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SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SACRAMENTO

JENNIFER WARD, individually and on
behalf of all other similarly-aggrieved
employees,

Plaintiff,

vs.

SUTTER VALLEY HOSPITALS, a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No. 34-2020-00279954

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

Judge: Hon. Lauri A. Damrell
Dept.: 22
Complaint Filed: June 4, 2020

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Attorneys for Plaintiffs Jennifer Ward and Sacora Besabe, on behalf
of themselves and all others similarly situated and/or similarly aggrieved and
as proxies for the State of California

1. This Joint Stipulation of Class Action and PAGA Settlement and Release (“**Agreement**” or “**Stipulation**”) is made by and between, on the one hand, Plaintiffs Jennifer Ward and Sacora Besabe (“**Plaintiffs**”), on behalf of themselves and all others similarly-situated, including all members of the Settlement Class as defined below, and (as to Plaintiff Ward only) on behalf of all similarly-aggrieved employees and members of the general public, as proxy for the State of California, and, on the other hand, Defendant Sutter Valley Hospitals (“**Defendant**”), (collectively, “**the Parties**”), in the above-captioned matter.

DEFINITIONS

2. In addition to the terms defined above, the terms below shall have the following meanings:

A. **“Actions”** means Plaintiffs’ lawsuits or unfiled complaints captioned (1) *Jennifer Ward and Sacora Besabe, on behalf of themselves and all others similarly situated v. Sutter Valley Hospitals*, E. Dist. of Cal. No. 2:19-CV00581-KJM-AC, originally filed on February 13, 2019; (2) *Jennifer Ward, individually and on behalf of all other similarly-aggrieved employees v. Sutter Valley Hospitals*, Sacramento County Superior Court No. 34-2020-00279954, originally filed on June 4, 2020; and (3) a draft complaint entitled *Cecelia Guillen et al v. Sutter Valley Hospitals*, dated June 7, 2023, but as yet unfiled in Sacramento County Superior Court.

B. **“Class” or “Settlement Class”** means all current and former non-exempt employees employed by Defendant in California as surgical technicians, anesthesia technicians, and in similar positions performing similar work duties at any time from February 13, 2015 through February 1, 2024, including those employees of Defendant who, by virtue of their employment in these positions, were excluded from the settlement class in *Sandra Muniz v. Sutter Valley Hospitals*, Sacramento County Superior Court No. 34-2017-00209151-CU-OE-ODS.

C. **“Class Counsel”** means David R. Markham and Lisa R. Brevard of The Markham Law Firm; Isam C. Khoury, Michael D. Singer and Maggie K. Realin of Cohelan Khoury & Singer; and Richard E. Quintilone of Quintilone & Associates. The term “Class Counsel” shall be used synonymously herein with the term “Plaintiffs’ Counsel.”

D. **“Class Counsel Fees” and “Class Counsel Costs”** means the amounts to be paid

1 to Class Counsel for fees and expenses, respectively, as approved by the Court, to compensate
2 Class Counsel for their legal work in connection with the Actions and their related litigation
3 expenses incurred in connection with the Actions.

4 E. **“Class Data”** means information regarding Class Members that Defendant shall
5 compile from its records, as authorized by the Court, and transmit securely to the Settlement
6 Administrator, including each Class Member’s name, last known mailing address, Social Security
7 number, last known telephone number, dates of employment in class positions during the Class
8 Period, and other information necessary for the Settlement Administrator to calculate the number
9 of Compensable Workweeks worked during the Class and PAGA Periods.

10 F. **“Class Member”** or **“Settlement Class Member”** means a member of the Class,
11 as either a Participating Class Member or Non-Participating Class Member (including a Non-
12 Participating Class Member who qualifies as a PAGA-Eligible Employee).

13 G. **“Class Members’ Released Claims”** means the claims being released by the
14 Participating Class Members, as described in Paragraph 25 below.

15 H. **“Class Notice”** means the Court-Approved Notice of Pendency of Class Action
16 Settlement and Final Hearing, to be mailed to Class Members in the form, without material
17 variation, attached as Exhibit A and incorporated by reference into this Agreement.

18 I. **“Class Period”** means the period from February 13, 2015 through May 1, 2024.

19 J. **“Class Period End Date”** means May 1, 2024.

20 K. **“Class Representatives”** means Jennifer Ward and Sacora Besabe, the named
21 Plaintiffs in the federal court Action, who are seeking Court approval to serve as the Class
22 Representatives for settlement purposes.

23 L. **“Class Representatives’ Service Award”** means the amounts to be paid to the
24 Class Representatives for initiating the Actions and providing services in support of the Actions,
25 as approved by the Court.

26 M. **“Compensable Workweeks”** means the number of calendar weeks that a Class
27 Member was employed by Defendant as a non-exempt surgical technician, anesthesia technician,
28 or in a similar position performing similar work duties at any time in California during the Class

1 Period, including the PAGA Period.

2 N. **“Court”** means, unless stated otherwise, the Sacramento County Superior Court
3 presiding over the settlement approval process.

4 O. **“Defense Counsel”** means Thomas E. Geidt, Teresa W. Ghali and Rachel E.
5 Davey of GBG LLP.

6 P. **“Effective Date”** is the date on which the Settlement becomes **“Final,”** which
7 means the latest date on which the following events have occurred: (i) the Superior Court has
8 granted Final Approval and entered its Final Judgment approving the Settlement, without material
9 modification, if there are no objections to the Settlement or if any and all objections have been
10 withdrawn by the time of the Final Approval order; or (ii) if there are any objections, and they
11 have not been withdrawn by the time of the Final Approval order, the day after the deadline for
12 filing a notice of appeal from the Final Judgment has passed without a timely appeal having been
13 filed; or (iii) if a timely appeal from the Final Judgment is filed, the day after the appellate court
14 affirms the Judgment and issues a remittitur.

15 Q. **“Final Approval”** means the Court’s order granting final approval of the
16 Settlement.

17 R. **“Final Approval Hearing”** means the Court’s hearing on the motion for Final
18 Approval of the Settlement.

19 S. **“Final Judgment”** means the Judgment entered by the Court upon granting Final
20 Approval of the Settlement.

21 T. **“Individual Class Payment”** means the Participating Class Member’s pro rata
22 share of the Net Settlement Amount calculated according to the number of Compensable
23 Workweeks worked during the Class Period, as explained below in Paragraph 21.

24 U. **“Individual PAGA Payment”** means the pro rata share of 25% of the PAGA
25 Payment, calculated according to the number of Compensable workweeks worked during the
26 PAGA Period by the eligible Class Members, whether or not they requested to be excluded from
27 the Settlement, as explained below in Paragraph 22.

28 V. **“LWDA”** means the California Labor and Workforce Development Agency.

1 W. **“LWDA PAGA Payment”** means the 75% share of the PAGA Payment paid to
2 the LWDA under Labor Code section 2699(i).

3 X. **“Maximum Settlement Amount”** means Seven Hundred and Seventy Five
4 Thousand Dollars and No Cents (\$775,000.00), which is the total amount Defendant shall have to
5 pay under the Settlement, except as provided in Paragraph 24 below, regarding employer payroll
6 taxes on the wage payments being made under the Settlement, and potentially as provided in
7 Paragraph 43 below regarding an increase in the workweek amount. The Maximum Settlement
8 Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA
9 PAGA Payment, the Class Counsel Award for fees and costs, the Class Representatives’ Service
10 Awards, and the Settlement Administration Costs. This excludes the employer’s contribution of
11 payroll taxes due on the settlement payments apportioned as wages, which Defendant will pay
12 outside of the Maximum Settlement Amount.

13 Y. **“Net Settlement Amount”** means the Maximum Settlement Amount, less the
14 amounts awarded for Class Counsel Fees, Class Counsel Costs, the Class Representatives’
15 Service Award, the PAGA Payment, and the Settlement Administration Costs.

16 Z. **“Non-Participating Class Member”** means any Class Member who opts out of
17 the Settlement by sending the Settlement Administrator a valid and timely Request for Exclusion.

18 AA. **“Objection”** means a Class Member’s valid and timely submission of a written
19 objection to the Settlement to the Settlement Administrator within the Response Deadline,
20 provided that the Class Member did not submit a Request for Exclusion.

21 BB. **“PAGA”** means the California Private Attorneys General Act of 2004, Labor
22 Code §§ 2698. *et seq.*

23 CC. **“PAGA-Eligible Employees”** means current and former non-exempt employees
24 who were employed by Defendant in Class positions from March 3, 2019 through February 1,
25 2024.

26 DD. **“PAGA Payment”** means the total amount of Seventy-Seven Thousand and Five
27 Hundred Dollars (\$77,500.00), in full settlement of Plaintiffs’ claims in the Actions for civil
28 penalties under PAGA, subject to the Court’s approval, to be paid from the Maximum Settlement

1 Amount. Of this amount, 75% (\$58,125.00) will be paid to the LWDA and 25% (\$19,375.00)
2 will be paid to the PAGA-Eligible Employees, whether or not they opt out of the Class
3 Settlement.

4 EE. **“PAGA Period”** means the period from March 3, 2019 through May 1, 2024.

5 FF. **“PAGA-Released Claims”** means the PAGA claims being released as described
6 in Paragraph 27 below.

7 GG. **“Participating Class Member”** means a Class Member who does not submit a
8 valid and timely Request for Exclusion from the Settlement.

9 HH. **“Preliminary Approval Order”** means the Court’s Order granting preliminary
10 approval of the Settlement.

11 II. **“Released Parties”** means Defendant and all of its former and present parents,
12 corporate members, subsidiaries, divisions, and affiliated companies, and their respective officers,
13 directors, employees, partners, shareholders, agents, insurers, successors, assigns, and legal
14 representatives.

15 JJ. **“Request for Exclusion”** means a Class Member’s valid and timely submission of
16 a written request to the Settlement Administrator to be excluded from the Class Settlement,
17 signed by the Class Member.

18 KK. **“Response Deadline”** means 60 days after the Settlement Administrator mails the
19 Class Notice to the Class Members, and shall be the last date on which Class Members may mail
20 or fax (1) Requests for Exclusion from the Settlement, (2) an Objection to the Settlement, or (3) a
21 dispute over the number of Compensable Workweeks attributed to them in the Class Notice,
22 unless the Response Deadline is extended by up to seven calendar days as the result of a re-
23 mailing of the Class Notice, as explained below in Paragraph 37.

24 LL. **“Settlement Administrator”** or **“Administrator”** means Phoenix Settlement
25 Administrators, the neutral entity that the Parties have agreed to appoint to administer the
26 Settlement, subject to approval by the Court.

27 MM. **“Settlement Administration Costs”** means the Court-approved fees and
28 reasonable costs incurred by the Settlement Administrator to administer the Settlement, currently

1 estimated to be \$9,000, to be reimbursed to the Settlement Administrator from the Maximum
2 Settlement Amount.

3 RECITALS

4 3. **The Federal Action.** On February 13, 2019, Plaintiff Jennifer Ward filed her
5 initial complaint in the matter now pending in the Eastern District of California as *Jennifer Ward*
6 *and Sacora Besabe vs. Sutter Valley Hospitals*, asserting individual, class, and collective wage
7 and hour claims under California law and the Fair Labor Standards Act (“FLSA”) on behalf of
8 current and former employees employed by Defendant as surgical technicians or in similar
9 technician positions. Plaintiffs’ operative complaint alleges federal claims for failure to pay
10 overtime and minimum wages under the FLSA and California claims for (1) failure to pay
11 overtime and minimum wages; (2) failure to provide meal periods; (3) failure to provide rest
12 periods; (4) failure to provide itemized wage statements; (5) failure to pay wages twice monthly;
13 (6) failure to reimburse business expenses; (7) failure to pay termination pay; and (8)) unlawful
14 business practices the Unfair Competition Law (“UCL”). The Court in that matter (“**the Federal**
15 **Action**”) denied Plaintiffs’ motions for class and collective certification and Plaintiffs’ complaint,
16 therefore, is now proceeding solely on behalf of Plaintiffs Ward and Besabe as individuals.

17 4. **The PAGA Action.** On June 4, 2020, Plaintiff Jennifer Ward filed a
18 representative action in Sacramento County Superior Court solely under PAGA, Case No. 34-
19 2020-00279954, seeking civil penalties for essentially the same underlying California wage and
20 hour claims as those asserted in the Federal Action (“**the PAGA Action**”) on behalf of the
21 surgical technicians and others she has sought to represent in the Federal Action.

22 5. **The Guillen Claims.** On or around June 7, 2023, Plaintiffs’ counsel presented
23 Defense Counsel with an unfiled draft complaint captioned in Sacramento County Superior Court,
24 asserting essentially the same California claims as those alleged in the Federal Action on behalf
25 of 66 named individuals (“**the Guillen Plaintiffs**”) who had sought to be included as class
26 members in the Federal Action.

27 6. **Mediation.** On February 1, 2024, the Parties participated in a full-day, arms-
28 length mediation before Michael Dickstein of all three Actions. With the assistance of the

1 mediator, the Parties were able to come to a settlement of the claims in the Actions, subject to the
2 Court's approval. The settlement was memorialized in a Memorandum of Understanding, subject
3 to later completion of this long-form Settlement Agreement. The Parties have filed Notices of
4 Settlement with the Sacramento Superior and Eastern District Courts in the Actions, and the
5 Parties intend that further active litigation in both actions shall be stayed and suspended pending
6 the approval of this Settlement.

7 **7. Benefits of Settlement to Plaintiffs and the Class Members.** Plaintiffs and
8 Class Counsel recognize the expense and length of continued proceedings necessary to litigate
9 Plaintiffs' disputes in these Actions through trial and through any possible appeals. Plaintiffs
10 have also taken into account the uncertainty and risks of the outcome of further litigation, and the
11 difficulties and delays inherent in such litigation, particularly given the prior denials of class
12 certification in the Federal Action. Plaintiffs and Class Counsel also are aware of the burdens of
13 proof necessary to establish liability for the claims asserted in the Lawsuits, both generally and in
14 response to Defendant's defenses thereto, and the difficulties in establishing damages, penalties,
15 restitution and other relief sought in the Actions. Plaintiffs and Class Counsel also have taken
16 into account Defendant's agreement to enter into a settlement that confers substantial benefits
17 upon the Class Members. Based on the foregoing, Plaintiffs and Class Counsel have determined
18 that the Settlement set forth in this Agreement is fair, adequate, and reasonable and is in the best
19 interests of all Class Members.

20 **8. Defendant's Reasons for Settlement.** Defendant has concluded that further
21 defense of the Actions would be protracted and expensive. Substantial amounts of Defendant's
22 time, energy, and resources have been, and unless this Settlement is completed, shall continue to
23 be, devoted to the defense of the claims asserted by Plaintiffs. Defendant also has taken into
24 account the risks of further litigation in reaching its decision to enter into this Settlement. Even
25 though Defendant contends that it is not liable for any of the claims alleged by Plaintiffs in the
26 Actions and denies any liability whatsoever, Defendant, nonetheless, has agreed to settle in the
27 manner and upon the terms set forth in this Stipulation and to fully and finally put to rest the
28 claims alleged in the Actions.

CLASS CERTIFICATION

9. The Parties agree that the claims pled in the three Actions are closely interrelated and overlapping, and that it makes sense therefore to enter into a global settlement of the claims contained in all three Actions.

10. In conjunction with the Motion for Preliminary Approval, the Parties will file a stipulation and order requesting approval for Plaintiffs to file an amended complaint in what is now the Ward PAGA Action in Sacramento County Superior Court, adding Plaintiff Besabe as a named plaintiff and incorporating the class claims now found in the Federal Action. That amended complaint will be deemed filed as of the date the Court grants preliminary approval, and Defendant need not submit a responsive pleading to this amended complaint.

11. Upon approval of this Settlement and the running of any appeals period, Plaintiffs Ward and Besabe, with the cooperation of Defendant, will promptly take the necessary steps to request that the Federal Action be dismissed in its entirety with prejudice. Distribution of any payments under this Settlement shall be contingent upon the prior filing of all necessary dismissal paperwork in the Federal Action.

12. Likewise, in consideration of this Class Settlement and the Class Members' Releases herein, Plaintiffs and their counsel will refrain from ever filing their draft *Guillen* Complaint on behalf of the 66 named plaintiffs therein, or any other complaint alleging any of the Labor Code and Business & Professions Code claims that are covered by the releases set forth herein.

13. **Stipulated Settlement Class.** Solely for purposes of settling the Actions, the Parties have agreed to the certification of a Settlement Class as defined herein.

14. **Certification Is for Settlement Only.** For purposes of this Settlement, the Parties stipulate and agree that the requisites for establishing class certification with respect to the Class have been met and are met. More specifically, for purposes of settlement only, the Parties stipulate and agree that the Settlement Class is ascertainable and so numerous as to make it impracticable to join all Class Members; and that there are common questions of law and fact including, but not limited to, whether Defendant failed to provide meal periods and/or to pay meal

1 premiums in lieu thereof at the regular rate of compensation as required under Labor Code section
2 226.7, whether defendant failed to authorize and permit rest breaks and/or to pay rest break
3 premiums in lieu thereof at the regular rate of compensation as required under Labor Code section
4 226.7; whether Defendant failed to accurately pay overtime, minimum, or regular wages, by
5 failing to pay for off the clock work or failing to pay overtime at the correct regular rate of pay;
6 whether Defendant failed to reimburse employees for business expenses under Labor Code
7 section 2802; whether Defendant failed to furnish accurate, itemized wage statements to all Class
8 Members in accordance with Labor Code section 226; and whether Defendant is liable to the
9 Class Members for derivative waiting time penalties pursuant to Labor Code section 203, among
10 other common issues.

11 15. **Certification Stipulation Nullified if Settlement Not Approved.** Should this
12 Settlement not become final for whatever reason, the Parties shall return to the status quo ante,
13 and the draft amended complaint alleging the class claims previously asserted (and rejected) in
14 the Federal Action will not be filed in any court. Further, the fact that the Parties were willing to
15 stipulate provisionally to class certification as part of the Settlement shall have no bearing on, and
16 shall not be admissible in connection with, the issue of whether a class should be certified in a
17 non-settlement context in the Actions. Should this Settlement not become final, no class claims
18 shall be pled, and Defendant expressly reserves its right to oppose class certification, as it has
19 successfully done previously in this matter.

20 **MONETARY TERMS OF THE SETTLEMENT**

21 16. **Maximum Settlement Amount.** The claims of all members of the Settlement
22 Class and the PAGA-Eligible Employees, collectively, are settled for a maximum sum of Seven
23 Hundred and Seventy-Five Thousand Dollars and No Cents (\$775,000.00) (“the Maximum
24 Settlement Amount”). This Maximum Settlement Amount is inclusive of the Class Counsel Fees
25 and Class Counsel Costs; the Class Representatives’ Service Award to Plaintiffs Jennifer Ward
26 and Sacora Besabe; the Settlement Administration Costs; and the PAGA Payments to the LWDA
27 and the PAGA-Eligible Employees, all as approved by the Court. This excludes the employer’s
28

1 contribution of payroll taxes due on the settlement payments apportioned as wages, which
2 Defendant will pay outside of (in addition to) the Maximum Settlement Amount.

3 17. **Class Counsel Fees and Class Counsel Costs.** Class Counsel shall be entitled to
4 request attorneys' fees in an amount not to exceed one-third (33.33%) of the Maximum
5 Settlement Amount – that is, not to exceed Two Hundred Fifty Eight Thousand Three Hundred
6 Thirty-Three Dollars and Thirty-Three Cents (\$258,333.33), plus reasonable costs not to exceed
7 Fifty Five Thousand Dollars (\$55,000.00). Class Counsel's request for such attorneys' fees and
8 costs shall be subject to approval by the Court. In the event the Court awards Class Counsel less
9 than these (or any other) requested amounts, the difference shall become part of the Net
10 Settlement Amount and shall be distributed to Participating Class Members as part of their
11 Individual Settlement Awards. Class Counsel shall be solely and legally responsible to pay all
12 applicable taxes due on the Class Counsel Award. Class Counsel shall provide the Settlement
13 Administrator with properly completed and signed copies of their IRS Form W-9(s) in order for
14 the Settlement Administrator to process the Class Counsel Award approved by the Court. The
15 Settlement Administrator shall issue an IRS Form 1099 to Class Counsel for the amount of the
16 Class Counsel Award.

17 18. **Class Representatives' Service Awards.** For purposes of this Settlement only,
18 the Parties agree to the designation of Plaintiffs Jennifer Ward and Sacora Besabe as the Class
19 Representatives. In recognition of their time and effort in bringing and presenting the Actions
20 and for releasing the Plaintiffs' Released Claims, Plaintiffs shall request a Class Representatives'
21 Service Award not to exceed Twelve Thousand Five Hundred Dollars (\$12,500.00) per Plaintiff.
22 Plaintiffs' request for such award shall be subject to approval by the Court. Defendant agrees not
23 to oppose or object to Plaintiffs' request for a Class Representatives' Service Award that does not
24 exceed this amount. The Class Representatives' Service Award will be in addition to Plaintiffs'
25 Individual Class Payments paid pursuant to the Settlement and/or any PAGA Payment paid to
26 them pursuant to the Settlement. The Settlement Administrator shall issue an IRS Form 1099 to
27 Plaintiffs for their Class Representatives' Service Awards. Plaintiffs shall be solely and legally
28 responsible to pay any and all applicable taxes due on their Class Representatives' Service

1 Awards. Any amount requested by Plaintiffs for the Class Representatives' Service Awards and
2 not awarded by the Court shall become part of the Net Settlement Amount and shall be
3 distributed to Participating Class Members as part of their Individual Settlement Awards.

4 19. **Settlement Administration Costs.** Subject to the Court's approval, Defendant
5 shall reimburse the Settlement Administration Costs, which are currently estimated to not exceed
6 Nine Thousand Dollars (\$9,000.00), to be paid from the Maximum Settlement Amount. Prior to
7 the filing of Plaintiffs' Motion for Final Approval of the Settlement, the Settlement Administrator
8 shall provide the Parties with a statement detailing the Settlement Administration Costs to date.

9 20. **PAGA Payments.** Defendant shall pay the total sum of Seventy-Seven Thousand
10 and Five Hundred Dollars (\$77,500.00) to resolve the claims asserted by Plaintiff Ward, as proxy
11 for the State of California and by the State of California itself (including the LWDA), for civil
12 penalties under PAGA. Seventy-five percent (75%) of this amount (\$58,125.00) will be paid to
13 the LWDA. The remaining twenty-five percent (25%) (\$19,375.00) will be distributed to the
14 PAGA-Eligible Employees, based on their proportionate share of Compensable Pay Periods
15 worked during the PAGA Period. These PAGA Payments will be paid out of the Maximum
16 Settlement Amount.

17 21. **Individual Class Payments.** The Settlement Administrator will determine the
18 Net Settlement Amount by deducting the Class Counsel Fees and Costs, the Class
19 Representatives' Service Award, the PAGA Payment, and the Settlement Administration Costs
20 from the Maximum Settlement Amount. The Settlement Administrator will distribute the
21 Individual Class Payments to the Participating Class Members from the Net Settlement Amount.
22 The Administrator will calculate each Participating Class Member's Individual Class Payment by
23 determining the total number of Compensable Workweeks worked by all Participating Class
24 Members during the Class Period, dividing that number into the Net Settlement Amount to
25 determine the per-workweek value of each Compensable Workweek, and then multiplying that
26 sum by the number of Compensable Workweeks worked by each Participating Class Member
27 during the Class Period.

1 22. **Individual PAGA Payments.** The Settlement Administrator will calculate each
2 eligible employee's Individual PAGA Payment by dividing the 25% portion of the PAGA
3 Payment to be distributed to those individuals, i.e. Nineteen Thousand Three Hundred and
4 Seventy Five Dollars and Zero Cents (\$19,375.00), by the total number of Compensable
5 Workweeks worked by all of the PAGA-Eligible Employees during the PAGA Period to derive
6 the per-workweek value of the Individual PAGA Payments, and then multiplying that sum by the
7 number of Compensable Workweeks worked by each such employee during the PAGA Period.

8 23. **Tax Treatment of Individual Class and PAGA Payments.** Individual
9 Settlement Awards shall be allocated as follows: 20% as alleged unpaid wages subject to all
10 applicable tax withholdings and 80% as alleged unpaid interest and penalties. The Settlement
11 Administrator shall issue an IRS Form W-2 to each Participating Class Member for the portion of
12 each Individual Settlement Award allocated as unpaid wages. These payments shall be subject to
13 all applicable tax withholdings. The Settlement Administrator shall issue an IRS Form 1099 to
14 each Participating Class Member for the remaining portion of each Individual Settlement Award.
15 The Settlement Administrator shall also issue an IRS Form 1099 for the Individual PAGA
16 Payments. The non-wage portions of the Individual Settlement Awards and the entirety of the
17 Individual PAGA Payments will be allocated as non-wage penalties and interest and shall not be
18 subject to payroll tax withholdings.

19 24. **Employer Payroll Taxes.** The Maximum Settlement Amount shall resolve,
20 satisfy and completely extinguish all of Defendant's liability with respect to the Class Members,
21 except that Defendant shall be responsible for paying the employer's share of payroll taxes on the
22 portion of the Individual Settlement Awards that constitute wages. Defendant will pay these
23 taxes, as calculated by the Settlement Administrator, in addition to the Maximum Settlement
24 Amount. Upon Defendant's funding of the Maximum Settlement Amount and the employer
25 portion of payroll taxes on the portion of the Individual Settlement Awards that constitutes wages,
26 Defendant shall have no further payment or defense obligation whatsoever with respect to any
27 claims covered by this Settlement made or asserted by any person or entity anywhere in the world
28 in connection with the Class Members.

RELEASES

25. **Class Members' Released Claims.** Effective on the date when Defendant fully funds the Maximum Settlement Amount and its share of employer payroll taxes owed on the wage portion of the Settlement Payments, Plaintiffs and all Participating Class Members will fully, finally and forever release, settle, compromise, relinquish, and discharge Defendant and all of the Released Parties from any and all claims, rights, demands, liabilities, and causes of action of every nature and description, arising during the Class Period, including statutory, contractual, or common law claims for wages, damages, penalties, liquidated damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief – whether asserted under the California Labor Code, Business and Professions Code §§ 17200 *et seq.*, the applicable wage orders at California Code of Regulations, Title 8, Section 11000 *et seq.*, the Fair Labor Standards Act ("FLSA"), or otherwise – that were or could have been alleged based on the factual allegations in Plaintiffs' operative Complaints herein, including but not limited to: (a) any and all claims for failure to provide meal periods and/or to pay meal premiums in lieu thereof at the correct regular rate of compensation as required under Labor Code section 226.7; (b) any and all claims for failure to authorize and permit rest breaks and/or to pay rest break premiums in lieu thereof at the correct regular rate of compensation as required under Labor Code section 226.7; (c) any and all claims for unpaid or untimely payment of overtime, minimum wages or regular wages, including but not limited to claims alleging failure to pay for "off the clock" work and/or failure to pay overtime at the correct regular rate of pay; (d) any and all claims for failure to reimburse employees for business expenses under Labor Code section 2802, including but not limited to cell phone, data plan, and surgical shoe expenses; (e) any and all derivative claims arising from the claims listed above in subparagraphs (a) through (d) for failure to furnish accurate itemized wage statements in accordance with Labor Code section 226, and including any associated claims for penalties under Labor Code section 226(e) and/or any claims for failure to maintain complete and accurate payroll records; (f) any and all derivative claims arising from the claims listed above in subparagraphs (a) through (d) for failure to provide wages when due upon separation of

1 employment under Labor Code sections 201-203; and (g) any and all claims for attorneys' fees
2 and costs.

3 26. **FLSA Release.** Inasmuch as Plaintiffs' Federal Action asserts claims under the
4 FLSA, the Parties intend that this Settlement shall release the Participating Class Members'
5 FLSA claims to the fullest extent permitted by law upon the Court's approval of the Settlement.
6 Accordingly, Participating Class Members who timely cash or otherwise negotiate their
7 Settlement checks will be deemed to have opted into the Actions for purposes of the FLSA, and
8 their Released Claims shall include any and all claims they may have for unpaid overtime or
9 minimum wages under the FLSA arising during the Class Period. The following language will be
10 printed on the reverse side of each Settlement check, or words to this effect: "By endorsing or
11 otherwise negotiating this check, I acknowledge that I have read, understand, and agree to the
12 terms set forth in the [Class Notice], and I consent to join in the Fair Labor Standards Act
13 ("FLSA") portion of the Actions, elect to participate in the settlement of the FLSA claims, and
14 agree to release all of my FLSA claims that are covered by the Settlement."

15 27. **PAGA-Released Claims.** Effective on the date when Defendant fully funds the
16 Maximum Settlement Amount and its share of employer payroll taxes owed on the wage portion
17 of the Settlement Payments, Plaintiff Jennifer Ward, as an agent and proxy of the State of
18 California (including the LWDA), acting on behalf of the PAGA-Eligible Employees, shall
19 release Defendant and all of the Released Parties from any and all claims for PAGA civil
20 penalties arising during the PAGA Period out of the California Private Attorneys General Act of
21 2004, Labor Code §§ 2698 *et seq.*, based on any of the underlying claims and factual allegations
22 that were alleged, or reasonably could have been alleged in Plaintiffs' operative Complaints and
23 draft Complaint in the Actions and/or in Plaintiff Ward's notice letter(s) provided to the LWDA,
24 including but not limited to claims for: (a) failure to provide meal periods and/or to pay meal
25 premiums in lieu thereof at the regular rate of compensation; (b) failure to authorize and permit
26 rest breaks and/or to pay rest break premiums in lieu thereof at the regular rate of compensation;
27 (c) unpaid or untimely payment of overtime, minimum wages or regular wages, including but not
28 limited to failure to pay for "off the clock" work and/or failure to pay overtime at the correct

1 regular rate of pay; (d) failure to reimburse employees for business expenses, including but not
2 limited to cell phone, data plan, and surgical shoe expenses; (e) failure to timely pay wages
3 during employment; (f) failure to timely pay wages owed upon separation from employment; (g)
4 failure to furnish accurate itemized wage statements and/or comply with applicable recordkeeping
5 requirements; (h) violation of the UCL; and (i) any and all claims for attorneys' fees and costs.

6 **28. No Right to Opt Out of PAGA Settlement.** It is understood and agreed that
7 PAGA-Eligible Employees will not have the opportunity to opt out of this PAGA Release even if
8 they have requested to be excluded from the Class Settlement. It is the intent of the Parties that,
9 to the fullest extent permitted by law, the PAGA-Eligible Employees will be deemed to have
10 released all such PAGA claims arising during the PAGA Period.

11 **29. Plaintiffs' Additional Release.** In addition to the Class Members' Released
12 Claims and the PAGA-Released Claims, Plaintiffs Ward and Besabe, in their individual
13 capacities, agree to release the Released Parties from any and all claims they may have, known
14 and unknown, under federal, state and/or local law, statute, ordinance, regulation, common law,
15 or other source of law, arising as of the date of execution of this Agreement, including but not
16 limited to claims arising from or related to their employment with Defendant, their terminations
17 (if any), their compensation while in Defendant's employ, and all other dealings they have had
18 with the Released Parties. Plaintiffs expressly waive and relinquish all rights and benefits of
19 section 1542 of the Civil Code of the State of California, and do so understanding and
20 acknowledging the significance and consequence of specifically waiving their rights under
21 section 1542 not to otherwise release unknown claims. Section 1542 of the Civil Code of the
22 State of California states as follows:

23 A general release does not extend to claims that the creditor or
24 releasing party does not know or suspect to exist in his or her favor
25 at the time of executing the release and that, if known by him or
26 her, would have materially affected his or her settlement with the
27 debtor or released party.

28 Notwithstanding the provisions of section 1542, and to implement a full and complete
release and discharge of the Released Parties, Plaintiffs expressly acknowledge that this
Agreement is intended to include in its effect, without limitation, all claims that Plaintiffs do not

1 know or suspect to exist in their favor at the time of signing this Agreement, and that this
2 Agreement contemplates the extinguishment of any such claims.

3 **MOTION FOR PRELIMINARY APPROVAL**

4 30. **Mutual Duty of Cooperation to Seek Approval.** The Parties agree to work
5 diligently and cooperatively to have this Settlement expeditiously presented to the Court for
6 preliminary approval. Class Counsel shall prepare a draft motion for preliminary approval,
7 including a proposed Preliminary Approval Order, and will circulate the draft to Defense Counsel
8 at least five (5) business days in advance of its filing. Upon filing the motion for preliminary
9 approval, Class Counsel shall also timely submit any required notices of this Agreement to the
10 LWDA as may be required by Labor Code sections 2699(1)(2) and (3) or other provisions of
11 PAGA.

12 31. **Contents of Preliminary Approval Order.** As part of the motion for preliminary
13 approval, the Parties shall apply to the Court for the entry of an Order as follows:

- 14 a. Certifying the Settlement Class for settlement purposes only;
- 15 b. Approving, as to form and content, the proposed Class Notice (**Exhibit 1**
16 attached hereto);
- 17 c. Approving the manner and method for Class Members to object to or
18 request exclusion from the Settlement, as contained herein and within the Class Notice;
- 19 d. Directing the mailing of the Class Notices to Class Members, by first class
20 mail;
- 21 e. Preliminarily approving the Settlement, subject only to the objections of
22 Class Members and final review by the Court;
- 23 f. Accepting and deeming filed the amended complaint alleging the class
24 claims previously alleged in the Federal Action; and
- 25 g. Setting a date and time for the Final Approval Hearing.

26 32. **Resolution of Court Concerns.** If the Court does not initially grant preliminary
27 approval or conditions preliminary approval on any material change to this Agreement, Class
28

Counsel and Defense Counsel will expeditiously work together, and in good faith, to modify the Agreement and/or otherwise satisfy the Court's concerns.

SETTLEMENT ADMINISTRATION

33. **Selection of Settlement Administrator.** The Parties have jointly selected Phoenix Settlement Administrators ("PSA") to serve as the Settlement Administrator and verified that, as a condition of appointment, PSA agrees to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of the Settlement Administration Costs. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Settlement Administrator other than a professional relationship arising out of prior experiences administering settlements.

34. **Qualified Settlement Fund.** The Settlement Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under U.S. Treasury Regulation section 468B-1. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities, except as otherwise required or permitted by law.

35. **Transmission of Class Data to Administrator.** Within forty-five (45) calendar days after the Court grants preliminary approval of the Settlement, to the extent practicable, Defendant will securely provide the Settlement Administrator with the Class Data, including the names, last known addresses and telephone numbers, and social security numbers of the Class Members. In addition, Defendant will provide the Settlement Administrator with data indicating the number of workweeks worked by each Class Member during the relevant Class Period and PAGA Period, as reflected in Defendant's records, or data that will otherwise enable the Settlement Administrator to compute the number of applicable workweeks. The Settlement Administrator will retain the Class Data and will not share it with Class Counsel except as otherwise permitted herein.

36. **Mailing of Class Notices.** Within fourteen (14) calendar days after receiving the Class Data from Defendant, the Settlement Administrator shall mail copies of the Court-approved Class Notice to all Class Members via regular First-Class U.S. Mail. The Settlement

1 Administrator shall exercise its best judgment to determine the current mailing address for each
2 Class Member as informed by the parties' input. The address identified by the Settlement
3 Administrator as the current mailing address shall be presumed to be the most current mailing
4 address for each Class Member. The Settlement Administrator shall perform a search based on
5 the National Change of Address Database maintained by the United States Postal Service to
6 update and correct any known or identifiable address changes. The Parties agree that this
7 procedure for notice provides the best notice practicable to Class Members and fully complies
8 with due process.

9 **37. Undeliverable Class Notices.** Any Settlement Notice returned to the Settlement
10 Administrator as non-deliverable on or before the Response Deadline shall be re-mailed to the
11 forwarding address affixed thereto within five (5) calendar days of receipt of the returned Class
12 Notice by the Settlement Administrator. If no forwarding address is provided, the Administrator
13 shall attempt to determine a correct address by the use of skip-tracing, or other type of automated
14 search, using the name, address and/or Social Security number of the Class Member involved,
15 and shall then perform a re-mailing to the Class Member whose Class Notice was returned as
16 non-deliverable within five (5) calendar days of receipt of the returned Notice by the
17 Administrator, assuming another mailing address is identified by the Administrator. The
18 deadlines for Class Members to submit written Objections, Requests or Exclusion, or challenges
19 to Compensable Workweeks will be extended an additional seven (7) calendar days from the date
20 of the re-mailing, even if this results in an extension of the otherwise-applicable 60-day Response
21 Deadline. If these procedures are followed, notice to Class Members shall be deemed to have
22 been fully satisfied, and if the intended recipient of the Settlement Notice does not receive the
23 Class Notice, the intended recipient shall nevertheless remain a Class Member and shall be bound
24 by all terms of the Settlement and the Final Order and Judgment.

25 **38. Determination of Individual Class Payments and Individual PAGA Payments.**
26 The Settlement Administrator shall determine the eligibility for, and the amounts of, each
27 Individual Class Payment and Individual PAGA Payment under the terms of this Agreement
28 based on the number of Compensable Workweeks worked by each Class Member in the

1 applicable Class and/or PAGA Periods. The Administrator will then include the estimated
2 number of Compensable Workweeks and the individual payment amounts in each Class
3 Member's Class Notice.

4 39. **Workweek Disputes.** Class Members who wish to dispute the number of eligible
5 Compensable Workweeks set forth in the Notice, or assert that they should have been included as
6 a member of the Class, may submit a written statement to the Settlement Administrator within the
7 Response Deadline setting forth the number of Compensable Workweeks they believe should be
8 credited to them within the applicable Class or PAGA Period, accompanied by any supporting
9 documentation of their claim. The Settlement Administrator, in consultation with Class Counsel
10 and Defense Counsel, will review the pertinent payroll records, which Defendant agrees to make
11 available to the Settlement Administrator as needed. Defendant's payroll records will be
12 presumed to be correct unless a Class Member proves otherwise by credible evidence. The
13 Settlement Administrator's decision as to the total number of eligible Compensable Workweeks
14 shall be final and non-appealable, subject to the ultimate oversight and approval of the Court if
15 necessary.

16 40. **Objections to the Settlement.** Any Participating Class Member may object to the
17 Settlement by submitting a written objection to the Settlement Administrator which must be
18 mailed (postmarked) by the 60- day Response Deadline, unless that deadline has been extended
19 by a re-mailing of the Class Notice. An objection should include: (a) the objector's full name,
20 signature, address, and telephone number; (b) a written statement of the grounds for the objection
21 accompanied by any legal support for such objection; and (c) copies of any papers, briefs, or
22 other documents upon which the objection is based. Objecting Class Members may appear at the
23 Final Approval Hearing either in person, or through counsel retained at Class Member's own
24 expense, to have their objection heard, whether or not they had submitted a prior written objection
25 as specified in this section. The Court will rule on any objections to the Settlement at the Final
26 Approval Hearing. An objection may be withdrawn at any time. The Settlement Administrator
27 shall provide objections, if any, to Class Counsel and Defense Counsel via email within three (3)
28 calendar days of receipt, and the Settlement Administrator shall attach any objections to its

1 declaration of due diligence, which is to be filed with the Court prior to the Final Approval
2 Hearing. Any Participating Class Member who files an objection remains eligible to receive
3 monetary compensation from the Settlement. At no time shall any of the Parties, Class Counsel,
4 or Defense Counsel solicit or otherwise encourage or discourage Class Members from submitting
5 an Objection or filing an appeal from the Final Order and Judgment. Class Members who submit
6 a Request for Exclusion are ineligible to object to the Settlement.

7 **41. Requests for Exclusion.** Any Class Member may request to be excluded from
8 (“opt out of”) the Settlement by submitting a signed, written request to the Settlement
9 Administrator, clearly communicating that the Class Member wishes to be excluded from the
10 Settlement. To be timely and valid, the Request for Exclusion must be mailed (postmarked) by
11 the Response Deadline, 60 days from the Settlement Administrator’s mailing of the Class Notice,
12 unless that deadline has been extended by a re-mailing of the Class Notice. The Request for
13 Exclusion should contain the Class Member’s name, address, signature, date, telephone number
14 or email address, and the name of the case. Persons who submit a timely Request for Exclusion
15 will be referred to as Non-Participating Class Members. The Settlement Administrator will
16 accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the
17 identity of the person as a Class Member and the Class Member’s desire to be excluded. Non-
18 Participating Class Members will not be entitled to receive an Individual Class Payment under the
19 Settlement, will not be bound by the terms and conditions of the Class Settlement, and will not be
20 releasing any of the Class Members’ Released Claims. However, Non-Participating Class
21 Members who are PAGA-Eligible Employees will still receive Individual PAGA Payments and
22 are precluded from bringing PAGA-Released Claims that are released by Plaintiffs and the State
23 of California, as described above. Any Class Member who does not submit a timely Request for
24 Exclusion will be deemed to be a Participating Class Member and will be bound by the terms and
25 conditions of the Settlement.

26 **42. Revocation of Settlement by Defendant.** If five percent (5%) or more of the
27 Class Members request to be excluded from the Class, Defendant shall have the sole and absolute
28 discretion to revoke the Settlement Agreement. The Settlement Administrator shall provide a list

1 of the Requests for Exclusion within seven (7) calendar days after the Response Date. If
2 Defendant elects to revoke/rescind the Settlement Agreement, it shall provide written notice of
3 such revocation to Class Counsel within seven (7) calendar days after receiving the final list of
4 Requests for Exclusion from the Settlement Administrator. Defendant agrees to meet and confer
5 in good faith with Class Counsel before rescinding or voiding the Settlement Agreement. Such
6 rescission shall have the same effect as a termination of this Settlement Agreement for failure to
7 satisfy a condition of settlement, and the Settlement Agreement shall become null and void and
8 have no further force or effect. No Party will encourage any class member to opt out of the
9 Settlement. If Defendant revokes the Settlement under this provision, it shall be responsible to
10 pay the Settlement Administrator's costs incurred to that point.

11 43. **Workweek Count.** Defendant previously estimated to Plaintiffs' counsel, based
12 on a review of its records, that as of December 13, 2023, extrapolated to February 1, 2024, there
13 were approximately 171,016 Class Member workweeks covering the period from February 13,
14 2015 through February 1, 2024. If the Settlement Administrator determines upon receipt of
15 Defendant's Class Data (and before mailing out the Class Notices) that the actual number of Class
16 Member workweeks as of February 1, 2024 exceeds this amount by more than 10% – that is, if
17 there were 188,119 or more Class Member workweeks as of February 1, 2024 – then Defendant
18 shall have the option in its sole discretion to either: (a) increase the Maximum Settlement Amount
19 proportionately for each additional workweek worked by Participating Class Members over
20 188,119 workweeks; or (b) agree that the Class Period and the PAGA Period shall cut off as of
21 the date the number of workweeks worked by Participating Class Members is at least 188,119.

22 44. **Weekly Status Reports.** Following the mailing of the Class Notice, the
23 Settlement Administrator will provide Class Counsel and Defense Counsel with weekly reports
24 of, among other things: the number of Class Notices mailed or re-mailed, Class Notices returned
25 undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, and
26 challenges to the number of Compensable Workweeks received and/or resolved. The
27 Administrator will promptly provide counsel for the Parties with copies of any objections
28 received. Additionally, the Settlement Administrator will provide to counsel for the Parties any

1 other updated reports regarding the administration of the Settlement as may be needed or
2 requested from time to time, including any declarations required by the Court.

3 **45. Other Duties of the Settlement Administrator.** The Settlement Administrator
4 shall perform such other duties as may be necessary from time to time, as directed by Counsel or
5 the Court. This shall include, among other things: (1) maintaining and monitoring an email
6 address and toll-free telephone number to receive Class Member calls, faxes and emails; (2)
7 establishing and maintaining an internet website to post necessary information for Class Members
8 regarding this Agreement and the Final Approval Hearing, among other things; (3) providing
9 Counsel for the Parties with a declaration suitable for filing in Court at least 14 calendar days
10 before Plaintiffs are required to file their motion for Final Approval of the Settlement, attesting to
11 the Administrator's compliance with all of its obligations under the Agreement and other
12 necessary information regarding the Class Notices, Requests for Exclusion and objections; and
13 (4) providing a final report and compliance declaration suitable for filing with the Court
14 following the Administrator's disbursement of all the payments required by this Agreement, in
15 accordance with any deadlines set by the Court.

16 **MOTION FOR FINAL APPROVAL**

17 **46. Final Settlement Approval Hearing and Entry of Final Order and Judgment.**
18 Following expiration of the Response Deadline, Plaintiffs shall prepare and file a motion on
19 behalf of all Parties seeking final approval of the Settlement, including a request for approval of
20 the PAGA settlement under Labor Code section 2699(1)(2), a proposed Final Approval Order, and
21 a proposed Judgment. Plaintiffs shall provide drafts of the motion for final approval and
22 proposed Final Order and Judgment to Defense Counsel not later than five (5) business days prior
23 to filing the motion. Plaintiffs' motion for Final Approval shall be accompanied by a declaration
24 from the Settlement Administrator, as referenced above, describing the process and results of the
25 administration of the Settlement to date. Plaintiffs will prepare and include with the Final
26 Approval motion a request seeking approval of Plaintiffs' request for reimbursement of Class
27 Counsel's attorneys' fees and costs incurred in this matter and Plaintiffs' request for a Class
28

1 Representative Service Awards. Plaintiffs' motion will specify how they wish the total award of
2 attorneys' fees and costs to be apportioned among Plaintiffs' counsel in the Actions.

3 47. **Contents of Proposed Final Order and Judgment.** The proposed Final Order
4 and Judgment will include, among other things:

5 a. Final Approval of the Settlement, adjudging the terms thereof to be fair,
6 reasonable and adequate, and directing consummation of its terms and provisions;

7 b. Approval of Class Counsel's application for an award of attorneys' fees
8 and costs;

9 c. Approval of the Class Representatives' Service Award payments to
10 Plaintiffs;

11 d. Approval of the Settlement Administration Costs;

12 e. Approval of the PAGA Payment;

13 f. The setting of a date when the Parties shall submit the Final Report
14 regarding the distribution of the Maximum Settlement Amount pursuant to California Code of
15 Civil Procedure section 384, and, if necessary, a date for a final accounting hearing following its
16 receipt of the Final Report;

17 g. The entering of a judgment in the Action that is intended to preclude any
18 Class Members from pursuing any individual, class or representative claims against any of the
19 Released Parties that have been released herein pursuant to the Settlement Agreement, upon
20 satisfaction of all payments and obligations hereunder, excluding the Class claims of those
21 persons who submitted valid and timely Requests for Exclusion.

22 48. **Duty to Cooperate.** If the Court does not grant Final Approval or conditions
23 Final Approval on any material change to the Settlement, the Parties will expeditiously work
24 together in good faith to address the Court's concerns, including, if necessary, by revising the
25 Agreement to obtain Final Approval. The Court's decision to award less than the amounts
26 requested for the Class Representatives' Service Payment, Class Counsel Award of fees and
27 costs, PAGA amounts, and/or Settlement Administration Costs shall not constitute a material
28 modification of the Agreement within the meaning of this Paragraph.

1 49. **Jurisdiction of the Court Following Judgment.** Following entry of the Final
2 Order and Judgment, the Court shall retain jurisdiction solely with respect to the interpretation,
3 implementation, and enforcement of the terms of this Agreement and all orders and judgments
4 entered in connection therewith; and addressing any other settlement administration and
5 compliance matters that may require its attention. If any party brings an action to enforce the
6 terms of this Agreement, the prevailing party shall be entitled to its/her reasonable attorneys' fees
7 and costs.

8 **SETTLEMENT FUNDING AND PAYMENTS**

9 50. **Information from Settlement Administrator Regarding Funding.** Not later
10 than ten (10) calendar days after the Court's grant of Final Approval of the Settlement, the
11 Settlement Administrator will provide Defense Counsel with an accounting of all anticipated
12 payments from the QSF as specified in this Agreement and approved by the Court, including all
13 necessary routing and payment instructions to the QSF, and including the amount due for the
14 employer's share of payroll taxes on the wage payments to be made outside the Maximum
15 Settlement Amount. The Settlement Administrator also will provide counsel for the Parties with
16 at least fourteen (14) calendar days of lead time, whether before or after the funding date but
17 before the scheduled distribution date, in which to review the Administrator's proposed payment
18 calculations.

19 51. **Funding of Settlement.** Defendants shall pay to the Settlement Administrator the
20 Maximum Settlement Amount, together with the amount that the Settlement Administrator has
21 determined or estimated to be Defendant's share of employer taxes due on the wages being paid
22 under the Settlement, within thirty (30) calendar days after the Effective Date. Defendant shall
23 make the payment in any feasible manner, including, but not limited to, a wire transfer or a check.

24 52. **Timing of Settlement Disbursements.** Within fifteen (15) calendar days after
25 Defendant has provided the Settlement Administrator with the Maximum Settlement Amount, the
26 Settlement Administrator will distribute the payments to Plaintiffs for their Class Representatives'
27 Service Awards, to Class Counsel for their awarded attorneys' fees and costs, to the LWDA, to
28 the Participating Class Members for their Individual Class Payments, to all PAGA-Eligible

1 Employees for their Individual PAGA Payments, and to itself for the Settlement Administration
2 Costs.

3 **53. Method of Individual Payments.** The Settlement Administrator shall mail the
4 Individual Class Payments and Individual PAGA Payments by regular First-Class U.S. Mail to
5 each person's last known mailing address. Prior to mailing the payments, the Settlement
6 Administrator shall perform a search based on the National Change of Address Database
7 maintained by the United States Postal Service to update and correct any known or identifiable
8 address changes.

9 **54. Non-Reversionary Settlement; No Claim Necessary.** Participating Class
10 Members shall not be required to submit a claim in order to receive a share of the Net Settlement
11 Amount, and no portion of the Maximum Settlement Amount shall revert to Defendant. To the
12 extent the Court does not approve the full requested attorneys' fees, litigation costs, Class
13 Representatives' Service Award or Settlement Administration Costs, the Net Settlement Amount
14 will increase accordingly by the difference between the requested amounts and the amounts
15 awarded by the Court. If this Settlement is not finally approved by the Court in full, or is
16 terminated, rescinded, canceled or fails to become effective for any reason, or if the Effective
17 Date does not occur, then no portion of the Maximum Settlement Amount shall be paid.

18 **55. Disposition of Uncashed Checks.** All Individual Class Payment checks and/or
19 Individual PAGA Payment checks issued by the Settlement Administrator must be cashed within
20 one hundred eighty (180) days after issuance. After the expiration of the 180-day period, the
21 Settlement Administrator will void any uncashed checks. Subject to the Court's approval, the
22 Settlement Administrator will transmit the total amount of any uncashed Individual Class
23 Payment checks to State of California Office of the Controller Unclaimed Property Fund in the
24 name of the Participating Class Members who did not cash their checks, pursuant to California
25 Code of Civil Procedure section 384. (b) Any uncashed Individual PAGA Payment checks will
26 be distributed to the LWDA.

27 **56. Settlement Binding Even If Checks Not Cashed.** In the event a Participating
28 Class Member or Participating PAGA Member fails to cash/deposit his or her Individual Class

1 Payment check and/or Individual PAGA Payment check, for whatever reason, that person shall
2 nevertheless remain bound by the Class Settlement and, if applicable, the PAGA Release.

3 **ADDITIONAL PROVISIONS**

4 57. **Nullification of Settlement for Other Reasons.** In the event: (i) the Court does
5 not enter the Preliminary Approval Order; (ii) the Court does not grant Final Approval of the
6 Settlement; (iii) the Court does not enter the Final Order and Judgment; or (iv) the Settlement
7 does not become final for any other reason, this Agreement shall be rendered null and void, and
8 any order or judgment entered by the Court in furtherance of this Agreement shall be treated as
9 void from the beginning. In such a case, this Agreement and any documents related to it shall not
10 be used by any Class Member or Class Counsel to support any claim or request for class
11 certification in the Actions, and shall not be used in any other civil or administrative action
12 against Defendant or any of the other Released Parties.

13 58. **Plaintiffs' Waiver of Right to Be Excluded.** Plaintiffs agree that by signing this
14 Agreement, they will be bound by the terms herein. Plaintiffs further agree that, upon signing this
15 Agreement, they will not request to be excluded from this Settlement, and that any such request
16 for exclusion by Plaintiffs will be void and of no force or effect.

17 59. **Waiver of Right to Appeal.** Provided the Judgment is consistent with the terms
18 and conditions of this Agreement, the Parties, their respective counsel, and all Participating Class
19 Members who did not object to the Settlement as provided in this Agreement waive all rights to
20 appeal from the Judgment. If an objector appeals the Judgment, the Parties' obligations to
21 perform under this Agreement will be suspended until the appeal is finally resolved and the
22 Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement
23 Amount. However, nothing in this Agreement shall preclude Plaintiffs from appealing from a
24 court order denying or failing to grant in full their requests for attorneys' fees, costs, or service
25 award. Any order reducing the Class Counsel Award or the Class Representatives' Service
26 Award will not be grounds on Plaintiffs' part to nullify or void this Settlement.

27 60. **No Credit Towards Defendant's Benefit Plans.** Neither the terms of this
28 Settlement nor any of the amounts paid to Plaintiffs or any Class Member shall have any effect on

1 the eligibility or calculation of any employee benefits under Defendant's benefit plans. Any
2 Individual Class Payments or Individual PAGA Payments paid under the Settlement do not
3 represent any modification of any recipient's previously-credited hours of service or other
4 eligibility criteria, and will not be utilized to calculate any additional benefits, vesting or credit
5 under any bonus or compensation plan, collective bargaining agreement, employee pension
6 benefit plan, employee welfare benefit plan, or any other program or policy sponsored by
7 Defendant or any Sutter Health affiliates. It is the intent of the Parties that the Individual Class
8 Payments and Individual PAGA Payments provided for in this Agreement are the sole payments
9 to be made by Defendant to Class Members and others in connection with this Settlement, and
10 that the Class Members are not entitled to any new or additional compensation or benefits as a
11 result of having received the Individual Class Payments and/or Individual PAGA Payments.

12 **61. No Admission of Liability, Class Certification or Representative**
13 **Manageability for Other Purposes.** Defendant denies all claims alleged in the Action and
14 denies all wrongdoing whatsoever by Defendant. Defendant further denies that any of its
15 employees has been "aggrieved" by a violation of the Labor Code. Neither this Agreement, nor
16 any of its terms and conditions, nor any of the negotiations connected with it, is a concession or
17 admission, and none shall be used against Defendant as an admission or indication with respect to
18 any claim of any fault, concession, or omission by Defendant or that class certification is proper
19 under the standard applied to contested certification motions. The Parties agree that certification
20 of the proposed class and representative treatment under PAGA is for purposes of this Settlement
21 only. This Agreement will not be admissible in this or any other proceeding as evidence that
22 either a class action should be certified, that Plaintiffs' PAGA claims are manageable for trial, or
23 that Defendant is liable to Plaintiffs or any Class Member, other than according to the terms of
24 this Agreement.

25 **62. Publicity and Confidentiality.** The Parties and their counsel will treat the terms
26 of this Settlement as strictly confidential prior to the filing of the preliminary approval motion.
27 Both before and after the filing of the preliminary approval motion, the Parties and their counsel
28 will not issue any press releases or initiate any contact with the media about this case and/or the

1 fact, amount, or terms of the Settlement. If, after the filing of the preliminary approval motion,
2 counsel for either Party receives an inquiry about the Settlement from the media, counsel may
3 respond but must limit such response to the terms of the Settlement as those terms are set forth in
4 the public record. After the filing of the preliminary approval motion, Plaintiffs' counsel shall be
5 permitted to discuss the terms of the Settlement with any Settlement Class members who inquire
6 about the terms.

7 **63. Tax Liability.** The Parties and their counsel make no representations as to the tax
8 treatment or legal effect of the payments specified herein, and Class Members are not relying on
9 any statement or representation by the Parties, Class Counsel or Defense Counsel in this regard.
10 Participating Class Members, PAGA-Eligible Employees, Class Counsel, and Plaintiffs shall be
11 solely and legally responsible for the payment of all applicable taxes and penalties assessed on the
12 payments specified herein other than the employer's share of the payroll taxes due on the
13 payments designated as wages.

14 **64. Circular 230 Disclaimer.** The Parties acknowledge and agree that (i) no
15 provision of this Agreement, and no written communication or disclosure between or among the
16 Parties, Class Counsel or Defense Counsel and other advisors, is or was intended to be, nor shall
17 any such communication or disclosure constitute or be construed or be relied upon as, tax advice
18 within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as
19 amended); (ii) the acknowledging party (a) has relied exclusively upon his, her, or its own,
20 independent legal and tax counsel for advice (including tax advice) in connection with this
21 Agreement, (b) has not entered into this Agreement based upon the recommendation of any other
22 party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any
23 communication or disclosure by any attorney or advisor to any other party to avoid any tax
24 penalty that may be imposed on the acknowledging party; and (iii) no attorney or advisor to any
25 other party has imposed any limitation that protects the confidentiality of any such attorney's or
26 advisor's tax strategies (regardless of whether such limitation is legally binding) upon disclosure
27 by the acknowledging party of the tax treatment or tax structure of any transaction, including any
28 transaction contemplated by this Settlement.

1 **65. Authorization to Enter into Agreement.** Class Counsel and Defense Counsel
2 warrant and represent that they are expressly authorized by the Parties whom they represent to
3 negotiate this Agreement and to take all appropriate actions required or permitted to be taken by
4 the Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents
5 required to effectuate its terms. The person signing this Stipulation of Settlement on behalf of
6 Defendant represents and warrants that he/she is authorized to sign this Agreement on behalf of
7 Defendant. Plaintiffs represent and warrant that they are authorized to sign this Agreement on
8 behalf of themselves and the Class, and as proxies for the State of California, and that they have
9 not assigned any claim or part of a claim covered by this Agreement to a third party.

10 **66. Cooperation to Effectuate Settlement.** The Parties, Class Counsel and Defense
11 Counsel shall cooperate with each other and use their best efforts to effect the implementation of
12 this Settlement. In the event the Parties are unable to reach agreement on the form or content of
13 any document needed to implement the Settlement, or on any supplemental provisions that may
14 become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of
15 the Court to resolve such disagreement.

16 **67. Invalidity of Any Provision.** In the event the Court declares any material
17 provision of this Agreement invalid, the Agreement will be void and its terms will be of no force
18 and effect, except as otherwise agreed by the Parties in writing, subject to the Court's approval.
19 Before the Court concludes that any term or provision of this Agreement is invalid, the Parties
20 will request that the Court first attempt to construe the terms or provisions valid to the fullest
21 extent possible consistent with applicable precedents so as to define all provisions of this
22 Agreement as valid and enforceable. The Parties further agree to meet and confer in an attempt to
23 resolve any issues or concerns the Court may have as to the validity of any provision in an effort
24 to effectuate the essential terms of this Settlement, and to discuss any possible amendments to this
25 Agreement or its Exhibit 1 needed to obtain the Court's approval of the Settlement.

26 **68. Binding Nature of Notice of Class Action Settlement.** It is agreed that, because
27 the Class Members are so numerous, it is impossible or impractical to have each Class Member
28 execute the Agreement. The Class Notice shall advise all Class Members of the binding nature of

1 the Settlement, and the release of the Class Members' Released Claims as described above shall
2 have the same force and effect as if this Agreement were executed by each Participating Class
3 Member.

4 69. **Entire Agreement.** This Agreement and its attached Exhibit 1 constitute the
5 entire agreement between the Parties, and no oral or written representations, warranties, or
6 inducements have been made to Plaintiffs or Defendant concerning this Agreement or Exhibit 1
7 other than the representations, warranties, and covenants contained and memorialized in this
8 Agreement and Exhibit 1. No other prior or contemporaneous written or oral agreements may be
9 deemed binding on the Parties.

10 70. **Cooperation in Drafting.** The Parties have cooperated in the drafting and
11 preparation of this Agreement. This Agreement will not be construed against any Party on the
12 basis that the Party was the drafter or participated in the drafting.

13 71. **Amendment or Modification.** This Agreement may be amended or modified
14 only by a written instrument signed by counsel for all Parties or their successors-in-interest and
15 approved by the Court.

16 72. **Governing Law.** All terms of this Agreement and its exhibit shall be governed by
17 and interpreted according to the laws of the State of California, without regard to conflict of law
18 principles.

19 73. **Binding on Successors and Assigns.** This Agreement shall be binding upon, and
20 inure to the benefit of, the successors and assigns of the Parties.

21 74. **Headings.** The descriptive heading of any section or paragraph of this Agreement
22 is inserted for convenience of reference only and does not constitute a part of this Agreement.

23 65. **Counterparts.** This Agreement may be executed in one or more counterparts by
24 facsimile, electronically (i.e., DocuSign), or email, which for purposes of this Agreement shall be
25 accepted as an original. All executed counterparts and each of them shall be deemed to be one
26 and the same instrument if counsel for the Parties exchange between themselves signed
27 counterparts. Any executed counterpart will be admissible in evidence to prove the existence and
28 contents of this Agreement.

1 IN WITNESS WHEREOF, the Parties hereto have knowingly and voluntarily executed
2 this Joint Stipulation of Class Action and PAGA Settlement and Release on the dates set forth
3 below:

4 DATED: Apr 8, 2024

Jennifer ward
JENNIFER WARD, Plaintiff

7 DATED: Mar 26, 2024

Sacora Besabe
SACORA BESABE, Plaintiff

10 DATED: _____

SUTTER VALLEY HOSPITALS

12 By: _____

13 Name: _____

14 Title: _____

16 APPROVED AS TO FORM AND CONTENT:

18 DATED: April 8, 2024

THE MARKHAM LAW FIRM

20 By: David R. Markham

David R. Markham

Lisa R. Brevard

Counsel for Plaintiffs, the Class and the
Aggrieved Employees

IN WITNESS WHEREOF, the Parties hereto have knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement and Release on the dates set forth below:

DATED: _____

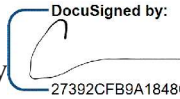
JENNIFER WARD, Plaintiff

DATED: _____

SACORA BESABE, Plaintiff

DATED: 05/23/2024 | 11:35 AM PDT

SUTTER VALLEY HOSPITALS

By:  _____
27392CFB9A1848C...

Name: Caren Weakley

Title: Senior Vice President & General Counsel

SUTTER HEALTH

APPROVED AS TO FORM AND CONTENT:

DATED: _____

THE MARKHAM LAW FIRM

By: _____

David R. Markham

Lisa R. Brevard

Counsel for Plaintiffs, the Class and the Aggrieved Employees

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COHELAN KHOURY & SINGER

By: 

Isam C. Khoury
Michael D. Singer
Maggie K. Realin

Counsel for Plaintiffs, the Class
and the Aggrieved Employees

DATED: _____

GBG LLP

By: _____

Thomas E. Geidt
Teresa W. Ghali
Rachel E. Davey

Counsel for Defendant Sutter Valley Hospitals

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COHELAN KHOURY & SINGER

By: _____
Isam C. Khoury
Michael D. Singer
Maggie K. Realin
Counsel for Plaintiffs, the Class
and the Aggrieved Employees

DATED: 05/23/2024 | 12:30 PM PDT

GBG LLP

DocuSigned by:
Tom Geidt
7A9C1BA7D18748F...

By: _____
Thomas E. Geidt
Teresa W. Ghali
Rachel E. Davey
Counsel for Defendant Sutter Valley Hospitals

EXHIBIT A

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO**

JENNIFER WARD, on behalf of herself and all
others similarly situated and similarly aggrieved
and as proxy for the State of California,

Plaintiff,

vs.

SUTTER VALLEY HOSPITALS, a California
corporation; and DOES 1 through 100,
inclusive,

Defendant.

Case No. 34-2020-00279954

**NOTICE OF PENDENCY OF CLASS
ACTION SETTLEMENT AND FINAL
HEARING**

Judge: Hon. Lauri A. Damrell
Dept: 22

**YOU MAY BE ENTITLED TO RECEIVE MONEY FROM A SETTLEMENT
ARISING FROM YOUR EMPLOYMENT BY SUTTER VALLEY HOSPITALS**

A California court authorized this notice. This is not a solicitation from a lawyer.

- A settlement of a lawsuit will pay money to certain employees who have been employed by Sutter Valley Hospitals (“Sutter”) as surgical or anesthesia technicians or in similar positions from February 13, 2015 through February 1, 2024.
- The Settlement resolves two lawsuits alleging various wage and hour claims brought against Sutter on behalf of the persons who were employed by Sutter as non-exempt employees in California Class positions during this time period.
- The Settlement also resolves claims for penalties that have been brought on behalf of the State of California under California’s Private Attorneys General Act (“PAGA”).
- The Settlement avoids the costs and risks of continuing the lawsuits, pays money to employees, and releases Sutter from liability.
- Sutter expressly denies all of the claims in the lawsuits and denies any wrongdoing or liability. The two sides disagree on how much money – if any – could have been awarded if employees won at trial.
- **YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE READ THIS NOTICE CAREFULLY.**

YOUR LEGAL RIGHTS AND OPTIONS UNDER THIS SETTLEMENT:	
Do Nothing	You need not take any action if you wish to receive your settlement payment. If the Settlement is approved by the Court, you will automatically be mailed a settlement check at the address on file with the Settlement Administrator, [REDACTED]. If you move, you must notify the Settlement Administrator of your new address.
Exclude Yourself	Get no class settlement payment. Send a letter to the Settlement Administrator, as explained below, making clear you wish to exclude yourself from the Settlement. This is the only option that allows you to be part of any other lawsuit against Sutter asserting from the legal claims that were settled in this case. You will, however, be bound by the Private Attorneys General Act (“PAGA”) release, and you will receive a payment for the PAGA release even if you exclude yourself.
Object	Write to the Court, as explained below, about why you believe the Settlement is unfair or objectionable.
Go to a Hearing	Ask to speak in Court about the fairness of the Settlement.

WHY DID YOU RECEIVE THIS NOTICE?

This notice explains a proposed settlement of two lawsuits alleging wage and hour claims and informs you of your legal rights under that proposed settlement (“the Settlement”). You are receiving this notice because you may be a member of the class on whose behalf the lawsuits were brought (“the Settlement Class”).

WHAT ARE THESE LAWSUITS ABOUT?

On February 13, 2019, an employee of Sutter, Jennifer Ward, filed a lawsuit against Sutter in Sacramento County Superior Court, alleging violations of the California Labor Code, the California Business and Professions Code, and the federal Fair Labor Standards Act (“FLSA”). This lawsuit was later transferred to a federal district court in Sacramento. Another former employee, Sacora Besabe, later joined as a plaintiff in the lawsuit. Plaintiffs allege that members of the Settlement Class were not always properly paid for all hours worked, including overtime hours; were not always properly provided with meal and rest breaks or properly paid meal and rest break premiums; were not reimbursed for their reasonable business expenses; did not receive accurate wage statements; and were not paid correctly at the termination of employment.

On June 4, 2020, Plaintiff Ward brought a separate lawsuit against Sutter in Sacramento County Superior Court, seeking an award of civil penalties under PAGA based on essentially the same underlying wage and hour claims alleged in her federal court action.

In these two lawsuits, Plaintiffs seek to recover unpaid wages, meal and rest break premiums, unreimbursed expenses, statutory and civil penalties, interest, and attorneys’ fees and costs, on behalf of themselves and others at Sutter who are similarly situated. Sutter denies all of the material allegations in the lawsuits and denies that it did anything wrong. These two matters have been consolidated for purposes of this Settlement and submitted to the Sacramento County Superior Court for approval.

SUMMARY OF THE SETTLEMENT

A. Why is there a Settlement?

The Court has not made any ruling in favor of Plaintiffs or Sutter. It also has not ruled that these lawsuits may proceed as class actions. Plaintiffs believe they would have prevailed on their claims at a trial. Sutter does not believe that Plaintiffs would have won anything from a trial. But there was no trial. Instead, both sides agreed to a settlement. That way, they each avoid the costs, risks, and uncertainties of a trial, and the employees allegedly affected will receive compensation.

B. Who is in the Settlement Class?

The Settlement Class consists of all current and former of Sutter who have been employed by Sutter as surgical technicians, anesthesia technicians, and similar positions performing similar work duties at any time from February 13, 2015 through February 1, 2024. The Settlement Class includes those non-exempt employees who, by virtue of their employment in these Class positions, were excluded from participating in another recent Settlement Class in the matter of *Sandra Muniz v. Sutter Valley Hospitals*, Sacramento County Superior Court No. 34-2017-00209151-CU-OE-ODS.

The settlement of Plaintiff Ward's PAGA penalty claims will cover all current and former non-exempt employees who have been employed in the Settlement Class at any time from March 3, 2019 through February 1, 2024.

C. What has Sutter agreed to do?

Sutter will pay \$775,000.00 (the "Maximum Settlement Amount") to settle these lawsuits. The following sums will be paid from the Maximum Settlement Amount: (1) Class Counsel's attorneys' fees in an amount set by the Court not to exceed one third of the Maximum Settlement Amount (\$258,333.33), (2) Class Counsel's documented litigation costs in an amount set by the Court not to exceed \$55,000.00; (3) service awards to the two named Plaintiffs, Jennifer Ward and Sacora Besabe, in an amount set by the Court, not to exceed \$12,500 each, for their service as class representatives in the lawsuits; and (4) a reasonable amount set by the Court to the Settlement Administrator for administering the settlement, currently estimated at \$9,000.00. Sutter also has agreed to pay \$77,500.00 to resolve Plaintiff's and the State of California's claims for civil penalties under PAGA. Of this amount, 75% (\$58,125.00) will be paid to the State of California's Labor and Workforce Development Agency ("LWDA"), and the remaining 25% (\$19,375.00) will be paid to all persons who are eligible Settlement Class members who have been employed during the PAGA Period, whether or not they have excluded themselves from the Class Settlement.

The portion of the Maximum Settlement Amount remaining after these payments is the Net Settlement Amount, which will be paid out to those Settlement Class Members who do not opt out of the Settlement, as explained below. Sutter will also pay the employer share of applicable payroll taxes due on the portion of the individual settlement payments designated as "wages," which will be paid in addition to the Maximum Settlement Amount.

D. What are you giving up to get a payment and stay in the Class?

Subject to the Court's approval of the Settlement, all members of the Settlement Class who do not opt out of the Settlement will release Sutter, and any of its current and former parents, corporate

members, subsidiaries, divisions, and affiliated companies, and their respective officers, directors, employees, partners, shareholders, agents, insurers, successors, assigns and legal representatives (the “Released Parties”), as follows:

(1) If you do not request exclusion from the Settlement, you will release the Released Parties from any and all claims, rights, demands, liabilities, and causes of action of every nature and description, arising from February 13, 2015 through May 1, 2024, including statutory, contractual, or common law claims, for wages, damages, penalties, liquidated damages, interest, attorneys’ fees, litigation costs, restitution, or equitable relief – whether asserted under the California Labor Code; Business and Professions Code §§ 17200 *et seq.*; the applicable wage orders at California Code of Regulations, Title 8, § 11000 *et seq.*; the Fair Labor Standards Act, or otherwise – that were or reasonably could have been alleged based on the factual allegations contained in the operative Complaints herein, including but not limited to: (a) any and all claims for failure to provide meal periods and/or to pay meal premiums in lieu thereof at the correct regular rate of compensation as required under Labor Code § 226.7; (b) any and all claims for failure to authorize and permit rest breaks and/or to pay rest break premiums in lieu thereof at the correct regular rate of compensation as required under Labor Code § 226.7; (c) any and all claims for unpaid or untimely payment of overtime, minimum wages or regular wages, including but not limited to claims alleging failure to pay for “off the clock” work and/or failure to pay overtime at the correct regular rate of pay; (d) any and all claims for failure to reimburse employees for business expenses under Labor Code § 2802, including but not limited to cell phone, data plan and surgical shoe expenses; (e) any and all derivative claims arising from the claims listed above in subparagraphs (a) through (d) for failure to furnish accurate itemized wage statements in accordance with Labor Code § 226, and including any associated claims for penalties under Labor Code § 226(e); (f) any and all derivative claims arising from the claims listed above in subparagraphs (a) through (d) for failure to provide wages when due upon separation of employment under Labor Code §§ 201-203; and (g) any and all claims for attorneys’ fees and costs arising out of the above-alleged claims.

(2) Plaintiff Ward, as agent and proxy of the State of California, and all PAGA-Eligible Employees will release Defendant and the Released Parties from any and all claims for PAGA civil penalties arising from March 3, 2019 through May 1, 2024, that were alleged or reasonably could have been alleged based on the facts contained in Plaintiffs’ operative complaints, as enumerated in the preceding subparagraph above and/or in any notices that Plaintiffs have submitted to the LWDA in connection with these lawsuits. If you are a PAGA-eligible employee, this release of PAGA penalty claims will be deemed to apply to you whether or not you request to be excluded from the Class Settlement.

(3) If you do not request exclusion from the Settlement and you cash or negotiate your settlement check, you will also be releasing any claims you may have under the FLSA for unpaid overtime or minimum wages. The settlement checks you receive will contain language acknowledging that by endorsing or negotiating your check, you will be consenting to join (“opt in” to) the FLSA portion of the case, to participate in the settlement of the FLSA claims, and to release all FLSA claims that are covered by the Settlement.

(4) Finally, the named Plaintiffs – Jennifer Ward and Sacora Besabe – will generally release all known and unknown claims they each may have against Sutter, of any nature whatsoever, not limited to the wage and hour claims alleged in the lawsuits.

The Released Claims do not include a release of all the other rights you may have as an employee or former employee of Sutter. The Released Claims are specifically limited to the claims set forth above.

E. How much money will I receive?

Each participating Settlement Class Member will receive an “Individual Payment Amount,” which is a share of the Net Settlement Amount. The Net Settlement Amount is calculated by first deducting from the Maximum Settlement Amount the court-approved (1) attorneys’ fees and costs to Class Counsel; (2) settlement administration costs; (3) service award payments to the Plaintiffs; and (4) PAGA payments to the State of California and the PAGA-eligible members of the Settlement Class.

Based on Sutter’s records, the Settlement Administrator will determine the number of workweeks worked by each Class Member in the Settlement Class. Those who do not opt out of the Settlement will receive an individual settlement award that amounts to a pro rata share of their allocated Net Settlement Amount, based on the number of Compensable Workweeks they worked during the Class Period in proportion to the total number of Compensable Workweeks worked by all of the eligible Settlement Class Members in the Settlement Class.

1. **According to Sutter’s records, you were employed in the Settlement Class for [REDACTED] Compensable Workweeks between February 13, 2015 and May 1, 2024.**
2. **Also, according to Sutter’s records, you were employed for [REDACTED] workweeks during the PAGA Period (between March 3, 2019, and May 1, 2024.**
3. **Based on this number, your gross Settlement Payment is estimated to be \$[REDACTED]. The actual amount you receive could be more or less than this amount, depending on the final settlement terms approved by the Court.**

Please be advised that the number of Compensable Workweeks listed above is presumed to be correct unless you submit documents proving otherwise. If you disagree with the number of Compensable Workweeks listed above, please submit an explanation and evidence of your proposed Compensable Workweeks to the Settlement Administrator no later than [60 days after mailing]. In the event of a dispute about the correct number of Compensable Workweeks you worked during the Class Period, the Settlement Administrator will resolve the challenge with input from Sutter and Class Counsel, subject to final resolution by the Court if necessary.

F. Will any taxes be taken out of the settlement payments?

Twenty percent (20%) of your Individual Payment Amount will be treated as back wages and reported on an IRS Form W-2 with all appropriate taxes withheld. The remaining eighty percent (80%) will be treated as interest and penalties and reported as non-wage income on an IRS Form 1099 with no payroll withholding. The PAGA payments will be treated solely as penalties and reported on an IRS Form 1099, without tax withholding. The Settlement Administrator will issue W-2 and 1099 Forms to all Settlement Class Members and PAGA-eligible employees who cash their checks, as required by law.

Aside from the employer portion of payroll taxes, Settlement Class Members are responsible for the appropriate payment of any federal, state, and/or local income or payroll taxes owed on the Individual Payment Amounts they receive. The tax issues for each Settlement Class Member are unique to that Class Member. You are advised to obtain tax advice from your own tax advisor with respect to any payments resulting from this Settlement. This Notice does not constitute legal or tax advice regarding any federal, state, or local tax issue, and nothing in this Notice is intended to or should be used by any person for the purpose of avoiding any tax liability or tax penalties.

THE FINAL APPROVAL HEARING

The Court will conduct a final fairness hearing regarding the proposed settlement (the “Final Approval Hearing”) on [REDACTED], 2024, at [REDACTED] m., in Department 22 of the Sacramento County Superior Court, located at Gordon D. Schaber Courthouse, 720 9th Street, 4th Floor, Sacramento, CA 95814 [REDACTED]. The Court will then determine: (i) whether the lawsuit should be certified as a class action for settlement purposes only; (ii) whether the Settlement should be given the Court’s final approval as fair, reasonable, adequate, and in the best interests of the Settlement Class Members; (iii) whether the Participating Settlement Class Members (those who do not opt out) should be bound by the terms of the Settlement; (iv) the amount of the attorneys’ fees and costs to be awarded to Plaintiffs’ attorneys; (v) the amount that should be awarded to Plaintiffs for their service as class representatives; (vi) the amount that should be approved for civil penalties under PAGA; and (vii) the amount that should be approved for settlement administration costs. At the Final Approval Hearing, the Court will hear all objections as well as arguments for and against the proposed Settlement. You have a right to attend this hearing, but you are not required to do so. You also have the right to hire an attorney to represent you, at your own expense, or to enter an appearance and represent yourself.

If you wish to appear at the hearing remotely, you can join via the following zoom link or phone number:

To join by Zoom: <https://saccourt-ca-gov.zoomgov.com/my/sscdept22>

To join by phone: (833) 568-8864 / ID: 16184738886

WHAT ARE YOUR OPTIONS?

- **OPTION 1 – DO NOTHING AND PARTICIPATE IN THE SETTLEMENT**

IF YOU TAKE NO ACTION IN RESPONSE TO THIS NOTICE, YOU WILL AUTOMATICALLY RECEIVE YOUR SHARE OF THE SETTLEMENT IF IT IS APPROVED BY THE COURT. YOU WILL NEVER BE REQUIRED TO GO TO COURT OR PAY ANYTHING TO THE LAWYERS IN THIS CASE. If you move your residence, you must update your address with the Settlement Administrator. If you disagree with the number of workweeks worked as indicated in section E above, you must submit an explanation and/or documentation to the Settlement Administrator to support your position no later than 60 days after receiving this Notice. The Settlement Administrator’s address is [Settlement Administrator address].

- **OPTION 2 – OBJECT TO THE SETTLEMENT**

If you wish to remain a Settlement Class Member but you object to the proposed Settlement (or any of its terms) and wish the Court to consider your objection at the Final Approval Hearing, you may object to the Settlement in writing. You may also appear at the Final Approval Hearing, either in person or through an attorney at your own expense. All written objections, supporting papers, and/or notices of intent to appear at the Final Approval Hearing must clearly identify the case name and number and be mailed to the Settlement Administrator, Phoenix Settlement Administrators, at [address]. Objections must be mailed (postmarked) no later than [60 days after mailing]. However, you still may appear at the Final Approval Hearing and raise an objection to the Settlement even if you did not submit written objections within this 60-day deadline.

- **OPTION 3 – EXCLUDE YOURSELF FROM THE SETTLEMENT**

You have a right to exclude yourself from (“opt out” of) the Settlement, but if you choose to do so, you will not receive any payment from the proposed Class Settlement. You also will not be bound by a judgment in this case as to the Class claims, and you will have the right to file your own lawsuit against Sutter and pursue your own claims in a separate suit, if you wish. You can opt out of the Class by mailing a written statement to the Settlement Administrator, Phoenix Settlement Administrators, at the above-stated address, so that it is postmarked no later than [60 days after mailing of the notice]. The written statement should contain your name, address, telephone number, and signature, and the name of this case, *Ward v. Sutter Valley Hospitals*. Your request must also clearly state that you do not wish to be included in the Settlement, or words to that effect. It must be mailed (postmarked) on or before the response deadline. If you do not exclude yourself from the Settlement in accordance with this procedure, you will be bound by the terms of the Settlement and the related judgment entered by the Court. However, even if you exclude yourself as described above, you will still be bound by the PAGA release and you will receive a PAGA payment if you were employed within the PAGA Period.

NOTE REGARDING RESPONSE DEADLINES:

The 60-day deadline for you to opt out of the Settlement, object to the Settlement, or submit a challenge to the number of Compensable Workweeks being credited to you may be extended if your Notice was initially returned to the Settlement Administrator as undeliverable and, as a result, the Settlement Administrator re-mailed this Notice to you later. In such a case, you will have up to 7 calendar days from the date of the re-mailing to submit your response, even if that falls beyond the regular 60-day deadline.

CHANGE OF ADDRESS

If you move after receiving this Notice, if it was misaddressed, or if for any reason you want your Settlement Payment or future correspondence concerning this Action to be sent to a different address, you must supply your preferred address to the Settlement Administrator.

ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you may review the detailed “Joint Stipulation of Class Action Settlement and Release,” which is available for viewing online, free of charge, at the Settlement Administrator’s website, _____. The pleadings and other court records in the lawsuit are available online at [insert court website link] [or Settlement Administrator’s website if applicable] and may also be examined in person at any time during regular business hours at the Office of the Clerk of the Sacramento County Superior Court, 813 6th Street, Sacramento, California 95814.

ALL INQUIRIES REGARDING THIS LITIGATION SHOULD BE MADE TO THE SETTLEMENT ADMINISTRATOR OR COUNSEL FOR THE CLASS. CLASS COUNSEL ARE:

THE MARKHAM LAW FIRM

David R. Markham
Lisa R. Brevard
888 Prospect St., Suite 200
La Jolla, CA 92037
Telephone: (619) 399-3995

COHELAN KHOURY & SINGER

Isam C. Khoury
Michael D. Singer

Maggie K. Realin
605 C Street, Suite 200
San Diego, CA 92101
Telephone: (619) 595-3001

**DO NOT TELEPHONE THE COURT FOR LEGAL ADVICE OR FOR INFORMATION
ABOUT THIS SETTLEMENT.**

**BY ORDER OF THE SACRAMENTO COUNTY
SUPERIOR COURT**