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7 Attorneys for ANAYLA THOMAS, on behalf of herself
8 and all current and former aggrieved employees,

10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
11 **FOR THE COUNTY OF RIVERSIDE**

13 ANAYLA THOMAS, on behalf of herself
14 and all current and former aggrieved
15 employees,,
16

16 Plaintiff,

17 vs.

18 CALIFORNIAN-MAGNOLIA
19 CONVALESCENT HOSPITAL, INC., a
20 California corporation and dba MAGNOLIA
21 REHABILITATION AND NURSING
22 CENTER; LARRY J. MAYS, an individual;
23 VERONICA S. MAYS, an individual;
24 KIMBERLY S. RICHARDS, an individual,
25 and DOES 1-50, inclusive,

26 Defendants.

Case No.: RIC1901197

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

1 **JOINT STIPULATION OF CLASS AND REPRESENTATIVE ACTION**

2 **SETTLEMENT AND RELEASE**

3 This Joint Stipulation of Class Action Settlement and Release (“Settlement” or “Settlement
4 Agreement”) is made and entered into by and between Plaintiff Anayla Thomas (“Plaintiff” or
5 “Class Representative”), as an individual and on behalf of all others similarly situated and
6 aggrieved, and Defendants Californian-Magnolia Convalescent Hospital, Inc. dba Magnolia
7 Rehabilitation and Nursing Center; Larry J. Mays; Veronica S. Mays; and Kimberly S. Richards,
8 (“Defendants” or “Magnolia”) (collectively with Plaintiff, the “Parties”).

9 **DEFINITIONS**

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

12 1. “Action” means the civil lawsuit Plaintiff filed against Defendants, styled *Anayla*
13 *Thomas v. Californian-Magnolia Convalescent Hospital, Inc. dba Magnolia Rehabilitation and*
14 *Nursing Center, et al.*, on or about January 30, 2019 in the Superior Court of California, in and for
15 the County of Riverside, Case Number RIC1901197.

16 2. “Appeal” means a timely appeal by a Class Member to the Order and Judgment
17 approving the Settlement, or an appeal by one of the Parties to an order that materially alters the
18 Settlement.

19 3. “Attorney’s Fees and Costs” means attorney’s fees agreed upon by the Parties and
20 approved by the Court for Class Counsel’s litigation and resolution of the Action, and all costs
21 incurred and to be incurred by Class Counsel in the Action, including but not limited to, costs
22 associated with documenting the Settlement, providing any notices required as part of the
23 Settlement or Court order, securing the Court’s approval of the Settlement, administering the
24 Settlement, obtaining entry of an Order and Judgment approving the Settlement, and expenses for
25 any experts. Class Counsel will request not more than one-third of the Gross Settlement Amount,
26 or Two Hundred Fifty Thousand Dollars and Zero Cents (\$250,000.00) in attorney’s fees, and not
27 more than Fifteen Thousand Dollars and Zero Cents (\$15,000.00) in litigation costs and expenses.
28 Defendants have agreed not to oppose Class Counsel’s request for attorney’s fees and costs and

1 expenses as set forth above.

2 4. "Class Counsel" means Zachary M. Crosner, Michael Crosner, and J. Kirk
3 Donnelly and Crosner Legal, P.C.

4 5. "Class List" means a complete list of all Class Members that Defendants will
5 diligently and in good faith compile from its records and provide to the Settlement Administrator
6 within ten (10) business days after entry of an Order granting Preliminary Approval of this
7 Settlement. The Class List will be formatted in Microsoft Office Excel and will include each
8 Class Member's full name; most recent mailing address and telephone number; Social Security
9 number; dates of employment; and any other relevant information needed to calculate settlement
10 payments.

11 6. "Class Member(s)" or "Settlement Class" means all individuals employed by
12 Defendants as a non-exempt employee during the Class Period.

13 7. "Class Notice" means the Notice of Class Action Settlement substantially in the
14 form attached hereto as Exhibit A, and approved by the Court.

15 8. "Class Period" means the period from January 30, 2015 through the earlier of the
16 date of Preliminary Approval or January 2, 2020.

17 9. "Class Representative" means Plaintiff Anayla Thomas.

18 10. "Gross Settlement Amount" means the amount of Seven Hundred Fifty Thousand
19 Dollars and Zero Cents (\$750,000.00), to be paid by Defendants in full satisfaction of all claims
20 alleged in the Action or that could have been alleged in the Action, based on the operative facts
21 alleged therein, which includes all Individual Settlement Payments to Participating Class
22 Members, the Labor and Workforce Development Agency Payment, Attorney's Fees and Costs,
23 the Class Representative Enhancement Payment, and Settlement Administration Costs. Any
24 employer-side payroll taxes required by law, including the employer-side FICA, FUTA, and SDI
25 contributions, will be paid by Defendant separately and apart from the Gross Settlement Amount.
26 There will be no reversion of any portion of the Gross Settlement Amount to Defendants. The
27 Gross Settlement Amount is subject to the Personal Guarantee of Defendants Larry J. Mays and
28 Veronica S. Mays.

1 11. “Court” means Department 6 of the Riverside County Superior Court.

2 12. “Effective Date” shall be when Final Approval of the Settlement can no longer be
3 appealed by an objector, or in the absence of any objections (or if all objections are withdrawn
4 with Court approval by the time of the Final Approval Hearing), five (5) calendar days following
5 Notice of Entry of Judgment. If objections are heard by the Court and overruled, and no appeal is
6 taken of the Judgment by an objector, then the Effective Date shall be sixty-five (65) calendar
7 days after Notice of Entry of Judgment. If any appeal is taken from the Court’s overruling of any
8 objections to the Settlement, then the Effective Date shall be ten (10) calendar days after all
9 appeals are withdrawn or after an appellate decision affirming the Final Approval and Judgment
10 becomes final.

11 13. “Final Approval” means the Court’s Order granting final approval of the
12 Settlement.

13 14. “Individual Settlement Payment” means each Participating Class Member’s
14 respective share of the Net Settlement Amount.

15 15. “Labor and Workforce Development Agency Payment” means the payment of
16 Eighteen Thousand Seven Hundred Fifty Dollars (\$18,750) from the Gross Settlement Amount to
17 the California Labor and Workforce Development Agency for its portion of the civil penalties paid
18 under the Private Attorneys General Act of 2004, California Labor Code §§ 2698, *et seq.*

19 16. “Net Settlement Amount” means the portion of the Gross Settlement Amount
20 remaining after deducting the Class Representative Enhancement Payment, the Labor and
21 Workforce Development Agency Payment, Attorney’s Fees and Costs, and Settlement
22 Administration Costs. The entire Net Settlement Amount will be distributed to the Participating
23 Class Members. There will be no reversion of any portion of the Net Settlement Amount to
24 Defendants.

25 17. “Notice of Entry of Judgment” means a Notice of Entry of Judgment pursuant to
26 section 664.5(c) of the California Code of Civil Procedure filed and served by Plaintiff.

27 18. “Objection” means a Class Member’s valid and timely written objection to the
28 Settlement Agreement. For an Objection to be valid, it must include: (i) the objector’s full name,

1 signature, address, and telephone number; (ii) a written statement of all grounds for the objection
2 accompanied by any legal support for such objection; and (iii) copies of papers, briefs, or other
3 documents upon which the objection is based, if any. Alternatively, any Class Member may
4 Object by appearing at the Final Fairness Hearing either with or without submitting a written
5 Objection.

6 19. "Parties" means Plaintiff and Defendants collectively.

7 20. "Participating Class Member" means any Class Member who does not submit a
8 timely and valid Request for Exclusion.

9 21. "Plaintiff" means Anayla Thomas.

10 22. "Plaintiff's Counsel" means Zachary M. Crosner, Michael Crosner, and J. Kirk
11 Donnelly and Crosner Legal, P.C.

12 23. "Personal Guarantee" means the personal guarantee of the Settlement and Gross
13 Settlement Amount to be signed by Defendants Larry J. Mays and Veronica S. Mays, in a form to
14 be agreed upon by the Parties.

15 24. "Preliminary Approval" means the Court order granting preliminary approval of
16 the Settlement.

17 25. "Qualifying Workweek(s)" means each seven-day period(s) commencing on
18 Sunday at 12:00 a.m. and ending on a Saturday at 11:59 p.m. in which a Class Member was
19 employed by Defendants in California during the Class Period.

20 26. "Released Claims" means any and all causes of action, claims, rights, damages,
21 punitive or statutory damages, penalties, liabilities, expenses, and losses alleged in the operative
22 complaint or which could reasonably have been alleged in the operative complaint based on the
23 facts alleged therein, including, but not limited to: (a) any alleged failure by Defendants (1) to pay
24 wages, minimum wages, or overtime; (2) to provide meal or rest periods or compensation in lieu
25 thereof; (3) to provide accurate wage statements to employees; (4) to timely pay wages during
26 employment; (5) to pay all wages due upon separation of employment; or (6) to maintain payroll
27 records; (b) any right or claim for civil penalties pursuant to the Private Attorneys General Act of
28 2004, California Labor Code §§ 2698, *et seq.*, or any penalties arising under the Labor Code or

1 Wage Orders based on the alleged failures set forth in (a)(1) through (a)(6) above; or (c) any right
2 or claim for unfair business practices in violation of California Business & Professions Code §§
3 17200, *et seq.*, based on the alleged failures set forth in (a)(1) through (a)(6) above; and (d) any
4 violation of the California Labor Code arising from or related to the conduct alleged in (a)(1)
5 through (a)(6) above, including, without limitation, violation of Labor Code Sections 98.6, 200,
6 201, 202, 203, 204, 210, 216, 221, 222, 223, 224, 225.5, 226, 226.2, 226.3, 226.6, 226.7, 245-
7 248.5, 256, 432.5, 450, 510, 512, 558, 558.1, 1102.5, 1174, 1174.5, 1194, 1197, 1197.1, 1198,
8 1199, 2699, 2751, 2802, 2810.5, or any other state statute, rule and/or regulation (Wage Order), or
9 similar causes of action which any Class Member has or might have that was alleged or could
10 have been alleged based on the factual allegations in the operative complaint.

11 27. “Released Parties” means Defendants (along with any past, present, and future
12 parents, affiliates, subsidiaries, divisions, predecessors, successors, and assigns, and each of their
13 officers, directors, board members, trustees, shareholders, members, employees, agents, attorneys,
14 auditors, accountants, benefits administrators or third-party administrators, experts, contractors,
15 stockholders, representatives, partners, insurers, reinsurers, and other persons acting on their
16 behalf).

17 28. “Request for Exclusion” means a timely letter submitted by a Class Member
18 indicating a request to be excluded from the Settlement. The Request for Exclusion must: (i) set
19 forth the name, address, telephone number and last four digits of the Social Security Number of
20 the Class Member requesting exclusion; (ii) be signed by the Class Member; (iii) be returned to
21 the Settlement Administrator; (iv) clearly state that the Class Member does not wish to be included
22 in the Settlement; and (v) be postmarked on or before the Response Deadline.

23 29. “Response Deadline” means the deadline by which Class Members must postmark
24 to the Settlement Administrator Requests for Exclusion, or postmark or file Notices of Objection
25 and/or Notices of Intent to Appear to the Court and counsel for the Parties. The Response
26 Deadline will be forty-five (45) calendar days from the initial mailing of the Class Notice by the
27 Settlement Administrator, unless the 45th day falls on a Sunday or Federal holiday, in which case
28 the Response Deadline will be extended to the next day on which the U.S. Postal Service is open.

1 settlement only, Plaintiff and the Class are the prevailing parties in the Action and are entitled to
2 attorney's fees and costs under the applicable fee-shifting statutes, including, inter alia, California
3 Code of Civil Procedure section 1021.5, and Labor Code sections 218.5, 1194(a) and 2699(g).
4 Any funds allocated to Attorney's Fees and Costs but not awarded by the Court will be included in
5 the Net Settlement Amount and distributed pro rata to the Participating Class Members. The
6 Settlement Administrator will issue an IRS Form 1099 to Class Counsel for the Attorney's Fees
7 and Costs.

8 34. Class Representative Enhancement Payment. In exchange for a general release,
9 and in recognition of her effort and work in prosecuting the Action on behalf of the Class
10 Members, Defendants agree not to oppose or impede any application or motion for a Class
11 Representative Enhancement Payment not to exceed Seven Thousand Five Hundred Dollars and
12 Zero Cents (\$7,500.00). The Class Representative Enhancement Payment will be paid from the
13 Net Settlement Amount and will be in addition to Plaintiff's Individual Settlement Payment. Any
14 funds allocated to the Class Representative Enhancement Payment but not awarded by the Court
15 will be included in the Net Settlement Amount and distributed pro rata to the Participating Class
16 Members. Plaintiff will be solely responsible to pay any and all applicable taxes on the payment
17 made pursuant to this paragraph, and the Settlement Administrator will issue an IRS Form 1099 to
18 Plaintiff for the Class Representative Enhancement Payment.

19 35. Settlement Administration Costs. The Settlement Administrator will be paid for
20 the reasonable costs of administration of the Settlement and distribution of payments from the
21 Gross Settlement Amount, which Settlement Administration Costs shall not exceed Ten Thousand
22 Dollars and Zero Cents (\$10,000.00). These costs, will include, *inter alia*, the required tax
23 reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms,
24 distributing Class Notices, creating and maintaining a web site and toll-free telephone number,
25 calculating Individual Settlement Payments and distributing the Gross Settlement Amount as set
26 forth herein, and providing necessary reports and declarations. These costs shall be paid from the
27 Gross Settlement Amount. Any funds allocated to Settlement Administration Costs but not
28 incurred by or otherwise paid to the Settlement Administrator will be included in the Net

1 Settlement Amount and distributed pro rata to the Participating Class Members.

2 36. PAGA Allocation. The Parties agree to allocate Twenty Five Thousand Dollars
3 (\$25,000) from the Gross Settlement Amount to the resolution of all claims related to the Class
4 Members arising under the California Private Attorneys General Act of 2004 (California Labor
5 Code sections 2698, *et seq.*, “PAGA”). Pursuant to PAGA, Seventy-Five Percent (75%) of the
6 PAGA allocation, or Eighteen Thousand Seven Hundred Fifty Dollars (\$18,750), will be paid to
7 the California Labor and Workforce Development Agency, and the remaining Twenty Five
8 Percent (25%) of the PAGA allocation, or Six Thousand Two Hundred Fifty Dollars and Zero
9 Cents (\$6,250), will be allocated to the Net Settlement Amount for distribution to the Participating
10 Class Members.

11 37. Individual Settlement Payment Calculations. The Individual Settlement Payment
12 for each Participating Class Member shall be determined as follows: (a) the Net Settlement
13 Amount shall be divided by the total number of Qualifying Workweeks of all of the Class
14 Members. The result of this division is referred to as the “Weekly Rate;” and (b) the amount of
15 each Class Member’s Individual Settlement Payment shall be the result of multiplying each Class
16 Member’s number of Qualifying Workweeks by the Weekly Rate. The Settlement Administrator
17 will perform all calculations necessary to determine the Individual Settlement Payments based
18 upon information provided by Defendants with the Class List.

19 38. The Settlement Administrator shall be responsible for reducing each Individual
20 Settlement Payment based on any required deductions for each Participating Class Member as
21 specifically set forth herein, including employee-side tax withholdings or deductions.

22 39. The entire Net Settlement Amount will be disbursed to all Class Members who do
23 not submit timely and valid Requests for Exclusion. If there are any timely and valid Requests for
24 Exclusion from members of the Class, the Settlement Administrator shall not include all
25 Qualifying Workweeks attributable to such individuals as part of the calculation of the total class-
26 wide Qualifying Workweeks for all Participating Class Members under paragraph 37 above, so
27 that the amount available for distribution to the Participating Class Members equals 100% of the
28 Net Settlement Amount.

1 40. No Credit To Benefit Plans. The Individual Settlement Payments made to
2 Participating Class Members under this Settlement, as well as any other payments made pursuant
3 to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans
4 to which any Class Members may be eligible, including, but not limited to: profit-sharing plans,
5 bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and
6 any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not
7 affect any rights, contributions, or amounts to which any Class Members may be entitled under
8 any benefit plans.

9 41. Administration Process. The Parties agree to cooperate in the administration of the
10 settlement and to make all reasonable efforts to control and minimize the costs and expenses
11 incurred in administration of the Settlement.

12 42. Delivery of the Class List. Within ten (10) business days of Preliminary Approval,
13 Defendants will provide the Class List to the Settlement Administrator.

14 43. Notice by First-Class U.S. Mail. Within ten (10) business days after receiving the
15 Class List from Defendants, the Settlement Administrator will mail a Class Notice to all Class
16 Members via regular First-Class U.S. Mail, using the most current, known mailing addresses
17 identified in the Class List.

18 44. Confirmation of Contact Information in the Class List. Prior to mailing, the
19 Settlement Administrator will perform a search based on the National Change of Address
20 Database for information to update and correct for any known or identifiable address changes.
21 Any Class Notices returned to the Settlement Administrator as non-deliverable on or before the
22 Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding
23 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing
24 on the Class Notice. If no forwarding address is provided, the Settlement Administrator will
25 promptly attempt to determine the correct address using a skip-trace, or other search using the
26 name, address and/or Social Security number of the Class Member involved, and will then
27 perform a single re-mailing.

28 45. Class Notices. All Class Members will be mailed a Class Notice via First Class

1 U.S. Mail. Each Class Notice will provide: (i) information regarding the nature of the Action; (ii)
2 a summary of the Settlement's principal terms; (iii) the Settlement Class definition; (iv) the total
3 number of Qualifying Work Weeks worked by each respective Class Member while working for
4 Magnolia as a non-exempt employee during the Class Period; (v) each Class Member's estimated
5 Individual Settlement Payment and the formula for calculating Individual Settlement Payments;
6 (vi) the procedure for a Class Member to dispute the calculation of their estimated Individual
7 Settlement Payments; (vii) the dates which comprise the Class Period; (viii) instructions on how to
8 submit a Request for Exclusion or Objection' (ix) the deadlines by which the Class Member must
9 postmark Requests for Exclusion, and the deadlines by which the Class Members must postmark
10 Objections to the Settlement; and (x) the claims to be released. The Class Notice shall be in
11 substantially the same form as Exhibit A hereto, as approved by the Court. The Class Notice shall
12 be accompanied with a Request for Exclusion Form (Exhibit B hereto) and an Objection Form
13 (Exhibit C hereto).

14 46. The Settlement Administrator will also set up and maintain a web site and toll-free
15 telephone number for Class Members to contact the Settlement Administrator regarding the
16 Settlement. Both the URL for the web site and the toll-free telephone number will be identified in
17 the Class Notice. The web site will contain links allowing Class Members to access the operative
18 complaint, the Class Notice, the Settlement Agreement, and related Court Orders.

19 47. Disputed Information on Class Notices. Class Members will have an opportunity
20 to dispute the information provided in their Class Notices. To the extent Class Members dispute
21 their total Qualifying Work Weeks while working for Defendants as a non-exempt employee
22 during the Class Period, Class Members may produce evidence to the Settlement Administrator
23 showing that such information in the Class Notice is inaccurate. The Settlement Administrator
24 will decide the dispute. Magnolia's records will be presumed correct, but the Settlement
25 Administrator will evaluate the evidence submitted by the Class Member and will make the final
26 decision as to the merits of the dispute, which decision shall be final and unappealable by any
27 Party or Class Member. All disputes will be resolved within ten (10) business days of the
28 Response Deadline.

1 48. Defective Submissions. If a Class Member's Request for Exclusion is defective as
2 to the requirements listed herein, that Class Member will be given an opportunity to cure the
3 defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3)
4 business days of receiving the defective submission to advise the Class Member that his or her
5 submission is defective and that the defect must be cured to render the Request for Exclusion
6 valid. The Class Member will have until the later of (i) the Response Deadline or (ii) fifteen (15)
7 calendar days from the date of the cure letter to postmark a revised Request for Exclusion. If the
8 revised Request for Exclusion is not postmarked within that period, it will be deemed untimely.

9 49. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
10 Settlement Agreement must sign and postmark a written Request for Exclusion Form (Exhibit B
11 hereto) to the Settlement Administrator within the Response Deadline. The postmark date will be
12 the exclusive means to determine whether a Request for Exclusion has been timely submitted.

13 50. Option to Rescind the Settlement Agreement: Defendants may elect, at their
14 option, to rescind the Settlement if more than five percent (5%) of Class Members submit timely
15 and valid Requests for Exclusion. If Defendants exercise the conditional right to rescind, they
16 must do so by written communication to Class Counsel that is received by Class Counsel within
17 thirty (30) calendar days of the Response Deadline. In the event Defendants exercise the
18 conditional right to rescind, Defendants will be responsible for all Settlement Administration
19 Costs incurred to the date of rescission.

20 51. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class
21 Member who does not affirmatively opt-out of the Settlement Agreement by submitting a timely
22 and valid Request for Exclusion will be bound by all of its terms, including those pertaining to the
23 Released Claims, as well as any Judgment that may be entered by the Court if it grants final
24 approval to the Settlement.

25 52. Objection Procedures. To object to the Settlement Agreement, a Class Member
26 must timely submit to the Settlement Administrator a written Objection. Any written Objection
27 must be signed by the Class Member and contain all information required by this Settlement
28 Agreement, as specified in the Class Notice. A Class Member may use the Objection Form

1 (Exhibit C hereto) or any other written format to state their objection. Written Objections may be
2 mailed to the Settlement Administrator as explained in the Class Notice. The Settlement
3 Administrator will forward copies of all written Objections to both Class Counsel and counsel for
4 the Defendant within three (3) calendar days of receipt. The postmark date will be deemed the
5 exclusive means for determining whether a written Objection is timely. Class Members who fail
6 to object in the manner specified above will be deemed to have waived all objections to the
7 Settlement and will be foreclosed from making any objections, whether by appeal or otherwise, to
8 the Settlement Agreement. Alternatively, any Class Member may appear at the Final Approval
9 Hearing, personally or through their own counsel, in order to have their objections heard by the
10 Court, regardless of whether such Class Member submits a written Objection. Only those Class
11 Members who do not submit a Request for Exclusion may object to the Settlement. At no time
12 will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to
13 submit written or oral objections to the Settlement Agreement or appeal from the Order and
14 Judgment. Class Counsel will not represent any Class Members with respect to any such
15 objections to this Settlement.

16 53. Certification Reports. The Settlement Administrator will provide all counsel with a
17 weekly report that certifies the number of Class Members who have submitted valid Requests for
18 Exclusion, and whether any Class Member has submitted a challenge to any information
19 contained in their Class Notice. Additionally, the Settlement Administrator will provide to
20 counsel for both Parties any updated reports regarding the administration of the Settlement
21 Agreement as needed or requested.

22 54. Distribution of Settlement Payments. There will be two distributions of the
23 Settlement Payments. The First Distribution will be made within ten (10) calendar days of the
24 First Installment, and the Second Distribution will be made within ten (10) calendar days of the
25 Third Installment. The Settlement Administrator will issue the Court-approved payments pro rata
26 to: (i) Participating Class Members; (ii) the Labor and Workforce Development Agency; (iii)
27 Plaintiff; and (iv) Class Counsel. The Settlement Administrator will pay itself the full amount of
28 Settlement Administration Costs from the First Distribution.

1 55. Un-cashed Settlement Checks. If a Participating Class Member’s Individual
2 Settlement Payment check is not cashed within 90 days after its last mailing to the Participating
3 Class Member, the Settlement Administrator will send the Participating Class Member a letter
4 informing him or her that unless the check is cashed in the next 30 days, it will expire and become
5 non-negotiable, and offer to replace the check if it was lost or misplaced but not cashed. With
6 respect to the First Distribution, if any checks remain uncashed by the expiration of the 30-day
7 period after this notice, the funds represented by those checks and funds represented by Individual
8 Settlement Payment checks returned as undeliverable will be placed back into the Net Settlement
9 Amount and distributed pro rata to the Participating Class Members as part of the Second
10 Distribution. With respect to the Second Distribution, subject to Court approval, if any checks
11 remain uncashed by the expiration of the 30-day period after this notice, the funds represented by
12 those checks and funds represented by Individual Settlement Payment checks returned as
13 undeliverable will distributed under Code of Civil Procedure section 384 and tendered to the Los
14 Angeles Center for Law and Justice as the mutually agreed upon *cy pres* beneficiary.

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

18 57. Treatment of Individual Settlement Payments. All Individual Settlement Payments
19 will be allocated as follows: (i) Twenty Percent (20%) of each Individual Settlement Payment will
20 be allocated as wages for which IRS Forms W-2 will be issued; and (ii) Eighty Percent (80%) will
21 be allocated to penalties and interest for which IRS Forms 1099-MISC will be issued.

22 58. Administration of Taxes by the Settlement Administrator. The Settlement
23 Administrator will be responsible for issuing to Plaintiff, Participating Class Members, and Class
24 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid
25 pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding
26 all payroll taxes and penalties to the appropriate government authorities.

27 59. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR
28 PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY

1 TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER
2 PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
3 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR
4 AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS
5 INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE
6 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN
7 THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31
8 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED
9 EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX
10 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
11 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
12 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO
13 ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
14 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY
15 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
16 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
17 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY
18 OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX STRATEGIES (REGARDLESS OF
19 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
20 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
21 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
22 AGREEMENT.

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

27 61. Nullification of Settlement Agreement. In the event that: (i) the Court does not
28 finally approve the Settlement as provided herein; or (ii) the Settlement does not become final for

1 any other reason, then this Settlement Agreement, and any documents generated to bring it into
2 effect, will be null and void. Any order or judgment entered by the Court in furtherance of this
3 Settlement Agreement will likewise be treated as void from the beginning.

4 62. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to
5 request the Preliminary Approval of the Settlement, and the entry of a Preliminary Approval
6 Order. The Preliminary Approval Order will provide for the Class Notice to be sent to all Class
7 Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will
8 submit this Settlement Agreement, which sets forth the terms of this Settlement, and will include
9 the proposed Class Notice, which is attached hereto as Exhibit A.

10 63. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the
11 deadline to postmark Requests for Exclusion and Objections, and with the Court's permission, a
12 Final Approval Hearing will be conducted to determine the Final Approval of the Settlement,
13 along with the amounts properly payable for: (i) Individual Settlement Payments; (ii) the Labor
14 and Workforce Development Agency Payment; (iii) the Class Representative Enhancement
15 Payment; (iv) Attorney's Fees and Costs; and (v) all Settlement Administration Costs. The Final
16 Approval Hearing will not be held earlier than thirty (30) calendar days after the Response
17 Deadline. Class Counsel will be responsible for drafting all documents necessary to obtain final
18 approval. Class Counsel will also be responsible for drafting the application for the
19 Representative Enhancement Payment and Attorney's Fees and Costs, and a request for approval
20 of the Settlement Administration Costs, to be heard at the Final Approval Hearing.

21 64. Release by the Settlement Class and LWDA. Upon the Effective Date and
22 conditioned upon full satisfaction of the payment obligations in paragraph 54, all Participating
23 Class Members will be deemed to have released the Released Claims, and the LWDA will be
24 deemed to have released the Released Claims brought under PAGA, and will be barred and
25 enjoined from bringing or prosecuting any of the Released Claims against the Released Parties.

26 65. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by
27 the Court or after the Final Approval Hearing, the Parties will present the Judgment to the Court
28 for its approval. After entry of the Judgment, the Court will have continuing jurisdiction solely for

1 purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii)
2 settlement administration matters, and (iii) such post-Judgment matters as may be appropriate
3 under court rules or as set forth in this Settlement Agreement.

4 66. Release by Plaintiff. Upon the Effective Date, in addition to the claims being
5 released by all Participating Class Members, Plaintiff will release and forever discharge the
6 Released Parties, to the fullest extent permitted by law, of and from any and all claims, known and
7 unknown, asserted and not asserted, which Plaintiff has or may have against the Released Parties
8 as of the date of execution of this Settlement Agreement. To the extent the foregoing releases are
9 releases to which Section 1542 of the California Civil Code or similar provisions of other
10 applicable law may apply, Plaintiff expressly waives any and all rights and benefits conferred
11 upon her by the provisions of Section 1542 of the California Civil Code or similar provisions of
12 applicable law, which are as follows:

13 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR
14 DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF
15 EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE
16 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

17 67. Exhibit Incorporated by Reference. The terms of this Settlement Agreement
18 include the terms set forth in the attached Exhibit, which is incorporated by this reference as
19 though fully set forth herein. Any Exhibit to this Settlement Agreement is an integral part of the
20 Settlement.

21 68. Entire Agreement. This Settlement Agreement and attached Exhibit constitute the
22 entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral
23 agreements may be deemed binding on the Parties. The Parties expressly recognize California
24 Civil Code Section 1625 and California Code of Civil Procedure Section 1856(a), which provide
25 that a written agreement is to be construed according to its terms and may not be varied or
26 contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written
27 representations or terms will modify, vary or contradict the terms of this Settlement Agreement.

28 69. Amendment or Modification. No amendment, change, or modification to this

1 Settlement Agreement will be valid unless in writing and signed, either by the Parties or their
2 counsel.

3 70. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant
4 and represent they are expressly authorized by the Parties whom they represent to negotiate this
5 Settlement Agreement and to take all appropriate action required or permitted to be taken by such
6 Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other
7 documents required to effectuate the terms of this Settlement Agreement. The Parties and their
8 counsel will cooperate with each other and use their best efforts to effect the implementation of the
9 Settlement. If the Parties are unable to reach agreement on the form or content of any document
10 needed to implement the Settlement, or on any supplemental provisions that may become
11 necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the
12 Court to resolve such disagreement.

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

16 72. California Law Governs. All terms of this Settlement Agreement and Exhibit
17 hereto will be governed by and interpreted according to the laws of the State of California.

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

23 74. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe
24 this Settlement Agreement is a fair, adequate and reasonable settlement of the Action and have
25 arrived at this Settlement after adversarial and arm's-length negotiations before a well-respected
26 and neutral mediator, in the context of adversarial litigation, and taking into account all relevant
27 factors, present and potential. The Parties further acknowledge that they are each represented by
28 competent counsel and that they have had an opportunity to consult with their counsel regarding

1 the fairness and reasonableness of this Settlement.

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

6 76. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however,
7 that either party may appeal any court order that materially alters the Settlement Agreement's
8 terms.

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

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

27 79. Enforcement Actions. In the event that one or more of the Parties institutes any
28 legal action or other proceeding against any other Party or Parties to enforce the provisions of this

1 Settlement or to declare rights and/or obligations under this Settlement, the successful Party or
2 Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorney's'
3 fees and costs, including expert witness fees incurred in connection with any enforcement actions.

4 80. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms
5 and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be
6 construed more strictly against one party than another merely by virtue of the fact that it may have
7 been prepared by counsel for one of the Parties, it being recognized that, because of the arms-
8 length negotiations between the Parties, all Parties have contributed to the preparation of this
9 Settlement Agreement.

10 81. Representation By Counsel. The Parties acknowledge that they have been
11 represented by counsel throughout all negotiations that preceded the execution of this Settlement
12 Agreement, and that this Settlement Agreement has been executed with the consent and advice of
13 counsel. Further, Plaintiff and Plaintiff's Counsel warrant and represent that there are no liens on
14 the Settlement Agreement.

15 82. All Terms Subject to Final Court Approval. All amounts and procedures described
16 in this Settlement Agreement herein will be subject to final Court approval.

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

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

25
26 **SIGNATURES FOLLOW ON NEXT PAGE**
27
28

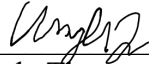
SIGNATURES

PLAINTIFF

DEFENDANTS

DATED: 01 / 21 / 2020

DATED:

By 
Anayla Thomas

By Name
Title
Californian-Magnolia Convalescent
Hospital, Inc. dba Magnolia
Rehabilitation and Nursing Center

DATED:

By _____
Larry J. Mays

DATED:

By _____
Veronica S. Mays


DATED:

By _____
Kimberly S. Richards

APPROVED AS TO FORM:

DATED: 1/16/2020

DATED:

By 
Zachary Crosner
CROSNER LEGAL, P.C.
Attorneys for Anayla Thomas

By _____
Julie Weber
Amir Benakote
KAUFMAN DOLOWICH VOLUCK
Attorneys for Californian-Magnolia
Convalescent Hospital, Inc. dba
Magnolia Rehabilitation and Nursing
Center; Larry J. Mays; Veronica S.
Mays; and Kimberly S. Richards

SIGNATURES

PLAINTIFF

DATED:

By

Anayla Thomas

DEFENDANTS

DATED: 1/23/2020

By

Kimberly Richards
Name
Title Administrative
Californian-Magnolia Convalescent
Hospital, Inc. dba Magnolia
Rehabilitation and Nursing Center

DATED:

By

Larry J. Mays
Larry J. Mays

DATED:

By

Veronica S. Mays
Veronica S. Mays

DATED: 1/21/2020

By

Kimberly S. Richards
Kimberly S. Richards

APPROVED AS TO FORM:

DATED: 1/16/2020

By

Zachary Crosner
Zachary Crosner
CROSNER LEGAL, P.C.
Attorneys for Anayla Thomas

DATED: 1/23/20

By

Julie Weber
Julie Weber
Amir Benakote
KAUFMAN DOLOWICH VOLUCK
Attorneys for Californian-Magnolia
Convalescent Hospital, Inc. dba
Magnolia Rehabilitation and Nursing
Center; Larry J. Mays; Veronica S.
Mays; and Kimberly S. Richards

EXHIBIT

A

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF RIVERSIDE

**IF YOU WORKED AS AN HOURLY NON-EXEMPT EMPLOYEE
FOR MAGNOLIA REHABILITATION AND NURSING CENTER,
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 *Californian-Magnolia Convalescent Hospital, Inc. dba Magnolia Rehabilitation and Nursing Center, et al.*, 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 non-exempt employees for Californian-Magnolia Convalescent Hospital, Inc. dba Magnolia Rehabilitation and Nursing Center (“Magnolia”), and the settlement of the Lawsuit covers all non-exempt 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.

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.

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

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

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 a, non-exempt 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 non-exempt 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 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

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

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 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.

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

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 Claims 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.
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?

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

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 Claims 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 June 15, 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 Claims 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].

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

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

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 June 15, 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 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 [\[URL TO SETTLEMENT ADMIN. WEB PAGE\]](#); or 2) 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 [\[Settlement Admin Toll Free Ph. #\]](#)

EXHIBIT

B

REQUEST FOR EXCLUSION FORM

(Thomas v. Magnolia Rehabilitation and Nursing Center; Case No. RIC1901197)

IF YOU WANT TO BE INCLUDED IN THIS CLASS ACTION SETTLEMENT AND RECEIVE A SETTLEMENT PAYMENT, DO NOT FILL OUT THIS FORM.

IF YOU DO NOT WANT TO BE INCLUDED IN THE SETTLEMENT, AND DO NOT WANT TO RECEIVE A SETTLEMENT PAYMENT, YOU MUST COMPLETE, DATE AND SIGN THIS FORM AND MAIL IT BACK TO THE ADDRESS BELOW, POSTMARKED NO LATER THAN [response deadline]:

Thomas v. Magnolia Rehabilitation and Nursing Center Claims Administration
c/o Claims Administrator
[claims administrator address]

I have received notice of the proposed settlement in this lawsuit, and I wish to be excluded from the class and I have decided *not* to participate in the proposed settlement. I understand this means that I will not be bound by the settlement and will not receive any payment from the settlement, but I will retain whatever rights I may have, if any, to pursue a claim against Californian-Magnolia Convalescent Hospital, Inc. dba Magnolia Rehabilitation and Nursing Center with respect to the claims raised in the lawsuit referenced above.

Your Name: _____

Street Address: _____

City, State, Zip Code: _____

Telephone Number, Including Area Code: _____

Last four digits of Social Security Number: XXX-XX-_____

Date: _____

(signature)

EXHIBIT

C

OBJECTION FORM

(Thomas v. Magnolia Rehabilitation and Nursing Center; Case No. RIC1901197)

AS EXPLAINED IN MORE DETAIL IN THE NOTICE THAT CAME WITH THIS FORM, YOU HAVE THE RIGHT TO OBJECT TO THE PROPOSED CLASS ACTION SETTLEMENT DESCRIBED IN THE NOTICE.

If you choose, you may object to the proposed Settlement. The Court may or may not agree with your objection. Objecting to the Settlement will not exclude you from the Settlement, and if the Court grants final approval to the Settlement, you will get your settlement payment and the release of claims will apply to you.

If you wish to object to the Settlement, you must complete this Objection form and state the basis for your objection, or you may write your objection in any other written format you choose. Send the completed Objection form or other written statement, along with legal briefs or other documents that support your objection, if any, by mailing it to the address below, postmarked no later than **[response deadline]**:

Thomas v. Magnolia Rehabilitation and Nursing Center Claims Administration
c/o Claims Administrator
[claims administrator address]

Your Name: _____

Street Address: _____

City, State, Zip Code: _____

Telephone Number, Including Area Code: _____

Last four digits of Social Security number: XXX-XX-_____

Date: _____
_____ (signature)

Reasons Why You Object (you may attach additional pages if necessary): _____
