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Individually and on behalf of others similarly situated

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Attorneys for Defendant,
NORTHEAST VALLEY HEALTH CORPORATION

SUPERIOR COURT FOR THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

MICHAEL SUORSA, an individual

,

Plaintiff,

v.

NORTHEAST VALLEY HEALTH
CORPORATION, a California corporation; and
DOES 1 through 100, inclusive,

Defendants.

Case No.: 20STCV02921

ASSIGNED FOR ALL PURPOSES TO
HON. YVETTE M. PALAZUELOS, DEPT. 9

CLASS ACTION

**SECOND AMENDED JOINT
STIPULATION AND CLASS
SETTLEMENT AGREEMENT**

1 IT IS HEREBY STIPULATED AND AGREED by and between Defendant NORTHEAST
2 VALLEY HEALTH CORPORATION (hereinafter referred to as “NEVHC” or “Defendant”) on the
3 one hand, and Plaintiff MICHAEL SUORSA (hereinafter referred to as “Plaintiff”) on his behalf and
4 on behalf of the other “Class Members” as defined herein and acting in his private attorney general
5 capacity, on the other hand (hereafter collectively referred to as the “Parties”), subject to the approval
6 of the Court pursuant to section 382 of the California *Code of Civil Procedure*, Rule 3.769 of the
7 California *Rules of Court*, and California Labor Code section 2699, that the settlement of the Action
8 (as defined herein) shall be effectuated and subject to the following terms and conditions:

9 **I. SUMMARY OF SETTLEMENT TERMS**

10 Under the terms of the Settlement, Defendant will pay the Maximum Settlement Amount
11 (“MSA”) of Six Hundred Thousand Dollars (\$600,000.00), without reversion, in exchange for the
12 full and final settlement and release of any and all claims that were or could have been alleged in the
13 operative Complaint in this Action, and subject to the terms and conditions outlined in this Agreement
14 (as defined herein). This is a no claims-made settlement and will be administered by Simpluris, Inc.,
15 a third-party administrator. Defendant conditionally agrees to stipulate, solely for the limited purpose
16 of consummating the terms of the Settlement contained in this Agreement, to have the Court certify
17 a class of all current and former non-exempt hourly employees of Defendant, during the Class Period
18 (as defined herein).

19 In addition, Plaintiff and Class Counsel will seek from the Maximum Settlement Amount: (1)
20 attorneys’ fees in the amount of Two Hundred Thousand Dollars (\$200,000.00), representing 1/3 of
21 the MSA; (2) litigation costs not to exceed Fifteen Thousand Dollars (\$15,000.00); and (3)
22 enhancement payment for Plaintiff Michael Suorsa in the amount of Five Thousand Dollars
23 (\$5,000.00). Furthermore, the Parties have agreed that Ten Thousand Dollars (\$10,000) from the
24 Maximum Settlement Amount will be allocated as civil penalties under the California Labor Code
25 Private Attorneys General Act of 2004 (“PAGA”), with 75% of this amount, Seven Thousand Five
26 Hundred Dollars (\$7,500.00), to be paid to the California Labor & Workforce Development Agency
27 (“LWDA”) in satisfaction of any claim for civil penalties that may be owed to that agency under the
28 PAGA. The other 25%, or Two Thousand Five Hundred Dollars (\$2,500.00), will be distributed to

1 the PAGA Employees (as defined herein) on a pro-rata basis.

2 Finally, any and all costs associated with the administration of the Settlement, including but
3 not limited to giving notice to the Class regarding the Settlement, processing any inquiries or disputes,
4 and remitting payment of any funds to the Authorized Claimants pursuant to the procedures outlined
5 herein ("Settlement Administration Costs"), which shall not exceed Thousand Dollars (\$13,000.00),
6 will be paid from the Maximum Settlement Amount. Defendant will not be responsible for anything
7 more than the Maximum Settlement Amount, however, payment of employer's share of payroll taxes
8 and other required withholdings, based on Settlement Payment(s) to the Class Members shall be paid
9 by the Defendant in addition to the Maximum Settlement Amount. There will be no reversion of any
10 funds to the Defendant.

11 **II. DEFINITIONS**

12 As used in this Stipulation and Settlement Agreement (hereinafter the "Agreement"), the
13 following terms shall have the meanings specified below:

14 1. "Action" means this lawsuit, and the operative Complaint in the matter entitled
15 *Michael Suorsa v. Northeast Valley Health Corporation*, Los Angeles County Superior Court Case
16 No. 20STCV02921.

17 2. "Aggrieved Employees" means all current and former non-exempt hourly employees
18 employed by Defendant in California at any time during the PAGA Period.

19 3. "Agreement" or "Settlement" means this Stipulation and Settlement Agreement,
20 including any attached exhibits.

21 4. "Allocation Form" means the Court-approved Allocation Form, substantially in the
22 form of the Allocation Form attached as Exhibit 2 and incorporated by reference herein, which will
23 be mailed to Class Members only which advises them of their number of Workweeks and their
24 settlement share. The Class Members do not have to submit anything to receive their settlement
25 share.

26 5. "Authorized Claimants" means those Class Members who do not timely file a valid
27 Request for Exclusion with the Settlement Administrator provided under this Agreement.

28 6. "Class," "Class Member," or "Class Members" means all current and former non-

1 exempt hourly employees employed by Defendant in California at any time during the Class Period.
2 If such person is incompetent or deceased, "Class" or "Class Member" or "Class Members" means
3 the person's legal guardian, executor, heir, or successor in interest.

4 7. "Class Counsel" means Michael H. Boyamian, Esq., Alfred Movsesyan, Esq., and
5 Katrina Castillo Espina, Esq., of BOYAMIAN LAW FIRM, INC., 550 North Brand Boulevard, Suite
6 1500, Glendale, California 91203.

7 8. "Class Counsel Costs" means the amounts to be paid, after Court approval, to Class
8 Counsel for costs incurred by Class Counsel in this Action.

9 9. "Class Counsel Fees" means the amount to be paid, after Court approval, to Class
10 Counsel for attorneys' fees.

11 10. "Class Notice" or "Notice of Settlement" means the form to be prepared by the Parties
12 and sent to the Class Members, after the Court preliminarily approves the terms contained in the
13 Agreement informing them of the material terms of the Agreement, why they are receiving the notice,
14 and what their options are to object, or be excluded from the Settlement. The Class Notice is attached
15 hereto as Exhibit 1. This mailing shall also include the Allocation Form as defined herein.

16 11. "Class Notice Period" or "Notice Period" means a period of sixty (60) calendar days
17 after the original date of the Settlement Administrator's mailing of the Notice of Settlement.

18 12. "Class Period" means from January 23, 2016 up to and including the date the Court
19 grants preliminary approval of this Settlement.

20 13. "Complaint" or "Operative Complaint" means the First Amended Complaint for: (1)
21 Failure to Pay Overtime Wages; (2) Failure to Pay Minimum Wages; (3) Failure to Provide Meal
22 Periods or Compensation in Lieu Thereof; (4) Failure to Provide Paid Rest Periods or Compensation
23 in Lieu Thereof; (5) Failure To Timely Furnish Accurate Itemized Wage Statements; (6) Violation of
24 Labor Code §203; (7) Unfair Business Practices; and (8) Violation of the Private Attorneys General
25 Act ("PAGA").

26 14. "Counsel for Defendant," "Defense Counsel," or "Defendant's Counsel" means
27 Alfred J. Landegger, Esq. and Evelyn Zarraga, Esq., of LANDEGGER VERANO & DAVIS, ALC,
28 15760 Ventura Blvd., Suite 1200, Encino, California 91436, Telephone No.: (818) 986-7561;

1 Facsimile No.: (818) 986-5147.

2 15. "Court" means the Los Angeles County Superior Court in which the Action is
3 currently pending, the Honorable Yvette M. Palazuelos presiding, and located at Spring Street
4 Courthouse, 312 North Spring Street, Los Angeles, California 90012. Court shall also mean any other
5 Court that acquires proper jurisdiction of this Action.

6 16. "Distributable Amount," "Net Settlement Amount," or "NSA" means the amount that
7 is distributable to the Authorized Claimants, and equals the Maximum Settlement Amount less Class
8 Counsel Fees, Class Counsel Costs, Enhancement Payment, PAGA Payment, and Settlement
9 Administration Costs.

10 17. "Effective Date" means the later of (a) the date of entry of Order granting final
11 approval of this Settlement, if no objection to the Settlement is filed, (b) the date on which the time
12 for all appeals from objections to the Settlement has expired, if one or more objections to the
13 Settlement are filed, and not withdrawn, and (c) if an appeal is taken, the date on which the appeal is
14 settled, withdrawn or dismissed, or any reviewing court issues a decision, the time for further appeal
15 has expired, and the trial court has regained jurisdiction.

16 18. "Enhancement Payment" means the payment in the amount of Five Thousand Dollars
17 (\$5,000.00) to Plaintiff Michael Suorsa, in addition to whatever payment he is otherwise entitled to
18 as an Authorized Claimant.

19 19. "Final Approval Hearing" refers to the hearing during which the Parties will seek final
20 approval of this Agreement.

21 20. "Final Judgment" means the order entered by the Court pursuant to the terms set forth
22 in this Agreement granting final approval of the Settlement, and finally and fully giving effect to the
23 terms contained in this Agreement.

24 21. "Maximum Settlement Amount" or "MSA" means the total amount of Six Hundred
25 Thousand Dollars (\$600,000.00) to be paid by Defendant pursuant to the terms of this Agreement.

26 22. "Notice Returns" means envelopes containing the Class Notice that were mailed by
27 the Settlement Administrator to Class Members but were undelivered and returned to the Settlement
28 Administrator by the United States Postal Service.

1 23. “Objection to Class Settlement” means any written objection to this Settlement by
2 Class Members who do not choose to be excluded from the Class that is served on the Settlement
3 Administrator within the Opt-Out Period.

4 24. “Opt-Out Period” or “Response Deadline” refers to the deadline of no later than sixty
5 (60) calendar days after the original date of the Settlement Administrator’s mailing of the Notice of
6 Settlement that any Class Member, who wishes to be excluded from the Settlement, submits a Request
7 for Exclusion.

8 25. “PAGA Payment” means the amount of Ten Thousand Dollars (\$10,000) of the
9 Maximum Settlement Amount to be allocated as civil penalties under the California Labor Code
10 Private Attorneys General Act of 2004 (“PAGA”), with 75% of this amount, Seven Thousand Five
11 Hundred Dollars (\$7,500.00), to be paid to the LWDA (“LWDA Portion”) in satisfaction of any claim
12 for civil penalties that may be owed to that agency under the PAGA. The other 25%, or Two
13 Thousand Five Hundred Dollars (\$2,500.00) (“Aggrieved Employees Portion”), will be distributed to
14 the Aggrieved Employees on a pro-rata basis.

15 26. “PAGA Period” means the time period from January 15, 2019, through date upon
16 which the Court grants preliminary approval of this Settlement.

17 27. “Plaintiff” or “Representative Plaintiff” means Plaintiff Michael Suorsa (and his
18 representative(s), heir(s), assign(s), and attorney(s)).

19 28. “Preliminary Approval Order” is the order preliminarily approving the settlement
20 terms contained in this Agreement.

21 29. “Preliminary Approval Date” is the date the Court grants preliminary approval of this
22 Settlement.

23 30. “Qualifying Workweeks” means the total Workweeks each Class Member worked
24 during the Class Period.

25 31. “Redirected Notice” means a re-mailing of the Class Notice mailed by the Settlement
26 Administrator to a new or different address to a Class Member that was obtained by the Settlement
27 Administrator as a result of a Notice Return.

28 32. “Released Class Claims” means all claims, debts, liabilities, demands, obligations,

1 guarantees, costs, expenses, attorneys' fees, damages, or causes of action which relate to any and all
2 claims alleged or which could have been alleged based on the facts in the Operative Complaint filed
3 by Representative Plaintiff, both on his behalf and on behalf of the Class Members in this Action
4 during the Class Period, including the date of preliminary approval of the Settlement under any
5 federal, state or local law, and shall specifically include claims for failure to pay minimum wages,
6 failure to pay overtime wages, failure to pay all hourly wages including minimum and overtime wages
7 as a result of impermissible rounding, off-the-clock work, failure to provide meal periods or
8 compensation in lieu thereof, failure to provide rest periods or compensation in lieu thereof, failure
9 to provide accurate itemized wage statements, failure to timely pay final wages at termination, failure
10 to properly maintain required records, unfair and unlawful business practices, including all attorneys'
11 fees and costs related thereto, and any other claims, including claims for statutory, pertaining to the
12 Class Members which were alleged or could have been alleged in operative Complaint based upon
13 the allegations and claims contained in the Operative Complaint. In addition, as to any Class Member
14 who cashes the check representing their Settlement Payment, the signing and negotiation of that check
15 shall serve as the Class Member's consent to join the action for purposes of releasing claims arising
16 under the Fair Labor Standards Act ("FLSA") that are related to the claims stated in the Action,
17 implicitly or explicitly, and, for such persons, "Released Class Claims" shall include all related claims
18 arising under the FLSA. This release is limited in time to the Class Period covering the Class Members
19 who worked for the Released Persons in the State of California.

20 33. "Released PAGA Claims" means any and all claims, debts, liabilities, demands,
21 obligations, guarantees, costs, expenses, attorney's fees, damages, actions or causes of action under
22 PAGA (Cal. Labor Code §§ 2698 *et seq.*) which are alleged, or reasonably could have been alleged
23 based on the facts and claims disclosed in the PAGA Letter filed with the LWDA and asserted in the
24 operative Complaint. No Aggrieved Employee may opt out of this release. In addition, as to any Class
25 Member who cashes the check representing their portion of the PAGA Payment, the signing and
26 negotiation of that check shall serve as the Aggrieved Employee's consent for purposes of releasing
27 claims arising under the Private Attorney General Act ("PAGA") that are related to the claims stated
28 in the Action, implicitly or explicitly. This release is limited in time to the PAGA Period covering the

1 Aggrieved Employees who worked for the Released Persons in the State of California.

2 34. "Released Persons" means Defendant NORTHEAST VALLEY HEALTH
3 CORPORATION, and its respective agents, attorneys, insurers, past, present and future divisions,
4 affiliates, DBAs (if any), predecessors, successors, shareholders, officers, directors, managers,
5 employees, trustees, representatives, administrators, fiduciaries, assigns, subrogees, executors,
6 partners, parents, owners, subsidiaries, privies, and/or any and all persons and/or corporate entities
7 acting by, through, under or in concert with any of them.

8 35. "Request for Exclusion" or "Opt-Out" means a written request by a Class Member to
9 be excluded from the Class and the Settlement containing all the information necessary as detailed
10 herein.

11 36. "Settlement Administrator" refers to Simpluris, Inc.(or "Simpluris"), the entity that
12 Class Counsel and Counsel for Defendant selected to administer this Settlement and to act as the
13 Settlement Administrator to process the Settlement under the terms of this Agreement.

14 37. "Settlement Administration Costs" means the fees and costs incurred or charged by
15 the Settlement Administrator in connection with the execution of its duties under this Agreement
16 including: (a) using the data provided by Defendants to prepare the Allocation Form with the number
17 of Workweeks for each Class Member as described above; (b) mailing the Notices defined herein to
18 Class Members; (c) tracking Requests for Exclusion and objections; (d) sending cure letters to Class
19 Members, and making follow-up telephone calls to Class Members; (e) notifying the Parties of timely
20 and untimely Requests for Exclusion, and objections received; (f) calculating the amounts due to each
21 Authorized Claimant pursuant to the Settlement as described herein; (g) notifying the Parties of, and
22 helping to resolve, any disputes regarding claims by the Class Members; (h) providing settlement
23 payments, along with IRS Forms 1099, to the Class Members who submit timely and valid claims
24 and to the taxing authorities; (i) utilizing the National Change of Address Database maintained by the
25 United States Postal Service, mail-forwarding information and/or skip tracing methods, as reasonable,
26 to update the mailing list, and taking steps to send Notice Packets to current mailing addresses; (j)
27 submitting payment of Defendants' portion of payroll taxes; (k) mailing of Final Approval Notice
28 and (l) performing such other duties as are described herein or as the Parties may request from time

1 to time.

2 38. "Settlement Payment" or "Individual Settlement Payment" refers to the payment to
3 any Authorized Claimant and/or Aggrieved Employee pursuant to the terms of this Agreement.

4 **III. BACKGROUND**

5 The original complaint in this Action was filed on January 23, 2020, in the Superior Court of
6 the State of California, County of Los Angeles. Plaintiff filed his First Amended Complaint ("FAC")
7 on September 3, 2020. In his operative Complaint, Plaintiff asserts the following claims: (1) Failure
8 to Pay Overtime Wages; (2) Failure to Pay Minimum Wages; (3) Failure to Provide Meal Periods or
9 Compensation in Lieu Thereof; (4) Failure to Provide Paid Rest Periods or Compensation in Lieu
10 Thereof; (5) Failure To Timely Furnish Accurate Itemized Wage Statements; (6) Violation of Labor
11 Code §203; (7) Unfair Business Practices; and (8) Violation of the Private Attorneys General Act
12 ("PAGA"). Defendant denies each and every one of the allegations asserted in the Complaint and
13 asserts that it has no liability for the claims of the Representative Plaintiff or the Class.

14 The Parties have conducted a significant investigation of the facts and law during the
15 prosecution of this Action, which included informal discovery. The informal discovery included the
16 exchange of class information such as class size and composition, the production of Class Members'
17 time and payroll records, as well as Defendant's written wage and hour policies and practices. The
18 Parties conducted the aforementioned investigation and discovery in anticipation of, and prior to, the
19 private mediation of the Action. Counsel for the Parties investigated the law as applied to the
20 discovered facts regarding the alleged claims of the Representative Plaintiff and the potential defenses
21 thereto, and the potential damages claimed by the Representative Plaintiff.

22 Thereafter, the Parties participated in a full day mediation on September 10, 2020 before an
23 experienced and well-regarded mediator, Gig Kyriacou, Esq. Through the efforts of all Parties and
24 their counsel, as well as the invaluable assistance of the mediator, the Parties were eventually able to
25 reach a mutual understanding of the material terms of settlement, which are memorialized in this
26 Agreement.

27 Representative Plaintiff and Class Counsel concluded, after taking into account the sharply
28 disputed factual and legal issues involved in the Action, the risks and substantial expenses involved

1 in the further prosecution of this case, and the substantial benefits to be received pursuant to the
2 compromise and settlement of the Action at this early stage, as set forth in this Agreement, that
3 settlement on the terms set forth herein is in the best interest of Representative Plaintiff and the Class,
4 and is fair and reasonable. In particular, Class Counsel and Representative Plaintiff understand the
5 risk of the class certification process, as well as the potential merits of affirmative defenses expected
6 to be raised by the Defendant. Class Counsel also took into account the financial position and
7 condition of Defendant and the impact the novel COVID-19 pandemic has had on Defendant's overall
8 operations. In light of the risks related to certifying a class, prevailing on an anticipated motion for
9 summary judgment and a potential trial, the recovery of Six Hundred Thousand Dollars (\$600,000.00)
10 obtained in the Action is both reasonable and fair.

11 Similarly, Defendant concluded that there are benefits associated with settling the Action at
12 this early stage. After taking into account the sharply disputed factual and legal issues involved in
13 the Action, the expense and burden of protracted litigation, and its desire to put the controversy to
14 rest, Defendant believes that settlement on the terms set forth in this Agreement is in its best interest
15 and is fair and reasonable. Defendant in particular has concluded that the future costs and expenses
16 involved in continuing the Action are substantial and chose to eliminate any further expenses,
17 attorneys' fees, and risks via the Settlement. Defendant also took into account its present financial
18 condition and the risks associated in continuing litigation. In particular, given the severely disputed
19 nature of the case, it is expected that substantial expenses will be incurred determining many issues
20 dealing with discovery, a class certification motion, a Summary Judgment motion, eventual trial, and
21 possible appeals.

22 This Agreement contemplates (i) entry of an Order preliminarily approving the Settlement
23 and approving certification of a provisional settlement class, contingent upon final approval of the
24 Settlement; (ii) the mailing of a Notice of Settlement to all Class Members; (iii) the processing of any
25 objections, and opt-outs by the Settlement Administrator, as well as payment to the Class Members
26 after final approval of this Agreement by the Court; and (iv) entry of Final Judgment granting final
27 approval of the Settlement and terms contained therein.

28 ///

1 **IV. SETTLEMENT APPROVAL & IMPLEMENTATION PROCEDURE**

2 **A. Preliminary Approval of the Settlement**

3 As soon as practicable, Class Counsel will also submit this Agreement to the Court for its
4 preliminary approval. Such submission will include such motions, pleadings, and evidence as may
5 be required for the Court to determine that this Agreement is fair, adequate, and reasonable, as
6 required by section 382 of the California *Code of Civil Procedure*, Rule 3.769 of the California *Rules*
7 *of Court*, and California Labor Code section 2699. Such submission will also include a Notice of
8 Class Settlement and Allocation Form, in substantially the form attached hereto as Exhibits 1 and 2
9 respectively.

10 **B. Conditional Certification of the Class**

11 Defendant hereby consents, solely for purposes of the Settlement set forth in this Agreement,
12 to the conditional certification of the Class, to the conditional appointment of Class Counsel, and to
13 the conditional approval of the Representative Plaintiff, provided however, that if the Settlement fails
14 to be approved or otherwise fails to be consummated for any reason whatsoever, including but not
15 limited to the Final Judgment not becoming final, then Defendant retains all rights previously
16 available to it, and any provisional certification of any class, or the adoption of any procedure herein,
17 shall be undone and the Parties restored to their pre-settlement status as if no settlement had been
18 reached and no decisions were made pursuant to it. In that event, nothing in this Agreement or other
19 papers or proceedings related to the Settlement shall be used as evidence or argument by any party,
20 including any Class Members who opt out, concerning whether or not the claims advanced in the
21 Complaint may properly be maintained as a class action, whether the purported class is ascertainable,
22 or whether Class Counsel or the Representative Plaintiff can adequately represent the members of the
23 class under applicable law.

24 **C. Cooperation**

25 The Parties agree to cooperate fully with each other to accomplish the terms and requirements
26 of this Agreement, including but not limited to, the execution of such documents and to take such
27 other action as may reasonably be necessary to implement the terms of this stipulated Settlement.

28 Except as otherwise provided herein, neither party nor any of their attorneys or agents shall

1 initiate any communication with any Class Members for the purpose of encouraging or discouraging
2 them to Opt-Out of the Class, or to object to the Settlement contained herein, unless agreed upon by
3 the other party in writing or if authorized by the Court. This provision in no way limits Class Counsel
4 from communicating with the Representative Plaintiff, nor does the provision limit Class Counsel
5 from responding to any inquiry initiated by any Class Members.

6 The Parties shall promptly submit this Agreement for preliminary approval and determination
7 by the Court as to its fairness, adequacy, and reasonableness. Promptly upon execution of this
8 Agreement, the Parties shall apply to the Court for the entry of a Preliminary Approval Order
9 scheduling a hearing to determine whether the proposed Class Settlement should be approved as fair,
10 reasonable, and adequate as to the Class Members, and approving as to form and content of the
11 proposed Notice of Settlement.

12 **D. Notice Of Settlement By Mail**

13 Defendant will provide as soon as practicable, but no later than fifteen (15) business days
14 after the Court grants preliminary approval of the Settlement, to the Settlement Administrator a list
15 containing the Class Members' names, last known addresses, total Workweeks worked during the
16 Class Period, and social security number, which will be used to send the Notice of Settlement, and
17 Allocation Form to Class Members in English and Spanish. Using this list, the Settlement
18 Administrator shall, within fifteen calendar (15) days of receipt from Defendant of the Class
19 **Members' names, last known addresses, total Workweeks during the Class Period, and social**
20 **security numbers, mail the Notice of Settlement via First-Class mail using the United States Postal**
21 **Service to the most recent address known for each Class Member. Before mailing the Notice of**
22 **Settlement, the Settlement Administrator shall review the national change of address registry for all**
23 **Class Members and/or skip trace to determine the most up-to-date addresses of all Class Members.**
24 **If any Notices of Settlement are returned with a forwarding address, the Settlement Administrator**
25 **will re-mail the Notice of Settlement, Allocation Form to the Class Member whose notice was**
26 **returned.**

27 In the event that prior to the final date for any Class Member to Opt-Out, any Notice mailed
28 to the Class Member is returned as having been undelivered by the U.S. Postal Service ("Notice

1 Return”), the Settlement Administrator shall, via skip-tracing, seek an address correction from such
2 Class Member(s), and send a Redirected Notice to the new or different address within seven (7)
3 calendar days if such address is found. Class Members who receive re-mailed Notice shall have
4 their Response Deadline extended fifteen (15) calendar days from the original Response Deadline.

5 **E. Allocation Form**

6 The Settlement Administrator shall mail along with the Notice of Settlement the Allocation
7 Form as described above, to the Class Members in English and Spanish.

8 **F. Requests for Exclusion (“Opt-Outs”)**

9 Any Class Member who wishes to be excluded from the Settlement must submit a Request
10 for Exclusion from the Settlement to the Settlement Administrator, no later than sixty (60) calendar
11 days after the original date of the Settlement Administrator's mailing of the Class Notice of Settlement
12 (the “Opt-Out Period” or “Response Deadline”). Any Class Member who submits a valid and timely
13 request to be excluded from the Settlement shall no longer be a member of the Class, shall be barred
14 from participating in this Settlement, shall be barred from objecting to this Settlement, and shall
15 receive no benefit from this Settlement, except for Aggrieved Employees who retain a right to receive
16 their share of the PAGA Payment, allocated to the Aggrieved Employees.

17 The written request for exclusion must: (1) explicitly and unambiguously state the following
18 statement or similar statement: “I wish to exclude myself from the settlement reached in the matter
19 of *Suorsa v. Northeast Valley Health Corporation*. I understand by excluding myself, I will not
20 receive any money from the settlement reached in this matter.”; (2) contain the name (including any
21 former names used during employment with NORTHEAST VALLEY HEALTH CORPORATION),
22 address, and the last four digits of the Social Security number of the person requesting exclusion; (3)
23 be signed by the Class Member; and (4) be postmarked by the Response Deadline and returned to the
24 Settlement Administrator at the specified address. The request for exclusion will not be valid if it is
25 not timely submitted, if it is not signed by the Class Member, or if it does not contain the name, and
26 address of the Class Member. The date of the postmark on the return mailing envelope on the request
27 for exclusion shall be the exclusive means used to determine whether the request for exclusion was
28 timely submitted. Any Class Member who requests to be excluded from the Settlement Class will

1 not be entitled to any recovery under the Settlement and will not be bound by the terms of the
2 Settlement or have any right to object, appeal, or comment thereon. Class Members who fail to submit
3 a valid and timely written request for exclusion by the Response Deadline shall be bound by all terms
4 of the Settlement and any final judgment entered in this Action if the Settlement is approved by the
5 Court, regardless of whether that Class Member receives and/or cashes his or her Settlement Payment
6 check.

7 **G. Class Members who are also Aggrieved Employees submitting a Request for**
8 **Exclusion will nevertheless receive their pro-rate share of the 25% of the PAGA**
9 **Payment allocated to the Aggrieved Employees. If the Court approves the compromise**
10 **of the PAGA claim, all Aggrieved Employees are bound by the Court's resolution of that**
11 **claim.**
Declaration Of Compliance

12 As soon as practicable, but no later than ten (10) calendar days following the Opt-Out-Period,
13 the Settlement Administrator shall provide Class Counsel and Counsel for Defendant with a
14 declaration attesting to completion of the notice process set forth in this Agreement, including an
15 explanation of efforts to resend undeliverable notices returned with forwarding addresses, and a
16 summary of disputed claims, and opt outs including the name of the class members opting out, which
17 declaration shall be filed with the Court by Class Counsel along with their papers requesting Final
18 Approval of the Settlement.

19 **H. Sufficient Notice**

20 Compliance with the procedures described in this Section shall constitute due and sufficient
21 notice to Class Members of this Settlement and the final approval hearing, shall satisfy the
22 requirements of due process, and nothing else shall be required of the Representative Plaintiff, Class
23 Counsel, Defendant, Counsel for Defendant, or the Settlement Administrator to provide additional
24 notice of the settlement and the Final Approval Hearing, unless expressly ordered by the Court.

25 **I. Objections To Settlement**

26 Any Class Member wishing to object to the approval of this Settlement shall inform the Court
27 and Claims Administrator in writing of his or her intent to object by following the procedure set forth
28 in the Notice of Settlement within sixty (60) calendar days of mailing of the Notice of Settlement and

1 Allocation Form.

2 To be valid, the notice of Objection must be signed by the Class Member and state: (1) the
3 full name of the Class Member (including any former names used during employment with
4 NORTHEAST VALLEY HEALTH CORPORATION); (2) the dates of employment of the Class
5 Member; (3) the last four digits of the Class Member's Social Security number and/or the Employee
6 ID number; (4) the basis for the objection; and (5) if the Class Member intends to appear at the Final
7 Approval/Settlement Fairness Hearing. In order to object to the Settlement, the Class Member must
8 not have submitted a Request for Exclusion. However, a Class Member may still attend the Final
9 Approval/Settlement Fairness Hearing and ask to speak regarding his or her objection and may orally
10 object at the hearing regardless of whether they submitted a written objection. At no time shall any
11 of the Parties or their counsel seek to solicit or otherwise encourage Class Members to file or serve
12 written objections to the Settlement or appeal from the Order and Final Judgment. Class Counsel
13 shall not represent any Class Members with respect to any such objections.

14 As soon as practicable, the Settlement Administrator shall forward any and all Objections to
15 Class Settlement to Class Counsel and Defense Counsel. Class Counsel shall ensure that any written
16 objections are transmitted to the Court for the Court's review (either as an attachment to a declaration
17 from Class Counsel or as an attachment to a declaration from the Settlement Administrator). The
18 Court may, in its sole discretion, permit any Settlement Class Member to state comments about the
19 Settlement or objections to the Settlement at the Final Approval hearing, regardless of whether the
20 Settlement Class Member has submitted an Objection to Class Settlement. Regardless of the form,
21 an objection alone will not satisfy the requirement that a Settlement Class Member must formally
22 intervene and become a party of record in the action to appeal a Judgment entered following an Order
23 or Judgment finally approving this Settlement, as is required under the California Supreme Court
24 decision of *Hernandez v. Restoration Hardware*, 4 Cal. 5th 260 (2018). A Class Member who does
25 not object prior to or at the Final Approval Hearing, will be deemed to have waived any objections
26 and will be foreclosed from making any objections (whether at the Final Approval Hearing, by appeal,
27 or otherwise) to the Settlement. If the objecting Class Member does not formally intervene in the
28 action and/or the Court rejects the Class Member's objection, the Class Member will still be bound

1 by the terms of this Agreement. Class Counsel and Defendant's Counsel may, at least five days (or
2 some other number of days as the Court shall specify) before the final approval hearing, file responses
3 to any Objections to Class Settlement received by the Settlement Administrator.

4 In order to object to the Class Settlement, the Class Member must not have submitted a
5 Request for Exclusion.

6 If an Objection or dispute of the amount due to a Class Member and a Request for Exclusion
7 are received from the same Class Member, the Settlement Administrator shall attempt to resolve the
8 matter by contacting the Class Member by any reasonable means to determine the Class Member's
9 choice. If the Settlement Administrator fails to determine what the Class Member intends, the Opt-
10 Out shall be null and void, and the Class Member will be counted as part of the Class and bound by
11 the terms and conditions of the Settlement.

12 **J. Final Approval Hearing**

13 At the final approval hearing, the Representative Plaintiffs, Class Counsel, and Counsel for
14 Defendant shall ask the Court to give final approval to this Agreement and the Settlement contained
15 herein. At this hearing, the Court will consider and rule upon any Objections to Settlement submitted
16 by any Class Member, whether timely or not. Upon granting final approval of the Settlement
17 contained herein, the Court shall also enter a Final Judgment finally and fully giving effect to the
18 terms contained in this Agreement, certifying the Class, and approving this Settlement. The Released
19 Class Claims and Released PAGA Claims contained in this Agreement shall enter into effect upon
20 the full funding of the MSA and the issuance of the Final Approval order and/or Judgement.

21 **K. Formulas to Determine Payment, Distribution of Funds and Payment of Funds**

22 **1. *General Terms of Settlement***

23 Defendant shall pay the Maximum Settlement Amount of Six Hundred Thousand Dollars
24 (\$600,000.00), to settle this Action, under the terms described in this Agreement. Defendant shall pay
25 the MSA in two installments. Defendant shall pay the first installment of Three Hundred Thousand
26 Dollars (\$300,000.00) on or before September 10, 2021. Defendant shall pay the second and final
27 installment of Three Hundred Thousand Dollars (\$300,000.000) on or before September 10, 2022.

28 From the Maximum Settlement Amount, Class Counsel will request, and Defendant will not

1 oppose, Two Hundred Thousand Dollars (\$200,000.00) as Class Counsel Fees, and up to Fifteen
2 Thousand Dollars and Zero Cents (\$15,000.00) for Class Counsel Costs. In addition, Class Counsel
3 will request Five Thousand Dollars (\$5,000.00) as an Enhancement Payment for Representative
4 Plaintiff Suorsa. Plaintiff will have to execute the Agreement to receive the Enhancement Payment.
5 Under no circumstances will Defendant be required to pay more in Class Counsel Fees, Class Counsel
6 Costs, and/or Enhancement Payment than specified in this Section. Class Counsel Fees, Class Counsel
7 **Costs, and the Enhancement Payment are subject to Court approval. The Court's** ruling on the request
8 for Class Counsel Fees, Class Counsel Costs, and Enhancement Payment shall not affect the
9 enforceability of this Agreement or the terms contained herein. In the event the Court reduces the
10 amount requested in Class Counsel Fees, Class Counsel Costs and/or Enhancement Payment, the
11 difference shall be added to the Distributable Amount to the Class Members.

12 In addition, the Parties have agreed that Ten Thousand Dollars (\$10,000) of the Maximum
13 Settlement Amount will be allocated for PAGA penalties, with 75% of this amount Seven Thousand
14 Five Hundred Dollars (\$7,500.00) to be paid to the LWDA in satisfaction of any claim for penalties
15 that may be owed to that agency under PAGA (Cal. Labor Code 2699, *et seq.*), and the remaining
16 25%, or Two Thousand Five Hundred (\$2,500.00), to be distributed Aggrieved Employees on a pro-
17 rata basis. Under no circumstances will Defendant be required to pay more in PAGA Payment than
18 specified in this Section.

19 Further, the Settlement Administration Costs, currently estimated at Thirteen Thousand
20 Dollars (\$13,000.00) shall be made from the Maximum Settlement Amount. Any and all Settlement
21 Administration Costs shall be made from the Maximum Settlement Amount. Any amounts not used
22 by the Settlement Administrator for Settlement Administration shall be added to the Distributable
23 Amount to the Class Members. Under no circumstances will Defendant be required to pay more in
24 Settlement Administration Costs than specified in this Section.

25 Consequently, the amount from which the Class may be paid, also called the "Distributable
26 Amount," is estimated to be:

27 ///

28 ///

Maximum Settlement Amount	\$600,000.00
Class Counsel Fees	-\$200,000.00
Class Counsel Costs	-\$15,000.00
Enhancement Payment	-\$5,000.00
Settlement Administrator Costs	-\$13,000.00
PAGA Payment (LWDA Portion)	-\$7,500.00
PAGA Payment (Aggrieved Employees Portion)	-\$2,500.00
Distributable Amount	\$357,000.00

No funds will revert to the Defendant from the Maximum Settlement Amount.

2. *Formulas for Determining the Value of the Claims for the Class and for Each Class Member Who Does Not Opt Out and Each Aggrieved Employee*

The amount payable to each Authorized Claimant will be distributed as follows: To calculate the “class claims portion” of each Settlement Payment, the Settlement Administrator will first have to calculate the Qualifying Workweeks for each individual Authorized Claimant during the Class Period. Second, the Settlement Administrator must calculate the total Qualifying Workweeks during the Class Period by all Authorized Claimants. Third, the Settlement Administrator must divide an individual Class Member’s Qualifying Workweeks by the total Qualifying Workweeks for all Authorized Claimants, and then multiply by the Distributable Amount. The resulting percentage is the value of the individual Class Member’s claim.

The formula to calculate the claim of a Class Member is: (Individual Class Member’s Qualifying Workweeks during the Class Period / Total Qualifying Workweeks for Authorized Claimants during the Class Period) x (Distributable Amount) = Value of class claims portion of Individual Claim.

In addition, the portion of the PAGA Payment allocated to Aggrieved Employees will be distributed as follows: To calculate the “PAGA claims portion” of each Settlement Payment, the Settlement Administrator will first have to calculate the Qualifying Workweeks for each individual Aggrieved Employee during the PAGA Period. Second, the Settlement Administrator must calculate

1 the total Qualifying Workweeks during the PAGA Period by all Aggrieved Employees. Third, the
2 Settlement Administrator must divide an individual Aggrieved **Employee's** Qualifying Workweeks
3 by the total Qualifying Workweeks for all Aggrieved Employees, and then multiply by the portion of
4 the PAGA Payment allocated to Aggrieved Employees (i.e., \$2,500.00). The resulting percentage is
5 the value of the individual **Class Member's claim**.

6 The formula to calculate the claim of an Aggrieved Employee is: (Individual
7 **Aggrieved Employee's** Qualifying Workweeks during the PAGA Period /
8 Total Qualifying Workweeks for Aggrieved Employees during the PAGA
9 Period) x (portion of the PAGA Payment allocated to Aggrieved Employees
10 [i.e., \$2,500.00]) = Value of PAGA portion of Individual Claim.

11 The Settlement Payment for an Authorized Claimant who is also an Aggrieved Employee will
12 therefore include both his or her class claims portion and PAGA portion.

13 Class Members who are PAGA Employees will not be permitted to exclude themselves from
14 the PAGA claim portion of the Settlement. PAGA penalty settlement payments in the appropriate
15 amounts will be distributed by the Settlement Administrator by mail to the Aggrieved Employees
16 including to those Class Members who are Aggrieved Employees who submitted a Request for
17 Exclusion.

18 The approximately 1082 Settlement Class Members combined had an estimated average rate
19 of pay of \$20.00 and worked approximately 153,924 workweeks throughout the applicable Class
20 **Period. The Authorized Claimant's estimated average recovery** (inclusive of Aggrieved Employees'
21 portion of the PAGA Payment) is approximately \$332.00 that he or she worked for the Defendant as
22 a non-exempt hourly employee during the relevant Class Period.

23 If an Authorized Claimant disputes the accuracy of NEHVC's records as to the number of
24 weeks worked during the Class Period, the Authorized Claimant must contact the Settlement
25 Administrator and provide the Allocation Form signed under penalty of perjury, and any
26 documentation they have indicating the number of workweeks contending to have been worked.
27 Submission of these documents must be postmarked before [60 calendar days from the date of
28 mailing] (the "Response Deadline"). All disputes regarding an Authorized Claimant's Workweeks

1 will be resolved and decided by the Settlement Administrator, and the Settlement Administrator's
2 decision on all disputes will be final.

3 Payments from the Distributable Amount shall be made only to Authorized Claimants,
4 pursuant to the manner provided in this Agreement.

5 20% of all settlement payments to each Class Member for the class claims portion shall be
6 considered wages and shall be subject to the withholding of all applicable local, state and federal
7 taxes. Each Class Member will receive from the Administrator (as defined in below) a W-2 for this
8 portion of the payment and taxes that will be withheld at the rate required by law. 80% of all
9 settlement payments to each Class Member for the class claims portion shall be considered interest
10 and penalties. 100% of all settlement payments to Aggrieved Employees for the PAGA portion shall
11 be considered penalties. Each Class Member and Aggrieved Employee will also receive from the
12 Administrator an IRS Form 1099 for these portions of the payments attributable to penalties and
13 interest and Class Members will be responsible for correctly characterizing this compensation for tax
14 purposes and to pay any taxes owing. Each Authorized Claimant shall be responsible for any tax
15 consequences of the Settlement or payment of funds pursuant to this Agreement, including the
16 payment of any applicable tax deductions or obligation as if paying through payroll. Any payroll tax
17 payable from the payment of any settlement funds to any Class Member pursuant to the terms of this
18 Agreement shall not be made from the Distributable Amount. However, Defendant will only be
19 responsible for employer side payroll taxes, separate and apart from the MSA.

20 3. *Class Counsel Fees, Costs, Enhancement Payment, PAGA Payment,*
21 *Settlement Administration Cost, and Payment of Maximum Settlement Amount*
22 *Funds*

23 Plaintiff and Class Counsel will request, and Defendant agrees not to oppose, payment from
24 the Maximum Settlement Amount of Five Thousand Dollars (\$5,000) to Representative Plaintiff
25 Michael Suorsa as an Enhancement Payment. Class Counsel believes, and Defendant does not
26 challenge, that such award to the Representative Plaintiff as an Enhancement Payment is reasonable.
27 Plaintiff and Class Counsel will request, and Defendant agrees not to oppose, the payment from the
28 Maximum Settlement Amount of Two Hundred Thousand Dollars (\$200,000.00) to Class Counsel

1 for Class Counsel Fees. Class Counsel believes, and Defendant does not challenge, that such an award
2 to Class Counsel is reasonable. Plaintiff and Class Counsel will request, and Defendant agrees not to
3 oppose, a payment from the Maximum Settlement Amount not to exceed Fifteen Thousand Dollars
4 and Zero Cents (\$15,000.00) to Class Counsel for Class Counsel Costs. Class Counsel believes, and
5 Defendant does not challenge, that such an award to Class Counsel is reasonable.

6 Class Counsel Fees, Costs and the Enhancement Payment, whether they are awarded as
7 requested or reduced by the Court at its discretion, shall be paid from the Maximum Settlement
8 Amount after all of the class members have received full payment.

9 The Parties have agreed that Ten Thousand Dollars (\$10,000) of the Maximum Settlement
10 Amount will be allocated as PAGA penalties, with 75% of this amount, Seven Thousand Five
11 Hundred Dollars (\$7,500.00) to be paid to the LWDA in satisfaction of any claim for penalties that
12 may be owed to that agency under PAGA. The other 25%, or Two Thousand Five Hundred Dollars
13 (\$2,000.00), will be distributed in the form of a check to Aggrieved Employees and Authorized
14 Claimants according to the number of workweeks each Employee worked as a non-exempt hourly
15 employee employed by Defendant in California at any time during the Class Period as a *pro rata*
16 portion of the total combined workweeks of all Aggrieved Employees and Authorized Claimants
17 during the Class Period.

18 Moreover, all the Settlement Administration Costs shall be paid from the Maximum
19 Settlement Amount, which the Parties currently estimate will be about Thirteen Thousand Dollars
20 (\$13,000.00).

21 Class Counsel shall timely provide a completed IRS Form W-9 no later than five (5) calendar
22 days after the Effective Date and any other information needed for the Settlement Administrator to
23 make payments. Any payment obligation by any party shall be tolled until the correct information is
24 provided as required by any party. Settlement Administration Costs may be paid earlier if necessary
25 to effectuate the terms of this Agreement, except that the party paying shall be entitled to offset the
26 costs from the Maximum Settlement Amount. Under no circumstances shall Defendant be required
27 to pay more than the Maximum Settlement Amount.

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1 4. ***Cure Provision***

2 If Defendant fails to timely make an installment payment as set forth in this Agreement,
3 Defendant shall have thirty (30) calendar days from the last day the payment is due to cure the
4 untimely installment payment. Defendant shall make any payment under this provision pursuant to
5 the Settlement Administrator's electronic transfer instructions. The Parties expressly agree that the
6 Defendant's payment obligations with respect to any cure shall be met upon initiating the electronic
7 transfer of funds to the Settlement Administrator, pursuant to its instructions.

8 **L. The Settlement Administrator**

9 Class Counsel and Defendant designate Simpluris an experienced Settlement Administrator,
10 to process this Settlement. The Settlement Administrator will administer the Settlement including,
11 but not limited to, distributing the Class Notice of Settlement and Allocation Form, calculating and
12 directing the disbursements for payments from the Distributable Amount, and handling inquiries
13 about the calculation of individual settlement payments to the Class pursuant to the terms contained
14 in this Agreement. The Settlement Administrator shall establish a settlement payment center address,
15 telephone number, and timely process Class Members' inquiries about the Class Notice of Settlement,
16 Requests for Exclusion and Objections, and process the payments to the Class under the terms of this
17 Agreement.

18 Moreover, the Settlement Administrator shall provide as soon as possible to Defense Counsel
19 instructions for Defendant to tender the MSA payment by electronic transfer to the Settlement
20 Administrator. Defendant's payment of the MSA is contingent upon receipt of the payment
21 instructions. Defendant expressly agrees to follow the Settlement Administrator's payment
22 instructions. The Parties agree that Defendant's payment obligations under the Settlement shall be
23 met upon initiating the electronic transfer of funds to the Settlement Administrator, pursuant to its
24 instructions.

25 The Settlement Administrator shall provide the parties with weekly reports commencing with
26 the date the Class Notice is first mailed and continuing to the Effective Date notifying the Parties of
27 Notices mailed, Notices returned to sender, Notice re-mailed and the number of valid Opt-Outs
28 submitted by Class Members, if any, the number of Objections and identity of Objectors, if any and

1 the amounts of all Settlement Payments due and payable.

2 The Settlement Administrator shall not disburse the settlement funds except as provided
3 herein, as ordered by the Court, or as agreed upon, in writing, by Defense Counsel and Class Counsel.
4 Subject to further orders and/or directions as may be made by the Court, the Settlement Administrator
5 is authorized to execute such transactions on behalf of the Class Members as are consistent with the
6 terms of this Agreement.

7 Moreover, the Parties expressly agree that, in the event Simpluris cannot perform the functions
8 herein within the allocated \$13,000 in Settlement Administration Costs, they will cooperate with each
9 other to select a new, mutually agreed upon Settlement Administrator. Under no circumstances shall
10 Defendant be required to pay more than the Settlement Administration Costs.

11 **M. Time For Disbursement**

12 The MSA shall be disbursed as follows:

- 13 a. Within Five (5) calendars days of receipt of Defendant's first installment
14 payment of the Maximum Settlement Amount or following the Effective Date,
15 whichever comes later, the Settlement Administrator shall cause to be paid the
16 following: Thirteen Thousand Dollars (\$13,000.00) of the first installment
17 shall be allocated for Settlement Administration Costs. The remainder of the
18 first installment shall be held by the Settlement Administrator for the
19 Distributable Amount.
- 20 b. Within Five (5) calendars days of receipt of Defendant's second installment
21 payment of the Maximum Settlement Amount, the Settlement Administrator
22 shall cause to be paid the following amounts in Proportionate Shares: (1)
23 Settlement Payments due to Authorized Claimants; (2) Settlement Payments
24 due to Aggrieved Employees; (3) Class Counsel Fees; (4) Class Counsel Costs;
25 (5) Enhancement Payment; and (6) LWDA Portion of the PAGA Payment.
26 Payment to any Authorized Claimant and/or Aggrieved Employee will be in
27 the form of a check issued for an amount calculated using the formulas
28 contained in this Agreement. Any funds allocated to Class Members who

1 ultimately submitted timely valid Requests for Exclusions shall be
2 proportionally redistributed to Authorized Claimants based on the number of
3 their Qualifying Workweeks (based on the formula provided under this
4 Agreement).

5 Class Members who do not timely Opt-Out will be bound by all the terms of this Agreement,
6 regardless of whether that Class Member receives and cashes his or her check for Settlement Payment.
7 Any checks issued by the Settlement Administrator to Authorized Claimants will be negotiable for
8 one-hundred eighty (180) calendar days.

9 Any settlement checks remaining un-cashed after one hundred and eighty (180) calendar
10 days after being issued shall become null and void, and any monies remaining in the distribution
11 account shall be distributed to the Controller of the State of California to be held pursuant to the
12 Unclaimed Property Law, California Civil Code § 1500 et seq., for the benefit of those Settlement
13 Class members who did not cash their checks until such time that they claim their property.

14 **N. Taxes**

15 **1. *Withholding and Reporting Requirements***

16 The Settlement Administrator shall be responsible for ensuring that all taxes associated with
17 the Agreement are timely paid to the appropriate tax authorities. The Settlement Administrator's
18 responsibilities include the following: (i) filing all federal, state, and local tax deduction, (ii) to timely
19 and proper filing of all required federal, state, and local forms (e.g., 1099s, W-2s, etc.) with the
20 appropriate taxing authorities, and (iii) completion of any other steps necessary for compliance with
21 any tax obligations of the Settlement under federal, state, and/or local law, as applicable. To verify
22 the Settlement Administrator's compliance with the foregoing withholding and reporting
23 requirements, as soon as administratively practicable, the Settlement Administrator shall furnish
24 Class Counsel and Counsel for Defendant with copies of all forms detailing the payment of taxes
25 (including all 1099 forms and returns) sufficient to prove that such payments were properly remitted.
26 The Settlement Administrator shall provide a final accounting declaration adequate to demonstrate
27 full compliance with all duties set forth in this Agreement, including but not limited to tax
28 withholding, payment, and reporting obligations.

1 2. ***Determination and Payment of Taxes***

2 The Settlement Administrator shall determine the amount of any withholding or taxes to be
3 withheld from each Authorized Claimant's settlement payment and issue form W-2's to the Class
4 Members. All such withholdings shall be remitted by the Settlement Administrator to the proper
5 governmental taxing authorities. Each Authorized Claimant shall be responsible for any tax
6 consequences of any funds paid out to each Authorized Claimant pursuant to this Agreement.

7 **O. Circular 230 Disclaimer**

8 Each party to this Agreement (for purposes of this section, the "Acknowledging Party"; and
9 each party to this Agreement other than the Acknowledging Party, an "Other Party") acknowledges
10 and agrees that (1) no provision of this Agreement, and no written communication or disclosure
11 between or among the parties or their attorneys and other advisers, is or was intended to be, nor shall
12 any such communication or disclosure constitute or be construed or be relied upon as, tax advice
13 within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended);
14 (2) the Acknowledging Party (a) has relied exclusively upon his, her, or its own, independent legal
15 and tax advisers for advice (including tax advice) in connection with this Agreement, (b) has not
16 entered into this Agreement based upon the recommendation of any other party or any attorney or
17 advisor to any other party, and (c) is not entitled to rely upon any communication or disclosure by
18 any attorney or adviser to any other party to avoid any tax penalty that may be imposed on the
19 Acknowledging Party; and (3) no attorney or adviser to any other party has imposed any limitation
20 that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of
21 whether such limitation is legally binding) upon disclosure by the Acknowledging Party of the tax
22 treatment or tax structure of any transaction, including any transaction contemplated by this
23 Agreement.

24 **V. LIMITATIONS ON USE OF THIS SETTLEMENT**

25 **A. No Admission**

26 Neither the acceptance nor the performance by Defendant of the terms contained in this
27 Agreement nor any of the related negotiations or proceedings is or shall be claimed to be, construed
28 as, or deemed a precedent or an admission by Defendant of the truth of any allegations in any version

1 of the Complaint. Defendant enters into this Settlement Agreement solely for the purposes of
2 compromising and settling the Action.

3 **B. Publicity**

4 Plaintiff and Plaintiff's Counsel agree not to disclose or publicize the Settlement,
5 including the fact of the Settlement, its terms or contents, and the negotiations underlying the
6 Settlement, in any manner or form, directly or indirectly, to any person or entity, except as
7 may be strictly required to effectuate the terms of the Settlement. For the avoidance of doubt,
8 this section means Plaintiff and Plaintiff's Counsel agree not to issue press releases, communicate
9 with, or respond to any media or publication entities, publish information in manner or form,
10 whether printed or electronic, on any medium or otherwise communicate, whether by print,
11 video, recording or any other medium, with any person or entity, including the general public,
12 concerning the Settlement, its terms or contents and the negotiations underlying the
13 Settlement, or identify Defendant or its principals owners as associated with the underlying
14 lawsuit, except as shall be contractually required to effectuate the terms of the Settlement.
15 However, for the limited purpose of allowing Plaintiff's Counsel to prove adequacy as class
16 counsel in other actions for purposes of seeking approval of an unrelated settlement, Plaintiff's
17 Counsel may refer to any information in the public record for such purposes.

18 Neither this Agreement nor any of its terms, nor any statements or conduct in the negotiation or
19 drafting it, shall be offered or used as evidence by Plaintiff, any Class Member (including any
20 individual who filed an Opt-Out), Defendant, or its or their respective counsel, in the Litigation or
21 any other proceeding, except as is reasonably necessary to effectuate its purpose and terms. This
22 Agreement may be used by Defendant and/or the Released Persons to prove or defend against any
23 claim released herein by any Class Member in any judicial, quasi-judicial, administrative, or
24 governmental proceeding.

25 **C. Nullification**

26 If the Court for any reason does not approve this Settlement, this Agreement shall be
27 considered null and void and all parties to this Settlement shall stand in the same position, without
28 prejudice, as if the Settlement had been neither entered into nor filed with the Court. Moreover, in the

1 event the Court does not approve this Settlement, Defendant will not be deemed to have waived,
2 limited, or affected in any way any of its objections, or defenses in this Action. Invalidation of any
3 material portion of this Settlement shall invalidate this Settlement in its entirety unless the Parties
4 agree in writing that the remaining provisions shall remain in full force and effect.

5 **D. Right to Withdraw**

6 Notwithstanding any other provision contained in this Agreement, if more than Ten Percent
7 (10%) of the Class Members submit timely and valid Requests for Exclusion from the Settlement
8 during the Opt-Out Period outlined herein, Defendant shall have the option but not the obligation, in
9 its sole discretion, to withdraw from this Agreement (“Right to Withdraw”), whereupon the
10 Agreement shall be null and void for any and all purposes and may not be used or introduced in the
11 Action or any other proceeding. The Parties will be restored to their respective positions in the
12 litigation as if this Agreement was never negotiated, drafted or agreed upon. However, if Defendant
13 exercises its Right to Withdraw, Defendant will be responsible for all Settlement Administration
14 Costs incurred up to the date when the Defendant exercises its Right to Withdraw. The Settlement
15 Administrator shall notify Class Counsel and Counsel for Defendant of the number of timely opt-outs
16 within five (5) calendar days after the period to file an Opt-Out has expired. If Defendant elects to
17 exercise its Right to Withdraw under this provision, Defendant will so notify Class Counsel and the
18 Court no later than five (5) calendar days after receiving notice of the number of opt-outs and/or value
19 of the valid claims made by the Authorized Claimants.

20 **E. No Effect on Employee Benefits**

21 Amounts paid to the Plaintiff or other Class Members pursuant to this Settlement Agreement
22 shall not be deemed pensionable earnings or have any effect on the eligibility for, or calculation of,
23 any employee benefits (e.g., vacations, holiday pay, retirement plans, etc.) of the Plaintiff or Class
24 Members.

25 **VI. RELEASE OF THE CLASS**

26 It is the desire of the Representative Plaintiff, Class Members, and Defendant to fully, finally,
27 and forever settle, compromise, and discharge disputes and claims arising from or related to this
28 Action. Upon Final Approval by the Court of this Agreement and full funding of the MSA, and by

1 operation of the Agreement's terms, and except as to such rights or claims as may be created by this
2 Agreement, all Authorized Claimants fully release and discharge the Released Persons from all
3 Released Class Claims, whether known or unknown during the Class Period. Plaintiff and Defendant
4 stipulate and agree that the consideration paid to the Class Members pursuant to this Agreement
5 compensates the Class Members for all wages and penalties due to them arising from the claims
6 alleged in the operative Complaint.

7 All Aggrieved Employee, whether requesting exclusion from the Settlement or not, fully
8 release and discharge the Release Persons from all Released PAGA Claims. The State of California
9 shall fully release and forever discharge the Released Persons from the Released PAGA Claims that
10 arose during the PAGA Period as they pertain to Plaintiff and all Aggrieved Employees.

11 **VII. MISCELLANEOUS PROVISIONS**

12 **A. Amendments**

13 The terms and provisions of this Agreement may be amended only by a written agreement,
14 which is signed by Representative Plaintiff, Class Counsel, Defendant, and Counsel for Defendant.

15 **B. Jurisdiction of the Court to Enforce Terms of Agreement**

16 The Parties stipulate and agree that the Court will retain jurisdiction to enforce the terms of
17 this Agreement following the entry of the Judgment pursuant to California *Code of Civil Procedure*
18 section 664.6. The Parties agree to the exclusive jurisdiction of the Court to enforce the terms and
19 conditions contained herein.

20 **C. Enforcement Actions**

21 In the event one of the Parties to this Stipulation institutes and legal action or other proceeding
22 against any other party or parties to enforce the provisions of this Stipulation, or to declare rights
23 and/or obligations under this Stipulation, the prevailing party or parties shall be entitled to recover
24 from the unsuccessful party or parties reasonable attorneys' fees and costs in connection with any
25 enforcement actions.

26 **D. No Inducements**

27 Plaintiff and Defendant acknowledge that they are entering into this Agreement as a free and
28 voluntary act without duress or undue pressure or influence of any kind or nature whatsoever and that

1 neither Plaintiff nor Defendant has relied on any promises, representations, or warranties regarding
2 the subject matter hereof other than as set forth in this Agreement.

3 **E. No Prior Assignment**

4 The Parties hereto represent, covenant, and warrant that they have not directly or indirectly,
5 assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or
6 entity any portion of any liability, claim, demand, action, cause of action or rights herein released and
7 discharged except as set forth herein. If any claims are made by any Class Member between the start
8 of the Class Period and the date in which the Court approves the Settlement outlined in this Agreement
9 as final, such a claim will be deemed covered and released by the individual Class Member making
10 the claim unless such Class Member has timely exercised the right to be excluded from this
11 Agreement under the terms set forth herein. Any Class Member covered by this Agreement will be
12 barred from proceeding with any such claim.

13 **G. Destruction of Informal Discovery**

14 The Parties agree that in the event the Court does not approve the Settlement for any reason,
15 or if the Settlement cannot be consummated for any reason, Class Counsel expressly agrees to either:
16 (1) return all informally produced discovery by NEVHC to NEVHC or Defense Counsel; or (2)
17 immediately destroy all informal discovery, and provide sufficient proof (such as a declaration under
18 oath by Class Counsel) that the information was destroyed within 10 calendar days after becoming
19 aware that the Settlement has failed to become final. Retaining any copy of direct or derivative
20 information shall be a violation of this provision. Such informal discovery shall include, but is not
21 limited to: (1) Class Members' time and payroll records; (2) written policies and procedures; and (3)
22 information disclosed pursuant to the mediation and/or settlement privilege. If Class Counsel fails to
23 either destroy or return such information within a reasonable time, the Parties expressly agree that
24 Defense Counsel may apply to the Court to seek enforcement of this specific provision (including
25 any and all reasonable attorney's fees and costs in seeking such enforcement).

26 If the Court approves the settlement, Plaintiff and Class Counsel agree to maintain the
27 information provided by Defendant only for as long as it is necessary to consummate and finalize the
28 approval process of the Settlement by the Court, up to and including the Effective Date. After such

1 time, the Parties agree that Class Counsel will return the information to Defendant or Defense
2 Counsel, or destroy the information (including any derivative information) as provided herein, except
3 as provided in Plaintiff's personnel file.

4 Plaintiff and Class Counsel agree to treat and maintain the information disclosed
5 confidentially, protect it, and take any and all reasonable steps to maintain it confidentially and treat
6 it as a trade secret. However, the Parties expressly agree that Class Counsel may disclose such
7 information to the Court as is necessary to consummate and finalize the approval process of the
8 Settlement by the Court.

9 **H. Review of Noticed Motions And/Or Other Pleadings**

10 Class Counsel expressly agrees that prior to any filing concerning the terms herein, including
11 but not limited to the Motion for Preliminary Approval and the Motion for Final Approval, it shall e-
12 mail a draft of said motion and/or pleading to Defense Counsel at least 7 calendar days prior to its
13 filing.

14 **I. Financial Condition Information**

15 To the extent the Court requires the Parties to submit information regarding Defendant's
16 financial conditions for purposes of preliminary and/or final approval of the Agreement, the Parties
17 expressly agree to meet and confer for purposes of submitting such information under seal, for *in*
18 *camera* review, and/or other means permitted by the Court (e.g., declaration).

19 **J. Counterparts**

20 This Agreement, and any amendments hereto, may be executed in any number of counterparts,
21 or signed electronically, each of which when executed and delivered shall be deemed to be an original
22 and all of which taken together shall constitute but one and the same instrument. This Agreement
23 will become effective on the date when the last person signs and dates it.

24 **K. Integration Clause**

25 This document, along with any exhibits attached hereto, constitutes the complete and entire
26 Agreement between the parties pertaining to the subject matter hereof, and the final, complete and
27 exclusive expression of the terms and conditions of their Agreement. Any and all prior agreements,
28 representations, negotiations, and understandings between the parties, oral or written, express or

1 implied, are hereby superseded and merged herein.

2
3 **IN WITNESS WHEREOF**, the parties hereto execute this Agreement and have caused this
4 Agreement to be executed by their duly authorized representatives.

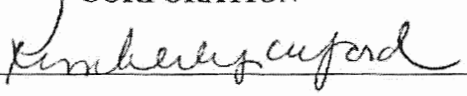
5 **PLAINTIFF &**
6 **CLASS REPRESENTATIVE**

7 Date: _____

8 MICHAEL SUORSA
9 Personally and as Representative Plaintiff

10 **NORTHEAST VALLEY HEALTH**
11 **CORPORATION**

12 Date: 11/8/21

13 

14 Its Authorized Representative.

15 **APPROVED AS TO FORM AND CONTENT**

16 **BOYAMIAN LAW FIRM, INC**

17
18 Date: _____

19 MICHAEL H. BOYAMIAN, ESQ.
20 Attorneys for Plaintiff and the Proposed Class

21 **LANDEGGER VERANO & DAVIS, ALC**

22 Date: 11/8/2021

23 

24 ALFRED LANDEGGER, ESQ.
25 EVELYN ZARRAGA, ESQ.
26 Counsel for Defendant
27 NORTHEAST VALLEY HEALTH CORPORATION
28

implied, are hereby superseded and merged herein.

IN WITNESS WHEREOF, the parties hereto execute this Agreement and have caused this Agreement to be executed by their duly authorized representatives.

**PLAINTIFF &
CLASS REPRESENTATIVE**

Date: 11/9/2021

Michael Suorsa

MICHAEL SUORSA
Personally and as Representative Plaintiff

**NORTHEAST VALLEY HEALTH
CORPORATION**

Date: _____

Its Authorized Representative.

APPROVED AS TO FORM AND CONTENT

BOYAMIAN LAW FIRM, INC

Date: November 8, 2021

Michael H. Boyamian
MICHAEL H. BOYAMIAN, ESQ.
Attorneys for Plaintiff and the Proposed Class

LANDEGGER VERANO & DAVIS, ALC

Date: _____

ALFRED LANDEGGER, ESQ.
EVELYN ZARRAGA, ESQ.
Counsel for Defendant
NORTHEAST VALLEY HEALTH CORPORATION