Form W-2 reporting; the remainder of Individual Class Payments shall be allocated to interest and penalties and subject to IRS Form 1099 reporting.
- 5.4. **No Tax Advice or Liability.** The Administrator shall issue an IRS Form 1099 to Plaintiff for any Class Representative Award, to Class Counsel for any Attorneys' Fees and Costs Award, to the LWDA for any LWDA Payment, and to the Administrator for any Administration Costs. The Parties have had an opportunity to consult with independent tax counsel. The Parties are not giving any tax advice in connection with the settlement or any payments to be made pursuant to the Agreement. The Parties do not intend anything contained in this Agreement to constitute legal advice regarding the taxability of any amount paid hereunder, nor shall anything in this Agreement be relied upon as such. By participating in the settlement, each Class Member shall agree to be solely and legally responsible for paying any applicable taxes on their respective Individual Settlement Payments and shall indemnify and hold harmless the Parties from any claim or liability for taxes, penalties, or interest arising as a result of the payments.
- 5.5. **Funding and Distribution.** Within 10 days after the Effective Date, Defendant shall deposit the Gross Settlement Amount with the Administrator. Within 10 days after receiving the deposit, the Administrator shall distribute all amounts to be paid pursuant to the Final Approval Order. Upon completion of administration of the settlement, the Administrator shall provide written certification of such completion to Class Counsel and Defendant's Counsel.

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5.6. Undeliverable or Uncashed Checks. All uncashed or undeliverable settlement checks will expire 180 days after the postmarked date of their initial mailing. After 180 days, the sum value of all expired checks will be tallied by the Administrator. The Administrator shall direct the principal for any expired checks in accordance with the Final Approval Order. The Parties shall request that the Court order that the principal for any expired checks escheat to the State of California's Unclaimed Property Fund in the name of the Settlement Class Member.

## 6. RELEASES

- Approval Order, and except as to such rights or claims as may be created by this Agreement, all Settlement Class Members fully release Defendant and each Released Party from any and all claims, demands, rights, liabilities and causes of action that were pled in the operative complaint in the Action, or which could have been pled in the operative complaint in the Action based on the factual allegations therein, that arose during the Class Period, including but not limited to causes of action based on any alleged regular rate/overtime rate violations and/or any alleged underpayments associated with overtime and/or meal and/or rest period premiums.
- 6.2. Releases by LWDA. By operation of the entry of the Final Approval Order, and except as to such rights or claims as may be created by this Agreement, Plaintiff as a proxy for the State and the LWDA fully release Defendant and each Released Party from any and all PAGA claims that are based on the Labor Code violations pled in the operative complaint in the Action or Plaintiff's letters to the LWDA dated February 20, 2021 or which could have been pled in the operative complaint in the Action based on the factual allegations therein, that arose during the PAGA Period.
- 6.3. Additional Release by Plaintiff. In addition to the above releases applicable to Plaintiff as a Settlement Class Member and PAGA Employee, but excluding the causes of action currently pled in *Wendie Brandt v. Kids Care Dental & Orthodontics et al.*, Sacramento Superior Court Case No. 34-2021-00301208, Plaintiff also generally releases all other claims, known or unknown, in favor of each Released Party, including a waiver of Civil Code section 1542. Plaintiff expressly waives all rights provided by Civil Code section 1542 that Plaintiff may have against each Released Party. Civil Code section 1542 states:

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

Plaintiff acknowledges that she has read the entirety of the Agreement, including the above language from the Civil Code, and that she fully understands both the Agreement and Civil Code section 1542. By executing this Agreement, Plaintiff expressly waives any benefits and rights granted pursuant to Civil Code section 1542.

#### 7. COURT APPROVAL

- **Preliminary Approval**. Plaintiff shall submit a motion seeking a Preliminary Approval 7.1. Order, which would, among other things: (i) preliminarily approve the proposed settlement according to the terms of this Agreement; (ii) set a date for a final approval hearing; and (iii) provide for Class Notice to be sent to Class Members as specified herein.
- 7.2. Final Approval. Not later than 16 court days before the date set by the Court for a final approval hearing, or such other time as the Court requires, Plaintiff shall submit a motion seeking a Final Approval Order, which would, among other things: (i) approve the settlement, (ii) deem the terms to be fair, reasonable, and adequate, (iii) approve the releases, (iv) direct that the settlement's terms and provisions be carried out; (v) enter final judgment; and (vi) retain jurisdiction to oversee administration and enforcement of the terms of this Agreement and the Court's orders.
- 7.3. Effect of Failure to Obtain Final Approval. In the event the Court effects a material change or fails to enter a Final Approval Order in accordance with this Agreement, or such Final Approval Order is vacated, then this entire Agreement shall be void and unenforceable, subject to the Parties' agreement to the contrary, and the costs of administration shall be split equally between the Parties. The Action shall proceed as if no settlement has been attempted, subject to the Parties' agreement to the contrary, and this Agreement and any documents in furtherance of this Agreement shall be inadmissible in any future proceedings in this Action or any other action.

#### 8. MISCELLANEOUS

8.1. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with regard to the subject matter contained herein, and all prior and contemporaneous negotiations and understandings between the Parties shall be deemed merged into this Agreement. The

signatories represent that they are fully authorized to enter into this Agreement and are fully authorized to bind the Parties to all terms stated herein.

- **8.1.1.** Counterparts and Signatures. This Agreement may be executed in counterparts, and when all signatories have signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and when taken together with other signed counterparts, shall constitute one signed Agreement, which shall be binding upon and effective as to all Parties. Any party may sign and deliver this Agreement by signing on the designated signature block and transmitting that signature page via e-mail to counsel for the other party. Any signature transmitted via e-mail shall be deemed an original signature and shall be binding upon the party who transmits the signature page.
- 8.1.2. Waivers, Modifications, Etc. to Be in Writing. No waiver, modification, or amendment of the terms of this Agreement, whether purportedly made before or after the Court's approval of this Agreement, shall be valid or binding unless in writing, signed by or on behalf of all Parties and then only to the extent set forth in such written waiver, modification, or amendment, subject to any required Court approval. Any failure by any Party to insist upon the strict performance by the other Party of any of the provisions of this Agreement shall not be deemed a waiver of future performance of the same provisions or of any of the other provisions of this Agreement, and such Party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Agreement.
- **8.1.3.** Construction. The determination of the terms and conditions of this Agreement has been by mutual agreement of the Parties. Each party participated jointly in the drafting of this Agreement, and the terms and conditions of this Agreement are not intended to be, and shall not be, construed against any party by virtue of draftsmanship. The captions of paragraphs of this Agreement have been inserted for convenience of reference only and shall have no effect upon the construction or interpretation of any part of this Agreement.
- **8.1.4. Invalidity of Any Provision**. Before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible so as to render all provisions of this Agreement valid and enforceable.

1		PLAINTIFF
2	Dated: April <u>5</u> , 2023	Wendie Brandt  ID UEWZKFSQTwaCKytPdy9Ftgic
3		Wendie Brandt
4		COUNSEL FOR PLAINTIFF AND CLASS
5	Dated: April <u>6</u> , 2023	$C \cdot C$
6		Larry W. Lee
7		Simon L. Yang DIVERSITY LAW GROUP, P.C.
8		DEFENDANT
9		DEFERDANT
10	Dated: April, 2023	Michael Gorman
11		Kids Care Dental & Orthodontics
12		COUNSEL FOR DEFENDANT
13	Dated: April, 2023	
14		Maureen K. Bogue Noah Levin
15		PACIFIC EMPLOYMENT LAW, INC.
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1		PLAINTIFF
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3	Dated: April, 2023	Wendie Brandt
4		COUNSEL FOR PLAINTIFF AND CLASS
5	Dated: April, 2023	
6		Larry W. Lee
7		Simon L. Yang DIVERSITY LAW GROUP, P.C.
8		
9		DEFENDANT
10	Dated: April <u>11</u> , 2023	Miles Chamber
11		Michael Gorman Kids Care Dental & Orthodontics
12		COUNSEL FOR DEFENDANT
13	Dated: April 11, 2023	
14		Maureen K. Bogue Noah Levin
15		PACIFIC EMPLOYMENT LAW, INC.
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