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12 Attorneys for Plaintiff Karen Zavala, individually,
 13 and on behalf of all others similarly situated.

14 *[Additional counsel listed on following page]*

15 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
 16 **FOR THE COUNTY OF LOS ANGELES**

17 KAREN ZAVALA, individually and on behalf of
 18 all others similarly situated,

19 Plaintiff,

20 vs.

21 THE LAKE POST ACUTE, LLC; RENEW
 22 HEALTH GROUP, LLC; ASSEMBLY HEALTH
 23 GROUP, LLC; TULARE LAKE POST ACUTE,
 24 LLC; TULARE RIVER POST ACUTE, LLC;
 25 TWIN OAKS POST ACUTE, LLC; and DOES 1
 26 through 20, inclusive,

27 Defendants.

Case No.: 20STCV44125

*Assigned for All Purposes to:
 Hon. Maren E. Nelson; Dept.: 17*

**SECOND AMENDED JOINT
 STIPULATION OF SETTLEMENT**

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6 Attorneys for Defendants

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1 It is stipulated and agreed by and among the undersigned Parties, subject to the approval of
2 the Court pursuant to the California Rules of Court, that the Settlement of this Action shall be
3 effectuated upon and subject to the following terms and conditions. Capitalized terms used herein
4 shall have the meanings set forth in Article I or as defined elsewhere in this Joint Stipulation of
5 Settlement (“Agreement” or “Settlement”).

6 This Agreement is made by and between Named Plaintiff Karen Zavala (“Named Plaintiff”)
7 and the Class Members, on the one hand, and Defendants The Lake Post Acute, LLC, ReNew Health
8 Group, LLC, Assembly Health Group, LLC, Tulare Lake Post Acute, LLC, Tulare River Post Acute,
9 LLC, and Twin Oaks Post Acute, LLC (“Defendants”), on the other hand. Named Plaintiff and
10 Defendants collectively are referred to in this Agreement as “the Parties.”

11 The Parties agree that the Action shall be, and hereby is, ended, settled, resolved, and
12 concluded by agreement of Defendants to pay the settlement amount of One Million Two Hundred
13 Fifty Thousand Dollars (\$1,250,000.00) as provided in Section 3.06(a) below (“Gross Settlement
14 Amount”) pursuant to the terms and conditions of this Agreement and for the consideration set forth
15 herein, including but not limited to, a release of all claims by Named Plaintiff and the Class Members
16 as set forth herein.

17 **ARTICLE I**

18 **DEFINITIONS**

19 Unless otherwise defined herein, the following terms used in this Agreement shall have the
20 meanings ascribed to them as set forth below:

21 a. “Action” means the action described as follows: *Karen Zavala, individually and on*
22 *behalf of all others similarly situated v. The Lake Post Acute, LLC, et al.; and DOES 1 through 20,*
23 *inclusive,*” Case No. 20STCV44125, commenced on November 16, 2020, in the Superior Court of
24 the State of California for the County of Los Angeles.

25 b. “Agreement” means this Joint Stipulation of Settlement, including the attached
26 Exhibit(s).

27 c. “Class” means all current and former non-exempt individuals who are or were
28 employed by Defendants, however titled, in California at any time during the Class Period at any of

1 the following locations: The Lake, 3710 W Tulare Ave., Visalia, California 93277; Tulare Lake, 604
2 E. Merritt Ave., Tulare, California 93274; Tule River, 1100 W. Morton Ave., Porterville, California
3 93257; and Twin Oaks, 897 N M St., Tulare, California 93274.

4 d. “Class Counsel” means the attorneys for the Class and the Class Members, who are:

5 AEGIS LAW FIRM, PC
6 Kashif Haque
7 Samuel A. Wong
8 Jessica L. Campbell
9 Carolyn M. Bell
10 9811 Irvine Center Drive, Suite 100
11 Irvine, California 92618
12 Telephone: (949) 379-6250
13 Facsimile: (949) 379-6251

14 e. “Class List” means a list based on Defendants’ business records that identifies each
15 Class Member’s name, last known home or mailing address, Social Security number or, as
16 applicable, other taxpayer identification number, dates of employment, and the number of Qualifying
17 Workweeks worked during the Class Period.

18 f. “Class Member(s)” means all members of the Class.

19 g. “Class Period” means May 1, 2019 through December 31, 2020.

20 h. “Court” means the California Superior Court for the County of Los Angeles, where
21 the Action is currently pending.

22 i. “Date of Finality” means the later of the following: (1) the date the Final Order is
23 signed if no objections are filed to the Settlement; (2) if objections are filed and overruled, and no
24 appeal is taken of the Final Order, sixty-five (65) days after the Final Order; or (3) if an appeal or
25 other judicial review is taken from the Court’s overruling of objections to the settlement, ten (10)
26 days after the appeal is withdrawn or after an appellate decision affirming the Final Order becomes
27 final.

28 j. “Defendants” means Defendants The Lake Post Acute, LLC, ReNew Health Group,
LLC, Assembly Health Group, LLC, Tulare Lake Post Acute, LLC, Tulare River Post Acute, LLC,
and Twin Oaks Post Acute, LLC.

k. “Defense Counsel” means counsel for Defendants:

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1. “Disposition” means the method by which the Court approves the terms of the Settlement and retains jurisdiction over its enforcement, implementation, construction, administration, and interpretation.

m. “Final Order Approving Settlement of Class Action” or “Final Order” means the final formal court order signed by the Court following the Final Fairness and Approval Hearing in accordance with the terms herein, approving this Agreement.

n. “Gross Settlement Amount” means One Million Two Hundred Fifty Thousand Dollars and Zero Cents (\$1,250,000.00) to be paid by Defendants as provided by this Agreement to settle this Action. All payments to the Class, administration costs, attorney’s fees and costs, and Incentive Award, pursuant to Section 3.07(a) below, shall be paid out of the Gross Settlement Amount. The employer’s share of payroll taxes arising from the payments made under this settlement shall be paid by Defendants separate from and in addition to the Gross Settlement Amount. The Gross Settlement Amount is subject to a pro rata increase pursuant to Section 3.04(e) below. No part of the Gross Settlement Amount shall revert to Defendants.

o. “Incentive Award” means a monetary amount of up to Ten Thousand Dollars (\$10,000.00) for the Named Plaintiff, subject to Court approval, in recognition of her effort and work in prosecuting the Action on behalf of Class Members, and for her general release of claims.

p. “Individual Settlement Payment(s)” means each Participating Class Member’s respective share of the Net Settlement Amount. Individual Settlement Payments will be determined by the calculations provided in this Agreement.

q. “LWDA” means The State of California Labor and Workforce Development Agency.

1 r. "LWDA Payment" means 75% of the \$50,000 allocated to the settlement of PAGA
2 claims which, subject to Court approval, will be paid to the LWDA pursuant to Section 3.07(e) of
3 this Agreement, as provided for below.

4 s. "Motion for Final Approval" means Plaintiff's submission of a written motion,
5 including any evidence as may be required for the Court to conduct an inquiry into the fairness of
6 the Settlement as set forth in this Agreement, to conduct a Final Fairness and Approval Hearing, and
7 to enter a Final Order in this Action.

8 t. "Motion for Preliminary Approval" means Plaintiff's submission of a written motion,
9 including any evidence as may be required for the Court to grant preliminary approval of the
10 Settlement as required by Rule 3.769 of the California Rules of Court.

11 u. "Named Plaintiff" means Karen Zavala.

12 v. "Net Settlement Amount" means the Gross Settlement Amount less Court-approved
13 administration costs, Class Counsels' attorney's fees and costs, Incentive Award, and LWDA
14 Payment, pursuant to Section 3.07(a)-(f) below.

15 w. "Non-Participating Class Member(s)" means any Class Member(s) who submit to the
16 Settlement Administrator a valid and timely written request to be excluded from the Class pursuant
17 to Section 3.04(b) below.

18 x. "Notice Packet" means the Notice of Proposed Class Action Settlement in a form
19 substantially similar to the Notice Packet attached hereto as **Exhibit A**, subject to Court approval.

20 y. "PAGA" means the California Private Attorneys General Act of 2004, which is
21 codified in California Labor Code §§ 2698 *et seq.*

22 z. "PAGA Settlement Amount" means the portion of the Gross Settlement Amount
23 allocated to the resolution of PAGA Group Members' claims arising under PAGA. The Parties have
24 agreed that the PAGA Settlement Amount is Fifty Thousand Dollars (\$50,000), subject to Court
25 approval. Of the PAGA Settlement Amount, 75% will be considered the LWDA Payment, and the
26 remaining 25% will be distributed to PAGA Group Members.

27 aa. "PAGA Group Members" means all Class Members employed by Defendants at any
28 time between November 16, 2019 through December 31, 2020 ("PAGA Period").

1 bb. “PAGA Group Payment” means 25% of the \$50,000 allocated to the settlement of
2 PAGA claims which, subject to Court approval, will be paid to the PAGA Group Members pursuant
3 to Section 3.06(e) of this Agreement.

4 cc. “Participating Class Member(s)” is defined as a Class Member who does not timely
5 exclude himself or herself from the Settlement and will therefore receive his or her share of the Net
6 Settlement Amount automatically without the need to return a claim form. Each Participating Class
7 Member will be paid his/her Individual Settlement Payment.

8 dd. “Preliminary Approval Date” means the date the Court preliminarily approves the
9 Settlement embodied in this Agreement.

10 ee. “Qualified Settlement Fund” or “QSF” means a fund within the meaning of Treasury
11 Regulation § 1.468B-1, 26 CFR § 1.468B-1 *et seq.*, that is established by the Settlement
12 Administrator for the benefit of Participating Class Members.

13 ff. “Qualifying Workweeks” means the number of weeks that Class Members worked
14 for Defendants as non-exempt employees during the Class Period.

15 gg. “Released Parties” means Defendants and their respective former, current and future
16 parent companies, subsidiaries, affiliates, shareholders, members, agents (including, without
17 limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present
18 or future officers, and directors) predecessors, successors, and assigns.

19 hh. “Response Deadline” means the deadline by which Class Members must postmark or
20 fax to the Settlement Administrator requests for exclusion or written notices of objection. The
21 Response Deadline will be sixty (60) calendar days after the initial mailing of the Notice Packet by
22 the Settlement Administrator, unless the sixth (60th) calendar day falls on a Sunday or federal
23 holiday, in which case the Response Deadline will be extended to the next day on which the U.S.
24 Postal Service is open. The Response Deadline will be extended as set forth herein if there is a re-
25 mailing.

26 ii. “Settlement Administration Costs” means all costs incurred by the Settlement
27 Administrator in administration of the Settlement, including, but not limited to, mailing of notice to
28 the class, calculation of Individual Settlement Payments, generation of Individual Settlement

1 without limitation any contested proceeding relating to the certification of any class. If the Date of
2 Finality does not occur, this Agreement shall be deemed null and void, shall be of no force or effect
3 whatsoever, and shall not be referred to or used for any purpose whatsoever. Defendants expressly
4 reserve the right to challenge the propriety of class certification in the Action for any purpose, if the
5 Date of Finality does not occur.

6 The Parties and their respective counsel shall take all steps that may be requested by the Court
7 relating to the approval and implementation of this Agreement and shall otherwise use their
8 respective best efforts to obtain Court approval and implement this Agreement. If the Court does not
9 grant the Motion for Preliminary Approval and/or the Motion for Final Approval, the Parties agree
10 to meet and confer to address the Court's concerns. If the Parties are unable to agree upon a
11 resolution, the Parties agree to seek the assistance of mediator Jeffrey A. Ross to resolve the dispute.

12 **ARTICLE III**

13 **PROCEDURE FOR APPROVAL AND IMPLEMENTATION OF THE SETTLEMENT**

14 The procedure for obtaining Court approval of and implementing this Agreement shall be as
15 follows:

16 **Section 3.01: Motion for Conditional Class Certification and Preliminary Approval**

17 Named Plaintiff will bring a motion before the Court for an order conditionally certifying the
18 Class to include all claims pled in the Action based on the preliminary approval of this Agreement.
19 The date that the Court grants preliminary approval of this Agreement will be the "Preliminary
20 Approval Date."

21 **Section 3.02: The Settlement Administrator**

22 The Parties have chosen Phoenix Class Action Administration to administer this Settlement
23 and to act as the Settlement Administrator, including but not limited to distributing and responding
24 to inquiries about the Notice Packet, determining the validity of exclusions/opt-outs, calculating the
25 Net Settlement Amount and the Individual Settlement Payments, issuing the Individual Settlement
26 Payment checks and distributing them to Participating Class Members, establishing and maintaining
27 the QSF, and issuing the payment to Class Counsel for attorneys' fees and costs, the Incentive Award
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1 check to Named Plaintiff, and the employer payroll taxes to the appropriate taxing authorities. The
2 Settlement Administrator shall expressly agree to all of the terms and conditions of this Agreement.

3 All costs of administering the Settlement, including but not limited to all costs and fees
4 associated with preparing, issuing and mailing any and all notices to Class Members and/or
5 Participating Class Members, all costs and fees associated with computing, processing, reviewing,
6 and mailing the Individual Settlement Payments, all costs and fees associated with preparing any tax
7 returns and any other filings required by any governmental taxing authority or agency, all costs and
8 fees associated with preparing any other checks, notices, reports, or filings to be prepared in the
9 course of administering disbursements from the Net Settlement Amount, and any other costs and fees
10 incurred and/or charged by the Settlement Administrator in connection with the execution of its
11 duties under this Agreement (“Settlement Administration Costs”), shall be paid to the Settlement
12 Administrator from the Gross Settlement Amount.

13 **Section 3.03: Notice to Class Members**

14 No later than five (5) business days after the Preliminary Approval Date, Defendants will
15 provide the Settlement Administrator with a “Class List” in electronic format based on its business
16 records, identifying the names of the Class Members, their last known home addresses, Social
17 Security numbers or, as applicable, other taxpayer identification number, their dates of employment
18 and weeks worked during the Class Period.

19 Within ten (10) business days of receiving a Class List from Defendants, the Settlement
20 Administrator will send Class Members, by first-class mail, at their last known address, the Court
21 approved Notice Packet, including notice of this Settlement and of the opportunity to opt out of the
22 Settlement Class. The Notice Packet will include a calculation of the Class Member’s approximate
23 share of the Net Settlement Amount. Class Members will have sixty (60) days from the date of
24 mailing in which to postmark objections or requests for exclusion. Prior to the initial mailing, the
25 Settlement Administrator will check all Class Member addresses against the National Change of
26 Address database and shall update any addresses before mailing. The Settlement Administrator will
27 skip trace and re-mail all returned, undelivered mail within five (5) days of receiving notice that a
28 Notice Packet was undeliverable. If a Class Member’s notice is re-mailed, the Class Member shall

1 have fifteen (15) calendar days from the re-mailing, or sixty (60) calendar days from the date of the
2 initial mailing, whichever is later, in which to postmark objections or requests for exclusion. Class
3 Members shall not be required to submit claim forms in order to receive a proportional share of the
4 Net Settlement Amount.

5 If the Notice Packet is returned with a forwarding address, the Settlement Administrator shall
6 re-mail the Notice Packet to the forwarding address. With respect to those Class Members whose
7 Notice Packet is returned to the Settlement Administrator as undeliverable, the Settlement
8 Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace or
9 mass search on LexisNexis or comparable databases based on set criteria and, if another address is
10 identified, shall mail the Notice Packet to the newly identified address. It is the intent of the parties
11 that reasonable means be used to locate Class Members and that the Settlement Administrator be
12 given discretion to take steps in order to facilitate notice of the Settlement and delivery of the
13 Individual Settlement Payments to all Participating Class Members.

14 If the Notice Packet is re-mailed, the Settlement Administrator will note for its own records
15 and notify Class Counsel and Defense Counsel of the date of each such re-mailing as part of a weekly
16 status report provided to the Parties.

17 In the event a Class Member's Notice Packet remains undeliverable sixty (60) calendar days
18 after the Notice Packet was initially mailed, the Settlement Administrator will not mail the Class
19 Member's Individual Settlement Payment. The Settlement Administrator will hold the Class
20 Member's Individual Settlement Payment during the check cashing period on behalf of the Class
21 Member. If at the conclusion of the check cashing period the Class Member's Notice Packet and
22 Individual Settlement Payment remain undeliverable and/or unclaimed and uncashed, the Settlement
23 Administrator will distribute the funds from unclaimed/uncashed checks in accordance with the
24 procedures set forth in Section 3.07(g) below.

25 No later than twenty (20) court days prior to the Final Fairness and Approval Hearing, the
26 Settlement Administrator shall provide Defense Counsel and Class Counsel with a declaration
27 attesting to completion of the notice process, including any attempts to obtain valid mailing addresses
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1 for and re-sending of any returned Notice Packets, as well as the number of valid requests for
2 exclusion and objections that the Settlement Administrator received.

3 **Section 3.04: Responses to Notice**

4 **a. Class Member Disputes**

5 If any Class Member disagrees with Defendants' records as to his or her Qualifying
6 Workweeks during the Class Period as reflected in the Notice Packet, the Class Member shall set
7 forth in writing the Qualifying Workweeks he/she claims to have worked during the Class Period
8 and submit such writing to the Settlement Administrator by the Response Deadline, along with any
9 supporting documentation. The Notice will also provide a method for the Class Member to challenge
10 the employment data on which his or her Individual Settlement Payment is based. The Settlement
11 Administrator shall contact the Parties regarding the dispute and the Parties will work in good faith
12 to resolve it. If the Parties are unable to resolve the dispute, the Settlement Administrator will be the
13 final arbiter of the Qualifying Workweeks for each Class Member during the Class Period based on
14 the information provided to it.

15 **b. Requests for Exclusion from Class**

16 In order for any Class Member to validly exclude himself or herself from the Class and this
17 Settlement (*i.e.*, to validly opt out), a written request for exclusion must be signed by the Class
18 Member or his or her authorized representative, and must be sent to the Settlement Administrator,
19 postmarked no later than the Response Deadline (or fifteen (15) days after the Settlement
20 Administrator re-mails the Notice to the Class Member, whichever is later). The Notice Packet shall
21 contain instructions on how to validly exclude himself or herself from the Class and this Settlement
22 (*i.e.*, opt out), including the language to be used in a request for exclusion. The date of the initial
23 mailing of the Notice Packet, and the date the signed request for exclusion was postmarked, shall be
24 conclusively determined according to the records of the Settlement Administrator. Any Class
25 Member who timely and validly requests exclusion from the Class and this Settlement will not be
26 entitled to any Individual Settlement Payment, will not be bound by the terms and conditions of this
27 Agreement, and will not have any right to object, appeal, or comment thereon.

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1 Any Class Member who fails to timely submit a request for exclusion shall automatically be
2 deemed a Class Member whose rights and claims with respect to the issues raised in the Action are
3 determined by the Court's Final Order Approving Settlement of Class Action, and by the other
4 rulings in the Action. Thus, said Class Member's rights to pursue any claims covered by the Action
5 and/or released in this Agreement will be extinguished.

6 **c. Objections to Settlement**

7 For any Class Member to object to this Agreement, or any term of it, the person making the
8 objection must not submit a request for exclusion (*i.e.*, must not opt out), and should send to the
9 Settlement Administrator, postmarked or faxed no later than the Response Deadline (or fifteen (15)
10 days after the Settlement Administrator re-mails the Notice to the Class Member, whichever is later),
11 a written statement of the grounds of objection, signed by the objecting Class Member or his or her
12 attorney, along with all supporting papers. The date of the initial mailing of the Notice Packet, and
13 the date the signed objection was postmarked, shall be conclusively determined according to the
14 records of the Settlement Administrator. The Settlement Administrator shall send any objections it
15 receives to Defense Counsel and Class Counsel within three (3) business days of receipt. Class
16 Members may also appear at the final approval hearing to object. The Court retains final authority
17 with respect to the consideration and admissibility of any Class Member objections.

18 **d. Encouragement of Class Members**

19 The Parties to this Agreement and the counsel representing such Parties shall not, directly or
20 indirectly, through any person, encourage or solicit any Class Member to exclude him or herself from
21 this Settlement (opt out), or to object to it. However, Class Counsel may respond to inquiries from
22 Class Members.

23 **e. Right of Plaintiff to Adjust Gross Settlement Amount**

24 Defendants have estimated the number of Class Members as 917. If the number of Class
25 Members increases by more than 10% (which is more than 1,008 Class Members) as of the end of
26 the Class Period, there will be a pro rata adjustment of \$1,363.14 to the Gross Settlement Amount
27 per additional class member (for example, if there are 1063 class members, Defendant would owe an
28 additional \$197,655.40).

1 **Section 3.05: Final Fairness and Approval Hearing**

2 On the date set forth in the Order for Preliminary Approval and Notice Packet, a Final
3 Fairness and Approval Hearing shall be held before the Court in order to (1) review this Agreement
4 and determine whether the Court should give it final approval, and (2) consider any objections made
5 and all responses by the Parties to such objections. At the Final Fairness and Approval Hearing, the
6 Parties shall ask the Court to grant final approval to this Agreement and shall submit to the Court a
7 Proposed Final Order Approving Settlement of Class Action.

8 Within ten (10) calendar days after the Court signs the Final Order, the administrator shall
9 give notice to the class of the Final Order by posting it on the administrator's website.

10 **Section 3.06: Settlement Payment Procedures**

11 **a. Settlement Amount**

12 In exchange for the Released Claims set forth in this Agreement, Defendants agree to pay the
13 Gross Settlement Amount in the amount of One Million Two Hundred Fifty Thousand Dollars
14 (\$1,250,000.00), subject to a pro rata increase under the condition set forth in Section 3.04(e). The
15 Gross Settlement Amount includes all Individual Settlement Amounts to Participating Class
16 Members, all administration costs, Class Counsel's attorney's fees and costs, PAGA Settlement
17 Amount, and the Incentive Payments.

18 Within ten (10) calendar days after the Court signs the Final Order, Defendants shall transfer
19 one-third (1/3) of the Gross Settlement Amount plus Defendants' share of employer-side payroll
20 taxes, as set forth herein, into a QSF established by the Settlement Administrator either directly or
21 by sending the funds to the Settlement Administrator to be deposited and distributed. The second
22 payment, of 1/3 of the Gross Settlement Amount will be funded no later than three months following
23 Final Approval, the third and final payment representing the remaining 1/3 of the Gross Settlement
24 Amount will be funded no later than six months following Final Approval. The Settlement
25 Administrator will use these funds to fund payment of the Individual Settlement Payments to
26 Participating Class Members, Class Counsel's attorneys' fees and costs, the Incentive Award, the
27 LWDA Payment, and the Settlement Administration Costs.

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1 Within ten (10) court days after receiving Defendants' final payment, funding the Gross
2 Settlement Amount in full, the Settlement Administrator will pay the Individual Settlement Payments
3 to Participating Class Members, Class Counsel's attorneys' fees and costs, LWDA Payment, the
4 Incentive Award, and employer and employee tax withholdings applicable to the Net Settlement
5 Amount allocated to wages. Prior to this distribution, the Settlement Administrator will perform a
6 search based on the National Change of Address Database to update and correct for any known or
7 identifiable address changes.

8 **b. Payment of Attorneys' Fees and Costs**

9 Class Counsel shall submit an application for an award of attorneys' fees of up to one-third
10 of the Gross Settlement Amount, which, based on the current Gross Settlement Amount, is Four
11 Hundred Sixteen Thousand Six Hundred and Sixty-Six Dollars and Sixty-Six Cents (\$416,666.66).
12 Class Counsel shall submit an application for an award of costs not to exceed Twenty Thousand
13 Dollars (\$20,000.00). Such application for attorneys' fees and costs shall be heard by the Court at
14 the Final Fairness and Approval Hearing. Defendants shall not object to or oppose any such
15 application in these amounts. Class Counsel shall serve Defendants with copies of all documents
16 submitted in support of their application for an award of attorneys' fees and costs.

17 Any attorneys' fees and costs awarded to Class Counsel by the Court shall be paid from the
18 Gross Settlement Amount and shall not constitute payment to any Class Member(s). The attorneys'
19 fees and costs for Class Counsel approved by the Court shall encompass all work performed, costs,
20 and expenses related to the investigation, prosecution, and settlement of the Action incurred through
21 the Date of Finality. To the extent that the Court approves less than the amount of attorney's fees
22 and/or costs that Class Counsel requests, the difference between the requested and awarded amounts
23 will be reallocated to the Net Settlement Amount.

24 **c. Payment of Settlement Administration Costs**

25 The Settlement Administration Costs shall be paid out of the Gross Settlement Amount and
26 shall not constitute payment to any Participating Class Member(s). The amount shall not exceed
27 Twelve Thousand Nine Hundred Ninety Five Dollars (\$12,995).
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1 **d. Payment of Incentive Award to Named Plaintiff**

2 Subject to Court approval, the Named Plaintiff shall receive an Incentive Award of up to Ten
3 Thousand Dollars (\$10,000.00), the request for which Defendants will not object to or oppose. The
4 Incentive Award shall be paid out of the Gross Settlement Amount and shall not constitute payment
5 to any Participating Class Member(s) other than Named Plaintiff. To the extent that the Court
6 approves less than the amount of incentive award that Class Counsel request, the difference between
7 the requested and awarded amounts will be reallocated to the Net Settlement Amount.

8 Because it is the intent of the Parties that the Incentive Award represents payment to Named
9 Plaintiff for her service to the Class Members, and not wages, the Settlement Administrator will not
10 withhold any taxes from the Incentive Award. The Incentive Award will be reported on a Form 1099,
11 which the Settlement Administrator will provide to Named Plaintiff and to the pertinent taxing
12 authorities as required by law.

13 **e. Payment to the Labor and Workforce Development Agency and PAGA**
14 **Group Members**

15 In consideration of claims made under PAGA, Class Counsel will request that the Court
16 approve allocation of Fifty Thousand Dollars (\$50,000) of the Gross Settlement Amount to these
17 claims. Seventy-five percent (75%) of this payment will be paid to the California Labor and
18 Workforce Development Agency (“LWDA Payment”), and twenty-five percent (25%) will be paid
19 to the Net Settlement Amount for distribution to PAGA Group Members. Defendants will not oppose
20 this request. The entire PAGA Settlement Amount will be paid out of the Gross Settlement Amount.
21 The PAGA Group Payment shall be divided between all PAGA Group Members in proportion to the
22 number of pay periods each PAGA Group Member worked during the PAGA Period. To calculate
23 the amount each PAGA Group Member will receive, the PAGA Group Payment will be divided by
24 the total number of pay periods worked by all PAGA Group Members during the PAGA Period and
25 then allocated on a pro rata basis based on the number of pay periods worked by each PAGA Group
26 Member. Pay periods will be rounded up to the next whole integer. Each PAGA Group Member’s
27 individual PAGA Group Payment will be included in his or her Notice Packet. The Court’s
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1 adjustment, if any, of the amount allocated to Named Plaintiff's PAGA claim in the Action, will not
2 invalidate this Agreement.

3 **f. Payment of Individual Settlement Payments to Participating Class Members**

4 The Parties agree that the Net Settlement Amount shall be used to fund Individual Settlement
5 Payments. The Parties agree that the Net Settlement Amount shall be divided between all
6 Participating Class Members in proportion to the number of individual Qualifying Workweeks for
7 each Class Member. To calculate the minimum amount each Class Member will receive based on
8 their individual Qualifying Workweeks, the Net Settlement Amount will be divided by the total
9 number of Qualifying Workweeks by all Class Members during the Class Period and then allocated
10 on a pro rata basis. Qualifying Workweeks will be rounded up to the next whole integer. Each Class
11 Member's approximate Individual Settlement Payment amount will be included in his or her Notice
12 Packet. After final approval by the Court, the Net Settlement Amount will be dispersed to
13 Participating Class Members (those who did not exclude themselves) on a pro rata basis based on the
14 individual Qualifying Workweeks worked during the Class Period by each Participating Class
15 Member.

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17 Each Individual Settlement Payment will represent wages and penalties allocated using the
18 following formula: 25% allocated to wages; 65% allocated to expenses and penalties, and 10%
19 allocated to interest. The amounts paid as wages shall be subject to all tax withholdings customarily
20 made from an employee's wages and all other authorized and required withholdings and shall be
21 reported by W-2 forms. The employer-side taxes will be paid separate from and in addition to the
22 Gross Settlement Amount. The amounts paid as penalties and interest shall be subject to all
23 authorized and required withholdings other than the tax withholdings customarily made from
24 employees' wages and shall be reported by IRS 1099 forms.

25 No later than ten (10) business days after receiving the Gross Settlement Amount from
26 Defendants, the Settlement Administrator shall prepare and mail the checks for the Individual
27 Settlement Payments to Participating Class Members. Individual Settlement Payments paid from the
28 Net Settlement Amount allocated to wages will be reduced by applicable employer and employee

1 tax withholdings, and the Settlement Administrator will issue a Form W-2 for the wage portion of
2 the Individual Settlement Payments. The Settlement Administrator will issue a Form 1099 to the
3 extent required by law for the interest and penalty portions of the Individual Settlement Payments.
4 Participating Class Members shall have 180 days from the date their Individual Settlement Payment
5 checks are dated to cash their Settlement checks. Any checks that are not cashed upon the expiration
6 of that 180-day time period will be void, and the uncashed funds shall be paid to the State Controller
7 Unclaimed Property Fund in the name of the Class Member for whom the funds are designated.

8 If a check is returned to the Settlement Administrator as undeliverable, the Settlement
9 Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace or
10 a mass search on LexisNexis or a comparable databases based on set criteria and, if another address
11 is identified, the Settlement Administrator shall mail the check to the newly identified address. If the
12 Settlement Administrator is unable to obtain a valid mailing address through this process, the
13 Settlement Administrator will tender the funds from the undeliverable checks to the State Controller
14 Unclaimed Property Fund in the name of the Class Member for whom the funds are designated.

15 **g. Default on Payment.**

16 In the event Defendants make a late payment or do not pay any portion of the Gross
17 Settlement Amount, it shall be considered a default. In the event Defendants fail to make any payment
18 on the date it is due, under Section 3.06(a), the Settlement Administrator will provide notice to Class
19 Counsel and Defendants' counsel within three (3) business days of the missed payment. Thereafter,
20 Defendants will have seven (7) days to cure the default and tender payment to the Settlement
21 Administrator. In the event Defendants fail to cure the default within the times set forth herein,
22 Named Plaintiff may elect to enter judgment against Defendants, on an ex parte basis, for the balance
23 of the unpaid Gross Settlement Amount to date, and Named Plaintiff will be entitled to recover
24 interest at ten percent (10%) per year from the due date for such payment and reasonable attorneys'
25 fees and costs.

26 **h. No Credit Toward Benefit Plans.**

27 The Individual Settlement Payments made to Participating Class Members under this
28 Agreement, as well as any other payments made pursuant to this Agreement, will not be utilized to

1 calculate any additional benefits under any benefit plans to which any Class Members may be
2 eligible, including, but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase
3 plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties'
4 intention that this Agreement will not affect any rights, contributions, or amounts to which any Class
5 Members may be entitled under any benefit plans.

6 **ARTICLE IV**

7 **LIMITATIONS ON USE OF THIS SETTLEMENT**

8 **Section 4.01: No Admission**

9 Defendants dispute the allegations in the Action and disputes that, but for this Settlement, a
10 Class should not have been certified in the Action. This Agreement is entered into solely for the
11 purpose of settling highly disputed claims. Nothing in this Agreement is intended nor will be
12 construed as an admission of liability or wrongdoing by Defendants.

13 **Section 4.02: Non-Evidentiary Use**

14 Whether or not the Date of Finality occurs, neither this Agreement, nor any of its terms, nor
15 the Settlement itself, will be: (a) construed as, offered, or admitted in evidence as, received as, or
16 deemed to be evidence for any purpose adverse to Defendants or any other of the Released Parties,
17 including but not limited to, evidence of a presumption, concession, indication, or admission by any
18 of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage, or
19 (b) disclosed, referred to, or offered in evidence against any of the Released Parties in any further
20 proceeding in the Action, except for the purposes of effectuating the Settlement pursuant to this
21 Agreement or for Defendants to establish that a Class Member has resolved any of his or her claims
22 released through this Agreement.

23 **Section 4.03: Nullification**

24 The Parties have agreed to the certification of the Class encompassing all claims alleged in
25 the Action for the sole purpose of effectuating this Agreement. If (a) the Court should for any reason
26 fail to certify this Class for settlement, or (b) the Court should for any reason fail to approve this
27 Settlement, or (c) the Court should for any reason fail to enter the Final Order, or (d) the Final Order
28 is reversed, or declared or rendered void, or (e) the Court should for any reason fail to dispose of the

1 Action in its entirety, then (i) this Agreement shall be considered null and void; (ii) neither this
2 Agreement nor any of the related negotiations or proceedings shall be of any force or effect; (iii) all
3 Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had
4 been neither entered into nor filed with the Court; and (iv) the fact that the Parties were willing to
5 stipulate to class certification of all causes of action pled in the Action as part of the Settlement will
6 have no bearing on, and will not be admissible in connection with, the issue of whether the Class
7 should be certified by the Court in a non-settlement context in this Action or any other action, and in
8 any of those events, Defendants expressly reserve the right to oppose certification of the Class.

9 Additionally, if more than three percent (3%) of the settlement Class Members timely and
10 properly submit a request for exclusion from this Settlement, Defendant shall have the sole and
11 absolute discretion, if they so elect, to rescind this Settlement. If Defendant rescinds this Settlement
12 pursuant to this paragraph, the Settlement and conditional class certification shall be considered void
13 and shall be of no force and effect. The Parties agree that no Party will encourage Class Members
14 to Opt Out of this Settlement Agreement. Determination of whether a Party or counsel encouraged
15 a Class Member to Opt Out shall be made by the Court. If the Settlement Agreement is terminated
16 as a result of Defendant's exercise of their conditional option stated herein, Defendant shall pay any
17 costs actually incurred by the Settlement Administrator prior to and as a result of the termination of
18 the Settlement Agreement.

19 Finally, in the event of a timely appeal from the Final Order, the Final Order shall be stayed
20 and the Gross Settlement Amount shall not be distributed pending the completion of the appeal.

21 **ARTICLE V**

22 **RELEASES**

23 **Section 5.01: Released Claims by Class Members**

24 Upon the date Defendants fully fund the Settlement, Named Plaintiff and Participating Class
25 Members who do not opt out of the Settlement, release the Released Parties from any and all claims
26 alleged in Named Plaintiff's Operative Complaint, during the Class Period, including but not limited
27 to all claims, rights, demands, damages, liabilities and causes of action, contingent or vested, in law
28 or in equity, arising at any time during the Class Period for unpaid wages or other compensation,

1 and/or related penalties, interest, costs, attorneys' fees, punitive damages, and/or injunctive or other
2 equitable remedies, allegedly owed or available, arising out of, or reasonably related to the claims,
3 allegations and operative facts asserted in the operative complaint, including but not limited to
4 Defendants': (1) Failure to Pay Minimum Wages; (2) Failure to Pay Overtime Wages; (3) Failure to
5 Provide Meal Periods; (4) Failure to Permit Rest Breaks; (5) Failure to Provide Accurate Itemized
6 Wage Statements; (6) Failure to Pay All Wages Due Upon Separation of Employment; (7) Violation
7 of Business and Professions Code §§ 17200, et. seq., and (8) any other theories required to cover all
8 claims advanced in the PAGA claim. The operative period for that Complaint will be from May 1,
9 2019 through December 31, 2020 ("Released Claims").

10 **Section 5.02: Released Claims by PAGA Group Members**

11 Upon the date of funding the GSA, the State of California and PAGA Group Members release
12 the Released Parties from all claims under PAGA that were exhausted in Plaintiff's notice(s) sent to
13 the LWDA and alleged in the operative complaint, which arose during the PAGA Period, regardless
14 of whether PAGA Group Members opt out of the Class Settlement.

15 **Section 5.03: Named Plaintiff's Release of Unknown Claims**

16 Upon the date of funding the GSA, Named Plaintiff, waives, releases, acquits, and forever
17 discharges the Released Parties from any and all claims, actions, charges, complaints, grievances,
18 and causes of action, of any nature arising from Named Plaintiff's employment with Defendants,
19 whether known or unknown, which exist or may exist as of the Parties' execution of this Agreement.

20 Section 1542 of the California Civil Code provides as follows:

21 *"A general release does not extend to claims which the creditor does not*
22 *know or suspect to exist in his or her favor at the time of executing the*
23 *release, which if known by him or her must have materially affected his*
24 *or her settlement with the debtor."*

25 Plaintiff's general release provided herein is made with an express waiver and relinquishment
26 of any claim, right, or benefit under California Civil Code § 1542. Notwithstanding the above, nor
27 anything else in this Agreement, the waiver and release in this Settlement does not apply to (i) those
28 rights that as a matter of law cannot be waived, including, but not limited to, workers' compensation

1 claims, pending or otherwise and/or benefits to be received by Named Plaintiff in workers'
2 compensation pursuant to the jurisdiction of workers' compensation; and (ii) rights or claims arising
3 out of this Agreement.

4 **ARTICLE VI**

5 **MISCELLANEOUS PROVISIONS**

6 **Section 6.01: Amendments or Modification**

7 The terms and provisions of this Agreement may be amended or modified only by an express
8 written agreement that is signed by all the Parties (or their successors-in-interest) and their counsel.

9 **Section 6.02: Assignment**

10 None of the rights, commitments, or obligations recognized under this Agreement may be
11 assigned by any Party, Class Member, Class Counsel, or Defense Counsel without the express written
12 consent of each other Party and their respective counsel. The representations, warranties, covenants,
13 and agreements contained in this Agreement are for the sole benefit of the Parties under this
14 Agreement and shall not be construed to confer any right or to avail any remedy to any other person.

15 **Section 6.03: Governing Law**

16 This Agreement shall be governed, construed, and interpreted, and the rights of the Parties
17 shall be determined, in accordance with the laws of the State of California, without regard to conflicts
18 of laws.

19 **Section 6.04: Entire Agreement**

20 This Agreement, including the Exhibits referred to herein, which form an integral part hereof,
21 contains the entire understanding of the Parties with respect to the subject matter contained herein.
22 In case of any conflict between text contained in Articles I through VI of this Agreement and text
23 contained in the Exhibits to this Agreement, the former (*i.e.*, Articles I through VI) shall be
24 controlling, unless the Exhibits are changed by or in response to a Court order. There are no
25 restrictions, promises, representations, warranties, covenants, or undertakings governing the subject
26 matter of this Agreement other than those expressly set forth or referred to herein. This Agreement
27 supersedes all prior agreements and understandings among the Parties with respect to the settlement
28

1 of the Action, including correspondence between Class Counsel and Defense Counsel and drafts of
2 prior agreements or proposals.

3 **Section 6.05: Waiver of Compliance**

4 Any failure of any Party, Defense Counsel, or Class Counsel hereto to comply with any
5 obligation, covenant, agreement, or condition set forth in this Agreement may be expressly waived
6 in writing, to the extent permitted under applicable law, by the Party or Parties and their respective
7 counsel entitled to the benefit of such obligation, covenant, agreement, or condition. A waiver or
8 failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or
9 condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

10 **Section 6.06: Counterparts and Fax/PDF Signatures**

11 This Agreement, and any amendments hereto, may be executed in any number of counterparts
12 and any Party and/or their respective counsel may execute any such counterpart, each of which when
13 executed and delivered shall be deemed to be an original. All counterparts taken together shall
14 constitute one instrument. A fax or PDF signature on this Agreement shall be as valid as an original
15 signature.

16 **Section 6.07: Meet and Confer Regarding Disputes**

17 Should any dispute arise among the Parties or their respective counsel regarding the
18 implementation or interpretation of this Agreement, a representative of Class Counsel and a
19 representative of Defense Counsel shall meet and confer in an attempt to resolve such disputes prior
20 to submitting such disputes to the Court.

21 **Section 6.08: Agreement Binding on Successors**

22 This Agreement will be binding upon, and inure to the benefit of, the successors in interest
23 of each of the Parties.

24 **Section 6.09: Cooperation in Drafting**

25 The Parties have cooperated in the negotiation and preparation of this Agreement. This
26 Agreement will not be construed against any Party on the basis that the Party, or the Party's counsel,
27 was the drafter or participated in the drafting of this Agreement.

28

1 **Section 6.10: Fair and Reasonable Settlement**

2 The Parties believe that this Agreement reflects a fair, reasonable, and adequate settlement of
3 the Action and have arrived at this Agreement through arm's-length negotiation and in the context
4 of adversarial litigation, taking into account all relevant factors, current and potential. The Parties
5 further believe that the Settlement is and is consistent with public policy, and fully complies with
6 applicable law.

7 **Section 6.11: Headings**

8 The descriptive heading of any section or paragraph of this Agreement is inserted for
9 convenience of reference only and does not constitute a part of this Agreement and shall not be
10 considered in interpreting this Agreement.

11 **Section 6.12: Notice**

12 Except as otherwise expressly provided in the Agreement, all notices, demands, and other
13 communications under this Agreement must be in writing and addressed as follows:

14 *To Named Plaintiff and the Class:*
15 Kashif Haque
16 Samuel A. Wong
17 Jessica L. Campbell
18 Carolyn M. Bell
19 AEGIS LAW FIRM, PC
20 9811 Irvine Center Drive, Suite 100
21 Irvine, California 92618
22 Telephone: (949) 379-6250
23 Facsimile: (949) 379-6251

24 And

25 *To Defendants:*
26 LEWIS BRISBOIS BISGAARD & SMITH LLP
27 Joseph Lordan
28 Sumy Kim
 333 Bush Street, Suite 1100
 San Francisco, CA 94104
 T: 415.438.5923
 F:415.434.0882
 Sumy.Kim@lewisbrisbois.com
 Joseph.Lordan@lewisbrisbois.com

1 **Section 6.13: Enforcement of Settlement and Continuing Court Jurisdiction**

2 To the extent consistent with class action procedure, this Agreement shall be enforceable by
3 the Court pursuant to California Code of Civil Procedure section 664.6 and California Rule of Court
4 3.769(h). The Final Order entered by the Court will not adjudicate the merits of the Action or the
5 liability of the Parties resulting from the allegations of the Action. Its sole purpose is to adopt the
6 terms of the Settlement and to retain jurisdiction over its enforcement. To that end, the Court shall
7 retain continuing jurisdiction over this Action and over all Parties and Class Members, to the fullest
8 extent to enforce and effectuate the terms and intent of this Agreement. In the event that one or more
9 of the Parties institutes any legal action or other proceeding against any other Party or Parties to
10 enforce the provisions of this Settlement, the successful Party or Parties will be entitled to recover
11 from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness
12 fees incurred in connection with any enforcement actions.

13 **Section 6.14: Mutual Full Cooperation**

14 The Parties agree fully to cooperate with each other to accomplish the terms of this
15 Agreement, including but not limited to the execution of such documents, and the taking of such
16 other action, as may reasonably be necessary to implement the terms of this Agreement. The Parties
17 to this Agreement shall use their best efforts, to effectuate and implement this Agreement and its
18 terms. In the event the Parties are unable to reach agreement on the form or content of any document
19 needed to implement the Settlement, or on any supplemental provisions that may become necessary
20 to effectuate the terms of the Settlement, the Parties agree to seek the assistance of the Court.

21 **Section 6.15: Authorization to Act**

22 Class Counsel warrants and represents that they are authorized by Named Plaintiff, and
23 Defense Counsel warrants that they are authorized by Defendants, to take all appropriate action
24 required to effectuate the terms of this Agreement, except for signing documents, including but not
25 limited to this Agreement, that are required to be signed by the Parties themselves. Defendants
26 represent and warrant that the individual executing this Agreement on its behalf has the full right,
27 power, and authority to enter into this Agreement and to carry out the transactions contemplated
28 herein.

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Damian Cardenas

(Printed Name)
VP of Risk Management

(Title)

Dated: 10/17/2022

ASSEMBLY HEALTH GROUP, LLC

By: ^{DocuSigned by:}
Damian Cardenas

FF901780DF574AE...
(Signature)
Damian Cardenas

(Printed Name)
VP of Risk Management

(Title)

Dated: 10/17/2022

TULARE LAKE POST ACUTE, LLC

By: ^{DocuSigned by:}
Damian Cardenas

FF901780DF574AE...
(Signature)
Damian Cardenas

(Printed Name)
VP of Risk Management

(Title)

Dated: 10/17/2022

TULARE RIVER POST ACUTE, LLC

By: ^{DocuSigned by:}
Damian Cardenas

FF901780DF574AE...
(Signature)
Damian Cardenas

(Printed Name)
VP of Risk Management

(Title)

Dated: 10/17/2022

TWIN OAKS POST ACUTE, LLC

By: ^{DocuSigned by:}
Damian Cardenas

FF901780DF574AE...
(Signature)

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Damian Cardenas

(Printed Name)

VP of Risk Management

(Title)

APPROVED AS TO FORM ONLY:

Dated: 10/12/2022

AEGIS LAW FIRM, PC

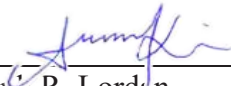
By: 

Kashif Haque
Jessica L. Campbell
Carolyn M. Bell

Attorneys for Named Plaintiff

Dated: October 17, 2022

**LEWIS BRISBOIS BISGAARD & SMITH
LLP**

By: 

Joseph R. Lordan
Sumy Kim

Attorneys for Defendants