

## STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement” or “Settlement”) is reached by and between Plaintiff Leroy Young (“Plaintiff,” or the “Class Representative”), individually and on behalf of all members of the Settlement Class (defined below), and Defendant Sadler Healthcare, Inc. (“Defendant”) (Plaintiff and Defendant are referred to herein collectively as the “Parties”). Plaintiff and the Settlement Class are represented by Paul K. Haines of Haines Law Group, APC, and Sam Sani of Sani Law, APC (“Class Counsel”). Defendant is represented by Joseph Naddour of Larsen & Naddour LLP.

Plaintiff filed the Class Action Complaint on September 10, 2019 and a First Amended Class and Representative Action Complaint on October 28, 2019 against Defendant in Los Angeles County Superior Court, in the matter entitled *Leroy Young v. Sadler Healthcare, Inc.*, Case No. 19STCV31997 (“Complaint” or “Lawsuit”). The Complaint alleges the following claims against Defendant: (1) failure to provide legally compliant meal periods, (2) failure to authorize and permit legally compliant rest periods, (3) failure to reimburse necessary business expenses, (4) statutory penalties for failure to pay all final wages, (5) unfair competition, and (6) civil penalties on behalf of aggrieved employees pursuant to the California Private Attorneys General Act (“PAGA”).

Given the uncertainty of litigation, Plaintiff and Defendant wish to settle both individually and on behalf of the Settlement Class. Accordingly, Plaintiff and Defendant agree as follows:

1. **Amendment of First Amended Complaint.** As a material term and condition of this Settlement, Plaintiff shall, pursuant to the Parties’ stipulation, file a Second Amended Class and Representative Action Complaint to add (1) a class claim for unpaid overtime wages, and (2) a class claim for unpaid minimum wages. This amendment shall be conditioned on the Court’s preliminary approval of this settlement agreement.

2. **Settlement Class.** For purposes of this Settlement Agreement only, Plaintiff and Defendant stipulate to certification of the following Settlement Class:

All current and former non-exempt employees of Defendant Sadler Healthcare, Inc. in California who performed work during the period from September 10, 2015 through February 15, 2021 (“Class Period”) and who have not already released any and all claims they may have possessed against Defendant.

The Parties agree that certification for the purpose of settlement is not an admission that class certification is proper under Section 382 of the California Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

3. **Release.** Plaintiff and every member of the Settlement Class (except those who opt out of the Settlement Agreement) will release and discharge Defendant, its past or present, and/or future officers, directors, owners, members, managers, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, contractors, consultants, partners/limited partners, joint venturers, insurers and reinsurers, and all its and their respective predecessors and/or successors

in interest, subsidiaries, assigns, divisions, affiliates/affiliated entities or individuals, whether previously or hereafter affiliated in any manner, parents, and attorneys (collectively the “Released Parties”) as follows:

- A. Settlement Class Members, except those who opt-out of the Settlement pursuant to Section 10.D. herein, will release any and all federal, state, and local wage- and-hour claims, demands, rights, liabilities, and causes of action of every nature and description, whether known or unknown, that were or could have been asserted based on the factual allegations in the Second Amended Complaint by Plaintiff against Defendant, including, without limitation, all of the following: (a) statutory, constitutional, contractual, or common law claims for unpaid wages, overtime, restitution, interest, liquidated damages and/or penalties; (b) claims for any alleged underpayment of wages, including failure to pay all minimum wages and overtime wages owed; (c) claims for failure to provide meal period or pay meal period premiums for missed and/or non-compliant meal periods; (d) claims for failure to authorize and permit rest periods or pay rest period premiums for missed and/or non-compliant rest periods; (e) claims for failure to reimburse necessary business expenses; (f) claims for waiting time penalties; (f) unfair business practices under California Business & Professions Code section 17200 *et seq.*; (g) liquidated damages, interest, attorney’s fees, litigation costs, restitution, or equitable relief (collectively, the “Released Claims”). The period of the Release shall extend from September 10, 2015 through February 15, 2021. The release will become effective as of the date Defendant delivers the full amount of the Maximum Settlement Amount to the Claims Administrator as set forth herein. Settlement Class Members who were employed by Defendant at any time from September 10, 2018 through February 15, 2021 (“PAGA Settlement Class Members”), regardless of whether they opt-out of the Settlement pursuant to Section 10.D. herein, will also release all claims for civil penalties under the California Labor Code Private Attorney General Act, Labor Code section 2698 *et seq.* (“PAGA”) with respect only to the underlying wage and hour claims that were pled in overlapping fashion in both the Second Amended Complaint and in Plaintiff’s August 21, 2019 letter to the Labor Workforce Development Agency (the “PAGA Released Claims”). The period of the PAGA Released Claims shall extend from September 10, 2018 through February 15, 2021 (the “PAGA Period”).
- B. A Settlement Class Member’s cashing of his or her Individual Settlement Payment check shall be considered consent and an opt-in to the settlement of all related federal wage and hour claims under the Fair Labor Standards Act, and each Settlement Class Member who cashed and/or endorses by signature his or her Individual Settlement Payment check will waive his or her rights to bring related claims under the Fair Labor Standards Act for the Class Period. Each Individual Settlement Payment check will include the following disclaimer: “BY ENDORSING AND/OR CASHING THIS CHECK YOU ARE AGREEING TO THE TERMS OF THE SETTLEMENT REACHED IN *YOUNG V. SADLER HEALTHCARE, INC., LOS ANGELES SUPERIOR COURT CASE NO. 19STCV31997* AND AGREE TO OPT-IN TO THE SETTLEMENT AND TO RELEASE ANY CLAIMS YOU MAY HAVE UNDER THE FAIR LABOR STANDARDS ACT.” A Settlement Class Member who does not cash and/or

endorse by signature his or her Individual Settlement Payment check will retain all of his or her rights and claims under the Fair Labor Standards Act, but shall still be deemed to have accepted and agreed to all other terms of the Release in Paragraph 3.A. unless he or she submits a timely written request for exclusion, consistent with Paragraph 10.D.

- C. In light of the Class Representative Enhancement Payment, Plaintiff has further agreed to release the Released Parties, in addition to the Released Claims described above, from any and all claims, demands, rights, liabilities, and causes of action, known or unknown, of every nature and description, between Plaintiff and the Released Parties, from the beginning of time to the date he executes this Agreement, including but not limited to those claims raised in the Lawsuit and those arising from or related to Plaintiff's employment with Defendant or the termination thereof, including but not limited to claims arising under any federal, state, or local constitutional, statutory, regulatory, contractual or common law claims for unpaid wages, premium pay, wage deductions, unreimbursed business expenses, waiting-time penalties, or other penalties, for overtime, failure to provide meal period or pay meal period premiums for missed and/or non-compliant meal periods, failure to authorize and permit rest periods or pay rest period premiums for missed and/or non-compliant rest periods, for reimbursement of business expenses, improper wage statements, untimely payment of wages, inaccurate or incomplete recordkeeping, vacation forfeiture, personal day forfeiture, and other wage-and-hour violations; attorney's fees or injunctive relief; claims arising from or dependent on the Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000, *et seq.*; the Americans with Disabilities Act, 42 U.S.C. § 12101, *et seq.*; the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001, *et seq.*; the Fair Labor

Standards Act, 29 U.S.C. § 201, *et seq.*; the Civil Rights Act of 1991; 42 U.S.C. § 1981; Executive Order 11246; Executive Order 11141; the Age Discrimination in Employment Act, the Rehabilitation Act of 1973; the Equal Pay Act; the Federal Employee Polygraph Protection Act; the National Labor Relations Act; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the California Fair Employment and Housing Act, including Government Code sections 12900, *et seq.*; the California Family Rights Act; the California Labor Code; any applicable order of the California Industrial Welfare Commission and all of their implementing regulations; claims arising from or dependent on federal or local laws or regulations prohibiting discrimination or harassment in employment or otherwise, or enforcing express or implied contracts, requiring employers to deal fairly or in good faith, or restricting an employer's right to terminate employees, wrongful discharge, wrongful termination in violation of public policy, constructive termination, or retaliation; defamation; infliction of emotional distress (intentional or negligent); invasion of privacy; assault, battery, physical or personal injury; emotional distress; fraud, negligent misrepresentation, or misrepresentation; California Business & Professions Code section 17200 *et seq.*; or any other tort, or any other law.

- D. Plaintiff understands that his release includes unknown claims and that he is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code:

**A general release does not extend to claims which 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.**

- E. Plaintiff's full release (and not the release of class members) specifically includes the waiver of any and all claims for age discrimination or other unlawful conduct under the Age Discrimination in Employment Act, 29 U.S.C. § 621 *et seq.* (the "ADEA") and accordingly this Agreement is subject to the terms of the Older Workers Benefit Protection Act of 1990 (the "OWBPA"). Among other things, the OWBPA provides that an individual cannot waive a right or claim under the Age Discrimination in Employment Act unless the waiver is knowing and voluntary. Pursuant to the terms of the OWBPA, Plaintiff acknowledges and agrees that Employee has executed this Agreement voluntarily, and with full knowledge of its consequences. In addition, Plaintiff hereby acknowledges and agrees that: (a) this Agreement has been written in a manner that is calculated to be understood, and that this Agreement is understood by Plaintiff; (b) the release provisions of this Agreement apply to rights and claims that Plaintiff may have under the ADEA, including the right to file a lawsuit against COMPANY for age discrimination; (c) the release provisions of this Agreement do not apply to any rights or claims that Plaintiff may have under the ADEA that arise after the date Plaintiff executes this Agreement; (d) COMPANY does not have a preexisting duty to pay the Class Representative's Enhancement Payment identified in this Agreement; and (e)

COMPANY expressly advises Employee to consult with an attorney of Employee's choice and at Employee's sole expense prior to making a decision whether to enter into this Agreement.

- F. **Twenty-One Day Consideration Period.** This Agreement is being given to Plaintiff on February 23, 2021. Plaintiff acknowledges that he is entitled to take up to twenty-one (21) days to consider whether to accept this Agreement; provided however, that if Plaintiff chooses to sign this Agreement before the end of this 21-day period, Plaintiff acknowledges that Plaintiff does so knowingly and voluntarily and waives any claim that to the effect that Plaintiff was not given the full 21 calendar days to consider whether to sign this Agreement or did not use the entire period of time available to consider this Agreement or to consult with an attorney. Plaintiff agrees that any modifications, material or otherwise, made to this Agreement do not restart or affect in any manner the original twenty-one (21) calendar day consideration period.
  
- G. **Seven Day Revocation Period.** After signing this Agreement, Plaintiff shall have a period of seven (7) calendar days to revoke his individual release in this Agreement by providing Defendant with written notice of Plaintiff's revocation, thereby forfeiting Plaintiff's right to receive the Class Representative's Enhancement Payment or other benefits provided hereunder not otherwise required by law and rendering this Agreement individual release provisions and requirement to pay Plaintiff any amount other than as an individual class member null and void in its entirety. To be effective, such revocation must be in writing, must specifically revoke this Agreement, and must be received by counsel for Defendant at [jnaddour@larsennaddour.com](mailto:jnaddour@larsennaddour.com) prior to the eighth calendar day following Plaintiff's execution of this Agreement. Unless timely revoked by Plaintiff, this Agreement's individual release provisions shall become effective, enforceable, and irrevocable on the eighth calendar day following Plaintiff's execution of this Agreement.

4. **Maximum Settlement Amount.** As consideration, Defendant agrees to pay a non-reversionary maximum amount ("Maximum Settlement Amount") of \$169,000.00 in full and complete settlement of this matter, as follows:

- A. The Parties have agreed to engage Phoenix Class Action Administration Solutions as the "Claims Administrator" to administer this Settlement.
  
- B. The Maximum Settlement Amount shall be deposited with the Claims Administrator by no later than thirty (30) days after notice of entry of order of final approval of the settlement, but in no event earlier than March 2, 2022.

- C. The Maximum Settlement Amount includes:
- (1) All payments (including interest) to the Settlement Class;
  - (2) All costs of the Claims Administrator associated with the administration of the Settlement;
  - (3) The Class Representative's Enhancement Payment;
  - (4) Class Counsel's attorneys' fees and actual costs and expenses related to the Lawsuit;
  - (5) \$10,000.00 of the Maximum Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code Section 2699(i), 75% of such penalties, or \$7,500.00, will be payable to the California Labor & Workforce Development Agency ("LWDA") for its share of PAGA penalties as the "LWDA Payment," and the remaining 25%, or \$2,500.00, will be payable to the eligible members of the Settlement Class as the "PAGA Amount."
- D. Defendant shall pay the standard company share of payroll taxes on all wages paid as part of this Settlement Agreement separate and apart from the Maximum Settlement Amount.
- E. **Escalator Clause.** Defendant represents that as of February 15, 2021, there are approximately 199 Settlement Class Members who have worked approximately 8,550 workweeks during the Class Period. Defendant agrees that if during the Class Period the actual class size increases by more than 10% (i.e., there are more than 219 Settlement Class Members), then Defendant shall increase the Maximum Settlement Amount by an amount that mirrors the increase in the overall class size (e.g., if the number of Settlement Class Members increases above 199 by 15% as of the end of the Class Period, Defendant shall increase the Maximum Settlement Amount by 15%).
5. **Payments to the Settlement Class.** Settlement Class Members are not required to submit a claim form to receive a payment ("Individual Settlement Payment") from the Settlement. Individual Settlement Payments will be determined and paid as follows:

- A. The Claims Administrator shall first deduct from the Maximum Settlement Amount the amounts approved by the Court for Class Counsel's attorneys' fees, Class Counsel's costs and expenses, the Class Representative Enhancement Payment, LWDA Payment, the PAGA Amount, the Claims Administrator's costs. The remaining amount shall be known as the "Net Settlement Amount."
- B. From the Net Settlement Amount, the Claims Administrator will calculate each Settlement Class Member's Individual Settlement Payment based on the following formula:
- i. Waiting Time Amount: Fifteen percent (15%) of the Net Settlement Amount shall be designated as the "Waiting Time Amount." Each participating Settlement Class Member who separated their employment with Defendant between September 10, 2016 and February 15, 2021, shall receive an equal, pro-rata share of the Waiting Time Amount.
  - ii. PAGA Amount: \$2,500.00 of the Maximum Settlement Amount has been designated as the "PAGA Amount" as described above. Each PAGA Settlement Class Member shall receive a portion of the PAGA Amount proportionate to the number of workweeks that he or she worked during the aforementioned time period. Each PAGA Settlement Class Member will be issued a check for their share of the PAGA Amount regardless of whether they submit a valid Request for Exclusion from the Settlement as set forth in Section 10.D. herein.
  - iii. The remainder of the Net Settlement Amount will be distributed to each Settlement Class Member based on their proportionate number of workweeks worked during the Class Period, by multiplying the remaining Net Settlement Amount by a fraction, the numerator of which is the Settlement Class Member's total workweeks worked during the Class Period, and the denominator of which is the total workweeks worked by all Settlement Class Members during the Class Period.
- C. Within 14 calendar days following the deposit of the Maximum Settlement Amount with the Claims Administrator, including the final installment payment by December 31, 2021, the Claims Administrator will calculate each Settlement Class Member's Individual Settlement Payment and will prepare and mail Individual Settlement Payments to Settlement Class Members.
- D. For purposes of calculating applicable taxes and withholdings for Settlement Class Members, each Individual Settlement Payment shall be allocated as 25% wages and 75% penalties and interest. The amounts allocated as wages shall be reported on an IRS Form W-2, and the amounts allocated for penalties and interest shall be reported on an IRS Form 1099. The Parties agree that it is the obligation of the Settlement Class Members to pay appropriate federal, state, and local income taxes on all payments they receive under this Settlement Agreement. Neither Class Counsel nor Defendant's Counsel intend anything contained in this Settlement to constitute legal advice regarding the taxability of any amount paid hereunder, nor shall anything in this Settlement be relied upon as such.

- E. Circular 230 Disclaimer: Each Party to this Agreement acknowledges and agrees that: (1) no provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR part 10, as amended); (2) each Party (a) has relied exclusively upon his, her or its own independent legal and tax counsel for advice (including tax advice) in connection with this Agreement; (b) has not entered into this Agreement based upon the recommendation of any other Party or any attorney or advisor to any other Party; and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any other Party to avoid any tax penalty that may be imposed; and (3) no attorney or advisor to any Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by any other Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.
- F. Each member of the Settlement Class who receives an Individual Settlement Payment must cash that check within 180 days from the date the Claims Administrator mails it. Any funds payable to Settlement Class Members whose checks remain uncashed one hundred and eighty (180) calendar days after such checks are mailed by the Claims Administrator ("Check Expiration Date") shall become void, and the funds associated with such voided checks, plus any accrued interest that has not otherwise been distributed (together, "Unused Funds"), shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 et seq., for the benefit of those Settlement Class Members who did not cash their checks until such time that they claim their property. The Parties agree that this disposition results in no "unpaid cash residue," or "unclaimed or abandoned funds" under California Civil Procedure Code § 384, as amended effective June 27, 2018, as the entire Net Settlement Amount will be paid out to the Class Members, whether or not they all cash their payment checks.
- A. Neither Plaintiff nor Defendant shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Claims Administrator.

6. **Attorneys' Fees and Costs.** Defendant will not object to the request for Class Counsel's attorneys' fees amounting to one-third of the Maximum Settlement Amount, which is currently estimated to be \$56,333.00, plus actual costs and expenses, which are not to exceed \$20,000.00. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation all work performed and all costs incurred to date, and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Defendant will not be required to pay any additional amount in attorneys' fees to Class Counsel or any other attorney in connection with this matter (except as



otherwise provided in this Agreement). Class Counsel will be issued an IRS Form 1099 by the Claims Administrator when it pays the fee award allowed by the Court. Defendant will issue an IRS Form 1099 to the Settlement Administrator and/or Plaintiff's Counsel. Within 14 calendar days following the deposit of the Maximum Settlement Amount with the Claims Administrator, including the final installment payment by December 31, 2021, the Claims Administrator will calculate, prepare, and mail payments for Class Counsel's attorneys' fees and actual costs and expenses to Class Counsel.

7. **Class Representative Enhancement Payment.** Defendant will not object to a request for a Class Representative Enhancement Payment of up to \$7,500.00 for the Class Representative's Enhancement Payment for his time and risks in prosecuting this case and his service to the Settlement Class. This award will be in addition to Plaintiff's Individual Settlement Payment as a Settlement Class Member, and shall be reported on an IRS Form 1099 by the Claims Administrator. This Class Representative Enhancement Payment also includes compensation for Plaintiff's individual release of all claims.

8. **Claims Administrator.** Defendant will not object to the appointment of Phoenix Class Action Administration Solutions as Claims Administrator, nor to the request to seek approval to pay up to \$7,500.00 for its services from the Maximum Settlement Amount. The Claims Administrator shall be responsible for sending notices and for calculating Individual Settlement Payments and preparing all checks and mailings. The Claims Administrator shall be authorized to pay itself from the Maximum Settlement Amount only after Individual Settlement Payments have been mailed to all Settlement Class Members.

9. **Preliminary Approval.** Upon execution of this Settlement Agreement, Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
- B. Appointing Paul K. Haines of Haines Law Group, APC, and Sam Sani of Sani Law, APC as Class Counsel;
- C. Appointing Leroy Young as Class Representative for the Settlement Class;
- D. Approving Phoenix Class Action Administration Solutions as Claims Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Court-approved Notice Packet in a format substantially similar to that attached hereto as Exhibit A, and directing the mailing of same; and
- G. Scheduling a Final Approval hearing.

10. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be

notified as follows:

- A. Within 10 calendar days after entry of an order preliminarily approving this Settlement, Defendant will provide the Claims Administrator with the names, last known addresses, last known telephone numbers, and social security numbers (in electronic format) of the members of the Settlement Class that Defendant is able to provide, including the dates of employment and the number of workweeks worked during the Class Period. For the small number of instances where Defendant does not have such information, it will provide in good faith as much of the information it is able to reasonably provide.
- B. Within 7 calendar days from receipt of this information, the Claims Administrator shall (i) run the names of all Settlement Class Members through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class Members, (ii) update the addresses of any Settlement Class Member for whom an updated address was found through the NCOA search, (iii) perform a Spanish translation of the Notice Packet, and (iv) mail the English and Spanish translation of the Notice Packet to each Settlement Class Member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Any Notice Packets returned to the Claims Administrator as undelivered on or before the Response Deadline (defined below) shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Claims Administrator shall make reasonable efforts, including utilizing a “skip trace,” to obtain an updated mailing address within 5 business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Claims Administrator shall resend the Notice Packet to the Settlement Class Member promptly, and in any event within 3 business days of obtaining the updated address. Settlement Class Members to whom Notice Packets are re-sent after having been returned as undeliverable to the Claims Administrator shall have 14 calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to mail a Request for Exclusion, objection, or dispute. Notice Packets that are re-sent shall inform the recipient of this adjusted deadline.
- D. Requests for Exclusion. Any Settlement Class Member who wishes to opt out of the Settlement must complete and mail a Request for Exclusion to the Claims Administrator within 60 calendar days of the date of the initial mailing of the Notice Packets (the “Response Deadline”).
  - i. The Request for Exclusion must: (1) contain the name, address, telephone number, and last four digits of the social security number of the Settlement Class Member; (2) be signed by the Settlement Class Member; and (3) be postmarked by the Response Deadline and mailed to the Claims Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in items (1)-(3), it will not be deemed valid for exclusion from this Settlement, except a Request for Exclusion form not

containing a Class Member's telephone number and/or last four digits of his or her social security number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any potential Settlement Class Member who validly requests to be excluded from the Settlement will no longer be a member of the Settlement Class, will not be entitled to any recovery under this Settlement Agreement, and will not be bound by the terms of the Settlement or have any right to object, appeal, or comment thereon.

ii. At no time will the Parties or their counsel seek to solicit or otherwise encourage any Settlement Class Member to object to the Settlement or opt out of the Settlement Class, or encourage any Settlement Class Member to appeal from the final judgment.

E. Objections. Settlement Class Members who do not opt out may object to this Settlement Agreement as explained in the Class Notice by (1) submitting a written objection with the Claims Administrator (who shall provide all objections as received to Class Counsel and Defendant's counsel, as well as file all such objections with the Court), or (2) by offering oral comments at the Final Approval Hearing. Defendant's counsel and Class Counsel shall submit any responses to written objections no later than the deadline to file the Motion for Final Approval. To be valid, any written objection must be postmarked no later than the Response Deadline.

F. Notice of Settlement Award/Disputes. Each Notice Packet mailed to Settlement Class Members shall contain an English and Spanish translation of the Notice of Settlement Award, which shall disclose the amount of the Settlement Class Member's estimated Individual Settlement Payment, as well as all of the information that was used from Defendant's records in order to calculate the Individual Settlement Payment, including the Settlement Class Member's number of workweeks worked during the Class Period. Settlement Class Members will have the opportunity, should they disagree with Defendant's records regarding the information stated in their Notice of Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Claims Administrator and postmarked by the Response Deadline. If there is a dispute, the Claims Administrator will consult with the Parties to determine whether an adjustment is warranted. Any disputes that remain unresolved as of the Final Approval Hearing will be referred to the Court for final determination.

11. **Final Approval.** Following preliminary approval and the close of the period for filing Requests for Exclusion, objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;

- B. Approving Plaintiff's and Class Counsel's application for attorneys' fees, costs, and the Class Representative Enhancement Payment; and
- C. Entering judgment pursuant to California Rule of Court 3.769.

12. **Voiding Settlement.** If the Court declines to approve any material term or condition of this Settlement Agreement, then this entire Settlement Agreement shall be void and unenforceable as to all Parties herein at the option of any Party, within thirty (30) days of receiving notice of the Court's action. Each Party may exercise its option to void this settlement as provided herein by giving notice, in writing, to the other and to the Court. The Party voiding the settlement pursuant to this Paragraph shall be responsible for any costs of administration incurred up to that date.

13. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. The Parties have entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.

14. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

15. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendant: Joseph Naddour of Larsen & Naddour LLP  
15615 Alton Parkway, Suite 450  
Irvine, CA 92618  
Email: jnaddour@larsennaddour.com

if to Plaintiff: Paul K. Haines, Haines Law Group, APC  
2155 Campus Drive, Suite 180  
El Segundo, California 90245  
Email: phaines@haineslawgroup.com

Sam Sani, Sani Law, APC  
15720 Ventura Blvd, Suite 405  
Encino, California 91436

16. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

17. **Construction.** The Parties agree that this Settlement Agreement is the result of lengthy, intensive arms-length negotiations between the parties and that this Settlement Agreement shall not be construed in favor of or against any Party by reason of the extent to which that Party has participated in the drafting of this Settlement Agreement.

18. **Enforcement.** If a Party to this Settlement Agreement institutes any legal action, arbitration, or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights or obligations under this Settlement Agreement, then the prevailing Party shall recover from the unsuccessful Party, reasonable attorneys' fees and costs.

19. **Governing Law.** This Settlement Agreement is made and entered into under the laws of the State of California, and shall be interpreted, applied and enforced under those laws, and any litigation concerning this Settlement Agreement shall be in the Superior Court of the County of Los Angeles, State of California.

20. **Covenants and Representations by Plaintiff and Plaintiff's Counsel.** Plaintiff represents and warrants that he has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement Agreement. Plaintiff acknowledges that he has read this Settlement Agreement, that she fully understands her rights, privileges and duties under the Settlement Agreement, and enters into this Settlement Agreement freely and voluntarily. Plaintiff further acknowledges that he has had the opportunity to consult with his attorneys to explain the terms of this Settlement Agreement and the consequences of signing this Settlement Agreement.

21. **Confidentiality.** Except as provided above to the extent necessary to effectuate the settlement or as required by court or legal process, Plaintiff and Plaintiff's Counsel will keep the terms of this Settlement Agreement confidential. Neither Plaintiff nor Plaintiff's Counsel shall issue a press release, hold a press conference, publish information about the settlement on any website or through any social media or otherwise publicize the settlement or communicate its terms in public or in private, unless ordered by the Court. However, for the limited purpose of establishing adequacy of counsel in future actions, Plaintiff's counsel may reference the Action only by name and case number in a declaration establishing adequacy as class or representative counsel.

22. **Authorization to Enter into Settlement Agreement.** Counsel for all Parties warrant and represent that 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 to this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of

the settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this settlement, the Parties may seek the assistance of the mediator (Mr. Cha) or the Court to resolve such disagreement.

23. **Execution and Counterparts.** This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

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

25. **Severability.** If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, the remaining portions of this Settlement Agreement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

26. **Waiver.** No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right or remedy.

27. **Cooperation and Execution of Necessary Documents.** All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

28. **Mutual Preparation.** The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

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29. **Binding Agreement.** The Parties warrant that they understand and have full authority to enter into this settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

DATED: \_\_\_\_\_

SADLER HEALTHCARE, INC.


By: \_\_\_\_\_

Name:

Title:

DATED: 11/5/2021

LEROY YOUNG

By:   
Leroy M. Young (Nov 6, 2021 10:42 PDT)

Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: \_\_\_\_\_

LARSEN & NADDOUR LLP

By: \_\_\_\_\_

Joseph Naddour

Attorneys for Defendant

DATED: 11/5/2021

SANI LAW, APC

By: 

Sam Sani

Attorney for Plaintiff

29. **Binding Agreement.** The Parties warrant that they understand and have full authority to enter into this settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

DATED: November 9, 2021

SADLER HEALTHCARE, INC.

By: 

Name: Ariana Varela

Title: COO

DATED: \_\_\_\_\_

LEROY YOUNG

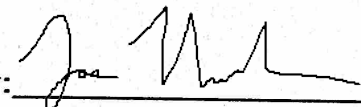
By: \_\_\_\_\_

Plaintiff and Settlement Class Representative

**APPROVED AS TO FORM:**

DATED: November 9, 2021

LARSEN & NADDOUR LLP

By: 

Joseph Naddour

Attorneys for Defendant

DATED: \_\_\_\_\_

SANI LAW, APC

By: \_\_\_\_\_

Sam Sani

Attorney for Plaintiff