

1        **SETTLEMENT AGREEMENT OF CLASS ACTION AND PRIVATE ATTORNEYS**

2                        **GENERAL ACT (“PAGA”) CLAIMS**

3                This Settlement Agreement of Class Action and Private Attorneys General Act Claims  
4 (“Settlement” or “Settlement Agreement”) is made between Tam Farias, Nicholas Calvi, and  
5 Jordyn Williams (“Plaintiffs”), as individuals and on behalf of all other similarly situated and  
6 alleged aggrieved employees, on the one hand, and Defendants Compass Holdings, Inc.; Compass  
7 Health, Inc., d/b/a Alto Lucero Transitional Center, Arroyo Grande Care Center, Bayside Care  
8 Center, Casa de Flores, Danish Care Center, Mission View Health Center, San Luis Post Acute  
9 Center, San Luis Transitional Care, Vineyard Hills Health Center, Wyndham Residence; Old  
10 Custom House, Inc., d/b/a Pismo Beach Flagship, Old Custom House, Mission Pizza, Mr. Ricks,  
11 Ventana Grill, Oyster Loft, Wooly’s, and Mestiza (“Defendants”) on the other hand (collectively,  
12 the “Parties” and individually, a “Party”).

13        **I.        DEFINITIONS**

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

16                1.        “Class Counsel” means Jonathan Lebe and Brielle Edborg of Lebe Law, APLC,  
17 777 S. Alameda Street, Second Floor, Los Angeles, California 90021, and Douglas Han, Shunt  
18 Tatavos-Gharajeh, and Shelby Miner of Justice Law Corporation, 751 N. Fair Oaks Avenue, Suite  
19 101, Pasadena, California, 91103.

20                2.        “Class Member Payments” means the amount payable from the Class Payout Fund  
21 to each Settlement Class Member, 80% of which shall be allocated to penalties and 20% of which  
22 shall be allocated to wages. Class Member Payments are separate and distinct from PAGA  
23 Payments (defined below) that will be paid to PAGA Aggrieved Employees regardless of if they  
24 timely request exclusion from the Settlement as further described in this Agreement.

25                3.        “Class Payout Fund” means all funds remaining from the Gross Settlement Amount  
26 after deducting the Court-awarded Named Plaintiffs’ Enhancement Payments, Fees Award, Costs  
27 Award, Settlement Administration Costs, and PAGA Payments.

28                4.        “Costs Award” means costs of litigation approved by the Court for Class Counsel’s

costs incurred in investigation, litigation, and resolution of the Lawsuit, and administration of the Settlement, including anticipated costs incurred through Final Approval and disbursement of payments under this Settlement Agreement and obtaining entry of the judgment terminating the Lawsuit.

5. “Court” means the Superior Court of the State of California for the County of San Luis Obispo, located at First Street Courthouse, 1050 Monterey St., San Luis Obispo, California 93408.

6. “Class Period” means the time period from April 6, 2016 through the earlier of ninety (90) days from September 22, 2023 or the date of preliminary approval of the Settlement.

7. “Defendants’ Counsel” means Sara A. Moore and Rachel Wintterle of Gordon Rees Scully Mansukhani, LLP at 275 Battery Street, Suite 2000, San Francisco, California 94111, and Dina Glucksman and Peter Choi of Gordon Rees Scully Mansukhani, LLP at 633 W. 5th Street, 52 Floor, Los Angeles, California 90071.

8. “Effective Date” means the date the earlier of the following occurs: (a) the date the Court enters the Final Judgment and Order finally approving the Settlement, if no objections, motions for reconsideration, and no appeals or other efforts to obtain review have been filed; or (b) in the event that a motion for reconsideration, an appeal, or other effort to obtain review of the Final Judgment and order finally approving the Settlement occurs without the Settlement being modified in any material way, the date sixty (60) days after such reconsideration, appeal, or review has been fully concluded and is no longer subject to review, whether by appeal, petition for rehearing, petition for review, or otherwise. A “material modification” shall not include any change to the Class Counsel Award, Class Representative Service Award, or amount awarded for Settlement Administration Costs.

9. “Fees Award” means attorneys’ fees approved by the Court for Class Counsel’s fees incurred in investigation, litigation, and resolution of the Lawsuit, and administration of the Settlement, including anticipated fees incurred through Final Approval and disbursement of payments under this Settlement Agreement and obtaining entry of the judgment terminating the Lawsuit, and which shall not exceed thirty-five percent (35%) of the Gross Settlement Amount,

1 *i.e.*, up to \$1,575,000.

2 10. “Final Approval” means the Court’s order granting final approval of the Settlement  
3 Agreement.

4 11. “Gross Settlement Amount” means a non-reversionary common fund that shall  
5 have a total all-in value of \$4,500,000 and includes without limitation any and all payments  
6 Defendants may be responsible for under the Settlement, including any Fees Award and Costs  
7 Award to Class Counsel, Named Plaintiffs’ Enhancement Payments, the Class Member Payments,  
8 the PAGA Payments (which includes payments to the LWDA), Settlement Administration Costs,  
9 and all employer-side payroll taxes due and owing as a result of the Settlement. The total amount  
10 that Defendants shall pay for any and all purposes under this Settlement Agreement is the Gross  
11 Settlement Amount.

12 12. The “Lawsuit” means the action entitled Tam Farias v. Compass Health, Inc. and  
13 Nicholas Calvi, et al. v. Compass Health, Inc., Lead Case No. 20CV-0427, Consolidated with Case  
14 No. 20CV-0516. Both cases are pending in the Superior Court of the State of California for the  
15 County of San Luis Obispo.

16 13. “LWDA” means the California Labor and Workforce Development Agency.

17 14. “Named Plaintiffs” means Tam Farias, Nicholas Calvi, and Jordyn Williams.

18 15. “Named Plaintiffs’ Enhancement Payments” means the amount to be paid to the  
19 Named Plaintiffs for their time and effort spent pursuing the Lawsuit; for the risks associated with  
20 suing Defendants; and for their agreement to enter into a general release of all claims, not to exceed  
21 \$10,000 each.

22 16. “PAGA” means the California Private Attorneys General Act, California Labor  
23 Code §§ 2699 *et seq.*

24 17. “PAGA Aggrieved Employees” means all current and former non-exempt  
25 employees of Defendants in California during the PAGA Period.

26 18. “PAGA Aggrieved Employee List” means the list of all PAGA Aggrieved  
27 Employees that Defendants will diligently and in good faith compile from its records to accurately  
28 reflect employees’ names, last known mailing address, telephone number, Social Security number,

and pay periods worked by the PAGA Aggrieved Employees during the PAGA Period.

19. “PAGA Payment” means the payment to the State of California LWDA and the PAGA Aggrieved Employees in settlement of all claims for PAGA penalties as defined in this Settlement Agreement.

20. “PAGA Period” means the time period beginning April 6, 2019 through the earlier of ninety (90) days from September 22, 2023 or the date of preliminary approval of the Settlement.

21. “Settlement Class” means all current and former non-exempt employees who worked for Defendants in California during the Class Period.

22. “Settlement Class Members” means individuals in the Settlement Class who do not submit a timely and valid request for exclusion from the Settlement Class.

23. “Settlement Class Member List” means the list of all Settlement Class Members that Defendants will diligently and in good faith compile from its records to accurately reflect employees’ names, last known mailing address, telephone number, Social Security number, and workweeks worked during the Class Period.

24. “Qualified Settlement Account” means the account established by the Settlement Administrator pursuant to Internal Revenue Code section 1.468B-1.

25. “Released Parties” means Defendants, and each of their past, present and future agents, employees, servants, owners, officers, directors, partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships (defined as a company/corporation and/or partnership that is, directly or indirectly, under common control with Defendants or any of their parents and/or affiliates), divisions, assigns, predecessors, successors, insurers, consultants, joint ventures, any actual or alleged joint employers, affiliates, and alter-egos, and all of their respective past, present and future employees, directors, officers, agents, owners, attorneys, insurers, stockholders, fiduciaries, parents, subsidiaries, and assigns.

26. “Class Released Claims” means any and all federal, state and local demands, rights, liabilities, claims and/or causes of action, that are alleged in the Lawsuit or Plaintiffs’ LWDA letters, or reasonably could have been alleged in the Lawsuit based on the facts alleged in the

1 Lawsuit including claims for failure to provide compliant meal and rest breaks, failure to pay for  
2 meal and rest break premium pay in lieu of providing compliant meal and rest breaks and at the  
3 correct rates paid for same, failure to pay overtime and double time wages and the correct rates  
4 paid for same, failure to pay minimum or regular wages for all hours worked, failure to pay  
5 reporting time pay, failure to pay wages (whether minimum, overtime and double time wages) due  
6 to unlawful rounding, failure to pay sick pay and at the correct rates paid for same, failure to pay  
7 accrued vacation and/or PTO, failure to pay timely wages during employment, failure to pay all  
8 earned and accrued wages to discharged/separated employees, failure to furnish accurate itemized  
9 wage statements, failure to maintain required payroll records, and failure to indemnify employees  
10 for business expenses in violation of Labor Code §§ 201-204, 210, 226, 226.3, 226.7, 227.3, 246,  
11 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 2800, 2802, Business and  
12 Professions Code § 17200, *et seq.*, or the Fair Labor Standard Act, which are premised on the same  
13 allegations.

14 27. “PAGA Released Claims” means any and all federal, state and local demands,  
15 rights, liabilities, claims and/or causes of action, that are alleged in the Lawsuit or reasonably  
16 could have been alleged in the Lawsuit based on the facts alleged in the Lawsuit pursuant to the  
17 PAGA, Labor Code §§ 2698-2699.5, which accrued during the PAGA Period (April 6, 2019  
18 through the earlier of ninety days (90) from the full execution of this MOU or the date of  
19 preliminary approval of the Settlement) including violations premised on violation of Labor Code  
20 §§ 201-204, 210, 218.5, 226, 226.3, 226.7, 227.3, 246, 510, 512, 558, 1174, 1174.5, 1194, 1194.2,  
21 1197, 1197.1, 1198, 1198.5, 2802.

22 28. “Response Deadline” means the deadline by which Class Members must postmark  
23 or fax to the Settlement Administrator Requests for Exclusion, or postmark notices of Objection  
24 to the Settlement Administrator. The Response Deadline will be forty-five (45) calendar days from  
25 the initial mailing of the Notice Packet by the Settlement Administrator, unless the forty-fifth (45<sup>th</sup>)  
26 calendar day falls on a Sunday or State holiday, in which case the Response Deadline will be  
27 extended to the next day on which the U.S. Postal Service is open. The Response Deadline may  
28 also be extended in the case of re-mailed Notice Packets as provided in this Agreement.

1           29.    “Request for Exclusion” means a timely letter submitted by a Class Member  
2 indicating a request to be excluded from the Settlement. The Request for Exclusion must: (i) set  
3 forth the name, address, telephone number, and last four digits of the Social Security Number of  
4 the Class Member requesting exclusion; (ii) be signed by the Class Member; (iii) be returned to  
5 the Settlement Administrator; (iv) clearly state that the Class Member does not wish to be included  
6 in the Settlement; and (v) be faxed or postmarked on or before the Response Deadline. Class  
7 Members who are also PAGA Aggrieved Employees shall not have the right to exclude themselves  
8 from the release of the PAGA Released Claims and shall receive their respective portion of the  
9 PAGA Payment for release of these claims as further discussed in this Agreement.

10           30.    “Settlement Administration Costs” means the costs payable from the Gross  
11 Settlement Amount to the Settlement Administrator for administering this Settlement, including,  
12 but not limited to, the Settlement Administrator’s responsibilities outlined in this Settlement  
13 Agreement.

14           31.    “Settlement Administrator” means CPT Group, whom the Parties mutually agree  
15 shall be responsible for the administration of the Settlement, distribution of amounts owed under  
16 this Settlement, and matters necessarily related thereto, pursuant to the terms of this Settlement  
17 Agreement.

18           32.    “Workweek(s)” refers to Defendants’ workweek used for payroll purposes, in  
19 which a Class Member or PAGA Aggrieved Employee worked at least one day. All Class  
20 Members will be credited with at least one Workweek.

## 21                                   **TERMS OF THE AGREEMENT**

22           The Plaintiffs, on behalf of themselves and the Settlement Class, and Defendants agree as  
23 follows:

24           33.    Funding of the Gross Settlement Amount. Defendants will make a one-time deposit  
25 of the Gross Settlement Amount of Four Million Five Hundred Thousand Dollars (\$4,500,000)  
26 into a Qualified Settlement Account to be established by the Settlement Administrator. Defendants  
27 will pay the employer’s share of payroll taxes separately. After the Effective Date, the Gross  
28 Settlement Amount will be used for: (i) Individual Settlement Payments; (ii) the PAGA Payment;

(iii) the Named Plaintiffs' Enhancement Payments; (iv) Attorneys' Fees and Costs; and (v) Settlement Administration Costs. Defendants will deposit the Gross Settlement Amount and the employer's share of payroll taxes within fourteen (14) calendar days of the Effective Date.

34. Attorneys' Fees and Costs. Defendants agree not to oppose any application or motion by Class Counsel for Attorneys' Fees of up to thirty-five percent (35%) of the Gross Settlement Amount (\$1,575,000) and reasonable costs of up to Fifty-Thousand Dollars (\$50,000), both of which will be paid from the Gross Settlement Amount. The Settlement Administrator may purchase an annuity to utilize US treasuries and bonds or other attorney fee deferral vehicles for Class Counsel. Class Counsel will indemnify Defendant for any tax consequences because of their election to exercise this option. Any amount of the Attorneys' Fees and Costs not approved by the Court shall become part of the Net Settlement Amount.

35. Named Plaintiffs' Enhancement Payment. In exchange for a general release, and in recognition of their effort and work in prosecuting the Lawsuit on behalf of Class Members, Defendants agree not to oppose any application or motion requesting approval of Enhancement Payments of Ten-Thousand Dollars (\$10,000) to each named Plaintiff. The Enhancement Payments will be paid from the Gross Settlement Amount and will be in addition to Plaintiffs' Individual Settlement Payments and respective portion of the PAGA Payment (as applicable) paid pursuant to the Settlement. Plaintiffs will be solely and legally responsible to pay any and all applicable taxes on the Enhancement Payments.

36. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Gross Settlement Amount, which are currently estimated to be Thirty-Eight Thousand dollars (\$38,000). These costs, which will be paid from the Gross Settlement Amount, will include, inter alia, the required tax reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, distributing Notice Packets, calculating and distributing the Gross Settlement Amount, and providing necessary reports and declarations.

37. Labor and Workforce Development Agency Payment. Subject to Court approval, the Parties agree that the amount of Two Hundred Sixty-Six Thousand Six Hundred Sixty-Seven

Dollars (\$266,667) from the Gross Settlement Amount will be designated for satisfaction of Plaintiffs' and PAGA Aggrieved Employees' PAGA claims. Pursuant to PAGA, Seventy-Five Percent (75%), or Two Hundred Thousand Dollars (\$200,000.25), of this sum will be paid to the LWDA and Twenty-Five Percent (25%), or Sixty-Six Thousand Six Hundred Sixty-Seven Dollars (\$66,666.75), will be paid to PAGA Aggrieved Employees regardless of if they timely request exclusion from the Settlement ("Individual PAGA Settlement Payments").

38. Net Settlement Amount. The entire Net Settlement Amount will be distributed to Participating Class Members. No portion of the Net Settlement Amount will revert to or be retained by Defendants.

39. Individual Settlement Payment Calculations. Individual Settlement Payments for the release of Class Released Claims will be designated as 20% wages and 80% penalties. The Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of Workweeks a Class Member worked during the Class Period. Specific calculations of Individual Settlement Payments will be made as follows:

- a. Defendants or the Settlement Administrator will calculate the total number of Workweeks worked by each Class Member during the Class Period and the aggregate total number of Workweeks worked by all Class Members during the Class Period.
- b. To determine each Class Member's estimated "Individual Settlement Payment," the Settlement Administrator will use the following formula: The Net Settlement Amount will be calculated by dividing each Participating Class Member's individual Workweeks by the total Workweeks of all Participating Class Members and multiplying the resulting fraction by the Net Settlement Amount.
- c. The Individual Settlement Payment will be reduced by any required deductions for each Participating Class Member as specifically set forth herein, including employee-side tax withholdings or deductions.
- d. The entire Net Settlement Amount will be disbursed to all Participating Class Members. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase the Individual Settlement Payment for each Participating

1 Class Member according to the number of Workweeks worked, so that the amount  
2 actually distributed to the Settlement Class equals 100% of the Net Settlement Amount.

3 40. Individual PAGA Settlement Payment Calculations. Individual Settlement  
4 Payment Calculations allocated for the release of the PAGA Released Claims will be designated  
5 as 100% penalties. These payments will be calculated and apportioned from the portion of the total  
6 PAGA Payment payable to the PAGA Aggrieved Employees (\$66,666.75) based on the number  
7 of Workweeks a PAGA Aggrieved Employee worked during the PAGA Period. Specific  
8 calculations of the portion of Individual PAGA Settlement Payments will be made as follows:

9 a. Defendants or the Settlement Administrator will calculate the total number of  
10 Workweeks worked by each PAGA Aggrieved Employees during the PAGA Period  
11 and the aggregate total number of Workweeks worked by all PAGA Aggrieved  
12 Employees during the PAGA Period.

13 b. To determine each PAGA Aggrieved Employees' Individual PAGA Settlement  
14 Payment, the Settlement Administrator will use the following formula: The total PAGA  
15 Payment payable to Aggrieved Employees (\$66,666.75) will be calculated by dividing  
16 each PAGA Aggrieved Employee's individual Workweeks by the total Workweeks of  
17 all PAGA Aggrieved Employees and multiplying the resulting fraction by the total  
18 PAGA Payment payable to the PAGA Aggrieved Employees.

19 The total PAGA Payment payable to the PAGA Aggrieved Employees will be  
20 disbursed to all PAGA Aggrieved Employees regardless of if they timely request  
21 exclusion from the Settlement.

22 41. No Credit Toward Benefit Plans. The Individual Settlement Payments made to  
23 Participating Class Members under this Settlement, as well as any other payments made pursuant  
24 to this Settlement including the Individual PAGA Settlement Payments, will not be utilized to  
25 calculate any additional benefits under any benefit plans to which any Class Members may be  
26 eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock  
27 purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it  
28 is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or

1 amounts to which any Class Members may be entitled under any benefit plans.

2       42.    Amended Complaint: The Parties will stipulate to the filing of a Second Amended  
3 Class and Representative Action Complaint (“SAC”) and amended LWDA letter for settlement  
4 purposes only, which will allege all facts and theories alleged in the Lawsuit and litigation, and  
5 Plaintiffs’ LWDA letters, to the extent the First Amended Farias Complaint, First Amended Calvi  
6 Complaint, and Farias and Calvi letters do not clearly allege all such facts and theories, such as  
7 Defendants’ alleged failure to pay for sick leave at the correct rate of pay. The Parties’ stipulation  
8 to the SAC will be for settlement purposes only and will be deemed withdrawn if the Court does  
9 not enter final approval of the Settlement pursuant to the terms of the Parties’ Settlement as  
10 embodied in this Settlement Agreement. The Parties further stipulate that Defendants’ agreement  
11 to the Settlement or filing of the SAC does not constitute any waiver of its alleged defenses,  
12 including individual arbitration, any statute of limitations or time-bar defense, or defense based on  
13 Plaintiffs’ failure to exhaust administrative remedies.

14       43.    Administration Process. The Parties agree to cooperate in the administration of the  
15 Settlement and to make all reasonable efforts to control and minimize the costs and expenses  
16 incurred in administration of the Settlement.

17       44.    Delivery of the Class List. Within fifteen (15) calendar days after the date on which  
18 the Court signs the order granting Preliminary Approval, Defendants will provide the Class List to  
19 the Settlement Administrator.

20       45.    Notice by First-Class U.S. Mail. Within seven (7) calendar days after receiving the  
21 Class List from Defendants, the Settlement Administrator will mail a Notice Packet to all Class  
22 Members via regular First-Class U.S. Mail, using the most current, known mailing addresses  
23 identified in the Class List.

24       46.    Confirmation of Contact Information in the Class Lists. Prior to mailing, the  
25 Settlement Administrator will perform a search based on the National Change of Address Database  
26 for information to update and correct for any known or identifiable address changes. Any Notice  
27 Packets returned to the Settlement Administrator as non-deliverable on or before the Response  
28 Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed

thereto and the Settlement Administrator will indicate the date of such re-mailing on the Notice Packet. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address and/or Social Security number of the Class Member involved and will then perform a single re-mailing. Those Class Members who receive a re-mailed Notice Packet, whether by skip-trace or by request, will have either (i) an additional fifteen (15) calendar days from the date the Notice Packet is re-mailed or (ii) until the Response Deadline, whichever is later, to submit a Request for Exclusion or an objection to the Settlement.

47. Notice Packets. All Class Members will be mailed a Notice Packet. Each Notice Packet will provide: (i) information regarding the nature of the Lawsuit; (ii) a summary of the Settlement's principal terms; (iii) the Settlement Class definition; (iv) the total number of Workweeks each respective Class Member worked for Defendants during the Class and PAGA Periods; (v) each Class Member's estimated Individual Settlement Payment and the formula for calculating Individual Settlement Payments; (vi) each PAGA Aggrieved Employees' estimated Individual PAGA Settlement Payment; (vii) the dates which comprise the Class Period; (viii) the dates which comprise the PAGA Period; (ix) instructions on how to submit Requests for Exclusion or Notices of Objection; (xi) the deadlines by which the Class Members must postmark or fax Requests for Exclusion or postmark or fax Notices of Objection to the Settlement; and (xii) the claims to be released.

48. Disputed Information on Notice Packets. Class Members will have an opportunity to dispute the information provided in their Notice Packets. To the extent Class Members dispute their employment dates or the number of Workweeks on record, Class Members may produce evidence to the Settlement Administrator showing that such information is inaccurate. The Settlement Administrator will decide the dispute. Defendants' records will be presumed correct, but the Settlement Administrator will evaluate the evidence submitted by the Class Member and will make the final decision as to the merits of the dispute. All disputes will be decided within ten (10) business days of the Response Deadline.

49. Defective Submissions. If a Class Member's Request for Exclusion is defective as

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

9 50. Request for Exclusion Procedures. Any Class Member wishing to opt out from the  
10 Settlement must sign and fax or postmark a written Request for Exclusion to the Settlement  
11 Administrator within the Response Deadline. In the case of Requests for Exclusion that are mailed  
12 to the Settlement Administrator, the postmark date will be the exclusive means to determine  
13 whether a Request for Exclusion has been timely submitted. Class Members who submit timely  
14 requests to opt-out of the Settlement will not receive payment from the Settlement and will not be  
15 bound by the terms of the proposed Settlement or the final Judgment (with the exception of claims  
16 arising under PAGA). PAGA Aggrieved Employees will receive Individual PAGA Settlement  
17 Payments and will be deemed to have released any claims arising out of PAGA as set forth in  
18 Paragraph 18, regardless of whether they opt-out from the release of the Class Released Claims.

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

25 52. Option to Void. If more than five percent (5%) of Class Members submit timely  
26 and valid requests for exclusion, Defendants shall have the option of voiding the Settlement  
27 Agreement. If Defendants void the Settlement Agreement, then Defendants will be responsible for  
28 all Settlement Administration Costs incurred up to the date of avoidance. The Parties and their

1 counsel agree not to take any action to encourage any Settlement Class Members to opt out of  
2 and/or object to the Settlement, including any Class Members for whom Plaintiffs' counsel  
3 submitted a request for personnel records (whether through a discovery request or otherwise)  
4 and/or submitted a declaration in the Lawsuit.

5 53. Escalator Clause. In the event that the total collective number of workweeks during  
6 the Class Period, exceeds 502,569 by more than 10% (or more than 552,826 workweeks), the  
7 Gross Settlement Amount shall be proportionately increased, on a percentage basis, to the extent  
8 that such workweeks exceed the 10% threshold. For example, if the number of workweeks during  
9 the Class Period exceeds 502,569 by 11%, then the Gross Settlement Amount would be increased  
10 by 1% or by \$45,000. Alternatively, in the event that this clause is triggered, Defendants may at  
11 their own election, cap the Class and PAGA Periods to stay within this 10% threshold, or 552,826  
12 workweeks or less.

13 54. Releases by Participating Class Members. Upon the Effective Date, and except as  
14 to such rights or claims as may be created by this Settlement Agreement, each Participating Class  
15 Member, together and individually, on their behalf and on behalf of their respective spouses, heirs,  
16 executors, administrators, agents, and attorneys, shall fully and forever release and discharge all  
17 of the Released Parties, or any of them, from each of the Released Claims during the Class Period.  
18 Participating Class Members who cash their Individual Settlement Payment checks shall also be  
19 deemed to have opted into the release of any claims they may have arising under the Fair Labor  
20 Standards Act, 29 U.S.C. section 201, *et seq.*

21 55. Objection Procedures. To submit a written objection to the Settlement Agreement,  
22 a Class Member must postmark a valid Notice of Objection to the Settlement Administrator on or  
23 before the Response Deadline. The Notice of Objection must be signed by the Class Member and  
24 contain all information required by this Settlement Agreement. The postmark will be deemed the  
25 exclusive means for determining that the Notice of Objection is timely. The Class Member may  
26 also appear personally or through an attorney, at his or her own expense, at the Final Approval  
27 Hearing. However, it is not necessary for the Class Member or his or her attorney to appear at the  
28 Final Approval Hearing in order for the objection to be considered by the Court. Nor is a Class

1 Member precluded from appearing at the Final Approval Hearing if he/she fails to submit an  
2 objection, and he/she may provide an oral objection to the Settlement Agreement at the Final  
3 Approval Hearing if the Class Member so chooses. Any attorney who represents a Class Member  
4 objecting to this Settlement must file a notice of appearance with the Court on or prior to the  
5 Response Deadline and serve Class Counsel and Defense Counsel. Plaintiffs and Defendants will  
6 be permitted to respond in writing to any such Objections no later than seven (7) calendar days  
7 before the Final Approval Hearing. At no time will any of the Parties or their counsel seek to solicit  
8 or otherwise encourage Class Members to submit written objections to the Settlement Agreement  
9 or appeal from the Order and Judgment. Class Counsel will not represent any Class Members with  
10 respect to any such objections to this Settlement.

11       56.     Certification Reports Regarding Individual Settlement Payment Calculations. The  
12 Settlement Administrator will provide Defendants' counsel and Class Counsel a weekly report that  
13 certifies the number of Class Members who have submitted valid Requests for Exclusion,  
14 objections to the Settlement, and whether any Class Member has submitted a challenge to any  
15 information contained in their Notice Packet. Additionally, the Settlement Administrator will  
16 provide to counsel for both Parties any updated reports regarding the administration of the  
17 Settlement Agreement as needed or requested.

18       57.     Distribution Timing of Individual Settlement Payments. Within twenty (20)  
19 calendar days of the Effective Date, the Settlement Administrator will issue payments to: (i)  
20 Participating Class Members; (ii) PAGA Aggrieved Employees; (iii) the Labor and Workforce  
21 Development Agency; (iv) Plaintiffs; and (v) Class Counsel. The Settlement Administrator will  
22 also issue a payment to itself for Court-approved services performed in connection with the  
23 Settlement.

24       58.     Un-cashed Settlement Checks. Funds represented by Individual Settlement  
25 Payment checks or Individual PAGA Settlement Payment checks that are returned as undeliverable  
26 and that remain un-cashed for more than one hundred and eighty (180) calendar days after issuance  
27 will be tendered to Unclaimed Property Division maintained by the California State Controller's  
28 Office, in the name of the Class Members who do not cash their checks. A Participating Class

Members' and/or PAGA Aggrieved Employees' failure to cash an Individual Settlement Payment checks or Individual PAGA Settlement Payment checks shall not affect any release of their claims as provided in this Agreement.

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

60. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiffs, Participating Class Members, PAGA Aggrieved Employees, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes and penalties to the appropriate government authorities.

61. Tax Liability. Defendants make no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiffs, Participating Class Members, and PAGA Aggrieved Employees are not relying on any statement, representation, or calculation by Defendants or by the Settlement Administrator in this regard.

62. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS

1 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE  
2 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO  
3 ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY  
4 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY  
5 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE  
6 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER  
7 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY  
8 OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF  
9 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE  
10 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY  
11 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS  
12 AGREEMENT.

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

17 64. Nullification of Settlement Agreement. In the event that: (i) the Court does not  
18 finally approve the Settlement as provided herein (except that the parties shall work in good faith  
19 to modify the Settlement if so asked for by the Court in the process of seeking approval of this  
20 Settlement); or (ii) the Settlement does not become final for any other reason, then this Settlement  
21 Agreement, and any documents generated to bring it into effect, will be null and void. Any order  
22 or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be  
23 treated as void from the beginning.

24 65. Preliminary Approval Hearing. Plaintiffs will obtain a hearing before the Court to  
25 request the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary  
26 Approval Order for: (i) conditional certification of the Settlement Class for settlement purposes  
27 only, (ii) preliminary approval of the proposed Settlement Agreement, and (iii) setting a date for a  
28 final fairness hearing. The Preliminary Approval Order will provide for the Notice Packet to be

1 sent to all Class Members as specified herein. In conjunction with the Preliminary Approval  
2 Hearing, Plaintiffs will submit this Settlement Agreement, which sets forth the terms of this  
3 Settlement, and will include the proposed Notice of Class Action Settlement, attached as Exhibit  
4 A. Class Counsel will be responsible for drafting all documents necessary to obtain preliminary  
5 approval.

6 66. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the  
7 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with  
8 the Court's permission, a final fairness hearing will be conducted to determine the Final Approval  
9 of the Settlement Agreement along with the amounts properly payable for: (i) Attorneys' Fees and  
10 Costs; (ii) the Named Plaintiffs' Enhancement Payments; (iii) Individual Settlement Payments;  
11 (iv) Individual PAGA Settlement Payments; (v) the Labor and Workforce Development Agency  
12 Payment; and (vi) all Settlement Administration Costs. The final fairness hearing will not be held  
13 earlier than fifteen (15) calendar days after the Response Deadline. Class Counsel will be  
14 responsible for drafting all documents necessary to obtain final approval.

15 67. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by  
16 the Court or after the final fairness hearing, the Parties will present the Judgment to the Court for  
17 its approval. After entry of the Judgment, the Court will have continuing jurisdiction solely for  
18 purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii)  
19 Settlement administration matters, and (iii) such post-Judgment matters as may be appropriate  
20 under court rules or as set forth in this Settlement Agreement.

21 68. Release by Plaintiffs. Upon the Effective Date, in addition to the claims being  
22 released by all Participating Class Members and PAGA Aggrieved Employees, Plaintiffs will  
23 release and forever discharge the Released Parties, to the fullest extent permitted by law, of and  
24 from any and all claims, known and unknown, asserted and not asserted, which Plaintiffs have or  
25 may have against the Released Parties as of the date of execution of this Settlement Agreement.  
26 The general release will further include a release of all claims that can legally be released pursuant  
27 to Section 1542 of the California Civil Code or similar provisions of other applicable law may  
28 apply, arising or related to their employments with Defendants.

1 To the extent the foregoing release is a release to which Section 1542 of the California  
2 Civil Code or similar provisions of other applicable law may apply, Plaintiffs expressly waive any  
3 and all rights and benefits conferred upon them by the provisions of Section 1542 of the California  
4 Civil Code or similar provisions of applicable law which are as follows:

5 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR  
6 OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR  
7 HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF  
8 KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER  
9 SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

10 69. Exhibits Incorporated by Reference. The terms of this Settlement Agreement  
11 include the terms set forth in any attached Exhibits, which are incorporated by this reference as  
12 though fully set forth herein. Any Exhibits to this Settlement Agreement are an integral part of the  
13 Settlement.

14 70. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute  
15 the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral  
16 agreements may be deemed binding on the Parties. The Parties expressly recognize California  
17 Civil Code Section 1625 and California Code of Civil Procedure Section 1856(a), which provide  
18 that a written agreement is to be construed according to its terms and may not be varied or  
19 contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written  
20 representations or terms will modify, vary, or contradict the terms of this Agreement. However,  
21 the Parties signed memorandum of understanding setting for the Settlement terms may be  
22 introduced be used to clarify or interpret any of the terms of this Agreement.

23 71. Amendment or Modification. No amendment, change, or modification to this  
24 Settlement Agreement will be valid unless in writing and signed, either by the Parties or their  
25 counsel.

26 72. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant  
27 and represent they are expressly authorized by the Parties whom they represent to negotiate this  
28 Settlement Agreement and to take all appropriate action required or permitted to be taken by such

1 Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other  
2 documents required to effectuate the terms of this Settlement Agreement. The Parties and their  
3 counsel will cooperate with each other and use their best efforts to affect the implementation of  
4 the Settlement. If the Parties are unable to reach an agreement on the form or content of any  
5 document needed to implement the Settlement, or on any supplemental provisions that may  
6 become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of  
7 the Court to resolve such disagreement.

8 73. Binding on Successors and Assigns. This Settlement Agreement will be binding  
9 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously  
10 defined.

11 74. California Law Governs. All terms of this Settlement Agreement and Exhibits  
12 hereto will be governed by and interpreted according to the laws of the State of California.

13 75. Execution and Counterparts. This Settlement Agreement is subject only to the  
14 execution of all Parties. However, the Settlement Agreement may be executed in one or more  
15 counterparts. All executed counterparts and each of them, including electronic (e.g., DocuSign),  
16 facsimile, and scanned copies of the signature page, will be deemed to be one and the same  
17 instrument.

18 76. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe  
19 this Settlement Agreement is a fair, adequate, and reasonable settlement of the Lawsuit and have  
20 arrived at this Settlement after arm's-length negotiations and in the context of adversarial  
21 litigation, taking into account all relevant factors, present and potential. The Parties further  
22 acknowledge that they are each represented by competent counsel and that they have had an  
23 opportunity to consult with their counsel regarding the fairness and reasonableness of this  
24 Settlement.

25 77. Invalidity of Any Provision. Before declaring any provision of this Settlement  
26 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest  
27 extent possible consistent with applicable precedents so as to define all provisions of this  
28 Settlement Agreement valid and enforceable.

1           78.     Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to  
2 class certification for purposes of this Settlement only; except, however, that Plaintiffs or Class  
3 Counsel may appeal any reduction to the Attorneys' Fees and Costs below the amount they request  
4 from the Court, and either party may appeal any court order that materially alters the Settlement  
5 Agreement's terms.

6           79.     Class Action Certification for Settlement Purposes Only. The Parties agree to  
7 stipulate to class action certification for purposes of the Settlement only. If, for any reason, the  
8 Settlement is not approved, the stipulation to certification will be void. The Parties further agree  
9 that certification for purposes of the Settlement is not an admission that class action certification  
10 is proper under the standards applied to contested certification motions and that this Settlement  
11 Agreement will not be admissible in this or any other proceeding as evidence that either (i) a class  
12 action should be certified or (ii) Defendants are liable to Plaintiffs or any Class Member, other  
13 than according to the Settlement's terms.

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

28           81.     No Public Comment. The Parties and their counsel agree that they will not issue

1 any press releases, initiate any contact with the press, respond to any press inquiry, or have any  
2 communication with the press about the fact, amount, or terms of the Settlement.

3 82. Waiver. No waiver of any condition or covenant contained in this Settlement  
4 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered  
5 to imply or constitute a further waiver by such party of the same or any other condition, covenant,  
6 right, or remedy.

7 83. Enforcement Actions. In the event that one or more of the Parties institutes any  
8 legal action or other proceeding against any other Party or Parties to enforce the provisions of this  
9 Settlement or to declare rights and/or obligations under this Settlement, the successful Party or  
10 Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees  
11 and costs, including expert witness fees incurred in connection with any enforcement actions.

12 84. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms  
13 and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be  
14 construed more strictly against one party than another merely by virtue of the fact that it may have  
15 been prepared by counsel for one of the Parties, it being recognized that, because of the arms-  
16 length negotiations between the Parties, all Parties have contributed to the preparation of this  
17 Settlement Agreement.

18 85. Representation By Counsel. The Parties acknowledge that they have been  
19 represented by counsel throughout all negotiations that preceded the execution of this Settlement  
20 Agreement, and that this Settlement Agreement has been executed with the consent and advice of  
21 counsel. Further, Plaintiffs and Class Counsel warrant and represent that there are no liens on the  
22 Settlement Agreement.

23 86. All Terms Subject to Final Court Approval. All amounts and procedures described  
24 in this Settlement Agreement herein will be subject to final Court approval. If the Court fails to  
25 approve this Settlement for any reason, the Parties agree to attend mediation again in an effort to  
26 reach a settlement approved by the Court.

27 87. Cooperation and Execution of Necessary Documents. All Parties will cooperate in  
28 good faith and execute all documents to the extent reasonably necessary to effectuate the terms of

1 this Settlement Agreement. Defendants will provide confirmatory discovery as reasonably  
2 requested by Plaintiffs, including a declaration confirming the factual and numerical information  
3 contained in Defendants' pre-mediation informal discovery responses.

4 88. Binding Agreement. The Parties warrant that they understand and have full  
5 authority to enter into this Settlement Agreement, and further intend that this Settlement  
6 Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible  
7 and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation  
8 confidentiality provisions that otherwise might apply under federal or state law.

9 Dated: January 16, 2024

**PLAINTIFF NICHOLAS CALVI**

11  
12 By: Nicholas Calvi  
13 Nicholas Calvi

14 Dated: January 16, 2024

**PLAINTIFF JORDYN WILLIAMS**

16  
17 By: Jordyn Williams  
18 Jordyn Williams

19 Dated: January 16, 2024

**PLAINTIFF TAM FARIAS**

21  
22 By: \_\_\_\_\_  
Tam Farias

23 Dated: December 21, 2023

**DEFENDANTS**

24  
25 By: Tim Hodge  
26 Tim Hodge  
27 Corporate Counsel for Defendants  
28

1 this Settlement Agreement. Defendants will provide confirmatory discovery as reasonably  
2 requested by Plaintiffs, including a declaration confirming the factual and numerical information  
3 contained in Defendants' pre-mediation informal discovery responses.

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8 confidentiality provisions that otherwise might apply under federal or state law.

9 Dated:

**PLAINTIFF NICHOLAS CALVI**

12 By: \_\_\_\_\_  
Nicholas Calvi

14 Dated:

**PLAINTIFF JORDYN WILLIAMS**

17 By: \_\_\_\_\_  
Jordyn Williams

19 Dated: 2024-01-30

**PLAINTIFF TAM FARIAS**

21 By: Tam Farias  
Tam Farias

23 Dated:

**DEFENDANTS**

26 By: \_\_\_\_\_  
Tim Hodge  
Corporate Counsel for Defendants

1 Agreed as to form:

2 Dated: December 21, 2023

GORDON REES SCULLY MANSUKHANI, LLP

3  
4 By: 

5 DEBRA ELLWOOD MEPPEN  
6 PETER CHOI  
7 DINA GLUCKSMAN  
8 SARA A. MOORE  
9 RACHEL WINTTERLE  
10 JUSTIN L. WILSON  
11 Attorneys for Defendant COMPASS  
12 HEALTH, INC.

11 Dated: January 30, 2024

LEBE LAW, APC

13  
14 By: 

15 JONATHAN M. LEBE  
16 BRIELLE D. EDBORG  
17 Attorneys for Plaintiff TAM FARIAS

17 Dated:

JUSTICE LAW CORPORATION

18  
19 By: \_\_\_\_\_

20 DOUGLAS HAN  
21 SHUNT TATAVOS-  
22 GHARAJEH  
23 Attorneys for Plaintiffs  
24 NICHOLAS CALVI and  
25 JORDYN WILLIAMS  
26  
27  
28

1 Agreed as to form:

2 Dated: January 16, 2024

GORDON REES SCULLY MANSUKHANI, LLP

3  
4 By: \_\_\_\_\_  
5 DEBRA ELLWOOD MEPPEN  
6 PETER CHOI  
7 DINA GLUCKSMAN  
8 SARA A. MOORE  
9 RACHEL WINTTERLE  
10 JUSTIN L. WILSON  
11 Attorneys for Defendant COMPASS  
12 HEALTH, INC.

11 Dated: January 16, 2024

LEBE LAW, APC

13  
14 By: \_\_\_\_\_  
15 JONATHAN M. LEBE  
16 BRIELLE D. EDBORG  
17 Attorneys for Plaintiff TAM FARIAS

17 Dated: January 16, 2024

JUSTICE LAW CORPORATION

18  
19 By:  \_\_\_\_\_  
20 DOUGLAS HAN  
21 SHUNT TATAVOS-  
22 GHARAJEH  
23 Attorneys for Plaintiffs  
24 NICHOLAS CALVI and  
25 JORDYN WILLIAMS  
26  
27  
28