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Attorneys for Plaintiffs Fabio Zambrano and Martha Castillo,
individually, and on behalf of all others similarly situated

[Additional counsel listed on following page]

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

FABIO ZAMBRANO and MARTHA
CASTILLO, individually and on behalf of all
others similarly situated,

Plaintiffs,

vs.

GATEWAYS HOSPITAL AND MENTAL
HEALTH CENTER; and DOES 1 through 20,
inclusive,

Defendants.

Case No. 20STCV15989

JOINT STIPULATION OF SETTLEMENT

1 **LEWIS BRISBOIS BISGAARD & SMITH LLP**

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7 Attorneys for GATEWAYS HOSPITAL AND
8 MENTAL HEALTH CENTER

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

6 This Agreement is made by and between Named Plaintiffs Fabio Zambrano and Martha
7 Castillo (“Named Plaintiffs”) and the Class Members, on the one hand, and Defendant Gateways
8 Hospital and Mental Health Center (“Defendant”), on the other hand. Named Plaintiffs and
9 Defendant collectively are referred to in this Agreement as “the Parties.”

10 The Parties agree that the Action shall be, and hereby is, ended, settled, resolved, and
11 concluded by agreement of Defendant to pay the settlement amount of Seven Hundred Thousand
12 Dollars (\$700,000.00) as provided in Section 3.06(a) below (“Gross Settlement Amount”) pursuant
13 to the terms and conditions of this Agreement and for the consideration set forth herein, including
14 but not limited to, a release of all claims by Named Plaintiffs and the Class Members as set forth
15 herein.

16 **ARTICLE I**

17 **DEFINITIONS**

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

20 a. “Action” means the action described as follows: *Fabio Zambrano and Martha*
21 *Castillo, individually and on behalf of all others similarly situated v. Gateways Hospital and Mental*
22 *Health Center* and DOES 1 through 20, inclusive,” Case No. 20STCV15989, commenced on April
23 24, 2020, in the Superior Court of the State of California for the County of Los Angeles.

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

26 c. “Class” means all current and former non-exempt employees who are or were
27 employed by Defendant in California at any time during the Class Period.

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

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Samuel A. Wong
Jessica L. Campbell
Kristy R. Connolly
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e. “Class List” means a list based on Defendant’s business records that identifies each Class Member’s name, last known home or mailing address, Social Security number or, as applicable, other taxpayer identification number, dates of employment, and the number of Qualifying Workweeks worked during the Class Period.

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

g. “Class Period” means April 24, 2016 through September 1, 2021 or the date the Court grants preliminary approval, whichever is sooner.

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

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

j. “Defendant” means Defendant Gateways Hospital and Mental Health Center

k. “Defense Counsel” means counsel for Defendant:

LEWIS BRISBOIS BISGAARD & SMITH LLP
Michael B. Wilk
Joshua D. Carlon
Aashish Bhargava

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

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

7 n. “Gross Settlement Amount” means Seven Hundred Thousand Dollars and Zero Cents
8 (\$700,000.00) to be paid by Defendant as provided by this Agreement to settle this Action. All claims
9 of the Class and all administration costs, attorney’s fees and costs, and Incentive Awards, pursuant
10 to Section 3.07(a) below, shall be paid out of the Gross Settlement Amount. The employer’s share
11 of payroll taxes arising from the payments made under this settlement shall be paid by Defendant
12 separate from and in addition to the Gross Settlement Amount. The Gross Settlement Amount is
13 subject to a pro rata increase pursuant to Section 3.04(e) below. No part of the Gross Settlement
14 Amount shall revert to Defendant.

15 o. “Incentive Awards” means a monetary amount of up to Five Thousand Dollars
16 (\$5,000.00) for each of the Named Plaintiffs (\$10,000 total), subject to Court approval, in recognition
17 of their effort and work in prosecuting the Action on behalf of Class Members, and for their general
18 release of claims.

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

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

23 r. “LWDA Payment” means 75% of the \$20,000 allocated to the settlement of PAGA
24 claims which, subject to Court approval, will be paid to the LWDA pursuant to Section 3.07(e) of
25 this Agreement, as provided for below.

26 s. “Motion for Final Approval” means Plaintiffs’ submission of a written motion,
27 including any evidence as may be required for the Court to conduct an inquiry into the fairness of
28

1 the Settlement as set forth in this Agreement, to conduct a Final Fairness and Approval Hearing, and
2 to enter a Final Order in this Action.

3 t. “Motion for Preliminary Approval” means Plaintiffs’ submission of a written motion,
4 including any evidence as may be required for the Court to grant preliminary approval of the
5 Settlement as required by Rule 3.769 of the California Rules of Court.

6 u. “Named Plaintiffs” means Fabio Zambrano and Martha Castillo.

7 v. “Net Settlement Amount” means the Gross Settlement Amount less Court-approved
8 administration costs, Class Counsels’ attorney’s fees and costs, Incentive Awards, and LWDA
9 Payment, pursuant to Section 3.07(a)-(f) below.

10 w. “Non-Participating Class Member(s)” means any Class Member(s) who submit to the
11 Settlement Administrator a valid and timely written request to be excluded from the Class pursuant
12 to Section 3.04(b) below.

13 x. “Notice Packet” means the Notice of Proposed Class Action Settlement in a form
14 substantially similar to the Notice Packet attached hereto as **Exhibit A**, subject to Court approval.

15 y. “PAGA” means the California Private Attorneys General Act of 2004, which is
16 codified in California Labor Code §§ 2698 *et seq.*

17 z. “PAGA Settlement Amount” means the portion of the Gross Settlement Amount
18 allocated to the resolution of PAGA Group Members’ claims arising under PAGA. The Parties have
19 agreed that the PAGA Settlement Amount is Twenty Thousand Dollars (\$20,000), subject to Court
20 approval. Of the PAGA Settlement Amount, 75% will be considered the LWDA Payment, and the
21 remaining 25% will be added to the Net Settlement Amount and distributed to PAGA Group
22 Members.

23 aa. “PAGA Group Members” means all Class Members employed by Defendant at any
24 time between April 24, 2019 through September 1, 2021 or the date the Court grants preliminary
25 approval, whichever is sooner. (“PAGA Period”).

26 bb. “Participating Class Member(s)” is defined as a Class Member who does not timely
27 exclude himself or herself from the Settlement and will therefore receive his or her share of the Net
28

1 Settlement Amount automatically without the need to return a claim form. Each Participating Class
2 Member will be paid his/her Individual Settlement Payment.

3 cc. "Preliminary Approval Date" means the date the Court preliminarily approves the
4 Settlement embodied in this Agreement.

5 dd. "Qualified Settlement Fund" or "QSF" means a fund within the meaning of Treasury
6 Regulation § 1.468B-1, 26 CFR § 1.468B-1 *et seq.*, that is established by the Settlement
7 Administrator for the benefit of Participating Class Members.

8 ee. "Qualifying Workweeks" means the number of weeks that Class Members worked
9 for Defendant as non-exempt employees during the Class Period.

10 ff. "Released Parties" means Defendant, and each of its parent companies, subsidiaries,
11 affiliates, current and former management companies, agents (including without limitation, any
12 investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future
13 officers, directors and employees) predecessors, successors, and assigns.

14 gg. "Response Deadline" means the deadline by which Class Members must postmark or
15 fax to the Settlement Administrator requests for exclusion or written notices of objection. The
16 Response Deadline will be forty-five (45) calendar days after the initial mailing of the Notice Packet
17 by the Settlement Administrator, unless the forty-fifth (45th) calendar day falls on a Sunday or
18 federal holiday, in which case the Response Deadline will be extended to the next day on which the
19 U.S. Postal Service is open. The Response Deadline will be extended as set forth herein if there is a
20 re-mailing.

21 hh. "Settlement Administration Costs" means all costs incurred by the Settlement
22 Administrator in administration of the Settlement, including, but not limited to, mailing of notice to
23 the class, calculation of Individual Settlement Payments, generation of Individual Settlement
24 Payment checks and related tax reporting forms, administration of unclaimed checks, and generation
25 of checks to Class Counsel for attorneys' fees and costs, to Named Plaintiffs for their Incentive
26 Awards, and to the LWDA. The Settlement Administration Costs shall be paid from the Gross
27 Settlement Amount.

ii. “Settlement Administrator” means Simpluris, Inc., which the Parties have agreed will be responsible for the administration of the Individual Settlement Payments to be made by Defendant from the Gross Settlement Amount and related matters under this Agreement.

ARTICLE II

CONTINGENT NATURE OF THE AGREEMENT

Section 2.01: Stipulation of Class Certification for Settlement Purposes Only

Because the Parties have stipulated to the certification of the Class with respect to any or all causes of action alleged in the Action for settlement purposes only, this Agreement requires preliminary and final approval by the Court. Accordingly, the Parties enter into this Agreement on a conditional basis. This Agreement is contingent upon the approval and certification by the Court. If the Date of Finality does not occur, the fact that the Parties were willing to stipulate for the purposes of this Agreement to a Class shall have no bearing on, nor be admissible in connection with, the issue of certification of the Class with respect to all causes of action alleged in the Action. Defendant does not consent to certification of the Class for any purpose other than to effectuate settlement of the Action. If the Date of Finality does not occur, or if Disposition of this Action is not effectuated, any certification of the Class as to Defendant will be vacated and Named Plaintiffs, Defendant, and the Class will be returned to their positions with respect to the Action as if the Agreement had not been entered into. In the event that the Date of Finality does not occur: (a) any Court orders preliminarily or finally approving certification of any class contemplated by this Agreement shall be null, void, and vacated, and shall not be used or cited thereafter by any person or entity; and (b) the fact of the settlement reflected in this Agreement, the fact that Defendant did not oppose the certification of a Class under this Agreement, or that the Court preliminarily approved the certification of the Class, shall not be used or cited thereafter by any person or entity, including in any manner whatsoever, including without limitation any contested proceeding relating to the certification of any class. If the Date of Finality does not occur, this Agreement shall be deemed null and void, shall be of no force or effect whatsoever, and shall not be referred to or used for any purpose whatsoever. Defendant expressly reserves the right to challenge the propriety of class certification in the Action for any purpose, if the Date of Finality does not occur.

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

7 **ARTICLE III**

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

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

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

12 Named Plaintiffs will bring a motion before the Court for an order conditionally certifying
13 the Class to include all claims pled in the Action based on the preliminary approval of this
14 Agreement. The date that the Court grants preliminary approval of this Agreement will be the
15 "Preliminary Approval Date."

16 **Section 3.02: The Settlement Administrator**

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

25 All costs of administering the Settlement, including but not limited to all costs and fees
26 associated with preparing, issuing and mailing any and all notices to Class Members and/or
27 Participating Class Members, all costs and fees associated with computing, processing, reviewing,
28 and mailing the Individual Settlement Payments, all costs and fees associated with preparing any tax

1 returns and any other filings required by any governmental taxing authority or agency, all costs and
2 fees associated with preparing any other checks, notices, reports, or filings to be prepared in the
3 course of administering disbursements from the Net Settlement Amount, and any other costs and fees
4 incurred and/or charged by the Settlement Administrator in connection with the execution of its
5 duties under this Agreement (“Settlement Administration Costs”), shall be paid to the Settlement
6 Administrator from the Gross Settlement Amount.

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

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

13 Within ten (10) business days of receiving a Class List from Defendant, the Settlement
14 Administrator will send Class Members, by first-class mail, at their last known address, the Court
15 approved Notice Packet, including notice of this Settlement and of the opportunity to opt out of the
16 Settlement Class. The Notice Packet will include a calculation of the Class Member’s approximate
17 share of the Net Settlement Amount. Class Members will have forty-five (45) days from the date of
18 mailing in which to postmark objections or requests for exclusion. Prior to the initial mailing, the
19 Settlement Administrator will check all Class Member addresses against the National Change of
20 Address database and shall update any addresses before mailing. The Settlement Administrator will
21 skip trace and re-mail all returned, undelivered mail within five (5) days of receiving notice that a
22 Notice Packet was undeliverable. If a Class Member’s notice is re-mailed, the Class Member shall
23 have fifteen (15) calendar days from the re-mailing, or forty-five (45) calendar days from the date of
24 the initial mailing, whichever is later, in which to postmark objections or requests for exclusion.
25 Class Members shall not be required to submit claim forms in order to receive a proportional share
26 of the Net Settlement Amount.

27 If the Notice Packet is returned with a forwarding address, the Settlement Administrator shall
28 re-mail the Notice Packet to the forwarding address. With respect to those Class Members whose

1 Notice Packet is returned to the Settlement Administrator as undeliverable, the Settlement
2 Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace or
3 mass search on LexisNexis or a comparable database based on set criteria and, if another address is
4 identified, shall mail the Notice Packet to the newly identified address. It is the intent of the Parties
5 that reasonable means be used to locate Class Members and that the Settlement Administrator be
6 given discretion to take steps in order to facilitate notice of the Settlement and delivery of the
7 Individual Settlement Payments to all Participating Class Members.

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

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

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

24 **Section 3.04: Responses to Notice**

25 **a. Class Member Disputes**

26 If any Class Member disagrees with Defendant's records as to his or her Qualifying
27 Workweeks during the Class Period as reflected in the Notice Packet, the Class Member shall set
28 forth in writing the Qualifying Workweeks he/she claims to have worked during the Class Period

1 and submit such writing to the Settlement Administrator by the Response Deadline (or fifteen (15)
2 days after the Settlement Administrator re-mails the Notice to the Class Member, whichever is later),
3 along with any supporting documentation. The Notice will also provide a method for the Class
4 Member to challenge the employment data on which his or her Individual Settlement Payment is
5 based. The Settlement Administrator shall contact the Parties regarding the dispute and the Parties
6 will work in good faith to resolve it. If the Parties are unable to resolve the dispute, the Settlement
7 Administrator will be the final arbiter of the Qualifying Workweeks for each Class Member during
8 the Class Period based on the information provided to it.

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

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

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

1 **c. Objections to Settlement**

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

13 **d. Encouragement of Class Members**

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

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

19 Defendant has estimated the number of Class Members as 754 and the number of workweeks
20 was 77,000. If the number of Class Members exceeds 754 or the number of workweeks exceeds
21 77,000 by more than 10% as of the end of the Class Period, there will be a pro rata adjustment to the
22 Gross Settlement Amount of \$928.38 per additional Class Member or \$9.09 per additional
23 workweek, whichever is greater.

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

25 On the date set forth in the Order for Preliminary Approval and Notice Packet, a Final
26 Fairness and Approval Hearing shall be held before the Court in order to (1) review this Agreement
27 and determine whether the Court should give it final approval, and (2) consider any objections made
28 and all responses by the Parties to such objections. At the Final Fairness and Approval Hearing, the

1 Parties shall ask the Court to grant final approval to this Agreement and shall submit to the Court a
2 Proposed Final Order Approving Settlement of Class Action.

3 Once the Court enters Final Order, Class Counsel shall file a Notice of Entry of Judgment,
4 and provide the same to the Settlement Administrator, who shall post the Order and Judgment on the
5 Settlement Administrator's website (www.____.com) for one hundred eighty (180) calendar days.

6 **Section 3.06: Settlement Payment Procedures**

7 **a. Settlement Amount**

8 In exchange for the Released Claims set forth in this Agreement, Defendant agrees to pay the
9 Gross Settlement Amount in the amount of Seven Hundred Thousand Dollars (\$700,000.00), subject
10 to a pro rata increase under the condition set forth in Section 3.04(e). The Gross Settlement Amount
11 includes all Individual Settlement Amounts to Participating Class Members, all administration costs,
12 Class Counsel's attorney's fees and costs, PAGA Settlement Amount, and the Incentive Payments.

13 Within fifteen (15) business days after Defendant has been served by Class Counsel with
14 Notice of Entry of Final Order approving the settlement, Defendant shall transfer the Gross
15 Settlement Amount plus Defendant's share of employer-side payroll taxes, as set forth herein, into a
16 QSF established by the Settlement Administrator either directly or by sending the funds to the
17 Settlement Administrator to be deposited and distributed. The Settlement Administrator will use these
18 funds to fund payment of the Individual Settlement Payments to Participating Class Members, Class
19 Counsel's attorneys' fees and costs, the Incentive Awards, the LWDA Payment, and the Settlement
20 Administration Costs.

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

b. Payment of Attorneys' Fees and Costs

Class Counsel shall submit an application for an award of attorneys' fees of up to one-third of the Gross Settlement Amount, which, based on the current Gross Settlement Amount, is Two Hundred Thirty-Three Thousand Dollars and Thirty-Three Cents (\$233,333.33). Class Counsel shall submit an application for an award of costs not to exceed Fifteen Thousand Dollars (\$15,000.00). Such application for attorneys' fees and costs shall be heard by the Court at the Final Fairness and Approval Hearing. Defendant shall not object to or oppose any such application in these amounts. Class Counsel shall serve Defendant with copies of all documents submitted in support of their application for an award of attorneys' fees and costs.

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

c. Payment of Settlement Administration Costs

The Settlement Administration Costs shall be paid out of the Gross Settlement Amount and shall not constitute payment to any Participating Class Member(s). The amount shall not exceed Ten Thousand Five Hundred Dollars (\$10,500).

d. Payment of Incentive Award to Named Plaintiffs

Subject to Court approval, the Named Plaintiffs shall each receive an Incentive Award of up to Five Thousand Dollars (\$5,000.00) each, or Ten Thousand Dollars total (\$10,000) the request for which Defendant will not object to or oppose. The Incentive Awards shall be paid out of the Gross Settlement Amount and shall not constitute payment to any Participating Class Member(s) other than Named Plaintiffs. To the extent that the Court approves less than the amount of incentive award that Class Counsel request, the difference between the requested and awarded amounts will be reallocated to the Net Settlement Amount.

1 Because it is the intent of the Parties that the Incentive Awards represent payment to Named
2 Plaintiffs for their service to the Class Members, and not wages, the Settlement Administrator will
3 not withhold any taxes from the Incentive Awards. The Incentive Awards will be reported on a Form
4 1099, which the Settlement Administrator will provide to Named Plaintiffs and to the pertinent taxing
5 authorities as required by law.

6 **e. Payment to the Labor and Workforce Development Agency**

7 In consideration of claims made under PAGA, Class Counsel will request that the Court
8 approve allocation of Twenty Thousand Dollars (\$20,000) of the Gross Settlement Amount to these
9 claims. Seventy-five percent (75%) of this payment will be paid to the California Labor and
10 Workforce Development Agency (“LWDA Payment”), and twenty-five percent (25%) will be paid
11 to the Net Settlement Amount for distribution to PAGA Group Members. Defendant will not oppose
12 this request. The entire PAGA Settlement Amount will be paid out of the Gross Settlement Amount.
13 The Court’s adjustment, if any, of the amount allocated to Named Plaintiffs’ PAGA claim in the
14 Action, will not invalidate this Agreement.

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

16 The Parties agree that the Net Settlement Amount shall be used to fund Individual Settlement
17 Payments. The Parties agree that the Net Settlement Amount shall be divided between all
18 Participating Class Members in proportion to the number of individual Qualifying Workweeks for
19 each Class Member. To calculate the minimum amount each Class Member will receive based on
20 their individual Qualifying Workweeks, the Net Settlement Amount will be divided by the total
21 number of Qualifying Workweeks by all Class Members during the Class Period and then allocated
22 on a pro rata basis. Qualifying Workweeks will be rounded up to the next whole integer. Each Class
23 Member’s approximate Individual Settlement Payment amount will be included in his or her Notice
24 Packet. After final approval by the Court, the Net Settlement Amount will be dispersed to
25 Participating Class Members (those who did not exclude themselves) on a pro rata basis based on the
26 individual Qualifying Workweeks worked during the Class Period by each Participating Class
27 Member.

Each Individual Settlement Payment will represent wages and penalties allocated using the following formula: 20% allocated to wages; 80% allocated to interest and penalties. The amounts paid as wages shall be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and shall be reported by W-2 forms. The employer-side taxes will be paid separate from and in addition to the Gross Settlement Amount. The amounts paid as penalties and interest shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and shall be reported by IRS 1099 forms.

No later than ten (10) business days after receiving the Gross Settlement Amount from Defendant, the Settlement Administrator shall prepare and mail the checks for the Individual Settlement Payments to Participating Class Members. Individual Settlement Payments paid from the Net Settlement Amount allocated to wages will be reduced by applicable employer and employee tax withholdings, and the Settlement Administrator will issue a Form W-2 for the wage portion of the Individual Settlement Payments. The Settlement Administrator will issue a Form 1099 to the extent required by law for the interest and penalty portions of the Individual Settlement Payments. Participating Class Members shall have 180 days from the date their Individual Settlement Payment checks are dated to cash their Settlement checks. Any checks that are not cashed upon the expiration of that 180-day time period will be void, and the uncashed funds shall be paid to the State Controller Unclaimed Property Fund in the name of the Class Member for whom the funds are designated.

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

g. Default on Payment.

1 Defendant's failure to fund the Gross Settlement Amount within fifteen (15) business days
2 after the date that the Class Counsel serves Defendant with Notice of Entry of Final Order approving
3 the Settlement shall be considered a default. In the event Defendant fails to timely fund the Gross
4 Settlement Amount, the Settlement Administrator will provide notice to Class Counsel and
5 Defendant's counsel within three (3) business days of the missed payment. Thereafter, Defendant
6 shall have seven (7) days to cure the default and tender payment to the Settlement Administrator. In
7 the event Defendant fails to cure the default within the times set forth herein, Named Plaintiffs may
8 elect to enter judgment against Defendant, on an ex parte basis, for the balance of the unpaid Gross
9 Settlement Amount to date, and Named Plaintiffs will be entitled to recover interest at ten percent
10 (10%) per year from the due date for such payment and reasonable attorneys' fees and costs.

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

12 The Individual Settlement Payments made to Participating Class Members under this
13 Agreement, as well as any other payments made pursuant to this Agreement, will not be utilized to
14 calculate any additional benefits under any benefit plans to which any Class Members may be
15 eligible, including, but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase
16 plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties'
17 intention that this Agreement will not affect any rights, contributions, or amounts to which any Class
18 Members may be entitled under any benefit plans.

19 **ARTICLE IV**

20 **LIMITATIONS ON USE OF THIS SETTLEMENT**

21 **Section 4.01: No Admission**

22 Defendant disputes the allegations in the Action and believes that, but for this Settlement, a
23 Class should not have been certified in the Action. This Agreement is entered into solely for the
24 purpose of settling highly disputed claims. Nothing in this Agreement is intended nor will be
25 construed as an admission of liability or wrongdoing by Defendant or that a class should be certified.

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

27 Whether or not the Date of Finality occurs, neither this Agreement, nor any of its terms, nor
28 the Settlement itself, will be: (a) construed as, offered, or admitted in evidence as, received as, or

1 deemed to be evidence for any purpose adverse to Defendant or any other of the Released Parties,
2 including but not limited to, evidence of a presumption, concession, indication, or admission by any
3 of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage, or
4 (b) disclosed, referred to, or offered in evidence against any of the Released Parties in any further
5 proceeding in the Action, except for the purposes of effectuating the Settlement pursuant to this
6 Agreement or for Defendant to establish that a Class Member has resolved any of his or her claims
7 released through this Agreement.

8 **Section 4.03: Nullification**

9 The Parties have agreed to the certification of the Class encompassing all claims alleged in
10 the Action for the sole purpose of effectuating this Agreement. If (a) the Court should for any reason
11 fail to certify this Class for settlement, or (b) the Court should for any reason fail to approve this
12 Settlement, or (c) the Court should for any reason fail to enter the Final Order, or (d) the Final Order
13 is reversed, or declared or rendered void, or (e) the Court should for any reason fail to dispose of the
14 Action in its entirety, then (i) this Agreement shall be considered null and void; (ii) neither this
15 Agreement nor any of the related negotiations or proceedings shall be of any force or effect; (iii) all
16 Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had
17 been neither entered into nor filed with the Court; and (iv) the fact that the Parties were willing to
18 stipulate to class certification of all causes of action pled in the Action as part of the Settlement will
19 have no bearing on, and will not be admissible in connection with, the issue of whether the Class
20 should be certified by the Court in a non-settlement context in this Action or any other action, and in
21 any of those events, Defendant expressly reserves the right to oppose certification of the Class.

22 In the event of a timely appeal from the Final Order, the Final Order shall be stayed and the
23 Gross Settlement Amount shall not be distributed pending the completion of the appeal.

24 **ARTICLE V**

25 **RELEASES**

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

27 Upon the date Defendant transfers the Gross Settlement Amount, Named Plaintiffs and
28 Participating Class Members who do not opt out of the Settlement, release the Released Parties from

any and all claims alleged in Named Plaintiffs' Operative Complaint, during the Class Period, including: (1) failure to pay overtime wages (2) failure to provide meal periods (3) failure to authorize or permit rest periods (4) failure to pay wages upon separation of employment and within the required time (5) failure to furnish accurate itemized wage statements wage statement violations (6) failure to reimburse necessary business expenses (7) violation of California Business and Professions Code §§17200, *et seq.* ("Released Claims").

Section 5.02: Released Claims by PAGA Group Members

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

Section 5.03: Named Plaintiffs' Release of Unknown Claims

Upon the date of funding the GSA, Named Plaintiffs, waive, release, acquit, and forever discharge the Released Parties from any and all claims, actions, charges, complaints, grievances, and causes of action, of any nature arising from Named Plaintiffs' employment with Defendant, whether known or unknown, which exist or may exist as of the Parties' execution of this Agreement.

Section 1542 of the California Civil Code provides as follows:

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

Plaintiffs' general release provided herein is made with an express waiver and relinquishment of any claim, right, or benefit under California Civil Code § 1542.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.01: Amendments or Modification

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

1 **Section 6.02: Assignment**

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

7 **Section 6.03: Governing Law**

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

11 **Section 6.04: Entire Agreement**

12 This Agreement, including the Exhibits referred to herein, which form an integral part hereof,
13 contains the entire understanding of the Parties with respect to the subject matter contained herein.
14 In case of any conflict between text contained in Articles I through VI of this Agreement and text
15 contained in the Exhibits to this Agreement, the former (*i.e.*, Articles I through VI) shall be
16 controlling, unless the Exhibits are changed by or in response to a Court order. There are no
17 restrictions, promises, representations, warranties, covenants, or undertakings governing the subject
18 matter of this Agreement other than those expressly set forth or referred to herein. This Agreement
19 supersedes all prior agreements and understandings among the Parties with respect to the settlement
20 of the Action, including correspondence between Class Counsel and Defense Counsel and drafts of
21 prior agreements or proposals.

22 **Section 6.05: Waiver of Compliance**

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

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

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

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

8 Should any dispute arise among the Parties or their respective counsel regarding the
9 implementation or interpretation of this Agreement, a representative of Class Counsel and a
10 representative of Defense Counsel shall meet and confer in an attempt to resolve such disputes prior
11 to submitting such disputes to the Court, and consult with mediator Jeff Krivis to the extent necessary.

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

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

15 **Section 6.09: Cooperation in Drafting**

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

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

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

25 **Section 6.11: Headings**

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

1 **Section 6.12: Notice**

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

4 *To Named Plaintiffs and the Class:*

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

14 And

15 *To Defendant:*

16 Michael Wilk
17 Joshua Carlon
18 LEWIS BRISBOIS BISGAARD & SMITH LLP
19 633 West 5th Street, Suite 4000
20 Los Angeles, CA 90071
21 Telephone: 213.250.1800
22 Facsimile: 213.250.7900

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

24 To the extent consistent with class action procedure, this Agreement shall be enforceable by
25 the Court pursuant to California Code of Civil Procedure section 664.6 and California Rule of Court
26 3.769(h). The Final Order entered by the Court will not adjudicate the merits of the Action or the
27 liability of the Parties resulting from the allegations of the Action. Its sole purpose is to adopt the
28 terms of the Settlement and to retain jurisdiction over its enforcement. To that end, the Court shall
retain continuing jurisdiction over this Action and over all Parties and Class Members, to the fullest
extent to enforce and effectuate the terms and intent of this Agreement. In the event that one or more
of the Parties institutes any legal action or other proceeding against any other Party or Parties to
enforce the provisions of this Settlement, the successful Party or Parties will be entitled to recover

1 from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness
2 fees incurred in connection with any enforcement actions.

3 **Section 6.14: Mutual Full Cooperation**

4 The Parties agree to cooperate fully with each other to accomplish the terms of this
5 Agreement, including but not limited to the execution of such documents, and the taking of such
6 other action, as may reasonably be necessary to implement the terms of this Agreement. The Parties
7 to this Agreement shall use their best efforts, to effectuate and implement this Agreement and its
8 terms. In the event the Parties are unable to reach agreement on the form or content of any document
9 needed to implement the Settlement, or on any supplemental provisions that may become necessary
10 to effectuate the terms of the Settlement, the Parties agree to seek the assistance of the Court or seek
11 the assistance of mediator Jeff Krivis.

12 **Section 6.15: Authorization to Act**

13 Class Counsel warrants and represents that they are authorized by Named Plaintiffs, and
14 Defense Counsel warrants that they are authorized by Defendant, to take all appropriate action
15 required to effectuate the terms of this Agreement, except for signing documents, including but not
16 limited to this Agreement, that are required to be signed by the Parties themselves. Defendant
17 represents and warrants that the individual executing this Agreement on its behalf has the full right,
18 power, and authority to enter into this Agreement and to carry out the transactions contemplated
19 herein.

20 **Section 6.16: No Reliance on Representations**

21 The Parties have made such investigation of the facts and the law pertaining to the matters
22 described herein and to this Agreement as they deem necessary, and have not relied, and do not rely,
23 on any statement, promise, or representation of fact or law, made by any of the other parties, or any
24 of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted
25 rights, or with regard to the advisability of entering into and executing this Agreement, or with respect
26 to any other matters. No representations, warranties, or inducements, except as expressly set forth
27 herein, have been made to any party concerning this Agreement.

EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: 8/13/2021

Fabio Zambrano

By: _____

Named Plaintiff

DocuSigned by:

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Dated: 8/13/2021

Martha Castillo

By: _____

Named Plaintiff

DocuSigned by:

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Dated: _____

GATEWAYS HOSPITAL AND MENTAL
HEALTH CENTER

By: _____

(Signature)

(Printed Name)

(Title)

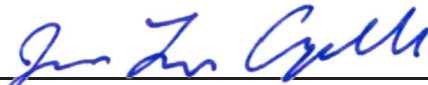
APPROVED AS TO FORM ONLY:

Dated: 08/19/2021

AEGIS LAW FIRM, PC

By: _____

Samuel Wong
Jessica L. Campbell
Kristy R. Connolly



Attorneys for Named Plaintiffs Fabio Zambrano
and Martha Castillo

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EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: _____

Fabio Zambrano

By: _____
Named Plaintiff

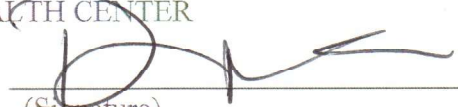
Dated: _____

Martha Castillo

By: _____
Named Plaintiff

Dated: 8/17/2021

GATEWAYS HOSPITAL AND MENTAL
HEALTH CENTER

By: 
(Signature)

Philip Vuong
(Printed Name)

It's CEO.
(Title)

APPROVED AS TO FORM ONLY:

Dated: _____

AEGIS LAW FIRM, PC

By: _____
Samuel Wong
Jessica L. Campbell
Kristy R. Connolly

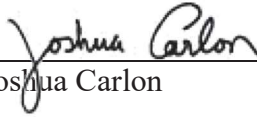
Attorneys for Named Plaintiffs Fabio Zambrano
and Martha Castillo

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Dated:

August 17, 2021

**LEWIS BRISBOIS BISGAARD & SMITH
LLP**

By: 
Joshua Carlon

Attorneys for Defendant Gateways Hospital and
Mental Health Center

EXHIBIT A

THIS IS AN IMPORTANT COURT APPROVED NOTICE. READ CAREFULLY.

Zambrano/Castillo v. Gateways Hospital and Mental Health Center
Los Angeles County Superior Court, Case No. 20STCV15989

If you were a non-exempt employee employed in California for Gateways Hospital and Mental Health Center at any time from April 24, 2016 through September 1, 2021, a class action lawsuit may affect your rights.

This is a court-authorized notice. It is not a solicitation from a lawyer.

- You have been identified as a Class Member in a Lawsuit brought by a former non-exempt employee of Gateways Hospital and Mental Health Center (“Defendant”).
- The Court has preliminarily approved a class action settlement with Defendant, which will affect all non-exempt employees who were employed by Defendant at any time between April 24, 2016 through September 1, 2021 (the “Class Period.”)
- If the Court grants final approval of the Settlement, there will be money available to you.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
PARTICIPATE IN THE SETTLEMENT – <u>NO ACTION REQUIRED</u>	Stay in this Lawsuit. Receive a payment. Give up certain rights. By doing nothing, you become part of the Class and will collect a settlement award as detailed below. But, you give up certain rights to sue Defendant separately for the legal claims raised in this Lawsuit.
OBJECT TO THE SETTLEMENT Deadline: _____, 2022	Stay in this Lawsuit. May give up certain rights. If you object to the settlement, you will remain a member of the Class, and if the Court approves the settlement, you will collect a settlement award and be bound by the terms of the settlement in the same way as Class Members who do not object.
ASK TO BE EXCLUDED Deadline: _____, 2022	Get out of this Lawsuit. Get no payment from it. Keep rights. If you ask to be excluded from the settlement, you won’t receive any payment from the settlement award. But, you keep any rights to sue Defendant separately for the legal claims raised or that could have been raised in this Lawsuit.

- **Regardless of the option you choose, you will not be retaliated against for exercising your rights.**
- Your options are explained in this notice. To object to the settlement or to ask to be excluded, you must act before _____, 2022.
- **Any questions?** Read on or contact Class Counsel or the Settlement Administrator listed below.

BASIC INFORMATION

1. Why did I get this notice?

Defendant's records show that you are a current or former non-exempt employee employed by Defendant. This notice explains that the Court has given preliminary approval to a settlement in a conditionally certified class action lawsuit that may affect you.

The Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable. Any final determination of those issues will be made at the final hearing. You have legal rights and options that you may exercise as part of this settlement. Judge Maren Nelson of the Superior Court of the State of California, County of Los Angeles, is overseeing this lawsuit. The lawsuit is known as *Fabio Zambrano and Martha Castillo v. Gateways Hospital and Mental Health Center*, Los Angeles Superior Court Case No. 20STCV15989 (the "Lawsuit").

2. What is this lawsuit about?

This Lawsuit is about whether Defendant paid all overtime wages, provided non-exempt employees with proper meal periods, authorized rest periods, paid all wages owed upon termination, provided proper wage statements, reimbursed necessary business expenses, violated California's Unfair Competition Law, and/or violated the Private Attorneys General Act of 2004 ("PAGA"), all as required by applicable California laws.

Throughout the litigation, Defendant has denied—and continues to deny—the factual and legal allegations in the case and has maintained that it has valid defenses to the claims. Defendant denies any wrongdoing and asserts that it at all times complied with the law. Defendant further denies that it owes the monies claimed in the Lawsuit. However, Defendant has voluntarily agreed to the terms of a negotiated settlement in order to avoid the burden and expense of continued litigation.

3. What is a class action and who is involved?

In a class action lawsuit such as this, a person called the "Class Representative" sues on behalf of other people who may have similar claims. The people together are a "Class" or "Class Members." The person who is the Class Representative is also called the plaintiff. The company sued is called the defendant. In class action litigation, one Court resolves the issues for everyone in the Class in one lawsuit, except for those people who choose to exclude themselves from the Class.

4. Why is this Lawsuit a class action?

As part of the settlement, Plaintiffs and Defendant agreed to conditionally certify the Class with respect to all of the claims Plaintiffs alleged against Defendant as a class action, for settlement purposes only and to ask the Court to approve the settlement. The Court has not ruled on the merits of these claims, and the decision to certify the agreed-upon Class for settlement purposes should not be viewed as a prediction or agreement that Plaintiffs or the Class would ultimately prevail on the merits of the action.

5. What are the terms of the proposed Settlement?

The major terms of the settlement are as follows:

1. Defendant has agreed to pay \$700,000.00 to settle the claims made in this Lawsuit. This amount is also known as the “Gross Settlement Amount.”
2. Plaintiffs Fabio Zambrano and Martha Castillo have agreed to release all of their claims in this Lawsuit against Defendant.
3. Plaintiffs seek the following deductions from the \$700,000.00 Gross Settlement Amount, subject to Court approval:
 - a. Up to one-third (1/3) of the Gross Settlement Amount (currently equal to \$233,333.33) for Class Counsel’s attorneys’ fees.
 - b. Up to \$15,000 for reimbursement of Class Counsel’s litigation costs.
 - c. An incentive award of up to \$5,000 to Plaintiff Fabio Zambrano and up to \$5,000 for Martha Castillo (\$10,000 total) for filing the Lawsuit, performing work in connection with the Lawsuit, and undertaking the risks of filing the Lawsuit.
 - d. Up to \$10,500 to cover the costs of the Settlement Administrator.
 - e. The Parties have agreed to allocate \$20,000 of the Gross Settlement Amount as PAGA civil penalties. Pursuant to the PAGA, 75% of this amount, or \$15,000, will be paid to the California Labor & Workforce Development Agency (“LWDA”). The remaining \$5,000 has been designated as the “PAGA Settlement Amount” and will be paid to certain Settlement Class members as described below.

The remaining funds will be referred to as the “Net Settlement Amount.” The Net Settlement Amount will be distributed to Class Members who do not request exclusion (the “Participating Class Members”) according to the following formula:

The Settlement Administrator will calculate the total Qualifying Workweeks for all Settlement Class Members. Qualifying Workweeks means the number of workweeks during which Class Members worked for Defendant during the Class Period (April 24, 2016 through September 1, 2021). Then, based on the dollar per Qualifying Workweeks amount calculated, the Settlement Administrator shall calculate the Individual Settlement Payment amounts for each Class Member by multiplying the base dollar amount per Qualifying Workweek by each Participating Class Member’s Qualifying Workweeks.

The \$5,000 designated as the PAGA Settlement Amount will be allocated proportionally based on each Class Member’s total pay periods worked for Defendant from April 24, 2019 through September 1, 2021 (the “PAGA Period”).

Your estimated Individual Settlement Payment is listed in Section 8 of this Notice. Each Individual Settlement Payment will represent wages and expenses/penalties allocated using the following formula: 20% allocated to wages, 80% allocated to penalties and interest.

WHO IS IN THE CLASS?

6. Am I part of this Class?

The “Class” includes: current and former non-exempt employees employed by Gateways Hospital and Mental Health Center in California from April 24, 2016 through September 1, 2021.

7. I’m still not sure if I am included.

If you still are not sure whether you are included in the Class, you can get free help by contacting Simpluris, the “Settlement Administrator”, at the designated phone number for this matter at [REDACTED] or by calling or writing the lawyers representing the Class in this case (“Class Counsel”), at the phone number or address listed in Section 19.

YOUR RIGHTS AND OPTIONS

You have to decide whether to stay in the Class, or ask to be excluded from the settlement. These options are further explained below, including any dates by which you need to take any actions.

8. What is my approximate Individual Settlement Payment?

According to pay records maintained by Defendant, the total number of weeks you worked in California for Defendant as a non-exempt employee during the Class Period is [REDACTED].

Based on information provided above, anticipated court-approved deductions, and preliminary calculations of Qualifying Workweeks, it is estimated your share of the settlement will be \$[REDACTED], less applicable taxes and withholdings.

You do not need to do anything further to receive your Individual Settlement Payment, other than to ensure that the Settlement Administrator has an accurate mailing address for you. It is important that you contact and inform the Settlement Administrator listed in Section 16, below, of any changes to your mailing address for timely payment.

Settlement Payment checks returned as undeliverable and unclaimed and uncashed 180 days after issuance and delivered checks remaining uncashed for more than 180 days after issuance will be void. The funds from any voided checks will be delivered to the State’s Controller’s Unclaimed Property Fund in the name of the individual to whom the money is owed.

Disputing Your Payment Amount

If you believe the total number of weeks you worked for Defendant during the Class Period shown above are not correct, you may contact the Settlement Administrator indicating what you believe is correct. You will need to submit any documents or other information that supports your belief that the

information set forth above is incorrect. The Settlement Administrator will attempt to resolve any dispute based upon Defendant's records and any information you provide. Any disputes not otherwise resolved by the Settlement Administrator will be resolved by the Court. Any such dispute must be mailed to the Settlement Administrator no later than [REDACTED], 2022.

9. What rights am I releasing if I participate in the Settlement?

If the Court grants final approval of the Settlement and you do not opt out of the Settlement, you will be deemed to have released Defendant from claims that were alleged or reasonably could have been alleged based on the facts in Plaintiffs' operative complaint ("Released Claims") during the period of April 24, 2016 through September 1, 2021. Specifically, you will be deemed to release and discharge Defendant Gateways Hospital and Mental Health Center ("Released Parties") from any and all claims alleged in the Action including: failure to pay overtime wages, failure to provide meal periods, failure to authorize or permit rest periods, failure to pay wages upon separation of employment and within the required time, failure to provide accurate itemized wage statements, failure to reimburse necessary business expenses, violation of California Business and Professions Code §§17200, *et seq.* You are also releasing the Released Parties for any claim asserted under the Private Attorneys General Act, based on the preceding claims.

10. How do I object to the Settlement?

If you are a Class Member who has not filed a request to be excluded, you may object to the Settlement. In order to object, you may mail a written objection to the Settlement Administrator at the address in Section 16 below. The objection must include a written statement of the grounds for objection, be signed by you or your authorized representative, and include all supporting papers. You may mail any written objection to the Settlement Administrator no later than [REDACTED], 2022. You may appear in person at the Final Fairness and Approval Hearing to present any oral objections even if you do not submit a timely Notice of Objection.

11. Why would I ask to be excluded?

You have the right to exclude yourself from the Class (and the settlement). If you exclude yourself from the Class—sometimes called "opting-out" of the Class – you won't get any money or benefits from the settlement. However, you may then be able to sue or continue to sue Defendant for your own claims if permitted by law. If you exclude yourself, you will not be legally bound by the Court's disposition of this lawsuit. If you exclude yourself, you should talk to your own lawyer soon, because your claims may be subject to a statute of limitations (thus, claims may expire in a short period of time).

12. How do I ask to be excluded from the Class?

If you are a member of the Class described above and would like to exclude yourself from the Class ("opt-out"), you, or your authorized representative, need to submit a written statement requesting exclusion from the Class to the Settlement Administrator at the address in Section 16 below. The statement must be signed by you or your authorized representative and must be postmarked on or before [REDACTED], 2022. The date of the postmark on the mailing envelope shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Class Member who timely requests to be excluded from the Class will not be entitled to any recovery under

the settlement and will not be bound by the settlement or have any right to object, appeal, or comment thereon. Class Members who fail to submit a valid and timely request for exclusion on or before [REDACTED], 2022 will be bound by all terms of the settlement and any final disposition entered in this Class Action if the Settlement is approved by the Court.

If you request to be excluded, you will still receive a portion of the PAGA Settlement Amount if you worked during the PAGA period.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court decided that Aegis Law Firm, PC is qualified to represent you and all Class Members. The law firm is called "Class Counsel" in the context of this case. The law firm's attorneys are experienced in handling similar cases against other employers. More information about this law firm, their practice, and their lawyers' experience is available at www.aegislawfirm.com.

14. How will the lawyers be paid?

As part of the Settlement with Defendant, Class Counsel has requested one-third of the Gross Settlement Amount (currently equal to \$233,333.33) in attorneys' fees, plus costs not to exceed \$15,000.00, to be paid from the Gross Settlement Amount to compensate Class Counsel for their work on this matter. The request for attorneys' fees and costs is subject to Court approval. You will not have to pay Class Counsel's fees and costs from your Individual Settlement Payment.

15. How will the Plaintiff be paid?

As part of the Settlement with Defendant, Class Counsel has requested an enhancement payment of up to \$5,000.00 to be paid to Plaintiff Fabio Zambrano and up to \$5,000 to be paid to Plaintiff Martha Castillo for their efforts in this matter during initial investigation, discovery, mediation and the like, while serving as Class Representatives and taking on the burden and risks of litigation. The request for an enhancement payment is subject to Court approval.

THE SETTLEMENT, APPROVAL, AND PAYMENT PROCESS

16. Who is handling the Settlement Administration process?

Simpluris
[address]
[address]
[Telephone]

17. When is the Final Fairness and Approval Hearing and do I have to attend?

The Final Fairness and Approval Hearing has been set for [REDACTED], at [REDACTED].m. in Department 17 of the Los Angeles County Superior Court for the State of California, located at 312 North Spring Street, Los Angeles, CA 90012. You do not need to attend the hearing to be a part of the

Settlement. However, if you wish to object to the Settlement, you may appear at the hearing. Please note that the hearing may be continued without further notice to the Class.

The Final Fairness and Approval Hearing date and/or location is subject to change. To check if the hearing has changed, please go to <http://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil>. This will give you access to information regarding the Lawsuit. Type in “20STCV15989” as the Case Number and then click “SEARCH.” The information for the Final Fairness and Approval Hearing will be listed under “FUTURE HEARINGS.”

If you wish to attend the hearing, please first visit <https://www.lacourt.org/> to determine whether you can appear in person and how you can appear remotely by phone. If you are able to attend the hearing in person and wish to do so, you must wear a face mask over your nose and mouth at all times within public areas of the courthouse or courtroom.

If the Court enters final judgment, then the Notice of Entry of Judgment will be posted on the Settlement Administrators’ website at [\[REDACTED\]](#).

18. When will I get money after the hearing?

The Court will hold a hearing on [\[REDACTED\]](#), at [\[REDACTED\]](#).m., to decide whether to approve the settlement. If the Court approves the settlement, after that there may be appeals if anyone objects. It is always uncertain when these objections and appeals can be resolved, and resolving them can take time. To check on the progress of the settlement, contact the Settlement Administrator or Class Counsel at the phone number or address listed in Section 19.

If the Court approves the settlement and if you do not opt out, your individual payment set forth in Section 8 above is expected to be distributed after Defendant makes payment to the Settlement Administrator.

GETTING MORE INFORMATION

19. Are more details available?

This Notice only summarizes the lawsuit, the Settlement, and related matters. For more information, the pleadings and other records in this litigation, including copies of the Settlement Agreement, may be examined at any time during regular business hours at the office of the Clerk of the Superior Court of the State of California, at the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012.

Any questions regarding this Class Notice or the Lawsuit may be directed to the Claims Administrator at the below address and telephone number. Alternatively, you may contact your own attorney, at your own expense, to advise you, or you may contact Class Counsel at the address, telephone number or email address set forth below. If your address changes, or is different from the address on the envelope enclosing this Notice, please promptly notify the Settlement Administrator.

Settlement Administrator:

Simpluris

[address]
[address]
[telephone]

Class Counsel:

Kashif Haque
Samuel A. Wong
Jessica L. Campbell
Kristy R. Connolly
AEGIS LAW FIRM, PC
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
Telephone: (949) 379-6250
Facsimile: (949) 379-6251

**PLEASE DO NOT CALL OR WRITE TO THE JUDGE OR TO THE COURT, OR TO ANY
OF DEFENDANT'S MANAGERS, SUPERVISORS, OR DEFENDANT'S ATTORNEYS
WITH QUESTIONS.**