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JOSHUA D. KIENITZ, Bar No. 244903
jkienitz@littler.com
LITTLER MENDELSON, P.C.
Treat Towers
1255 Treat Boulevard, Suite 600
Walnut Creek, CA 94597
Telephone: 925.932.2468
Fax No.: 925.946.9809

WILLIAM A. COSMOPULOS, Bar No. 312908
bcosmopulos@littler.com
LITTLER MENDELSON, P.C.
333 Bush Street, 34th Floor
San Francisco, CA 94104
Telephone: 415.433.1940
Fax No.: 415.399.8490

Attorneys for Defendant
JOHN MUIR HEALTH

[ADDITIONAL COUNSEL ON NEXT PAGE]

SUPERIOR COURT OF CALIFORNIA
COUNTY OF CONTRA COSTA

RENATO FARIAS, individually and on behalf
of all others similarly situated,

Plaintiff,

v.

JOHN MUIR HEALTH, a Corporation and
DOES 1 through 50, inclusive,

Defendants.

Case No. C20-02454

**CLASS AND REPRESENTATIVE
ACTION SETTLEMENT AGREEMENT**

**ELECTRONICALLY
FILED**

04/01/2022

K. BIEKER, CLERK OF THE COURT
SUPERIOR COURT OF CALIFORNIA
COUNTY OF CONTRA COSTA - MARTINEZ
A.Stewart, DEPUTY CLERK

1 LARRY W. LEE, Bar No. 228175
lwlee@diversitylaw.com
2 DIVERSITY LAW GROUP, P.C.
515 S. Figueroa St., Suite 1250
3 Los Angeles, CA 90071
Tel: 213.488.6555
4 Fax: 213.488.6554

5 EDWARD W. CHOI, Bar No. 211334
edward.choi@choiandassociates.com
6 LAW OFFICES OF CHOI & ASSOCIATES
515 S. Figueroa St., Suite 1250
7 Los Angeles, CA 90071
Tel: 213.381.1515
8 Fax: 213.465.4885

9 DENNIS S. HYUN, Bar No. 224240
dhyun@hyunlegal.com
10 HYUN LEGAL, APC
515 S. Figueroa St., Suite 1250
11 Los Angeles, CA 90071
Tel: 213.488.6555
12 Fax: 213.488.6554

13 Attorneys for Plaintiff
14 RENATO FARIAS
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1 This Class Action Settlement Agreement and Release, including Exhibits A and B hereto
2 (“Settlement Agreement” or “Agreement”), is made and entered into by, between, and among Plaintiff
3 Renato Farias (“Plaintiff”) on behalf of himself and the Settlement Class (as defined below), on the
4 one hand, and Defendant John Muir Health (“Defendant”) on the other hand. Plaintiff and Defendant
5 (collectively, the “Parties”) enter into this Agreement to affect a full and final settlement and preclusive
6 judgment resolving all Released Claims against all Released Parties (both terms defined below) in
7 connection with *Renato Farias v. John Muir Health*, Case No. C20-02454, filed in the Superior Court
8 of California for the County of Contra Costa on December 3, 2020, (the “Action”).

9 **I. RECITALS**

10 1.1 WHEREAS, on December 3, 2020, Plaintiff Renato Farias filed a class action
11 complaint against Defendant in the Superior Court of California for the County of Contra Costa, on
12 behalf of himself and a proposed class consisting of “all non-exempt California employees that worked
13 for Defendant at any time during the period of time from May 29, 2016 to the present.” Plaintiff also
14 submitted a letter to the Labor and Workforce Development Agency (LWDA) on November 17, 2020.

15 1.2 WHEREAS, Defendant denies the allegations in the Action; denies that it has engaged
16 in any wrongdoing; denies that Plaintiff’s allegations constitute valid claims; and states that it is
17 entering into this Settlement Agreement solely to eliminate the burden, expense, and delay of further
18 litigation, and on the express conditions that (a) if for any reason the Settlement is not finalized
19 according to the terms of this Agreement, the Settlement and the documents generated as a result of
20 the Settlement shall not be usable for any purpose in the Action, and (b) this Settlement and the
21 documents generated as a result of the Settlement are not admissible or usable in any other civil or
22 administrative proceeding or any arbitration, except to the extent necessary to enforce this Settlement
23 and the orders, judgment, and agreements arising from this Settlement;

24 1.3 WHEREAS, a *bona fide* dispute exists as to whether any amount of wages, penalties,
25 interest, restitution, fees or costs are due from Defendant to the Plaintiff or any Settlement Class
26 Member;

27 1.4 WHEREAS, in preparation for mediation, the Parties engaged in informal discovery,
28 exchanging information, and reviewing and analyzing extensive data made available by Defendant,

1 which enabled Plaintiff, their expert, and the mediator to thoroughly evaluate Plaintiff's claims and
2 the claims of the putative class, and the likely outcomes, risks and expense of pursuing litigation;

3 1.5 WHEREAS, the Parties attended a virtual, face-to-face mediation session with
4 experienced professional mediator Michael Dickstein, Esq. on November 8, 2021, where the Parties
5 discussed settlement terms at length with the mediator and continued discussions directly with the
6 mediator for some time after, before agreeing to the terms of this arm's-length Settlement;

7 1.6 WHEREAS, as a result of the mediation and discussions thereafter, Plaintiff and Class
8 Counsel believe that the Settlement provides a favorable recovery for the Settlement Class, based on
9 the claims asserted, the evidence developed, and the damages that might be proven against Defendant
10 in the Action. Plaintiff and Class Counsel further recognize and acknowledge the expense and length
11 of continued proceedings necessary to prosecute the Action against Defendant through trial and
12 appeals. They also have considered the uncertain outcome and the risk of any litigation, especially in
13 complex litigation such as the Action, as well as the difficulties and delays inherent in any such
14 litigation. They are also mindful of the inherent challenges of proof and the strength of the defenses
15 to the alleged claims, and therefore believe that it is desirable that the Released Claims be fully and
16 finally compromised, settled, and resolved with prejudice as set forth herein, subject to the approval
17 of the Court;

18 1.7 WHEREAS, Plaintiff and Class Counsel, based on their own independent
19 investigations and evaluations, have examined the benefits to be obtained under the terms of this
20 Settlement Agreement, have considered the claims of Plaintiff, the claims of the average Settlement
21 Class Member, the risks associated with the continued prosecution of the Action, and the likelihood
22 of success on the merits of the Action, and believe that, after considering all the circumstances,
23 including the uncertainties surrounding the risk of further litigation and the defenses that Defendant
24 has asserted and could assert, the proposed Settlement set forth in this Agreement is fair, reasonable,
25 adequate, in the best interests of Plaintiff and the Settlement Class, and confers substantial benefits
26 upon the Settlement Class;

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1 1.8 WHEREAS, Plaintiff warrants and represents that they are agreeing to this Settlement
2 and executing this Agreement after having received full legal advice as to their rights and has had the
3 opportunity to obtain independent counsel to review this Agreement;

4 1.9 WHEREAS, the Parties further agree that the Agreement, the fact of this Settlement,
5 and any of the terms of this Agreement, and any documents filed in connection with the Settlement
6 shall not constitute, or be offered, received, claimed, construed, or deemed as, an admission, finding,
7 or evidence of: (i) any wrongdoing, (ii) any violation of any statute or law, (iii) any liability on the
8 claims or allegations in the Action on the part of any Released Parties, or (iv) the propriety of certifying
9 a litigation class in the Action or any other proceeding; and shall not be used by any person for any
10 purpose whatsoever in any legal proceeding, including but not limited to arbitrations, and/or other
11 civil and/or administrative proceedings, other than a proceeding to enforce the terms of the Agreement;

12 1.10 WHEREAS, the Parties desire to compromise and settle all Released Claims against
13 all Released Parties;

14 1.11 NOW, THEREFORE, IT IS HEREBY STIPULATED, CONSENTED TO, AND
15 AGREED, by Plaintiff for himself and on behalf of the Settlement Class, and by Defendant that,
16 subject to the approval of the Court, the Action shall be settled, compromised, and dismissed, on the
17 merits and with prejudice, and the Released Claims shall be finally and fully compromised, settled and
18 dismissed as to the Released Parties, in the manner and upon the terms and conditions hereafter set
19 forth in this Agreement.

20 **II. DEFINITIONS**

21 Unless otherwise defined herein, capitalized terms used in this Agreement shall have the
22 meanings set forth below:

23 2.1 “**Class Counsel**” means Diversity Law Group, A Professional Corporation, Law
24 Offices of Choi and Associates, and Hyun Legal, APC.

25 2.2 “**Class Counsel Award**” means (i) the attorneys’ fees for Class Counsel’s litigation
26 and resolution of the Action, and all claims resolved by this Settlement, as awarded by the Court,
27 which will be paid exclusively from the Total Settlement Amount, and may not exceed one-third (1/3)
28 of the Total Settlement Amount (\$1,083,333.33), and (ii) all expenses and costs incurred by Class

1 Counsel in litigation and resolution of the Action, and all claims resolved by this Settlement, not to
2 exceed \$30,000, which will be paid exclusively from the Total Settlement Amount.

3 2.3 “**Class Information**” means information regarding Settlement Class Members that
4 Defendant will in good faith compile from its records and provide to the Settlement Administrator.
5 Class Information shall be provided in a Microsoft Excel spreadsheet and shall include, if possible,
6 for each Settlement Class Member: full name, last known mailing address, employee ID, the last four
7 digits of the social security number, the total pay periods worked during the PAGA Period, and the
8 number of pay periods where PTO-Sick and/or PSL hours were paid at below the regular rate of pay
9 during the Class Period. Because Settlement Class Members’ private information is included in the
10 Class Information, Class Counsel and the Settlement Administrator shall maintain any Class
11 Information received in confidence and shall use and disclose Class Information only for purposes of
12 this Settlement and for no other purpose, and pursuant to the restrictions as described in Paragraph
13 5.3. Further, within the Settlement Administrator’s operations, access shall be limited to those
14 personnel with a need to use the Class Information as part of the administration of the Settlement.

15 2.4 “**Class Member Allocation**” means the funds available for payments to Settlement
16 Class Members, which shall be the amount remaining after the following amounts are deducted and
17 credited from the Total Settlement Amount: (1) Class Counsel Award, (2) Settlement Administrator
18 Expenses, (3) Service Award, and (4) PAGA Allocation.

19 2.5 “**Class Notice**” means the notice of class action settlement to be provided to Settlement
20 Class Members, without material variation from the relevant portion of Exhibit A.

21 2.6 “**Class Period**” means June 8, 2016, through and including November 8, 2021.

22 2.7 “**Court**” means Superior Court of California for the County of Contra Costa.

23 2.8 “**Counsel for Defendant**” means Littler Mendelson, P.C..

24 2.9 “**Effective Date**” means one (1) calendar day after which both of the following events
25 have occurred: (i) the Court’s Final Approval order has been entered and (ii) the Court’s Final
26 Approval order and Judgment have become Final.

27 2.10 “**Exclusion/Written Objection Deadline**” means the final date by which a Settlement
28 Class Member may either (i) submit a written objection to any aspect of the Settlement, or (ii) submit

1 a written request to be excluded from the Settlement. The Exclusion/Written Objection Deadline shall
2 be forty-five (45) days after the Notice Date, and shall be specifically identified and set forth in the
3 Preliminary Approval Order and the Class Notice.

4 2.11 “**Final**” when referring to a judgment or order, means that (i) the judgment is a final,
5 appealable judgment; and (ii) (a) the date of final approval if no objections have been submitted and/or
6 no motions to intervene have been filed, or (b) an objection has been submitted and/or a motion to
7 intervene has been filed and no appeal has been taken from the judgment as of the date on which all
8 times to appeal therefrom have expired, or (c) an appeal or other review proceeding of the judgment
9 having been commenced, such appeal or other review is finally concluded and no longer is subject to
10 review by any court, whether by appeal, petitions for rehearing or re-argument, petitions for re-hearing
11 en banc, petitions for writ of certiorari, or otherwise, and such appeal or other review has been finally
12 resolved in such manner that affirms the judgment order in its entirety, and remittitur has been issued.

13 2.12 “**Final Approval**” means the Court’s entry of a Final Approval order finally approving
14 this Settlement.

15 2.13 “**Final Approval Hearing**” means the hearing at or after which the Court will make a
16 final decision as to whether the Settlement is fair, reasonable, and adequate, and therefore, finally
17 approved by the Court.

18 2.14 “**Individual Class Settlement Payment**” means the amount payable to each
19 Settlement Class Member from the Class Member Allocation. In the case of Settlement Class Members
20 who do not opt out, ten percent (10%) of their Individual Class Settlement Payment shall be issued as
21 wages, less applicable withholdings and for which an IRS Form W-2 shall issue if required, and ten
22 percent (10%) of their Individual Class Settlement Payment shall be issued as interest, for which an
23 IRS Form 1099-INT shall issue if required, and eighty percent (80%) of their Individual Class
24 Settlement Payment shall be issued as penalties, for which an IRS Form 1099-MISC shall issue if
25 required. The Individual Class Settlement Payment(s) shall be calculated pursuant to Section V herein.

26 2.15 “**Individual PAGA Payment**” means the amount payable to each PAGA Member
27 from the PAGA Employee Allocation. Individual PAGA Payments shall be issued as penalties, for
28 which an IRS Form 1099-MISC shall issue if required.

1 2.16 **“Judgment”** means the judgment to be entered in the Action on Final Approval of this
2 Settlement.

3 2.17 **“Legally Authorized Representatives”** means an administrator, personal
4 representative, or executor of a deceased Settlement Class Member’s estate; a guardian, conservator,
5 or next friend of an incapacitated Settlement Class Member; or any other legally appointed person
6 responsible for handling the business affairs of a Settlement Class Member.

7 2.18 **“Named Plaintiff’s General Release of Claims”** means any and all past, present, and
8 future claims, actions, demands, causes of action, suits, debts, obligations, damages, rights or
9 liabilities, of any nature and description whatsoever, known or unknown, existing or potential,
10 recognized now or hereafter, expected or unexpected, pursuant to any theory of recovery (including
11 but not limited to those based in contract or tort, common law or equity, federal, state, or local law,
12 statute, ordinance, or regulation), and for claims for compensatory, consequential, punitive or
13 exemplary damages, statutory damages, penalties, interest, attorneys’ fees, costs or disbursements,
14 against the Released Parties, including unknown claims covered by California Civil Code section
15 1542, as quoted below in Paragraph 9.4, by Plaintiff, arising during the period from the beginning of
16 the Plaintiff’s first interaction with any defendant to the date on which the Court enters the order of
17 Final Approval of this Settlement, for any type of relief that can be released as a matter of law,
18 including, without limitation, claims for wages, damages, unpaid costs, penalties (including civil and
19 waiting time penalties), liquidated damages, punitive damages, interest, attorneys’ fees, litigation
20 costs, restitution, or injunctive, declaratory or equitable relief, with the exception of any claims which
21 cannot be released as a matter of law. Plaintiff will generally release all known and unknown claims
22 against the Released Parties, and waive the application of section 1542 of the California Civil Code.
23 The claims released pursuant to this paragraph include but are not limited to the Settlement Class
24 Members’ Released Claims, as well as any other claims under any provision of the Fair Labor
25 Standards Act, the California Labor Code, the California Code of Regulations, or any applicable
26 California Industrial Welfare Commission Wage Order(s), and claims under state or federal
27 discrimination statutes, including, without limitation the California Fair Employment and Housing
28 Act, California Government Code section 12940 *et seq.*; the California Constitution; Title VII of the

1 Civil Rights Act of 1964, 42 U.S.C. § 2000 *et seq.*; the Americans with Disabilities Act, 42 U.S.C. §
2 12101 *et seq.*; the Age Discrimination in Employment Act of 1967, as amended; the Employee
3 Retirement Income Security Act of 1974, 29 U.S.C. § 1001 *et seq.*; and all of their implementing
4 regulations and interpretive guidelines.

5 2.19 “**Notice Date**” means the date of the initial mailing of the Class Notice to Settlement
6 Class Members, as set forth in Section VI.

7 2.20 “**Opt Out List**” means the Court-approved list of all persons who timely and properly
8 request exclusion from the Settlement Class.

9 2.21 “**PAGA Allocation**” means the amount that the Parties have agreed to allocate in order
10 to settle claims arising under the Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698 *et*
11 *seq.*) (“PAGA”). The Parties have agreed that One Hundred Sixty-Two Thousand Five Hundred
12 Dollars (\$162,500.00) of the Total Settlement Amount will be allocated to the resolution of PAGA
13 claims.

14 2.21.1 “**PAGA Employee Allocation**” means the Twenty Five Percent (25%) of the
15 PAGA Allocation (\$40,625.00), which will be distributed to PAGA Members as calculated in Section
16 V. PAGA Members will receive payment from the PAGA Employee Allocation regardless of their
17 decision to participate in the class action if the PAGA Allocation and the PAGA Members’ Release
18 Claims are approved by the Court.

19 2.21.2 “**PAGA LWDA Allocation**” means the Seventy Five Percent (75%) of the
20 PAGA Allocation (\$121,875.00), which will be paid to the California Labor and Workforce
21 Development Agency in accordance with Labor Code §§ 2698 *et seq.*.

22 2.22 “**PAGA Letter**” means the letter submitted by Class Counsel on behalf of Plaintiff to
23 the California Labor and Workforce Development Agency on November 17, 2020.

24 2.23 “**PAGA Members**” means all current and former non-exempt employees of Defendant
25 employed during the PAGA Period.

26 2.24 “**PAGA Members’ Released Claims**” means a release, for the entire PAGA Period,
27 of any and all claims, rights, demands, liabilities, and causes of action for the recovery of civil
28 penalties, attorneys’ fees and costs permissible under the California Labor Code Private Attorneys

1 General Act of 2004, California Labor Code Sections 2698 *et seq.*, which Plaintiff and/or the PAGA
2 Members had, or may claim to have, against Released Parties, for any and all claims that were alleged
3 or reasonably related to the facts pleaded in the Lawsuit or the PAGA Letter, except claims under
4 Labor Code Section 2802, including civil penalties, attorneys' fees, and costs arising under the PAGA
5 for violations of California Labor Code Sections 201, 202, 203, 204, 210, 218, 218.6, 226, 226.3, 233,
6 246, 246.5, and 248.5.

7 2.25 **"PAGA Period"** means May 23, 2019, through and including November 8, 2021.

8 2.26 **"Plaintiff"** used in the singular means Renato Farias.

9 2.27 **"Plan of Allocation"** means the plan for allocating the PAGA Employee Allocation
10 and the Class Member Allocation between and among Settlement Class Members and PAGA
11 Members as approved by the Court.

12 2.28 **"Preliminary Approval Date"** means the date that the Court enters the Preliminary
13 Approval Order and thus: (i) preliminarily approves the Settlement, and the exhibits thereto, and (ii)
14 enters an order providing for notice to the Settlement Class, an opportunity to opt out of the Settlement
15 Class, an opportunity to submit timely and proper objections to the Settlement, and setting a hearing
16 on the fairness of the terms of Settlement, including approval of the Class Counsel Award.

17 2.29 **"Preliminary Approval Order"** means the order that Plaintiff and Defendant will seek
18 from the Court, without material variation from Exhibit B. Entry of the Preliminary Approval Order
19 shall constitute preliminary approval of the Settlement Agreement.

20 2.30 **"Released Claims"** means (i) Settlement Class Members' Released Claims, (ii) PAGA
21 Members' Released Claims, and (iii) Named Plaintiff's General Release of Claims.

22 2.31 **"Released Parties"** means Defendant John Muir Health, John Muir Behavioral Health,
23 John Muir Physician Network, John Muir Health Foundation, John Muir Community Benefit Fund,
24 and each and all of their past, present, and future divisions, affiliates, predecessors, successors, assigns,
25 shareholders, owners, officers, directors, employees, agents, trustees, attorneys, representatives,
26 administrators, fiduciaries, beneficiaries, subrogees, executors, partners, parents, subsidiaries, and
27 privies.

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1 2.32 “**Release Period**” means June 8, 2016 through and including November 8, 2021. (The
2 Release Period and Class Period are identical.)

3 2.33 “**Service Award**” means the amounts approved by the Court to be paid to Plaintiff, in
4 addition to Plaintiff’s Individual Class Settlement Payment and Individual PAGA Payment, in
5 recognition of his efforts in coming forward as named Plaintiff, communicating with Class Counsel
6 regarding the claims in this Lawsuit, being involved in the litigation of this Lawsuit, and as
7 consideration for a full, general, and comprehensive release of the Named Plaintiff’s General Released
8 Claims. The Service Award amount payable to Plaintiff shall come exclusively from the Total
9 Settlement Amount and is not to exceed \$10,000.

10 2.34 “**Settlement**” means the settlement of the Action between Plaintiff and Defendant, as
11 set forth in this Settlement Agreement.

12 2.35 “**Settlement Administrator**” means Phoenix Settlement Administrators.

13 2.36 “**Settlement Administrator Expenses**” means the amount, not to exceed \$43,000.00,
14 to be paid to the Settlement Administrator exclusively from the Total Settlement Amount, including
15 the total costs, expenses, and fees of the Settlement Administrator.

16 2.37 “**Settlement Class**” means all current and former non-exempt California employees of
17 John Muir Health and related entities John Muir Behavioral Health, John Muir Physician Network,
18 John Muir Health Foundation and John Muir Health Community Benefit Fund (collectively “JMH”)
19 who: (a) were employed by JMH during the PAGA Period; and/or (b) received paid sick leave pay
20 (PSL) or PTO-Sick pay during the Class Period.

21 2.38 “**Settlement Class Member**” or “**Class Member**” mean any member of the Settlement
22 Class.

23 2.39 “**Settlement Class Members’ Released Claims**” include, for the entire Release
24 Period, any and all claims that were alleged or reasonably related to the facts pleaded in the Lawsuit,
25 except claims under Labor Code Section 2802. Released Claims also include all claims under the
26 pleaded sections of the California Labor Code, Business and Professions Code and/or IWC Wage
27 Orders, namely: Labor Code Sections 201, 202, 203, 204, 210, 218, 218.6, 226, 226.3, 233, 246, 246.5,
28 248.5, and 2698-2699.5 (PAGA); and the Unfair Competition Law (B&PC Section 17200, *et seq.*).

1 To the extent not already covered by the foregoing, Released Claims also include all claims brought
2 in the Lawsuit (or that could have been brought in the Lawsuit based on the facts pleaded in the
3 Lawsuit, and except for claims under Labor Code Section 2802) for civil penalties, statutory penalties,
4 wages, interest, restitution, injunctive relief and attorneys' fees and costs (including fees and costs per
5 Labor Code Section 218.5 and Code of Civil Procedure Section 1021.5). The "Settlement Class
6 Members' Released Claims" are released from June 8, 2016 through and including November 8, 2021
7 (the "Release Period").

8 2.40 **"Total Settlement Amount"** means Three Million and Two Hundred Fifty Thousand
9 Dollars and Zero Cents (\$3,250,000.00). Employer-side tax obligations arising from the wage-
10 allocated portion of the Individual Class Settlement Payments will be paid by Defendant outside of,
11 and separate from, the Total Settlement Amount. The Total Settlement Amount is based on
12 Defendant's representation that there are approximately (a) 326,540 actual pay periods worked by the
13 Settlement Class Members during the PAGA Period, of which 9,615 pay periods include paid sick
14 leave or PTO-Sick paid at below the regular rate of pay, and (b) 18,476 pay periods prior to the PAGA
15 Period in which paid sick leave or PTO-Sick were paid at below the regular rate of pay (totaling
16 345,016). If the total number of pay periods, including any Self-Identified Class Members, results in
17 an increase to the size of the actual number of pay periods covered by either (a) or (b) in the preceding
18 sentence by more than 5.0%, Plaintiff may, at Plaintiff's option, withdraw from the settlement. Should
19 Plaintiff exercise this clause, Defendant shall pay all administration costs incurred up to the point of
20 withdrawal/termination.

21 2.41 **"Void Date"** means the date by which any checks issued to Settlement Class Members
22 shall become void, *i.e.* on the 181st day after mailing.

23 **III. SUBMISSION OF THE SETTLEMENT AGREEMENT TO THE COURT FOR**
24 **PRELIMINARY AND FINAL APPROVAL**

25 3.1 Upon execution of this Settlement Agreement, Plaintiff shall submit to the Court a
26 motion for preliminary approval of the Settlement. The motion for preliminary approval shall include
27 a proposed plan for sending of the Class Notice to Settlement Class Members within forty-five (45)
28 days after the Preliminary Approval Date (the Notice Date), and establishing a period of forty-five

1 (45) days from the Notice Date within which any Settlement Class Member may (i) request exclusion
2 from the Settlement Class, (ii) object to the proposed Settlement, or (iii) object to Class Counsel's
3 request for the Class Counsel Award and for the Service Award to the Plaintiff (the Exclusion/Written
4 Objection Deadline).

5 3.2 The Parties stipulate to the form of, and agree to submit to the Court for its
6 consideration this Settlement Agreement, and the following Exhibits to this Settlement Agreement:
7 Class Notice (the relevant portion of Exhibit A); and [Proposed] Preliminary Approval Order (Exhibit
8 B).

9 3.3 Solely for purposes of implementing this Agreement and effectuating the proposed
10 Settlement, the Parties agree and stipulate that:

11 3.3.1 The Court may enter the Preliminary Approval Order, without material
12 variation from Exhibit B, preliminarily approving the Settlement and this Agreement. Among other
13 things, the Preliminary Approval Order shall approve the Plaintiff as the class representative of the
14 Settlement Class, appoint Class Counsel to represent the Settlement Class, and appoint the Settlement
15 Administrator; approve the Class Notice, and the class notice plan embodied in the Settlement
16 Agreement, and approve them as consistent with Code of Civil Procedure Section 382 and due process;
17 and set out the requirements for disputing the information upon which Settlement Class Members'
18 share of the Settlement will be calculated, objecting to the Settlement, and excluding Settlement Class
19 Members who timely and properly request to be excluded from the Settlement Class, all as provided
20 in this Agreement.

21 3.4 At the Final Approval Hearing, Plaintiff shall request entry of a Final Approval order
22 and a Judgment, to be agreed upon by the Parties, the entry of which is a material condition of this
23 Settlement and that, among other things:

24 3.4.1 Finally approves the Settlement as fair, reasonable, and adequate and directs its
25 consummation pursuant to the terms of the Settlement Agreement;

26 3.4.2 Finds that Class Counsel and Plaintiff adequately represented the Settlement
27 Class for the purpose of entering into and implementing the Agreement;

28

1 3.4.3 Re-confirms the appointment of the Settlement Administrator and finds that the
2 Settlement Administrator has fulfilled its duties under the Settlement to date;

3 3.4.4 Finds that the Class Notice (i) constituted the best practicable notice; (ii)
4 constituted notice that was reasonably calculated, under the circumstances, to apprise Settlement Class
5 Members of the pendency of the Action, and their right to exclude themselves from or object to the
6 proposed settlement and to appear at the Final Approval Hearing; (iii) was reasonable and constituted
7 due, adequate, and sufficient notice to all persons entitled to receive notice; and (iv) met all applicable
8 requirements California law and due process;

9 3.4.5 Approves the Opt-Out List and determines that the Opt-Out List is a complete
10 list of all Settlement Class Members who have timely and properly requested exclusion from the
11 Settlement Class and, accordingly, shall neither share in nor be bound by the Final Approval order and
12 Judgment;

13 3.4.6 Directs that the Final Approval order and Judgment of dismissal shall be final
14 and entered forthwith;

15 3.4.7 Without affecting the finality of the Final Approval order and Judgment, directs
16 that the Court retains continuing jurisdiction over Plaintiff, the Settlement Class, and Defendant as to
17 all matters concerning the administration, consummation, and enforcement of this Settlement
18 Agreement;

19 3.4.8 Adjudges that, as of the Final Approval Date, Plaintiff, all PAGA Members,
20 and all Settlement Class Members who have not been excluded from the Settlement Class as provided
21 in the Opt-Out List approved by the Court, and their Legally Authorized Representatives, heirs,
22 estates, trustees, executors, administrators, principals, beneficiaries, representatives, agents, assigns,
23 and successors, and/or anyone claiming through them or acting or purporting to act for them or on
24 their behalf, regardless of whether they have received actual notice of the proposed Settlement, have
25 conclusively compromised, settled, discharged, and released the Named Plaintiff's General Release of
26 Claims (in the case of Plaintiff), the PAGA Members' Released Claims (in the case of the PAGA
27 Members), and Settlement Class Members' Released Claims (in the case of the Settlement Class
28 Members that have not been excluded from the Settlement Class as provided in the Opt-Out List

1 approved by the Court) against Defendant and the Released Parties, and are bound by the provisions
2 of this Agreement;

3 3.4.9 Declares this Agreement and the Final Approval order and Judgment
4 encompasses (i) the Named Plaintiff's General Released Claims and that are maintained by or on
5 behalf of Plaintiff and/or his Legally Authorized Representatives, heirs, estates, trustees, executors,
6 administrators, principals, beneficiaries, representatives, agents, assigns, and successors, and/or
7 anyone claiming through them or acting or purporting to act for them or on their behalf, (ii) the PAGA
8 Members' Released Claims and that are maintained by or on behalf of PAGA Members, their heirs,
9 estates, trustees, executors, administrators, principals, beneficiaries, representatives, agents, assigns,
10 and successors, and/or anyone claiming through them or acting or purporting to act for them or on
11 their behalf, regardless of whether the PAGA Member previously initiated or subsequently initiates
12 individual litigation or other proceedings encompassed by the PAGA Members' Released Claims, and
13 even if such PAGA Member never received actual notice of the Action or this proposed Settlement,
14 and (iii) the Settlement Class Members' Released Claims and that are maintained by or on behalf of
15 any Settlement Class Member who has not been excluded from the Settlement Class as provided in
16 the Opt-Out List approved by the Court and/or their Legally Authorized Representatives, heirs, estates,
17 trustees, executors, administrators, principals, beneficiaries, representatives, agents, assigns, and
18 successors, and/or anyone claiming through them or acting or purporting to act for them or on their
19 behalf, regardless of whether the Settlement Class Member previously initiated or subsequently
20 initiates individual litigation or other proceedings encompassed by the Settlement Class Members'
21 Released Claims, and even if such Settlement Class Member never received actual notice of the Action
22 or this proposed Settlement;

23 3.4.10 Determines that the Agreement and the Settlement provided for herein, and any
24 proceedings taken pursuant thereto, are not, and should not in any event be offered, received, or
25 construed as evidence of, a presumption, concession, or an admission by any Party of liability or non-
26 liability or of the certifiability or non-certifiability of a litigation class, or of any misrepresentation or
27 omission in any statement or written document approved or made by any Party; provided, however,
28 that reference may be made to this Agreement and the Settlement provided for herein in such

1 proceedings as may be necessary to effectuate the provisions of this Agreement, as further set forth in
2 this Agreement;

3 3.4.11 Orders that the preliminary and final approval of the Settlement, and all actions
4 associated with them, are undertaken on the condition that they shall be vacated if the Settlement
5 Agreement is terminated or disapproved in whole or in part by the Court, or by any appellate court
6 and/or other court of review, in which event the Agreement and the fact that it was entered into shall
7 not be offered, received, or construed as an admission or as evidence for any purpose, including but
8 not limited to an admission by any Party of liability or non-liability or of any misrepresentation or
9 omission in any statement or written document approved or made by any Party, or of the certifiability
10 of a litigation class, as further provided in this Settlement Agreement;

11 3.4.12 Authorizes the Parties, without further approval from the Court, to mutually
12 agree to and adopt such amendments, modifications, and expansions of this Agreement, including all
13 Exhibits hereto, as (i) shall be consistent in all material respects with the Final Approval order and (ii)
14 do not limit the rights of Settlement Class Members; and

15 3.4.13 Contains such other and further provisions consistent with the terms of this
16 Settlement Agreement to which the Parties expressly consent in writing.

17 3.5 At the Final Approval Hearing and as a part of the final approval of this Settlement,
18 Class Counsel will also request approval of the Plan of Allocation set forth in Section V. Any
19 modification to the Plan of Allocation by the Court shall not (i) affect the enforceability of the
20 Settlement Agreement, (ii) provide any of the Parties with the right to terminate the Settlement
21 Agreement, or (iii) impose any obligation on the Defendant or any Released Party to increase the
22 consideration paid in connection with the Settlement.

23 3.6 At the Final Approval Hearing, Class Counsel may also request entry of an Order
24 approving the Class Counsel Award and the Service Award to the Plaintiff, which shall be paid
25 exclusively from the Total Settlement Amount and in accordance with the Plan of Allocation described
26 in Section V. Except as set forth in this Agreement, in no event shall any Released Party otherwise be
27 obligated to pay for any attorneys' fees and expenses or any Service Award. The disposition of Class
28 Counsel's application for a Class Counsel Award, and for the Service Award, is within the sound

1 discretion of the Court and is not a material term of this Settlement Agreement, and it is not a condition
2 of this Settlement Agreement that such application be granted. Any disapproval or modification of
3 such application by the Court shall not (i) affect the enforceability of the Settlement Agreement, (ii)
4 provide any of the Parties with the right to terminate the Settlement Agreement, or (iii) increase the
5 consideration Defendant or any Released Party pays in connection with the Settlement. If the Court
6 modifies the amount of the Class Counsel Award and/or Service Award to be lower than the maximum
7 allocated to the Class Counsel Award and/or Service Award in this Agreement, then the difference
8 shall be allocated to the Class Member Allocation, as set forth in the Plan of Allocation. However,
9 Plaintiff and Class Counsel reserve the right to appeal any ruling that reduces the Class Counsel Award
10 and/or Service Award, provided that a notice of appeal is filed and served before Defendant funds the
11 settlement. Released Parties shall have no liability to Class Counsel arising from any claim regarding
12 the division of the Class Counsel Award between and among Class Counsel or any other counsel
13 representing Plaintiff or the Settlement Class Members.

14 **IV. SETTLEMENT CONSIDERATION**

15 4.1 The total consideration for the Settlement from Defendant is the Total Settlement
16 Amount (\$3,250,000.00). The Total Settlement Amount is an “all in” number that includes, without
17 limitation, all monetary benefits and payments to the Settlement Class, Service Award, Class Counsel
18 Award, PAGA Allocation, Settlement Administrator Expenses, and all claims for interest, fees, and
19 costs. The sole exception not included in the Total Settlement Amount is employer-side employment
20 taxes resulting from the wage-allocation portion of the Individual Class Settlement Payments, which
21 Defendant shall pay separately and apart from the Total Settlement Amount. Under no other
22 circumstances (aside from this express exception) shall Defendant be required to pay anything more
23 than the Total Settlement Amount. In no event shall Defendant be liable for making any payments
24 under this Settlement, or for providing any relief to Settlement Class Members, before the deadlines
25 set forth in this Agreement.

26 4.2 Plaintiff and all Settlement Class Members who do not request exclusion and receive
27 an Individual Class Settlement Payment from the Total Settlement Amount expressly acknowledge
28 that ten percent (10%) shall be issued as wages, less applicable withholdings and for which an IRS

1 Form W-2 shall issue if required, ten percent (10%) shall be issued as interest, and eighty percent
2 (80%) of which shall be issued as penalties, for both of which an appropriate IRS Form 1099 shall
3 issue if required. In the case of Plaintiff, the Service Award shall be considered entirely non-wages,
4 and shall be included in Plaintiff's IRS Form 1099.

5 4.3 Plaintiff and all PAGA Members who receive an Individual PAGA Payment from the
6 Total Settlement Amount expressly acknowledge that one hundred percent (100%) of the Individual
7 PAGA Payment shall be issued as penalties, for which an appropriate IRS Form 1099 shall issue if
8 required.

9 4.4 Defendant agrees not to oppose a request for the Service Award for Plaintiff, as
10 awarded by the Court, up to a maximum of \$10,000. Plaintiff and Class Counsel agree not to seek
11 any Service Award in excess of the above amount.

12 4.5 Class Counsel agrees not to seek an award from the Court in excess of one-third (1/3)
13 of the Total Settlement Amount in attorneys' fees (equal to \$1,083,333.33), nor in excess of \$30,000
14 in costs and expenses. Defendant agrees not to oppose a request for attorneys' fees, costs and expenses
15 so long as it does not exceed the amounts set forth above. Any amount awarded as the Class Counsel
16 Award shall be inclusive of any and all amounts due to or claimed by any and all counsel representing
17 Plaintiff. Released Parties and Settlement Class Members shall have no obligation regarding, or
18 liability for, allocation or payment of the Class Counsel Award. Class Counsel shall file any request
19 for attorneys' fees, costs and expenses and any request for Plaintiff's Service Award along with the
20 Motion for Final Approval.

21 4.6 The Settlement Administrator shall pay the Class Counsel Award from the Total
22 Settlement Amount pursuant to the instructions of Class Counsel. Class Counsel shall provide the
23 Settlement Administrator notice of receipt of the Class Counsel Award. Released Parties shall have
24 no liability to Class Counsel or any other counsel for Plaintiff or any Settlement Class Member arising
25 from any claim regarding the division of the Class Counsel Award.

26 **V. FUNDING AND ALLOCATION OF THE SETTLEMENT**

27 5.1 Within twenty (20) calendar days of the Effective Date, Defendant shall provide the
28 Total Settlement Amount to the Settlement Administrator.

1 5.2 Subject to Court approval, the Total Settlement Amount shall be allocated to pay the
2 Settlement Administrator Expenses (not to exceed \$43,000); Plaintiff's Service Award (not to exceed
3 \$10,000); the Class Counsel Award (up to, but not to exceed, \$1,083,333.33 in fees and up to \$30,000
4 in costs) as ordered by the Court; the PAGA Allocation (\$162,500.00); and all remaining funds shall
5 be allocated to the Class Member Allocation.

6 5.3 Settlement Class Members who request exclusion shall not receive any amount, unless
7 the Settlement Class Member is also a PAGA Member, in which case they will receive only an
8 Individual PAGA Payment as described in Paragraph 5.4. Each Settlement Class Member who does
9 not request exclusion (“**Remaining Settlement Class Members**”) shall have their Individual Class
10 Settlement Payment calculated based on two parts: (i) the Individual Settlement Base Payment, and
11 (ii) the Individual Settlement Sick Payment. The sum of the Individual Settlement Base Payment and
12 the Individual Settlement Sick Payment shall be each Remaining Settlement Class Member's
13 Individual Class Settlement Payment. With the exception of the Individual PAGA Payment(s) for
14 Remaining Settlement Class Members who are also PAGA Members, Remaining Settlement Class
15 Members are not eligible to receive any compensation from the Settlement other than the Individual
16 Class Settlement Payment(s).

17 5.3.1 All Remaining Settlement Class Members shall be entitled to an Individual
18 Settlement Base Payment. The Individual Settlement Base Payment shall be \$100.00 for each
19 Remaining Settlement Class Member.

20 5.3.2 All Remaining Settlement Class Members with PTO-Sick and/or PSL hours
21 paid at below the regular rate of pay during the Class Period shall be entitled to an Individual
22 Settlement Sick Payment. The Individual Settlement Sick Payment(s) shall be calculated based on a
23 pro-rata share of the remainder of the Class Member Allocation following calculation of each
24 Remaining Settlement Class Members' Individual Settlement Base Payment, as determined by the
25 Remaining Settlement Class Member's number of pay periods where PTO-Sick and PSL hours were
26 paid at below the regular rate of pay during the Class Period according to Defendant's records, as a
27 fraction of all pay periods where PTO-Sick and PSL hours were paid at below the regular rate of pay
28 to all Remaining Settlement Class Members during the Class Period.

1 5.4 Each PAGA Member will receive an “Individual PAGA Payment,” which shall be paid
2 from the PAGA Employee Allocation. The Individual PAGA Payment will be calculated by adding
3 the number of pay periods, rounded up to the nearest whole number, in which the PAGA Members
4 were employed by Defendant during the PAGA Period, to calculate the total number of pay periods
5 of employment by all PAGA Members. The respective pay periods employed for each individual
6 PAGA Member during the PAGA Period will be divided by the total pay periods of employment by
7 PAGA Members, resulting in the payment ratio for each PAGA Member. Each PAGA Member’s
8 payment ratio will then be multiplied by the PAGA Employee Allocation to determine the Individual
9 PAGA Payment for each PAGA Member. PAGA Members shall receive this Individual PAGA
10 Payment regardless of their decision to request exclusion from the Settlement Class.

11 5.5 At no point shall any amount from the Total Settlement Amount revert back to
12 Defendant.

13 5.6 The Settlement Administrator shall issue the Individual Class Settlement Payments
14 from the Total Settlement Amount to each Settlement Class Member. Of those Individual Class
15 Settlement Payments to the Remaining Settlement Class Members, ten percent (10%) shall be reported
16 by the Settlement Administrator to the applicable governmental authorities on IRS Form W-2s
17 (allocated to wages), ten percent (10%) shall be reported by the Settlement Administrator to the
18 applicable governmental authorities on IRS Form 1099-INT (allocated to interest), if required, and
19 eighty percent (80%) shall be reported by the Settlement Administrator to the applicable governmental
20 authorities on IRS Form 1099-MISC (allocated to penalties) if required. In the case of Plaintiff, the
21 Service Award shall be considered entirely non-wages, and shall be included in Plaintiff’s IRS Form
22 1099. The Settlement Administrator shall be responsible for issuing respective copies of IRS
23 Form 1099s and W-2s for the Plaintiff and Settlement Class Members who received and cashed their
24 respective Individual Class Settlement Payments.

25 5.7 The Settlement Administrator shall issue the Individual PAGA Payments from the
26 PAGA Employee Allocation to each PAGA Member, one hundred percent (100%) of which shall be
27 reported by the Settlement Administrator to the applicable governmental authorities on IRS Form
28 1099-MISC (allocated to penalties) if required.

1 **VI. CLASS NOTICE & CLAIM PROCEDURES**

2 6.1 No more than fourteen (14) calendar days after entry of the Preliminary Approval
3 Order, Defendant shall provide the Settlement Administrator with the Class Information for purposes
4 of sending the Class Notice to Settlement Class Members.

5 6.2 The Class Notice will include a statement to each Settlement Class Member containing
6 the number of pay periods where PTO-Sick and PSL hours were paid at below the regular rate of pay
7 during the Class Period, according to Defendant's records, that is being used to calculate the amount
8 of their Settlement Payment as described in Paragraph 5.3.2, and inform Settlement Class Members
9 of their right to request exclusion from the Settlement, their right to object to the Settlement, their right
10 to dispute the information upon which their share of the Settlement will be calculated, and the claims
11 to be released.

12 6.3 As set forth in the Class Notice, Settlement Class Members will be provided forty-five
13 (45) days after receiving the Class Notice to disagree with Defendant's calculation of their PSL and
14 PTO-Sick hours used during the Class Period by providing documentation to the Settlement
15 Administrator. The Settlement Administrator shall review any documentation submitted by a
16 Settlement Class Member and consult with the Parties to determine whether an adjustment is
17 warranted. There will be a presumption that Defendant's records are correct, absent evidence
18 produced by a Settlement Class Member to the contrary. The Settlement Administrator's
19 determination of the amount of any Settlement Class Member's PSL and PTO-Sick hours shall be
20 binding upon the Settlement Class Member and the Parties, and a Settlement Class Member's
21 Individual Settlement Sick Payment will be calculated according to the Settlement Administrator's
22 determination.

23 6.4 No more than thirty (30) calendar days after entry of the Preliminary Approval Order,
24 provided Defendant timely complied with its obligation in Paragraph 6.1, the Settlement Administrator
25 shall send a copy of the Class Notice by U.S. mail to each Settlement Class Member (the Notice Date).
26 Before the initial mailing of the Class Notice, the Settlement Administrator shall make a good-faith
27 attempt to obtain the most-current names and postal mail addresses for all Settlement Class Members
28 to receive such postal mail, including (1) cross-checking the names and/or postal mail addresses it

1 received from Defendant, and (2) reviewing the addresses with the National Change of Address
2 Database.

3 6.5 If any Class Notice sent via U.S. mail to any Settlement Class Member is returned to
4 the Settlement Administrator with a forwarding address, the Settlement Administrator shall forward
5 the postal mailing to that address. If the Settlement Administrator is not provided a forwarding
6 address, the Settlement Administrator shall attempt to locate a current mailing address for the Class
7 Member by skip tracing using the Class Member's SSN and will mail the Class Notice to the updated
8 address identified. In the event that any Class Notice is returned as undeliverable a second time, no
9 further efforts shall be required. The Settlement Administrator shall maintain a log detailing the
10 instances Class Notices are returned as undeliverable.

11 6.6 All Settlement Class Members' names and postal mail addresses obtained through these
12 sources shall be protected as confidential and not used for purposes other than the notice and
13 administration of this Settlement. The address determined by the Settlement Administrator as the
14 current mailing address through this process shall be presumed to be the best mailing address for the
15 applicable Settlement Class Member.

16 6.7 The Parties agree that the procedures set forth in this Section constitute reasonable and
17 the best practicable notice under the circumstances and an appropriate and sufficient effort to locate
18 current addresses for Settlement Class Members such that no additional efforts to do so shall be
19 required.

20 6.8 At least twenty-one (21) days before the Final Approval Hearing, the Settlement
21 Administrator shall prepare a declaration of due diligence and proof of dissemination with regard to
22 the mailing of the Class Notice, and any attempts by the Settlement Administrator to locate Settlement
23 Class Members, its receipt of valid requests for exclusion, and its inability to deliver the Class Notice
24 to Settlement Class Members due to invalid addresses ("Due Diligence Declaration"), to Class
25 Counsel and Counsel for Defendant for presentation to the Court. Class Counsel shall be responsible
26 for filing the Due Diligence Declaration with the Court.

27 6.9 If any individual whose name does not appear in the Class Information that Defendant
28 provides the Settlement Administrator (and who has not previously opted out of the Settlement Class),

1 believes that they are a Settlement Class Member, they shall have the opportunity to dispute their
2 exclusion from the Settlement Class, prior to the Void Date. If an individual believes they are a
3 Settlement Class Member, they must notify the Settlement Administrator and submit documentation
4 to the Settlement Administrator showing that they are a Settlement Class Member prior to the
5 Exclusion/Written Objection Deadline. The Parties will meet and confer regarding any such
6 individuals in an attempt to reach an agreement as to whether any such individual should be regarded
7 as a Settlement Class Member. If the Parties so agree, the Settlement Administrator will provide a
8 Class Notice to the individual, and treat the individual as a Settlement Class Member for all other
9 purposes. Such an individual, a “Self-Identified Class Member,” will have all of the same rights as
10 any other Settlement Class Member under this Agreement.

11 VII. PROCEDURES FOR REQUESTS FOR EXCLUSION

12 7.1 Settlement Class Members (with the exception of Plaintiff) may opt out of the Class
13 Settlement. Those who wish to exclude themselves (or “opt out”) from the Settlement Class must
14 submit timely, written requests for exclusion. To be effective, such a request must include the
15 Settlement Class Member’s name, address, and telephone number; a clear and unequivocal statement
16 that the Settlement Class Member wishes to be excluded from the Settlement Class; and the signature
17 of the Settlement Class Member. The request must be mailed to the Settlement Administrator at the
18 address provided in the Class Notice and must be postmarked no later than the Exclusion/Written
19 Objection Deadline. The date of the postmark shall be the exclusive means used to determine whether
20 a request for exclusion has been timely submitted. Requests for exclusion must be exercised
21 individually by the Settlement Class Member. Attempted collective group, class, or subclass requests
22 for exclusions shall be ineffective and disregarded by the Settlement Administrator.

23 7.2 The Settlement Administrator shall promptly log each request for exclusion that it
24 receives and provide copies of the log and all such requests for exclusion to Counsel for the Parties.

25 7.3 The Settlement Administrator shall prepare a list of all persons who timely and properly
26 requested exclusion from the Settlement Class (the Opt-Out List) and shall, before the Final Approval
27 Hearing, submit an affidavit to the Court attesting to the accuracy of the list.

28

1 7.4 All Settlement Class Members who are not included in the Opt-Out List approved by
2 the Court shall be bound by this Agreement, and all their claims shall be dismissed with prejudice and
3 released as provided for herein, even if they never received actual notice of the Action or this proposed
4 Settlement.

5 7.5 The Settlement Administrator, in its discretion, shall determine whether a request for
6 exclusion was timely and properly submitted. The Settlement Administrator's decision shall be final
7 and binding, and subject to review by only the Court.

8 7.6 Plaintiff agrees not to request exclusion from the Settlement Class.

9 7.7 Settlement Class Members may object to or opt out of the Settlement, but may not do
10 both. Any Settlement Class Member who submits a timely and proper request for exclusion may not
11 file an objection to the Settlement or receive an Individual Class Settlement Payment, and shall be
12 deemed to have waived any rights or benefits under the Settlement Agreement, unless the Settlement
13 Class Member requesting exclusion is also a PAGA Member, in which case they will still receive an
14 Individual PAGA Payment in exchange for the PAGA Members' Release. If a Settlement Class
15 Member files both an objection and a valid and timely request for exclusion, the request for exclusion
16 will override the objection, and the objection shall therefore be ignored.

17 7.8 PAGA Members have no right to opt out of or otherwise request exclusion from
18 Settlement with respect to the PAGA Members' Release, provided the Court approves this Settlement.
19 PAGA Members will receive an Individual PAGA Payment in exchange for the PAGA Members'
20 Release, regardless of whether the PAGA Member opts out of the Class Settlement.

21 **VIII. PROCEDURES FOR OBJECTIONS**

22 8.1 Any Settlement Class Member that wishes to object to the fairness, reasonableness, or
23 adequacy of this Agreement or the proposed Settlement may submit to the Court a written objection
24 according to the procedures set forth below or appear at the final approval hearing.

25 8.2 To submit a written objection to the settlement, a Settlement Class Member must mail
26 their objection to the Settlement Administrator no later than the Exclusion/Written Objection
27 Deadline. The date of the postmark on the return-mailing envelope shall be the exclusive means used
28 to determine whether an objection has been timely submitted.

1 8.3 A written objection must contain at least the following: (i) the objector's full name,
2 address, telephone, and signature; (ii) a clear reference to the Action; and (iii) a statement of the
3 specific legal and factual basis for each objection argument. All objections shall be signed by the
4 objecting Settlement Class Member, even if the Settlement Class Member is represented by counsel.

5 8.4 The right to object to the proposed Settlement must be exercised individually by a
6 Settlement Class Member. Attempted collective, group, class, or subclass objections shall be
7 ineffective and disregarded.

8 8.5 Any Settlement Class Member who does not file a timely written objection in
9 accordance with this Section or appear at the Final Approval Hearing, shall be forever barred from
10 making any objection to the proposed Settlement, the Plan of Allocation, the Class Counsel Award,
11 and the Service Award. Settlement Class Members who object to the proposed Settlement shall remain
12 Settlement Class Members, and shall be deemed to have voluntarily waived their right to pursue an
13 independent remedy against Defendant and the Released Parties.

14 8.6 To the extent any Settlement Class Member objects to the proposed Settlement, and
15 such objection is overruled in whole or in part, such Settlement Class Member will be forever bound
16 by the Final Approval order and Judgment.

17 8.7 It shall be Class Counsel's sole responsibility to respond to any objections made with
18 respect to any application for the Class Counsel Award and Service Award.

19 **IX. RELEASES**

20 9.1 The Released Claims against each and all of the Released Parties shall be released and
21 dismissed with prejudice and on the merits (without an award of costs to any party other than as
22 provided in this Agreement) upon entry of the Final Approval order and Judgment.

23 9.2 As of the Final Approval Date, Plaintiff, all Settlement Class Members who have not
24 been excluded from the Settlement Class as provided in the Opt-Out List, and all PAGA Members,
25 individually and on behalf of their Legally Authorized Representatives, heirs, estates, trustees,
26 executors, administrators, representatives, agents, successors, and assigns, and anyone claiming
27 through them or acting or purporting to act on their behalf, agree to forever release, discharge, hold
28 harmless, and covenant not to sue each and all of the Released Parties from each and all of the Named

1 Plaintiff's General Released Claims (in the case of the Plaintiff only), the Settlement Class Members'
2 Released Claims (in the case of the Settlement Class Members who have not been excluded from the
3 Settlement Class as provided in the Opt-Out List), and the PAGA Members' Released Claims (in the
4 case of all PAGA Members), and by operation of the Final Judgment shall have fully and finally
5 released, relinquished, and discharged all such claims against each and all of the Released Parties; and
6 they further agree that they shall not now or hereafter initiate, maintain, or assert any Named Plaintiff's
7 General Released Claims (in the case of Plaintiff), any Settlement Class Members' Released Claims
8 (in the case of the Settlement Class Members who have not been excluded from the Settlement Class
9 as provided in the Opt-Out List), and any PAGA Members' Released Claims (in the case of the PAGA
10 Members) against the Released Parties in any other court action or before any administrative body,
11 tribunal, arbitration panel, or other adjudicating body.

12 9.3 Plaintiff expressly acknowledge that he is familiar with principles of law such as
13 Section 1542 of the California Civil Code, which provides:

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

20 9.4 With respect to the Named Plaintiff's General Released Claims, as described in
21 Paragraph 2.17, Plaintiff shall be deemed to have expressly, knowingly, and voluntarily waived and
22 relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits he may
23 otherwise have had pursuant to Section 1542 of the California Civil Code and all similar federal or
24 state laws, rights, rules, or legal principles of any other jurisdiction that may be applicable herein. In
25 connection with the release, Plaintiff acknowledges that he is aware that he may hereafter discover
26 claims presently unknown and unsuspected or facts in addition to or different from those which he
27 now knows or believes to be true with respect to matters released herein. Nevertheless, Plaintiff
28 acknowledges that a portion of the consideration received herein is for a release with respect to
unknown damages and complaints, whether resulting from known injuries and consequences or from
unknown injuries or unknown consequences of known or unknown injuries, and state that it is the

1 intention of Plaintiff in agreeing to this release to fully, finally, and forever to settle and release all
2 matters and all claims that exist, hereafter may exist, or might have existed (whether or not previously
3 or currently asserted in any action), constituting Named Plaintiff's General Released Claims.

4 9.5 Plaintiff further acknowledges, agrees, and understands that: (i) he has read and
5 understands the terms of this Agreement; (ii) he has been advised in writing to consult with an attorney
6 before executing this Agreement; and (iii) he has obtained and considered such legal counsel as he
7 deems necessary.

8 9.6 Subject to Court approval, the Plaintiff, and all Settlement Class Members to the extent
9 they have not been excluded from the Settlement Class as provided in the Opt-Out List, and all PAGA
10 Members, shall be bound by this Settlement Agreement, and all of their claims shall be dismissed with
11 prejudice and released, even if they never received actual notice of the Action or this Settlement

12 **X. ADMINISTRATION OF THE SETTLEMENT FUND**

13 10.1 The Settlement Administrator or its authorized agents in consultation with the Parties
14 and subject to the supervision, direction, and approval of the Court, shall calculate the allocation of
15 and oversee the distribution of the Total Settlement Amount.

16 10.2 The Total Settlement Amount shall be applied as follows:

17 10.2.1 To pay the total costs, expenses, and fees of the Settlement Administrator
18 incurred in connection with providing Class Notice to potential Settlement Class Members, and the
19 management and distribution of the Total Settlement Amount to Settlement Class Members that do
20 not opt-out and PAGA Members, not to exceed Forty-Three Thousand Dollars (\$43,000);

21 10.2.2 Subject to the approval and further order(s) of the Court, to pay Plaintiff's
22 Service Awards based on contributions and time expended assisting in the litigation, up to a maximum
23 of Ten Thousand Dollars (\$10,000);

24 10.2.3 Subject to the approval and further order(s) of the Court, to pay the Class
25 Counsel Award (up to, but not to exceed, one-third of the Total Settlement Amount and up to, but not
26 to exceed, Thirty Thousand Dollars (\$30,000) in costs, as ordered by the Court);

27
28

1 10.2.4 Subject to the approval and further order(s) of the Court, to pay the PAGA
2 LWDA Allocation of One Hundred Twenty-One Thousand Eight Hundred and Seventy-Five Dollars
3 (\$121,875.00) to the California Labor and Workforce Development Agency; and

4 10.2.5 After the Effective Date and subject to the approval and further order(s) of the
5 Court, to distribute the Individual Class Settlement Payments from the Total Settlement Amount for
6 the benefit of the Settlement Class Members that do not opt-out and the PAGA Employee Allocation
7 to the PAGA Members pursuant to Settlement Agreement, or as otherwise ordered by the Court.

8 10.3 Within thirty-five (35) days of the Effective Date, the Class Counsel Award (up to One
9 Million and Eighty-Three Thousand Three Hundred and Thirty-Three Dollars and Thirty-Three Cents,
10 or \$1,083,333.33, in fees, and up to Thirty Thousand Dollars, or \$30,000.00, in costs), the Service
11 Award approved by the Court (up to Ten Thousand Dollars or \$10,000.00), the Settlement
12 Administrator Expenses (up to Forty Three Thousand Dollars or \$43,000.00), and the PAGA LWDA
13 Allocation of One Hundred Twenty-One Thousand Eight Hundred and Seventy-Five Dollars
14 (\$121,875.00) shall be made by the Settlement Administrator from the amount provided to it by
15 Defendant.

16 10.4 The Settlement Administrator shall use reasonable efforts to disburse the Individual
17 Class Settlement Payments to Settlement Class Members and Individual PAGA Payments to PAGA
18 Members within sixty (60) days after the Effective Date, pursuant to the Plan of Allocation.

19 10.5 Any Individual Class Settlement Payments issued to Settlement Class Members and
20 Individual PAGA Payments issued to PAGA Members by the Settlement Administrator will be
21 negotiable for at least one hundred eighty (180) calendar days. If a Settlement Class Member or PAGA
22 Member does not cash their check(s) within 180 days, the uncashed funds, subject to Court approval,
23 shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed
24 Property Law, California Civil Code §1500, *et. seq.* for the benefit of those Settlement Class Members
25 and PAGA Members who did not cash their checks until such time that they claim their property. The
26 Parties agree that this disposition results in no “unpaid residue” under California Civil Procedure Code
27 § 384, as the entirety of the Class Member Allocation and PAGA Employee Allocation will be paid
28 out to Settlement Class Members and PAGA Members, whether or not they all cash their check(s).

1 Therefore, Defendants will not be required to pay any interest on such amounts. The Individual Class
2 Settlement Payments provided to Settlement Class Members and to PAGA Members shall prominently
3 state the expiration date or a statement that the check will expire in one hundred eighty (180) days, or
4 alternatively, such a statement may be made in a letter accompanying the Individual Class Settlement
5 Payment. Expired Individual Class Settlement Payments will not be reissued, except for good cause
6 and as mutually agreed by the Parties in writing. The parties agree no unclaimed funds will result from
7 the settlement.

8 10.6 Settlement Class Members who are not on the Opt-Out List approved by the Court shall
9 be subject to and bound by the provisions of the Settlement Agreement, the releases contained herein,
10 and the Judgment with respect to all Settlement Class Members' Released Claims, regardless of
11 whether they obtained any distribution from the Total Settlement Amount.

12 10.7 PAGA Members shall be subject to and bound by the provisions of the Settlement
13 Agreement, the PAGA Members' Released Claims contained herein, and the Judgment with respect
14 to all PAGA Members' Released Claims, regardless of whether they obtained any distribution from
15 the Total Settlement Amount.

16 10.8 Payment from the Total Settlement Amount made pursuant to and in the manner set
17 forth herein shall be deemed conclusive of compliance with this Settlement Agreement as to all
18 Settlement Class Members and PAGA Members.

19 10.9 No Settlement Class Member or PAGA Member shall have any claim against Plaintiff,
20 Class Counsel, or the Settlement Administrator based on distributions made substantially in
21 accordance with this Settlement Agreement and/or orders of the Court. No Settlement Class Member
22 or PAGA Member shall have any claim against any Released Party or its counsel relating to
23 distributions made under this Settlement.

24 **XI. EFFECT OF DISAPPROVAL, CANCELLATION, OR TERMINATION OF**
25 **SETTLEMENT AGREEMENT**

26 11.1 If the Court does not approve the Settlement as set forth in this Settlement Agreement,
27 or does not enter the Final Approval order and Judgment on the terms described herein, or if the Court
28 enters the Judgment and appellate review is sought, and on such review, the entry of Judgment is

1 vacated, modified in any way, or reversed, or if the Final Approval order does not otherwise become
2 Final, then this Settlement Agreement shall be cancelled and terminated, unless all Parties, in their
3 sole discretion no later than thirty (30) days from the date such ruling becomes Final, provide written
4 notice to all other Parties hereto of their intent to proceed with the Settlement under the terms of the
5 Judgment as it may be modified by the Court or any appellate court.

6 11.2 No later than ten (10) business days after the Exclusion/Written Objection Deadline,
7 the Settlement Administrator shall provide to Counsel for Defendant the Opt-Out List together with
8 copies of the opt-out requests. Notwithstanding any other provision of this Settlement Agreement, if
9 more than five percent (5%) of Settlement Class Members exercise their right to opt out of the Class
10 Settlement, Defendant at its sole and absolute discretion may elect to rescind and revoke the entire
11 Settlement Agreement by sending written notice that it revokes the Settlement pursuant to this
12 Paragraph to Class Counsel within ten (10) business days following receipt of the Opt-Out List.
13 Should Defendant exercise its rights under this Paragraph, Defendant shall bear all of the Settlement
14 Administrator's costs incurred up to the point of the revocation.

15 11.3 Defendant represents that there are approximately (a) 326,540 actual pay periods
16 worked by the Settlement Class Members during the PAGA Period, of which 9,615 pay periods
17 include paid sick leave or PTO-Sick paid at below the regular rate of pay, and (b) 18,476 pay periods
18 prior to the PAGA Period (but during the Class Period) in which paid sick leave or PTO-Sick were
19 paid at below the regular rate of pay (totaling 345,016). If the total number of pay periods, including
20 any Self-Identified Class Members, results in an increase to the size of the actual number of pay
21 periods covered by either 11.3(a) or 11.3(b) immediately above by more than 5.0%, Plaintiff may, at
22 Plaintiff's option, withdraw from the settlement. Should Plaintiff exercise this clause, Defendant shall
23 pay all administration costs incurred up to the point of withdrawal/termination

24 11.4 In the event that: (i) the Court denies, with prejudice, approval of the Settlement, (ii)
25 the Court's approval of the Settlement is overturned on appeal, (iii) the Judgment does not become
26 Final, or (iv) this Settlement Agreement is terminated, cancelled, or fails to become effective for any
27 reason, then: (a) the Parties stipulate and agree the Settlement, this Agreement, the Class Information,
28 the Opt-Out List, and all documents exchanged and filed in connection with the Settlement shall be

1 treated as privileged mediation communications under Cal. Evid. Code §§ 1115 *et seq.*; (b) the
2 Settlement shall be without force and effect upon the rights of the Parties hereto, and none of its terms
3 shall be effective or enforceable, with the exception of this Paragraph, which shall remain effective
4 and enforceable; (c) the parties shall be deemed to have reverted nunc pro tunc to their respective
5 status prior to execution of this Agreement, including with respect to any Court-imposed deadlines;
6 (d) all Orders entered in connection with the Settlement, shall be vacated without prejudice to any
7 party's position on the issue of class certification, the issue of amending the complaint, or any other
8 issue, in the Action or any other action, and the parties shall be restored to their litigation positions
9 existing on the date of execution of this Agreement; and (e) the parties shall proceed in all respects as
10 if the Settlement Agreement and related documentation and orders had not been executed, and without
11 prejudice in any way from the negotiation or fact of the Settlement or the terms of the Settlement
12 Agreement. The Settlement Agreement, the Settlement, all documents, orders, and evidence relating
13 to the Settlement, the fact of their existence, any of their terms, any press release or other statement or
14 report by the Parties or by others concerning the Settlement Agreement, the Settlement, their existence,
15 or their terms, any negotiations, proceedings, acts performed, or documents executed pursuant to or in
16 furtherance of the Settlement Agreement or the Settlement shall not be admissible in any proceeding,
17 and shall not be offered, received, or construed as evidence of a presumption, concession, or an
18 admission of liability, of the certifiability of a litigation class, or of any misrepresentation or omission
19 in any statement or written document approved or made, or otherwise used by any person for any
20 purpose whatsoever, in any trial of the Action or any other action or proceedings. Plaintiff, Class
21 Counsel, and the Settlement Administrator shall return to Counsel for Defendant all copies of Class
22 Information and Opt-Out Lists and shall not use or disclose the Class Information or Opt-Out List for
23 any purpose or in any proceeding.

24 **XII. ADDITIONAL PROVISIONS**

25 12.1 Neither Plaintiff, Class Counsel, Defendant or Counsel for Defendant shall engage in
26 any publicity, including website or social media postings, of any type related to this lawsuit,
27 settlement, or litigation against Defendant. The Parties understand and agree that this clause does not
28 apply to any court order requiring Class Counsel to publish and/or make case documents available to

1 the public and/or prohibit Plaintiff and Class Counsel communicating with Settlement Class Members
2 or PAGA Members regarding this case and/or this settlement.

3 12.2 All of the Exhibits to this Agreement are an integral part of the Settlement and are
4 incorporated by reference as though fully set forth herein.

5 12.3 Plaintiff and Class Counsel acknowledge that an adequate factual record has been
6 established that supports the Settlement and hereby waive any right to conduct further discovery to
7 assess or confirm the Settlement, except if required by Court Order.

8 12.4 Unless otherwise noted, all references to “days” in this Agreement shall be to calendar
9 days. In the event any date or deadline set forth in this Agreement falls on a weekend or California
10 court legal holiday, such date or deadline shall be on the first business day thereafter.

11 12.5 This Agreement constitutes the full and complete agreement of the Parties hereto, and
12 supersedes all prior negotiations and agreements, whether oral, written or otherwise, and may be
13 amended or modified only by a written instrument signed by counsel for all Parties or the Parties’
14 successors-in-interest.

15 12.6 The Parties reserve the right, subject to the Court’s approval, to make any reasonable
16 extensions of time that might be necessary to carry out any of the provisions of this Agreement. Such
17 extensions must be in writing to be enforceable.

18 12.7 The Released Parties shall have the right to file the Settlement Agreement, the Final
19 Approval order and Judgment, and any other documents or evidence relating to the Settlement in any
20 action that may be brought against them in order to support a defense or counterclaim based on
21 principles of res judicata, collateral estoppel, release, good-faith settlement, judgment bar, reduction,
22 or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

23 12.8 The Parties to the Settlement Agreement agree that the Total Settlement Amount and
24 the other terms of the Settlement were negotiated at arm’s length and in good faith by the Parties,
25 resulted from an arm’s-length mediation session facilitated by Michael Dickstein, Esq. and subsequent
26 discussions between the Parties facilitated by the mediator, and reflect a settlement that was reached
27 voluntarily based upon adequate information and sufficient informal discovery and after consultation
28 with experienced legal counsel.

1 12.9 Plaintiff and Class Counsel have concluded that the Settlement set forth herein
2 constitutes a fair, reasonable, and adequate resolution of the claims that Plaintiff asserted against
3 Defendant, including the claims on behalf of the Settlement Class Members and PAGA Members, and
4 that it promotes the best interests of the Settlement Class Members and the PAGA Members.

5 12.10 To the extent permitted by law, all agreements made and orders entered during the
6 course of the Action relating to the confidentiality of information shall survive this Settlement
7 Agreement.

8 12.11 The Parties agree that Plaintiff and Class Counsel are not required to return any
9 documents produced by Defendant until the final resolution of the Action. Within one year following
10 the Effective Date, Class Counsel shall return to Defendant all documents produced in the Action, or
11 confirm in writing that all such documents have been destroyed. Any documents retained after the
12 Effective Date shall be for the sole purpose of Class Counsel's ethical obligations to keep a record of
13 the work performed for their clients.

14 12.12 The waiver by one Party of any breach of this Settlement Agreement by any other Party
15 shall not be deemed a waiver of any other prior or subsequent breach of this Settlement Agreement.

16 12.13 This Settlement Agreement constitutes the entire agreement among the Parties, and no
17 representations, warranties, or inducements have been made to any Party concerning this Settlement
18 Agreement, other than the representations, warranties, and covenants contained and memorialized in
19 this Settlement Agreement.

20 12.14 This Settlement Agreement may be executed in one or more counterparts and by
21 facsimile, PDF, electronic, and/or DocuSign signatures. If Plaintiff executes the Settlement
22 Agreement by electronic signature, including DocuSign or any comparable service, Class Counsel
23 makes the following representations: (a) the electronic signature system and processes used to obtain
24 Plaintiff's signature comply with the federal ESIGN Act and any state laws regarding the use or
25 adoption of electronic signatures, (b) Plaintiff consented to using electronic signatures for this purpose,
26 as required under both the federal and state laws), (c) Class Counsel selected and implemented a
27 method in their electronic signature system to authenticate Plaintiff to ensure the signature is Plaintiff's
28 signature, (d) Class Counsel has and will maintain records of the system and the process used to present

1 the agreement to Plaintiff and obtain and record Plaintiff's signature, and will maintain and provide
2 such records to Counsel for Defendant to allow Counsel for Defendant to lay the foundation for the
3 admission of the Settlement Agreement into evidence, (e) Plaintiff and Class Counsel waive any
4 objections to the admission of the Agreement in any later action to enforce the terms of the Agreement
5 based on the electronic signature process, and (f) Class Counsel agrees to indemnify and hold
6 Defendant harmless from any loss, cost, damage or expense (including attorneys' fees) resulting from
7 Defendant's inability to enforce the Agreement and release against their client. All executed
8 counterparts and copies thereof shall be deemed to be one and the same instrument.

9 12.15 The Parties hereto and their respective counsel agree that they will use their best efforts
10 to obtain all necessary approvals of the Court required by this Settlement Agreement.

11 12.16 This Settlement Agreement shall be binding upon and shall inure to the benefit of the
12 successors and assigns of the Parties hereto, including any and all Released Parties and any
13 corporation, partnership, or other entity into or with which any Released Party hereto may merge,
14 consolidate, or reorganize.

15 12.17 This Settlement Agreement shall not be construed more strictly against one Party than
16 another merely because of the fact that it may have been prepared by counsel for one of the Parties, it
17 being recognized that because of the arm's-length negotiations resulting in the Settlement Agreement,
18 all Parties hereto have contributed substantially and materially to the preparation of the Settlement
19 Agreement.

20 12.18 Except where this Settlement Agreement itself provides otherwise, all terms,
21 conditions, and Exhibits are material and necessary to this Settlement Agreement and have been relied
22 upon by the Parties in entering into this Settlement Agreement.

23 12.19 This Settlement Agreement shall be governed by California law. Any action based on
24 this Settlement Agreement, or to enforce any of its terms, shall be venued in the Superior Court of
25 California for the County of Contra Costa, which shall retain jurisdiction over all such disputes. All
26 Parties to this Settlement Agreement shall be subject to the jurisdiction of the Superior Court of
27 California for the County of Contra Costa for all purposes related to this Settlement Agreement. This
28 Paragraph relates solely to the law governing this Settlement Agreement and any action based thereon,

1 and nothing in this Paragraph shall be construed as an admission or finding that California law applies
2 to the Released Claims of any Plaintiff or Settlement Class Members or PAGA Members who reside
3 outside of the state.

4 12.20 The Court shall retain continuing and exclusive jurisdiction over the Parties to this
5 Settlement Agreement for the purpose of the administration and enforcement of this Settlement
6 Agreement. If an action is brought to enforce this Agreement, the prevailing party shall be entitled to
7 its/his reasonable attorneys' fees and costs.

8 12.21 The headings used in this Settlement Agreement are for the convenience of the reader
9 only, and shall not affect the meaning or interpretation of this Settlement Agreement.

10 12.22 In construing this Settlement Agreement, the use of the singular includes the plural
11 (and vice-versa) and the use of the masculine includes the feminine (and vice-versa).

12 12.23 Each Party to this Settlement Agreement warrants that he, she, they, or it is acting upon
13 independent judgment and upon the advice of counsel, and not in reliance upon any warranty or
14 representation, express or implied, of any nature of any kind by any other Party, other than the
15 warranties and representations expressly made in this Settlement Agreement.

16 12.24 Each counsel signing this Settlement Agreement on behalf of their clients who are
17 unable to sign the Agreement on the date that it is executed by other Parties represents that such
18 counsel is fully authorized to sign this Settlement Agreement on behalf of their clients; provided,
19 however, that all Parties who have not executed this Agreement on the date that it is executed by the
20 other Parties shall promptly thereafter execute this Agreement and in any event no later than one (1)
21 week after the Agreement has been executed by counsel.

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Dated: March 7, 2022

JOSHUA D. KIENITZ
WILLIAM A. COSMOPULOS
LITTLER MENDELSON, P.C.

Attorneys for Defendant
JOHN MUIR HEALTH

Dated: March 7, 2022

MAX REYNOLDS
Senior Vice President, General Counsel
JOHN MUIR HEALTH

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Dated: March 7, 2022

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Larry Lee

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LARRY W. LEE

DIVERSITY LAW GROUP, P.C.

DocuSigned by:

Edward Choi

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EDWARD W. CHOI

LAW OFFICES OF CHOI & ASSOCIATES

DocuSigned by:

Dennis Hyun

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DENNIS S. HYUN

HYUN LEGAL, APC

Attorneys for Plaintiff
RENATO FARIAS

Dated: March 7, 2022

DocuSigned by:

Renato Farias

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RENATO FARIAS

Plaintiff

EXHIBIT A

FARIAS v. JOHN MUIR HEALTH

SETTLEMENT ADMINISTRATOR

[INSERT SETTLEMENT ADMINISTRATOR]

IMPORTANT LEGAL MATERIALS

Barcode39 - <<SequenceNo>>

<<Name1>>

<<Name2>>

<<Name3>>

<<Name4>>

<<Address1>>

<<Address2>>

<<City>> <<State>> <<Zip10>>

<<CountryName>>

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF CONTRA COSTA

Renato Farias v. John Muir Health

Case No. C20-02454

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED
SETTLEMENT**

**YOU ARE ESTIMATED TO RECEIVE APPROXIMATELY \$<<EstimatedAward>>
THROUGH THIS CLASS ACTION SETTLEMENT.**

To: All current and former non-exempt California employees of John Muir Health and related entities John Muir Behavioral Health, John Muir Physician Network, John Muir Health Foundation and John Muir Health Community Benefit Fund (collectively “JMHS”) who: (a) were employed by JMHS from May 23, 2019 through November 8, 2021; and/or (b) received paid sick leave pay (PSL) or PTO-Sick pay from June 8, 2016 through November 8, 2021.

PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED.
YOU MAY BE ENTITLED TO RECEIVE MONEY FROM THIS PROPOSED
SETTLEMENT.

TO RECEIVE YOUR SHARE, YOU DO NOT NEED TO DO ANYTHING.

This Notice is Court Approved. This is not a solicitation from an attorney.

1. WHY DID I GET THIS NOTICE?

You received this Notice because a proposed settlement (the “Settlement”) has been reached in the class action and representative lawsuit entitled *Renato Farias v. John Muir Health*, Case No. C20-02454 (hereinafter referred to as the “Action”).

The Notice explains the nature of the Action, the general terms of the proposed Settlement, and your legal rights and obligations. To obtain more information about the Settlement, including information about how you can see a copy of the Settlement Agreement, see Section 15, below.

2. WHAT IS THE ACTION ABOUT?

On December 3, 2020, Plaintiff Renato Farias (“Plaintiff” or “Farias”) filed his class action Complaint in the Superior Court of California, County of Contra Costa, against Defendant John Muir Health (“Defendant” or “John Muir Health”). The class action complaint alleged failure to (1) pay sick pay wages based on the regular rate of pay; (2) failure to provide accurate wage statements for not identifying the rates and hours for wages paid as “Details Not Displayed” (3) reimburse employees for business expenses, including without limitation, the use of personal cell phones for work-related calls; (4) violation of Business & Professions Code § 17200, *et seq.* (the Unfair Competition Law, or the UCL) and (5) Violation of Labor Code § 2698, *et. seq.* (the Private Attorneys General Act of 2004) (“Action”).

John Muir Health denies the allegations in the Action, denies the allegations are appropriate for class treatment, and is prepared to continue to defend the action vigorously. No court has made any ruling on the merits in the Action.

3. WHAT IS A CLASS ACTION?

In a class action lawsuit, one or more persons sue on behalf of other people who have similar claims. Farias brought his case as a class and representative PAGA action.

In the Action, the Plaintiff seeks to represent you on a class and representative basis. John Muir Health is the Defendant. A class action allows the Court to resolve the claims of all the class members at the same time. A class member is bound by the determination or judgment entered in the case, whether the class wins or loses, and may not file their own lawsuit on the same claims that were decided in the class action. A class action allows one court to resolve all of the issues in a lawsuit for all the class members who choose not to exclude themselves from the class.

4. WHO IS INCLUDED IN THE SETTLEMENT CLASS?

All current and former non-exempt California employees of John Muir Health and related entities John Muir Behavioral Health, John Muir Physician Network, John Muir Health Foundation and John Muir Health Community Benefit Fund (collectively “JMHealth”) who: (a) were employed by JMHealth from May 23, 2019 through November 8, 2021 (the “PAGA Period”); and/or (b) received paid sick leave pay (PSL) or PTO-Sick pay from June 8, 2016 through November 8, 2021 (the “Class Period”).

If you were employed during the PAGA Period, you are a “PAGA Member” as that term is used below. If you received PSL or PTO-Sick during the Class Period, you are a “Class Member” as that term is used below. You can be both a PAGA Member and a Class Member.

5. WHAT ARE THE TERMS OF THE SETTLEMENT AND HOW MUCH AM I ENTITLED TO UNDER THIS SETTLEMENT??

There was a hearing on **[INSERT PRELIMINARY APPROVAL DATE]** in the Superior Court of the State of California for the County of Contra Costa, at which time the court preliminarily approved the Settlement. The Settlement will resolve the Class Members’ claims for failure to pay sick pay wages based on the regular rate of pay, failure to provide accurate wage statements, failure to provide all wages due upon termination (final pay), and for Private Attorneys General Act claims predicated on the same alleged facts (this subject is covered in more detail in Section 6 below). Any claims regarding the failure to reimburse business expenses will be dismissed without prejudice, and not be released by this Settlement. In other words, by participating in this settlement, you will **NOT** be waiving any rights under Labor Code § 2802, including any penalties arising from a violation of Section 2802.

The Settlement represents a compromise of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by John Muir Health that the claims in the Actions have merit or that John Muir Health has any liability to the Plaintiff or the Class Members on those claims. No court has made any ruling on the merits of the Action.

The parties have agreed to settle the case for a maximum total payment of \$3,250,000.00 (“Total Settlement Amount” or “TSA”). Under the terms of the settlement, the following payments have been agreed to: (1) attorneys’ fees not to exceed \$1,083,333.33 (33 1/3%) of the TSA; (2) all reasonable litigation costs incurred of up to \$30,000.00; (3) service payment to the Named Plaintiff for services in the Action and for executing a general release, in an amount not to exceed \$10,000.00; (4) Settlement Administration Costs are currently estimated to \$43,000; and (5) \$162,500.00 for PAGA penalties, 75% of which, or \$121,875, shall be paid to the California Labor Workforce Development Agency (the “LWDA Payment”). The amount of money remaining after these payments is the Class Member Allocation that that will be distributed to individuals who are Participating Settlement Class Members. This amount is known as the “Individual Settlement Payments.”

The Class Member Allocation (the TSA, minus attorneys’ fees and costs (including expert fees), Plaintiff’s enhancement award/general release payment, the PAGA Allocation, and

Administration Costs) shall be paid to all Settlement Class Members who do not opt out of the settlement. First, you will receive an Individual Settlement Base Payment of \$100.00. Then, you will receive an Individual Settlement Sick Payment, which will be based on your number of pay periods where PTO-Sick and PSL hours were paid at below the regular rate of pay during the Class Period according to Defendant's records, as a fraction of all pay periods where PTO-Sick and PSL hours were paid at below the regular rate of pay to all Settlement Class Members during the Class Period. According to JMH's records, you were paid PTO-Sick and PSL wages below the regular rate of pay in <<# of pay periods>> during the Class Period. Based on the foregoing, you are estimated to receive approximately <<Estimated Award>> as your Individual Settlement Payment, which is in addition to your Individual Settlement Base Payment of \$100.00.

Finally, Each PAGA Member will receive an "Individual PAGA Payment," which shall be paid from the "PAGA Employee Allocation" amount of \$40,625.00. The Individual PAGA Payment will be calculated by adding the number of pay periods, rounded up to the nearest whole number, in which the PAGA Members were employed by Defendant during the PAGA Period, to calculate the total number of pay periods of employment by all PAGA Members. The respective pay periods employed for each individual PAGA Member during the PAGA Period will be divided by the total pay periods of employment by PAGA Members, resulting in the payment ratio for each PAGA Member. Each PAGA Member's payment ratio will then be multiplied by the PAGA Employee Allocation to determine the Individual PAGA Payment for each PAGA Member. According to JMH'S records, you worked <<# of pay periods>> during the PAGA Period. Based on the foregoing, you are estimated to receive approximately <<EstimatedAward>> as your Individual PAGA Payment.

6. HOW DOES THE SETTLEMENT AFFECT MY RIGHTS?

If the Settlement is approved, the Court will enter a Final Order and Judgment in the Action.

If you are a PAGA Member, you will release for the entire PAGA Period, of any and all claims, rights, demands, liabilities, and causes of action for the recovery of civil penalties, attorneys' fees and costs permissible under the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*, which Plaintiff and/or the PAGA Members had, or may claim to have, against Released Parties, for any and all claims that were alleged or reasonably related to the facts pleaded in the Lawsuit or the PAGA Letter, except claims under Labor Code Section 2802, including civil penalties, attorneys' fees, and costs arising under the PAGA for violations of California Labor Code Sections 201, 202, 203, 204, 210, 218, 218.6, 226, 226.3, 233, 246, 246.5, and 248.5 ("PAGA Members' Released Claims").

PAGA Members will be bound by the above-release and cannot opt out of the PAGA release.

If you do not opt out and you are a Settlement Class Member, you will release the following claims, and will be barred from prosecuting any and all such claims against John Muir Health, as follows:

"Any and all claims that were alleged or reasonably related to the facts pleaded in the Lawsuit, except claims under Labor Code Section 2802. Released Claims also include all

claims under the pleaded sections of the California Labor Code, Business and Professions Code and/or IWC Wage Orders, namely: Labor Code Sections 201, 202, 203, 204, 210, 218, 218.6, 226, 226.3, 233, 246, 246.5, 248.5, and 2698-2699.5 (PAGA); and the Unfair Competition Law (B&PC Section 17200, *et seq.*). To the extent not already covered by the foregoing, Released Claims also include all claims brought in the Lawsuit (or that could have been brought in the Lawsuit based on the facts pleaded in the Lawsuit, and except for claims under Labor Code Section 2802) for civil penalties, statutory penalties, wages, interest, restitution, injunctive relief and attorneys' fees and costs (including fees and costs per Labor Code Section 218.5 and Code of Civil Procedure Section 1021.5). The "Settlement Class Members' Released Claims" are released from June 8, 2016 through and including November 8, 2021 (the "Release Period").

The precise definitions of the capitalized terms above can be found in the Class Action Settlement and Release, which can be viewed at the Courthouse (Superior Court of the State of California for the County of Contra Costa, 725 Court Street, Martinez, CA 94553) during normal business hours.

7. WHAT DO I NEED TO DO TO RECEIVE A SETTLEMENT PAYMENT?

You do not need to do anything to participate in the settlement. You will receive a monetary award from this Settlement in approximately *******, if the Settlement is approved and no appeals are filed. Class Counsel have been appointed and approved by the Court and Class Counsel will represent you.

NOTE: It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your settlement payment. If you fail to keep your address current, you may not receive your settlement payment.

8. WHAT IF I WANT TO OBJECT TO THIS SETTLEMENT?

You can object to any of the terms of the Settlement before the Final Approval Hearing. Failure to take the steps below will be deemed a waiver of your objections. If the Court rejects your objection, you will still be bound by the terms of the Settlement, but you will also receive a monetary award.

To object in writing, you must : (1) refer to this lawsuit by name and case number; (2) include your name, address, and phone number; (3) state all factual and legal reasons for the objection; and (4) be signed by you even if you have an attorney. You must mail your written objection to the Settlement Administrator by **[INSERT OBJECTION DEADLINE]**. If your written objection is not postmarked by this date, it will be considered late.

- Settlement Administrator:

FARIAS v. JOHN MUIR HEALTH, INC.
SETTLEMENT ADMINISTRATOR
[INSERT SETTLEMENT ADMINISTRATOR]
Toll-free number: [TBD]

If you hire your own counsel, you are responsible for paying him/her at your own expense and your own counsel must file and serve a notice of appearance on the same date the written objection is mailed to the Settlement Administrator, or if no written objection is submitted, at least five (5) business days before the final approval hearing.

IF YOU DO NOT MAKE YOUR OBJECTION AS DESCRIBED ABOVE, YOU WILL BE DEEMED TO HAVE WAIVED ALL OBJECTIONS.

9. WHAT IF I DON'T WANT TO PARTICIPATE IN THIS SETTLEMENT?

If you are a PAGA Member, you do not have a right to request exclusion from the PAGA Release. You will receive an Individual PAGA Payment and you will release Defendants from the PAGA Members' Released Claims set forth above.

If you are a Settlement Class Member, you have the right to request exclusion from the class portion of the settlement. To do so, you must submit a written request for exclusion to the Settlement Administrator at the following address:

FARIAS v. JOHN MUIR HEALTH, INC.
SETTLEMENT ADMINISTRATOR

To be valid, a written request for exclusion must state that you wish to be excluded, and must: (1) state the your name, address, and phone number; (2) an affirmative statement that the you wish to be excluded from the settlement; and (3) be signed by the you; and (4) be postmarked on or before the [INSERT RESPONSE DEADLINE] to the Settlement Administrator at the address listed above.

Unless you timely request to be excluded from the settlement, you will be bound by the judgment upon final approval of the Settlement, including the Released Claims described in this Notice. Class Counsel will not represent your interests if you request to be excluded.

10. WILL THE NAMED PLAINTIFF BE COMPENSATED FOR BRINGING THIS LAWSUIT?

Plaintiff will request a class representative payment of up to \$10,000.00 for his services as the Class Representative, for his efforts in bringing the Action and for providing a complete release of his claims. The Court will make the final decision as to the amount to be paid to the Plaintiff. Plaintiff's Application for his enhancement can be viewed at the Courthouse after [INSERT DATE], during normal business hours (as well as Class Counsel's Application for Attorneys' Fees and Costs as discussed below). Plaintiff's Application will be available for review by no later than [INSERT DATE].

11. DO I HAVE A LAWYER IN THIS CASE?

Yes. The Court has ordered that the interests of Named Plaintiff and the Class Members are represented by counsel for Named Plaintiff as follows:

Larry W. Lee
DIVERSITY LAW GROUP, P.C.
515 South Figueroa Street, Suite 1250
Los Angeles, California 90071
Telephone: (213) 488-6555
Facsimile: (213) 488-6554
Email: lwlee@diversitylaw.com

Edward W. Choi, Esq.
**LAW OFFICES OF CHOI &
ASSOCIATES**
515 S. Figueroa St., Suite 1250
Los Angeles, CA 90071
Telephone: (213) 381-1515
Facsimile: (213) 465-4885
Email: edward.choi@choiandassociates.com

Dennis S. Hyun (SBN 224240)
HYUN LEGAL, APC
515 S. Figueroa St., Suite 1250
Los Angeles, California 90071
Telephone: (213) 488-6555
Facsimile: (213) 488-6554
Email: dhyun@hyunlegal.com

(Collectively, “Class Counsel”). Class Members will not be separately charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense. If you have questions about the case or the settlement, you should ask Class Counsel.

12. HOW WILL THE LAWYERS BE PAID?

Class Counsel will be requesting from the Court an amount not to exceed 33 1/3% of the total settlement amount (in other words, up to \$1,083,333.33) for their attorneys’ fees and litigation costs up to \$30,000.00. A copy of Class Counsel’s application for attorneys’ fees and costs can be viewed at the Courthouse after [INSERT DATE], during normal business hours. Class Counsel’s Application will be available for review by no later than [INSERT DATE]. The actual amount awarded to Class Counsel will be determined by the Court.

13. WHAT IS THE FINAL APPROVAL HEARING?

The Court has preliminarily approved the Settlement and will hold a hearing to decide whether to give final approval to the Settlement. The purpose of the Final Approval Hearing will be for the Court to determine whether the Settlement should be approved as fair, reasonable, adequate, and in the best interests of the Class; to consider the award of attorneys’ fees and expenses to Class Counsel; and to consider the request for a service award to Named Plaintiff.

14. WHEN AND WHERE IS THE FINAL APPROVAL HEARING?

The Court will hold the Final Approval Hearing on [INSERT DATE and TIME] a.m., in Department 39 of the Superior Court of the State of California for the County of Contra Costa, 725 Court Street, Martinez, CA 94553 (“Final Approval Hearing”).

The Final Approval Hearing may be continued without further notice to the Class Members. It is not necessary for you to appear at the Final Approval Hearing. However, you have the right to attend the Final Approval Hearing on your own, or you can choose to be represented by your own counsel at your own expense. If you plan to attend the Final Approval Hearing, you may contact Class Counsel to confirm the date and time. If the Settlement is not approved by the Court or does not become final for some reason, the Action will proceed as though no settlement was reached.

15. MAY I SPEAK AT THE FINAL APPROVAL HEARING?

At the hearing, the Court will be available to hear any objections and arguments concerning the Settlement. You may attend, but you do not have to attend. You may speak at the Final Approval Hearing. If you have requested exclusion from the Settlement, however, you may not speak at the Final Approval Hearing.

16. HOW DO I GET MORE INFORMATION?

To see a copy of the Class Action Settlement and Release (which defines the capitalized terms used in this Notice and provides a brief summary of what has happened in the Action), the Court's Preliminary Approval Order, Class Counsel's application for attorneys' fees and costs, the operative Complaint filed in the *Farias* lawsuit, and other filed documents related to *Farias*'s lawsuit and this Settlement, you may view all such files at the Clerk's office at the Superior Court of the State of California for the County of Contra Costa, 725 Court Street, Martinez, CA 94553.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact the Settlement Administrator at the address and telephone number listed below, toll free. Please refer to the John Muir Health Class Action Settlement.

FARIAS v. JOHN MUIR HEALTH, INC.
PHOENIX SETTLEMENT ADMINISTRATORS
[INSERT INFO]

You may also contact the attorneys for the Class, whose names and contact information is listed above or visit the Settlement Administrator's website at [\[INSERT URL\]](#).

17. WHAT IF MY INFORMATION CHANGES?

If, after you receive this Notice, you change your postal address or telephone number, it is your responsibility to inform the Settlement Administrator of your updated information.

DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR THE JUDGE