

**ADDENDUM TO JOINT STIPULATION OF CLASS AND REPRESENTATIVE
ACTION SETTLEMENT AND RELEASE**

This March 13, 2020 ADDENDUM supplements and amends the Joint Stipulation of Class and Representative Action Settlement and Release (“Settlement Agreement”) between Plaintiff Anayla Thomas and Defendants Californian-Magnolia Convalescent Hospital, Inc. dba Magnolia Nursing and Rehabilitation Center, Larry J. Mays, Veronica K. Mays, and Kimberly S. Richards, and is annexed to and forms part of the Settlement Agreement for all purposes. When the terms of this Addendum and the Settlement Agreement are in conflict, this Addendum shall govern and supersede the terms of the Settlement Agreement.

Paragraph 27 of the Settlement Agreement is hereby amended to read as follows: “Released Parties” means Defendants, together with their officers, directors, employees and agents.”

Exhibit A to the Settlement Agreement is hereby replaced by Exhibit 1 hereto.

AGREED:

Date: 03 / 13 / 2020



Anayla Thomas

Date:

Californian-Magnolia Convalescent
Hospital, Inc

By: _____

Its: _____

Date:

Larry J. Mays

Date:

Veronica K. Mays

Date:

Kimberly S. Richards

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AGREED:

Date:

Anayla Thomas

Date: 03/13/2020

Larry J. Mays
Californian-Magnolia Convalescent
Hospital, Inc

By: *Larry J. Mays*

Its: *Administrator*

Date: 03/13/2020

Larry J. Mays
Larry J. Mays

Date: 3/13/2020

Veronica K. Mays
Veronica K. Mays
S. VSM

Date: 3-13-20

Kimberly S. Richards
Kimberly S. Richards

EXHIBIT

1

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF RIVERSIDE

IF YOU WORKED AS AN HOURLY EMPLOYEE FOR CALIFORNIAN-MAGNOLIA CONVALESCENT HOSPITAL, INC. DBA MAGNOLIA REHABILITATION AND NURSING CENTER (“MAGNOLIA”), YOU MAY OBTAIN PAYMENTS FROM A SETTLEMENT REACHED IN A PROPOSED CLASS ACTION LAWSUIT

PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED.

This Notice is court approved. This is not a solicitation from an attorney.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT

DO NOTHING	<p>Receive compensation but lose rights to sue separately.</p> <p>If you do nothing, you will receive compensation for your claims alleged in this lawsuit. You will also give up your rights to ever sue Magnolia about any of the claims in this case.</p>
EXCLUDE YOURSELF FROM THE SETTLEMENT	<p>Get no compensation but keep rights to sue separately.</p> <p>If you ask exclude yourself from the settlement you will not receive any compensation from the settlement, but you will keep your rights to file a separate claim. Please be advised, however, that the time limits for filing a separate claim may have expired.</p>
OBJECT OR COMMENT	<p>Tell the Court why you like or don’t like the settlement.</p> <p>You may write to the Court, or you may appear personally or through your own attorney and your own expense, and tell the Court about why you do or do not like the settlement. You must remain a part of the lawsuit to comment or object to the settlement, and you cannot object if you also ask to be excluded.</p>
<p>These rights and options – and the time deadlines for exercising them – are explained further in this Notice.</p>	

Any Questions? Call [\[Settlement Admin Toll Free Ph. #\]](#)

1. WHY DID I GET THIS NOTICE?

You have received this Notice because we believe that you are a class member who may be entitled to money from this settlement.

This Notice describes a proposed settlement of the lawsuit *Thomas v. Californian-Magnolia Convalescent Hospital, Inc. dba Magnolia Rehabilitation and Nursing Center*, filed on or about January 30, 2019 in the Superior Court of California, in and for the County of Riverside, Case Number RIC1901197 (the “Lawsuit”). This Notice is being sent to you by the order of the Riverside County Superior Court, which preliminarily approved the settlement and conditionally certified the Settlement Class on [REDACTED].

This Notice informs you of the terms of the proposed settlement, describes your rights and options in connection with the settlement, and explains what steps you may take to participate in, object to, or exclude yourself from, the settlement. **If you do not exclude yourself from the settlement and the settlement is finally approved by the Court, you will receive a settlement payment and be bound by the terms of the settlement and any final judgment.**

1. WHAT IS THIS LAWSUIT ABOUT?

The Lawsuit was filed by Plaintiff Anayla Thomas (“Plaintiff”) on behalf of individuals who worked as hourly employees for Californian-Magnolia Convalescent Hospital, Inc. dba Magnolia Rehabilitation and Nursing Center (“Magnolia”), and the settlement of the Lawsuit covers all hourly employees who worked for Magnolia between January 30, 2015 and January 2, 2020.

The Lawsuit alleges Magnolia failed to pay Class Members for all hours worked, particularly with respect to rounding of time punches and auto-deducting time for lunch periods that were not taken, and for not providing all meal and rest breaks required under California law. Magnolia denies each and all of the claims and contentions alleged by the Plaintiff. The Court has not made any rulings regarding the merits of the Lawsuit.

After engaging in extensive investigation and a full day of mediation before an experienced mediator, in which both sides recognized the substantial risks of an adverse result in the Lawsuit for either side, Plaintiff and Defendants agreed on a class settlement that was preliminarily approved by the Court on [REDACTED]. Plaintiff and Class Counsel support the settlement. In preliminarily approving the proposed settlement, the Court determined only that there is sufficient evidence to suggest the proposed settlement is fair, reasonable, and adequate, and the Court will make a final determination of those issues at the Final Fairness Hearing described below.

The settlement represents a compromise of highly disputed claims. Nothing in the settlement is intended to or will be construed as an admission by Magnolia that Plaintiff’s claims in the Lawsuit have merit or that it has any liability to Plaintiff or the Class on those claims.

Any Questions? Call [Settlement Admin Toll Free Ph. #]

The parties and their counsel have concluded that the settlement is advantageous, considering the risks and uncertainties to each side of continued litigation and trial.

2. WHAT IS A CLASS ACTION?

In a class action lawsuit, one or more persons, called Class Representatives, sue on behalf of other people who have similar claims. Anayla Thomas is the Class Representative in the Lawsuit, and she asserts claims on behalf of herself and the Class Members. All of the Class Members form a Class. A class action allows one court to resolve the claims of all the Class Members at the same time. A California Superior Court judge, Judge Sunshine S. Sykes, is in charge of this class action.

3. WHY IS THERE A SETTLEMENT?

The Court did not decide in favor of Plaintiff or Magnolia. Instead, both sides agreed to a settlement. That way, both sides avoid the risks and costs of a trial, and people affected will quickly receive compensation. The Class Representative and the attorneys think the settlement is best for the Class.

4. WHO IS INCLUDED IN THE SETTLEMENT CLASS?

All individuals who worked for Magnolia as an hourly employee in California from January 30, 2015 through January 2, 2020, are included in the Class.

According to Magnolia's records, you are member of the Class and eligible for payments under the settlement. If you are still not sure if you are entitled to participate in the settlement, please call [SETTLEMENT ADMIN. TOLL FREE PHONE NUMBER].

5. WHAT ARE THE TERMS OF THE CLASS SETTLEMENT?

In exchange for the release of claims against it and final disposition of the Lawsuit, Magnolia will pay Seven Hundred Fifty Thousand Dollars and Zero Cents (\$750,000.00) ("Gross Settlement Amount") in three installment payments over approximately 20 months following final Court approval of the Settlement.

After attorney's fees and costs, a service payment to the Plaintiff, a payment to the California Labor and Workforce Development Agency, and settlement administration costs are deducted from the Class Settlement Amount, the remaining "Net Settlement Amount" will be distributed to Participating Class Members in two separate payments approximately 18 months apart.

Subject to Court approval, the Gross Settlement Amount will be allocated as follows:

- **Individual Settlement Payment: Each Participating Class Member will receive a payment based the total number of "Qualifying Workweeks" they were employed by Magnolia as an hourly employee during the relevant time period.**

Individual Settlement Payments will be calculated as follows: first, the Net Settlement Amount will be divided by the total number of Qualifying Workweeks worked by all of the Class Members to determine the "Weekly Amount." Second, the number of Qualifying Workweeks

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worked by each individual Class Member will be multiplied by the Weekly Amount to arrive at each person's Individual Settlement Payment.

Your estimated Individual Settlement Payment is set forth in Section 6 below.

- **Class Representative Service Payment:** For acting as the Class Representative, Plaintiff will request from the Court an award of \$7,500.00 in recognition of and as compensation for her efforts, such as starting the Lawsuit, volunteering time to assist with the case, and providing information and documents, as well as risks she assumed in starting and assisting with the prosecution of the Lawsuit. Any amount ordered by the Court will be paid from the Gross Settlement Amount.
- **Class Counsel's Attorney's Fees and Costs:** Class Counsel will request from the Court no more than one-third (1/3) of the Gross Settlement Amount (\$250,000.00) as attorney's fees for litigation and resolution of the Lawsuit. Class Counsel will also request from the Court reimbursement for litigation costs advanced on behalf of the Class, which are estimated to be no more than \$15,000.00. Any amount ordered by the Court for Class Counsel's attorney's fees and costs will be paid from the Gross Settlement Amount.
- **PAGA Payment:** \$25,000.00 from the Gross Settlement Amount is allocated for payment to the State of California under the Private Attorneys General Act of 2004. Upon Court approval, 75% of the allocation (\$18,750.00) will be paid to the California Labor and Workforce Development Agency, and 25% (\$6,250.00) of the allocation will be distributed to the Class as part of the Net Settlement Amount.
- **Settlement Administration:** The costs of settlement administration will not exceed \$10,000.00, which pays for tasks such as mailing and tracking this Notice, mailing checks and tax forms, and reporting to the parties and the Court. Any amount ordered by the Court will be paid from the Gross Settlement Amount.
- All checks issued to Participating Class Members shall remain valid and negotiable for one hundred and twenty (120) days from the date of their issuance. After distribution of the first set of checks, any money corresponding to unclaimed or uncashed checks will be returned to the Net Settlement Amount and distributed with the second payment. After distribution of the second set of checks, the money corresponding to any unclaimed or uncashed checks will be sent to the Los Angeles Center for Law and Justice, which is a non-profit organization that provides legal services to the indigent in the Los Angeles area.

6. WHAT DO I NEED TO DO TO RECEIVE A SETTLEMENT PAYMENT, AND HOW MUCH WILL I RECEIVE?

You do not need to do anything to receive a payment from the settlement.

Magnolia's records show that, while you worked as an hourly non-exempt employee during the relevant time period, you worked a total of [Number of Qualifying Workweeks]. Accordingly, your anticipated Individual Settlement Payment is [\$ AMOUNT]. The actual amount may vary somewhat based on the actual implementation of the settlement.

20% of your settlement award will be issued in checks representing unpaid wages with applicable federal, state, and local tax withholdings taken out, and you will be sent an IRS Form W-2 for tax

Any Questions? Call [Settlement Admin Toll Free Ph. #]

purposes (just like a paycheck). 80% of your settlement award will be issued in checks representing penalties and interest, and you will be issued an IRS Form 1099 for tax purposes. You will need to speak with an accountant or other tax professional about any tax issues related to your settlement checks.

If you dispute the information about the amount of your anticipated settlement share, you must advise the Settlement Administrator and follow the steps below to substantiate your dispute.

To dispute the amount of your anticipated settlement share you must send in the mail any records (such as paystubs, pay checks or other records) supporting your calculation of the total number of weeks you were employed by Magnolia in an hourly position along with a letter explaining the dispute, and be sure to include the last four digits of your social security number by **[RESPONSE DEADLINE]**. The date of the postmark will determine if it was timely mailed. The Settlement Administrator will review the information you submit along with Magnolia's records and make a final determination as to the correct amount of your settlement share.

The Settlement Administrator is:

Thomas v. Magnolia Rehabilitation and Nursing Center
c/o Settlement Administrator
Street Address/PO Box
City, State, Zip Code

7. WHAT AM I GIVING UP TO STAY IN THE CLASS AND GET COMPENSATION?

Unless you ask to be excluded, you will remain a part of the Settlement Class, and that means you can't sue, continue to sue, or be a part of any other lawsuit or proceeding making any of the same claims and allegations made in *this* case. It also means all of the Court's orders will apply to you and legally bind you. If you stay in the Settlement Class, you will be deemed to have released and discharged Magnolia as well as any and all of its affiliates, employees, directors, officers, shareholders, agents, attorneys, successors and assigns, from any and all claims, causes of action or obligations of any kind or nature whatsoever (including claims that have been or could have been asserted against them in this lawsuit or in any other lawsuit or claim in any other court or forum), known or unknown, that were alleged or could have been alleged based on the factual allegations regarding unpaid wages, missed or non-compliant meal and rest breaks, and related claims for penalties, alleged in the First Amended Complaint or identified in the Joint Stipulation of Class Action Settlement and Release.

The Settlement Agreement contains additional details about the scope of the Release and Released Claims, and may be viewed online at the Settlement Administrator's website listed below.

8. DO I HAVE A LAWYER IN THIS CASE?

The Court has decided the law firm below is qualified to represent you and the Settlement Class. This law firm is called "Class Counsel."

Crosner Legal, P.C.

Any Questions? Call **[Settlement Admin Toll Free Ph. #]**

433 Camden Drive, Suite 400
Beverly Hills, California 90210
Telephone: (310) 496-5818

If you want to be represented by your own lawyer, you may hire one at your own expense.

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

You have the right to request exclusion from the settlement.

To exclude yourself from the settlement, you must submit a fully completed and signed Request for Exclusion form, which was included with this Notice, and return it to the Settlement Administrator at the address listed on the form. If your Request for Exclusion form is not postmarked by **[45 days from date notice is mailed]**, it will not be considered valid and you will be bound by the judgment entered by the Court upon final approval of the Settlement, including the Release of claims described above.

If you timely request to be excluded from the settlement, you will not be entitled to receive any payment under the settlement. Class Counsel will not represent your interests if you request to be excluded.

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

Any Class Member who has **not** asked to be excluded from the settlement may object to the proposed settlement either in writing, by appearing at the Final Fairness Hearing in person or through an attorney at your own expense, or both. The Final Approval Hearing is scheduled to take place on _____, 2020, at 8:30 a.m. in Department 6 of the Superior Court of the State of California for the County of Riverside, located at 4050 Main Street, Riverside, California 92501.

You may object to the proposed Settlement by submitting a fully completed and signed Objection form, which was included with this Notice. The Objection form must contain a statement describing the reasons why you think the Court should not give final approval to the Settlement. You may also attach any legal briefs, papers or memoranda you wish the Court to consider. If you don't wish to use the Objection form, you may also submit your objection to the Settlement in any other written format that gives a complete statement of the reasons you object to the Settlement

You must submit your written objection and all supporting papers if any to the Settlement Administrator by mailing to the following address:

Thomas v. Magnolia Rehabilitation and Nursing Center
c/o Settlement Administrator
Street Address/PO Box
City, State, Zip Code

To be valid, your written objection and all supporting papers must be postmarked on or before **[RESPONSE DEADLINE]**.

Any Questions? Call **[Settlement Admin Toll Free Ph. #]**

If you do not submit a written objection, you may still appear at the Final Fairness Hearing and make your objection to the Court.

11. WHAT HAPPENS IF I DO NOT EXCLUDE MYSELF FROM THIS SETTLEMENT?

The settlement, if finally approved by the Court, will bind all Class Members who do not request to be excluded from the settlement whether or not they receive or timely cash their Individual Settlement Payment. Final approval of the settlement will bar any Class Member who does not request to be excluded from the settlement from initiating a lawsuit or proceeding regarding the Released Claims.

12. WHAT IF MY CONTACT INFORMATION CHANGES?

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

13. THE FINAL FAIRNESS HEARING

The Final Approval Hearing is scheduled to take place on _____, 2020, at 8:30 a.m. in Department 6 of the Superior Court of the State of California for the County of Riverside, located at 4050 Main Street, Riverside, California 92501. The date and time may change without further notice to the Class.

At the Final Fairness Hearing, the Court will make a final decision whether to approve the settlement, and will also decide what amounts will be awarded to Plaintiff for a service award, and to Class Counsel for attorney's fees and costs.

14. FURTHER INFORMATION

This Notice is only a summary of the settlement. To see a copy of the Settlement Agreement (which is Exhibit 1 to the Declaration of Zachary M. Crosner, filed on March 13, 2020, and which defines the capitalized terms used in this Notice), the Court's Preliminary Approval Order, the operative complaint filed in the Lawsuit, and other filed documents related to the Lawsuit and this settlement, you may view all such files in the following ways: 1) online at the Settlement Administrator's Website [\[URL TO SETTLEMENT ADMIN. WEB PAGE\]](#); 2) by going to the Clerk's office at the Old Riverside Courthouse, 4050 Main St., Riverside, California; or 3) online on the Riverside County Superior Court's Website located at <https://www.riverside.courts.ca.gov>.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact the Settlement Administrator at [\[SETTLEMENT ADMIN. TOLL FREE PHONE NUMBER\]](#) or Class Counsel listed above. Please refer to the Magnolia Class Action Settlement.

PLEASE DO NOT TELEPHONE OR CONTACT THE COURT WITH QUESTIONS OR FOR INFORMATION REGARDING THIS SETTLEMENT

Any Questions? Call [\[Settlement Admin Toll Free Ph. #\]](#)