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HOSPITAL OF BAKERSFIELD, LLC and
ENCOMPASS HEALTH CORPORATION

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Attorneys for Plaintiff LINDA CAZARES,
Individually and on behalf of all others similarly situated

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

LINDA CAZARES, individually and on behalf
of all others similarly situated,

Plaintiff,

vs.

ENCOMPASS HEALTH REHABILITATION
HOSPITAL OF BAKERSFIELD, LLC;
ENCOMPASS HEALTH CORPORATION; and
DOES 1 through 20, inclusive,

Defendants.

Case No. 20STCV32292

**JOINT STIPULATION RE: CLASS
ACTION SETTLEMENT**

1 **TO THE COURT AND TO ALL PARTIES AND THEIR RESPECTIVE COUNSEL**
2 **OF RECORD:**

3 This Joint Stipulation re: Class Action Settlement (hereinafter, “Stipulation” or “Settlement”)
4 is made and entered into by and between Plaintiff Linda Cazares (“Plaintiff”), on behalf of herself
5 and on behalf of others similarly situated, and Defendants Encompass Health Rehabilitation Hospital
6 of Bakersfield, LLC and Encompass Health Corporation (together, “Defendants”), hereinafter
7 collectively referred to as the “Parties.” Subject to the approval of the Court, the matter of *Linda*
8 *Cazares v. Encompass Health Corporation; Encompass Health Rehabilitation Hospital of*
9 *Bakersfield, LLC, et al.*, Case No. 20STCV32292 (the “Action”), is hereby being compromised and
10 settled pursuant to the terms and conditions set forth in this Stipulation. This Settlement shall be
11 binding on Plaintiff, the proposed class described herein, Defendants, and their respective counsel,
12 subject to the terms and conditions hereof and the approval of the Court.

13 **THE PARTIES STIPULATE AND AGREE** as follows:

14 **I. DEFINITIONS**

15 1. The following terms, as used throughout this Stipulation, are defined as follows:

16 a) Action. The term “Action” shall mean and refer to the legal action pending in the
17 Superior Court for the County of Los Angeles, Case No. 20STCV32292, entitled *Linda Cazares v.*
18 *Encompass Health Corporation; Encompass Health Rehabilitation Hospital of Bakersfield, LLC, et*
19 *al.*

20 b) Check Cashing Deadline. The term “Check Cashing Deadline” shall mean one
21 hundred eighty (180) days after an Individual Settlement Award is issued to a Class Member by
22 check.

23 c) Class. The term “Class” shall mean and refer, collectively, to all Class Members.

24 d) Class Counsel. The term “Class Counsel” shall refer to Lebe Law, APLC, located at
25 777 S. Alameda Street, Second Floor, Los Angeles, California 90021, and all of its lawyers,
26 specifically including, but not limited to, Jonathan M. Lebe and Annaliz L. Loera.

27 e) Class Members. The term “Class Members” shall mean: “All persons who have
28 worked for defendants Encompass Health Rehabilitation Hospital of Bakersfield, LLC and/or

1 Encompass Health Corporation as non-exempt employees in the State of California at any time
2 during the Class Period.”

3 f) Class Period. The term “Class Period” shall mean the time period from April 6, 2016
4 to October 5, 2021.

5 g) Class Representative. The term “Class Representative” shall mean and refer to
6 Plaintiff Linda Cazares. The term “Class Representative” shall be synonymous with the term
7 “Plaintiff.”

8 h) Court. The term “Court” shall refer to the Superior Court for the State of California,
9 County of Los Angeles, and any judge of that Court.

10 i) Defendants. The term “Defendants” shall mean and refer to Encompass Health
11 Rehabilitation Hospital of Bakersfield, LLC and Encompass Health Corporation.

12 j) Defendants’ Counsel. The term “Defendants’ Counsel” shall refer, collectively, to
13 James T. Conley and Jennifer L. Katz of Ogletree, Deakins, Nash, Smoak & Stewart, P.C.

14 k) Document Receipt Deadline. The term “Document Receipt Deadline” shall mean
15 thirty (30) days after the Notices are mailed to Class Members by the Settlement Administrator.

16 l) Effective Date. The term “Effective Date” shall mean the date on which the Court’s
17 Judgment becomes final, as further detailed in Paragraph 8, herein.

18 m) Encompass Bakersfield. The term “Encompass Bakersfield” shall mean and refer to
19 Encompass Health Rehabilitation Hospital of Bakersfield, LLC, formerly known as HealthSouth
20 Bakersfield Rehabilitation Hospital, LLC.

21 n) Final Settlement Approval Hearing. The term “Final Settlement Approval Hearing”
22 shall mean and refer to a hearing before the Court to finally approve the Settlement as fair,
23 reasonable, and adequate, as further detailed in Paragraph 28, herein.

24 o) Final Settlement Papers. The term “Final Settlement Papers” shall refer to and include
25 a Motion for Final Approval of the Settlement, Motion for Attorneys’ Fees and Costs, and [Proposed]
26 Final Settlement Order.

27 p) Individual Settlement Award. The term “Individual Settlement Award” shall mean a
28 Class Member’s share of the Net Settlement Amount, as further detailed in Paragraph 18,

subparagraph (f), herein.

q) Mortimer Action. The term “*Mortimer Action*” shall mean and refer to the previously resolved legal action in the Kern County Superior Court, Case No. BCV-18-102761, entitled *Dannette Mortimer v. HealthSouth Bakersfield Rehabilitation Hospital, LLC*.

r) Net Settlement Amount. The term “Net Settlement Amount” shall mean and refer to the balance of the Total Class Action Settlement Amount, after all Court-approved deductions for attorneys’ fees and actual costs to Class Counsel, the claims administration costs and fees, the Class Representative’s enhancement award, and the PAGA Allocation. The Net Settlement Amount is the maximum amount that will be available for distribution to Class Members.

s) Notice. The term “Notice” shall mean the Notice of Class Action Settlement, attached hereto as **Exhibit A**.

t) PAGA Allocation. The term “PAGA Allocation” means the amount of \$25,000.00 to be allocated to claims arising under the Labor Code Private Attorneys General Act of 2004, Cal. Lab. Code §§ 2698, *et seq.* (“PAGA”) in settlement of alleged but disputed PAGA civil penalties. Pursuant to PAGA, 75 percent of the PAGA Allocation, or Eighteen Thousand Seven Hundred Fifty Dollars (\$18,750.00), shall be paid to the State of California Labor and Workforce Development Agency (the “LWDA”), with the remaining 25 percent, or Six Thousand Two Hundred Fifty Dollars (\$6,250.00), allocated to the Net Settlement Amount.

u) PAGA Period. The term “PAGA Period” shall mean the time period from April 6, 2019 to October 5, 2021.

v) Parties. The term “Parties” shall mean and refer collectively to Plaintiff Linda Cazares, on behalf of the Class, and Defendants.

w) Plaintiff. The term “Plaintiff” shall mean and refer to Plaintiff Linda Cazares. The term “Plaintiff” shall be synonymous with the term “Class Representative.”

x) Preliminary Approval Date. The term “Preliminary Approval Date” shall mean the date that the Court enters the Preliminary Approval Order, a proposed version of which is attached hereto as **Exhibit C**, including any revisions required by the Court.

y) Released Parties. The term “Released Parties” shall mean and refer to Encompass

Health Rehabilitation Hospital of Bakersfield, LLC and Encompass Health Corporation, and each of their current and former parent companies, subsidiary companies, related companies, affiliates, partnerships, joint ventures, and/or staffing agencies, and, with respect to each of them, all of their and/or such related entities' predecessors and successors, and, with respect to each such entity, all of its past, present, and future employees, officers, partners, principals, directors, stockholders, owners, representatives, assigns, attorneys, agents, insurers, employee benefit programs (and the trustees, administrators, fiduciaries, and insurers of such programs), and any other persons acting by, through, under, or in concert with any of the persons or entities listed in this subsection, and their successors.

z) Settlement Administrator. The term "Settlement Administrator" shall refer to CPT Group, Inc., or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for the purposes of administering this Settlement. Attached as **Exhibit D** is the qualifications and experience of CPT Group, Inc.

aa) Stipulation. The term "Stipulation" shall refer to this document, entitled "Joint Stipulation re: Class Action Settlement," including all exhibits attached hereto.

bb) Total Class Action Settlement Amount. The term "Total Class Action Settlement Amount" shall mean Six Hundred Fifteen Thousand Dollars and Zero Cents (\$615,000.00). This is the maximum possible amount that may be paid by Defendants to resolve this Action, with the sole exception of (i) an additional payment to Plaintiff in the amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) in connection with her separate individual settlement agreement and general release of all claims including alleged wrongful termination and sexual harassment claims; and (ii) certain additional tax payments to be made pursuant to Paragraph 20, subparagraph (h). The Total Class Action Settlement Amount is a common fund, non-reversionary amount.

2. Date Of This Stipulation. This Stipulation is made as of the date set forth below by and between Plaintiff, on behalf of herself and the Class, on the one hand, and Defendants, on the other hand, subject to the approval of the Court.

II. BACKGROUND OF THE LEGAL ACTION

3. Brief Procedural History. Plaintiff filed the instant Action, entitled *Linda Cazares v. Encompass Health Corporation; Encompass Health Rehabilitation Hospital of Bakersfield, LLC*;

1 and DOES 1 through 20, in Los Angeles County Superior Court, Case No. 20STCV32292, on August
2 25, 2020. In it, Plaintiff alleged causes of action against Defendants for: (1) Failure to Pay Minimum
3 Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Timely Pay All Earned Wages; (4) Failure
4 to Provide Meal Periods; (5) Failure to Provide Rest Breaks; (6) Failure to Provide Accurate Itemized
5 Wage Statements; (7) Failure to Reimburse All Business Expenses; (8) Failure to Pay All Wages
6 Owed Upon Separation of Employment; and (9) Violation of California Business and Professions
7 Code §§ 17200, *et seq.* On or about December 21, 2020, Plaintiff filed a First Amended Class Action
8 and Representative Complaint, adding a cause of action for civil penalties pursuant to PAGA based
9 on alleged violations set forth in her Complaint and letter to the California Labor & Workforce
10 Development Agency (“LWDA”) dated July 22, 2020, alleging violations of California Labor Code
11 §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 246, 510, 512, 558, 1174, 1174.5, 1194,
12 1194.2, 1197, 1197.1, 1198, 2800, and 2802. On January 20, 2021, Defendants timely filed an
13 Answer to Plaintiff’s First Amended Complaint. Defendants generally deny Plaintiff’s claims,
14 including the allegations in the Complaint, First Amended Complaint, and PAGA letter.

15 4. Prior Class Action And Settlement Against Encompass Bakersfield. Prior to the filing
16 of the Action, on or about March 11, 2021, the Kern County Superior Court granted final approval
17 of a class action settlement in the matter titled *Mortimer v. HealthSouth Bakersfield Rehabilitation*
18 *Hospital, LLC*, Case No. BCV-18-102761 (the “*Mortimer* Action”). The claims asserted and
19 resolved in the *Mortimer* Action included claims that Encompass Bakersfield (a) Violated California
20 Business and Professions Code §§ 17200, *et seq.*; (b) Failed to pay overtime wages in violation of
21 California Labor Code §§ 510, *et seq.*; (c) Failed to provide required meal breaks in violation of
22 California Labor Code §§ 226.7 and 512 and the applicable IWC Wage Order; (d) Failed to provide
23 required rest breaks in violation of California Labor Code §§ 226.7 and 512 and the applicable IWC
24 Wage Order; (e) Failed to provide accurate itemized wage statements in violation of California Labor
25 Code § 226; and (f) Failed to provide wages when due in violation of California Labor Code §§ 201,
26 202, and 203. The settlement of the *Mortimer* Action covered the period between November 2, 2014
27 and April 4, 2020. A substantial portion of Class Members in the Action – including Plaintiff – were
28 also members of the settlement class in the *Mortimer* Action.

1 5. Mediation And Settlement Agreement Reached By The Parties. On June 7, 2021, the
2 Parties and their counsel participated in a formal mediation session conducted remotely via Zoom
3 before Mr. Louis Marlin, Esq. At the conclusion of the mediation session, Mr. Marlin issued a
4 mediator's proposal, which was subsequently accepted by the Parties the following day, on June 8,
5 2021; as a result of the mediator's proposal, the Parties reached an agreement to resolve the Action
6 on a class-wide basis. This Stipulation formalizes the Settlement agreement reached by the Parties.

7 6. Investigation. The Parties have conducted a detailed and comprehensive investigation
8 of the claims asserted against Defendants and of the applicable law. The Parties engaged in informal
9 discovery to prepare for mediation, which included: (a) analysis by the Parties of certain records,
10 data, and policies pertaining to Plaintiff, Class Members, and the claims asserted in the Action; (b)
11 research of the law applicable to Plaintiff's claims and Defendants' affirmative defenses, as well as
12 the damages alleged by Plaintiff; (c) exchange, examination, and analysis of information and
13 documents relating to Defendants' formal policies and Plaintiff's claims for wage and hour
14 violations; and (d) consideration of information disclosed at and in connection with mediation.

15 7. Benefits Of Settlement. The Class Representative and Class Counsel recognize the
16 uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in
17 such litigation. The Class Representative and Class Counsel also are aware of the burdens of proof
18 necessary to establish liability for the claims asserted in the Action, the defenses thereto, and the
19 difficulties inherent in the Action. Based on the foregoing, the Class Representative and Class
20 Counsel have determined that the Settlement set forth in this Stipulation is a fair, adequate, and
21 reasonable settlement, and that it is in the best interest of the Class Members. Based on their
22 discovery and investigation, Class Counsel has determined that the Settlement is well within the
23 range of reasonableness. The settlement embodied and documented in this Stipulation is the product
24 of extensive, arms-length negotiations, and is not the product of collusion. Likewise, Defendants
25 have concluded that any further defense of this Action would be protracted and expensive.
26 Substantial amounts of time, energy, and resources have been, and will continue to be, devoted to
27 the defense of the Action unless this Settlement is made. Therefore, Defendants have agreed to settle,
28 in the manner and upon the terms set forth in this Stipulation, in order to fully and finally resolve the

claims asserted in the Action.

8. Denial Of Wrongdoing. Defendants have denied and continues to deny each of the claims asserted by Plaintiff in this Action, as referenced in Paragraph 3, above. Defendants have asserted and continue to assert defenses to the Class Representative's claims, and have expressly denied and continue to deny any wrongdoing whatsoever. Neither this Stipulation nor any action taken to carry out the Settlement may be construed as an admission by Defendants, or either of them, of any fault, wrongdoing, or liability whatsoever.

III. DATE OF SETTLEMENT

9. Effective Date. The Settlement as to Class Members shall become effective when the Settlement is considered "final." For purposes of this Stipulation:

a) If no timely appeals of the Court's order granting final approval of the Settlement are filed, the Settlement as to Class Members shall become "final" on the sixty-first (61st) date following entry of the trial court's final Judgment; or

b) In the event that a timely appeal of the court's order granting final approval of the Settlement has been filed, the Settlement as to Class Members shall become "final" when the applicable appellate court has rendered a final decision or opinion affirming the trial court's final approval order without material modification, and the applicable date for seeking further appellate review has passed, or the date that any such appeal has been either dismissed or withdrawn by the appellant.

IV. CLASS MEMBERS INCLUDED IN SETTLEMENT

10. Scope Of The Class. The Class is defined as follows: "All persons who have worked for Defendants Encompass Health Rehabilitation Hospital of Bakersfield, LLC and/or Encompass Health Corporation as non-exempt employees in the State of California at any time during the Class Period."

11. Class Members' Objections To This Settlement. Any Class Member may object to the Settlement by filing a written objection with the Court and serving the written objection on counsel for the Parties on or before the Document Receipt Deadline, at the addresses detailed in Paragraph 45, below. Any Class Member who does not object to the Settlement in the manner

provided for in this Stipulation may not appeal the Final Judgment. In the event that the Court approves this Settlement notwithstanding the objections of any Class Members, Class Members who object to the Settlement will nonetheless be bound by the Settlement. Class Members who have opted out of the Settlement as detailed in Paragraph 20, subparagraph (d), herein do not have standing to object to the Settlement or to file an appeal for purposes of Paragraph 8. The Parties, Class Counsel, and Defendants' Counsel agree not to take any action or make any statements to encourage any Class Members to object to the Settlement.

12. Class Members' Exclusion ("Opt-Out") From This Settlement. Any Class Member may request to be excluded ("opt-out") from this Settlement by mailing a written Request for Exclusion to the Settlement Administrator as prescribed in Paragraph 20, subparagraph (d), herein. Each Class Member who submits a valid Request for Exclusion shall not be bound by the Settlement. The Parties, Class Counsel, and Defendants' Counsel agree not to take any action or make any statements to encourage any Class Members to opt out of the Settlement.

13. Blow-Up Provision. Defendants reserve the right to revoke this Stipulation and the Settlement provided for herein if more than ten percent (10%) of Class Members opt out of the Settlement by submitting timely and valid Requests for Exclusion in the manner set forth in Paragraph 20, subparagraph (d), below, in which case this Stipulation will not have any force and/or effect. Class Counsel and the Class Representative agree not to oppose any application by Defendants and/or their Counsel that is consistent with this paragraph. Defendants shall make their election within seven (7) calendar days of receipt from the Settlement Administrator of the total percentage of opt-outs. If the Settlement is voided, no payment will be made by Defendants to Plaintiff, any Class Member, or Class Counsel in connection with this Stipulation; and all Parties and third parties referenced in this Stipulation will bear their own costs, fees, and expenses associated with the Litigation. However, Defendants will be responsible for the costs incurred by the Settlement Administrator.

14. Finality Of Settlement. As of the Effective Date, the Settlement contained herein, including the Release outlined below, shall be final and binding upon all Class Members who do not exclude themselves from the Settlement.

1 **V. RELEASES**

2 15. Release Of Class Claims By Plaintiff And Class Members. As of the date of final
3 approval of this Stipulation, Plaintiff and Class Members (including the Class Representative) release
4 the Released Parties from the following, collectively referred to as the “Released Class Claims”:

5 Any and all claims, actions, demands, causes of action, suits, debts, obligations,
6 damages, rights or liabilities that have been asserted by Plaintiff, or the Class
7 Members or any of their respective heirs, executors, administrators, beneficiaries,
8 predecessors, successors, attorneys, assigns, agents, and/or representatives arising out
9 of any claims that were encompassed in the Action, and any claims which reasonably
10 flow from the facts alleged in Plaintiff’s Complaint and/or First Amended Complaint
11 including, but not limited to: claims for unpaid wages (including claims for minimum
12 wage and overtime compensation), meal and rest period premiums, unreimbursed
13 business expenses, interest, penalties (including waiting time penalties pursuant to
14 Labor Code section 203, pay stub penalties pursuant to Labor Code section 226, and
15 civil penalties pursuant to the Labor Code Private Attorneys General Act of 2004
16 (Labor Code sections 2698, *et seq.*) (“PAGA”)), claims pursuant to Labor Code
17 sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 246, 510, 512, 558, 1174,
18 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2698, *et seq.*, 2800, and 2802, claims
19 pursuant to the Industrial Welfare Commission Wage Orders relating to unpaid hours
20 worked, meal periods and rest breaks, provision and maintenance of tools and
21 equipment, deductions from wages, and recordkeeping, and claims under Business
22 and Professions Code sections 17200, *et seq.*, claims for attorneys’ fees and costs, and
23 unfair business practices. Released Class Claims include all claimed or unclaimed
24 compensatory, consequential, incidental, liquidated, punitive and exemplary
25 damages, restitution, interest, costs and fees, injunctive or equitable relief, and any
26 other remedies available at law or equity allegedly owed or available to the Class
27 arising or reasonably flowing from the Complaint and/or First Amended Complaint
28

1 against the Released Parties for the time period from April 6, 2016 up to and including
2 October 5, 2021.

3 The *res judicata* effect of the Judgment will be the same as that of the Release.

4 The Parties agree that no Class Member who worked for Defendants as non-exempt
5 employees in California during the PAGA Period has the right to exclude himself or herself from the
6 Settlement or to object to the terms of this Stipulation as it pertains to resolution of the PAGA claims.
7 All Class Members who worked for Defendants as non-exempt employees in California during the
8 PAGA Period will be bound by this Stipulation with respect to the PAGA claims, upon its approval
9 by the Court, regardless of whether he or she negotiates his or her settlement check.

10 16. General Release By The Class Representative. In addition to the release set forth in
11 the above Paragraph 15, the Class Representative makes the additional general release of all of her
12 individual claims as follows: The Class Representative releases the Released Parties from any and
13 all claims, actions, demands, causes of action, suits, debts, obligations, damages, rights, or liabilities
14 of any nature and description whatsoever, known or unknown, that the Class Representative
15 individually may possess against the Released Parties arising from the Class Representative's
16 employment with Defendants. The Class Representative hereby acknowledges that, upon receiving
17 the sums provided to her pursuant to this Stipulation and her individual settlement agreement, she
18 will have received all potential wages, damages, and penalties owing to her by Defendants (or either
19 of them), and, further, that she is not owed any additional wages, penalties, or damages from
20 Defendants (or either of them).

21 The Class Representative also agrees to expressly and fully waive the provisions of California
22 Civil Code section 1542, which provides as follows:

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

27 The Class Representative's general release shall cover the time period from April 6, 2016 up
28 to the Effective Date.

1 **VI. AMOUNT AND DISTRIBUTION OF SETTLEMENT**

2 17. Settlement Amount. The Total Class Action Settlement Amount shall be Six Hundred
3 Fifteen Thousand Dollars (\$615,000.00). Defendants will pay the Total Class Action Settlement
4 Amount within thirty (30) calendar days following the Effective Date by wiring that amount to the
5 Settlement Administrator. The Total Class Action Settlement Amount is based on Defendants'
6 representation that, as of June 1, 2021: (a) the total number of potential workweeks during the PAGA
7 Period was approximately 30,378; and (b) the total number of potential workweeks since April 5,
8 2020 (*i.e.*, excluding the period and claims covered by the *Mortimer* settlement) was approximately
9 16,571. Defendants shall not be required to pay more than the Total Class Action Settlement Amount
10 as long as the total number of workweeks during the PAGA Period does not increase by more than
11 ten (10%) percent. Should the number of workweeks during the PAGA Period increase by more
12 than ten (10%) percent, Defendants shall, at their sole discretion, have the option of either (a)
13 increasing the Total Class Action Settlement Amount proportionately for each workweek over the
14 10% buffer (*i.e.*, if the workweeks increase by more than 3,038, Defendants can agree to pay \$20.24
15 for each workweek over 33,416); or (b) changing the end date of the Class Period and PAGA Period
16 to dates that would keep the workweek counts under the threshold that would trigger this escalation
17 clause.

18 With the limited exception of (a) Defendants' agreement to pay Plaintiff an additional Ten
19 Thousand Dollars (\$10,000.00) in connection with Plaintiff's separate individual settlement
20 agreement and release; (b) Defendants' obligation to pay the employer's share of payroll taxes as
21 described in Paragraph 20, subparagraph (h); and (c) the additional amount to be paid, if any, due to
22 a possible increase in the Total Class Action Settlement amount as described above, the exercise of
23 which is in Defendants' sole discretion, under no circumstances will Defendants, or either of them,
24 be obligated to pay more than the amount of \$615,000.00 as a result of this Settlement.

25 18. Deductions From Settlement Amount. Deductions from the Total Class Action
26 Settlement Amount, all subject to Court approval, shall be made for:

27 a) Attorneys' Fees. Class Counsel may apply for an award of attorneys' fees,
28 not to exceed Two Hundred Five Thousand Dollars and Zero Cents (\$205,000.00). The

1 attorneys' fees award shall be paid from, and not in addition to, the Total Class Action
2 Settlement Amount. The amount of attorneys' fees shall include all past and future attorneys'
3 fees to Class Counsel – including, without limitation, all time expended by Class Counsel in
4 defending the Settlement and securing final approval of the Settlement (including any appeals
5 thereof). Defendants agree not to oppose any such application which is consistent with this
6 paragraph; however, the Settlement is not contingent on Plaintiff recovering that or any
7 particular amount as an attorneys' fees award. Even in the event that the Court reduces or
8 does not approve the requested attorneys' fees award, Plaintiff and Class Counsel shall not
9 have the right to revoke this Stipulation or this Settlement, and it will remain binding.

10 b) Attorneys' Costs. In addition to attorneys' fees, Class Counsel may apply for
11 an award of costs, not to exceed the sum of Fifteen Thousand Dollars (\$15,000.00). The
12 costs award shall be paid from, and not in addition to, the Total Class Action Settlement
13 Amount. The amount of costs shall include all past and future costs associated with this
14 Action – including, without limitation, all costs expended by Class Counsel in defending the
15 Settlement and securing final approval of the Settlement (including any appeals thereof).
16 Defendants agree not to oppose any such application which is consistent with this paragraph;
17 however, the Settlement is not contingent on Plaintiff recovering that or any particular
18 amount as an attorneys' costs award. Even in the event that the Court reduces or does not
19 approve the requested attorneys' costs award, Plaintiff and Class Counsel shall not have the
20 right to revoke this Stipulation or this Settlement, and it will remain binding.

21 c) Class Representative's Enhancement Award. Class Counsel may apply for an
22 enhancement award to the Class Representative in an amount not to exceed Five Thousand
23 Dollars (\$5,000.00). The enhancement award shall be paid from, and not in addition to, the
24 Total Class Action Settlement Amount. Defendants agree not to oppose any such application
25 which is consistent with this paragraph; however, the Settlement is not contingent on Plaintiff
26 recovering that or any particular amount as an enhancement payment. Even in the event that
27 the Court reduces or does not approve the requested enhancement payment, Plaintiff and
28 Class Counsel shall not have the right to revoke this Stipulation or this Settlement, and it will

1 remain binding.

2 d) Claims Administration Costs And Fees. All actual costs for claims
3 administration, including related accounting costs, in an amount not to exceed Fifteen
4 Thousand Dollars (\$15,000.00), shall be paid from, and not in addition to, the Total Class
5 Action Settlement Amount. The Parties contemplate that the Settlement Administrator shall
6 be CPT Group, Inc., or any other third-party class action settlement administrator agreed to
7 by the Parties and approved by the Court for the purposes of administering this Settlement.
8 To the extent actual costs for claims administration are less than \$15,000.00, those amounts
9 will be credited to the Total Class Action Settlement Amount prior to distribution of the Net
10 Settlement Amount to Class Members. Defendants agree not to oppose any such applications
11 which are consistent with this paragraph.

12 e) PAGA Allocation. The Parties agree to allocate Twenty-Five Thousand
13 Dollars (\$25,000.00) of the Total Class Action Settlement Amount to resolve the claims
14 arising under PAGA. Pursuant to PAGA, 75 percent of the PAGA Allocation, or Eighteen
15 Thousand Seven Hundred Fifty Dollars (\$18,750.00), shall be paid to the State of California
16 Labor and Workforce Development Agency (the “LWDA”), with the remaining 25 percent,
17 or Six Thousand Two Hundred Fifty Dollars (\$6,250.00), allocated to the Net Settlement
18 Amount to be distributed to those Class Members who worked for Defendants in California
19 in non-exempt roles during the PAGA period.

20 f) Payment Of Individual Settlement Awards To Class Members. After the
21 amounts described in Paragraph 18, subparagraphs (a) through (e), above, have been
22 deducted from the Total Class Action Settlement Amount, the remainder – *i.e.*, the Net
23 Settlement Amount – shall be distributed to each Class Member, in the following manner:

- 24 i. The Net Settlement Amount shall be divided by the number of aggregate
25 qualified weeks worked by all Class Members during the Class Period to
26 produce a “Weekly Settlement Value.” A “qualified week” shall be any week
27 worked by a Class Member in California in a non-exempt role during the Class
28 Period, and will be different for Class Members depending on whether they

1 participated in the settlement in the *Mortimer* Action and thus a portion of
2 their claims are barred by the *Mortimer* Action, as described further in
3 Paragraph 19(f)(ii). Each Class Member shall be eligible to receive a
4 settlement payment in the amount of the total number of qualified weeks the
5 Class Member worked for Defendants in California in a non-exempt role
6 during the Class Period multiplied by the Weekly Settlement Value, less
7 applicable withholdings, provided that the Class Member has not submitted a
8 Request for Exclusion.

9 ii. The number of “qualified weeks” worked by a Class Member may be
10 discounted as follows, which discounts are to reflect the reasonable
11 proportional value of each individual’s claims that are not barred by the
12 settlement of the *Mortimer* Action:

- 13 1. For any Class Members who participated in the settlement in the
14 *Mortimer* Action, their “qualified weeks” during the *Mortimer* class
15 period (ending on April 4, 2020) will be discounted by 90 percent. If
16 Class Members worked both before and after the *Mortimer* class
17 period, then the “qualified weeks” after April 4, 2020 will receive full
18 value in the settlement.
- 19 2. There will be no discounts for those Class Members who did not
20 participate in the *Mortimer* Action.

21 19. Non-Reversionary Settlement. There will be no reversion to Defendants, or either of
22 them, following the settlement process. In the event that an Individual Settlement Award is paid to
23 a Class Member by check and the check is not cashed on or before the Check Cashing Deadline, the
24 amount of the Individual Settlement Award shall be considered unclaimed. Each unclaimed
25 Individual Settlement Award paid to a Class Member but not cashed on or before the Check Cashing
26 Deadline shall be tendered to the State of California Unclaimed Property Fund in the Class Member’s
27 name.
28

1 **VII. CLAIMS ADMINISTRATION**

2 20. Settlement Administrator's Duties. The Settlement Administrator shall be
3 responsible for (a) processing the data provided by Defendants to be used in calculating Individual
4 Settlement Awards; (b) preparing, printing, and mailing to Class Members the Notice (attached
5 hereto as **Exhibit A**), as well as following up with reasonable skip tracing; (c) notifying the Parties
6 of the identity of Class Members who submit timely Requests for Exclusion; (d) calculating and
7 mailing Individual Settlement Awards to Class Members; (e) calculating and paying the employer's
8 share of the applicable federal and state withholding taxes; (f) filing any required federal and state
9 tax forms and related agency reporting; (g) filing any required reports with the Court; and (h) any
10 and all such other tasks as to which the Parties mutually agree, or which the Court orders the
11 Settlement Administrator to perform. The claims process shall be anonymous to the extent possible.

12 Defendants and Defendants' Counsel shall have no responsibility for validating or ensuring
13 the accuracy of the Settlement Administrator's work, and shall not be bound by any contract or
14 agreement entered into between the Settlement Administrator and Class Counsel, if any. In addition,
15 Defendants and Defendants' Counsel shall not bear any responsibility any for errors or omissions by
16 the Settlement Administrator in administering the Settlement. Without prejudice to any other
17 remedies, the Settlement Administrator shall agree to be responsible for any breach of its obligations
18 (whether committed by the Settlement Administrator or its agents) and to indemnify and hold the
19 Parties and their counsel harmless from and against all liabilities, claims, causes of action, costs, and
20 expenses (including legal fees and expenses) arising out of any breach committed by the Settlement
21 Administrator or its agents.

22 Specifically, the Settlement Administrator shall perform the following duties:

23 a) Processing Of Data Provided By Defendants Regarding Class Members.

24 Upon receipt of the data provided by Defendants pursuant to Paragraph 25 herein, the
25 Settlement Administrator shall determine, for each Class Member: (i) the Class Member's
26 name, (ii) the Class Member's last known address, (iii) the last four digits of the Class
27 Member's social security number, and (iv) the Weekly Settlement Value to be paid to the
28 Class Member pursuant to Paragraph 18, subparagraph (f), above.

1 b) Mailing Of Documents. Within ten (10) calendar days of receipt of the
2 database containing the information to be provided by Defendants pursuant to Paragraph 25
3 herein, the Settlement Administrator shall mail a copy of the Notice to all Class Members by
4 first class regular U.S. Mail, using the most current mailing address information provided by
5 Defendants and/or obtained by the Settlement Administrator. The Settlement Administrator
6 will engage in address searches consistent with its normal practices in administering
7 settlements of wage claims, including skip tracing. Such search efforts shall include, where
8 necessary, using social security numbers to obtain better address information and attempting
9 to call such Class Members. Any returned envelopes from this mailing with forwarding
10 addresses will be utilized by the Settlement Administrator to forward the Notices to the Class
11 Members.

12 c) Re-Mailing Of Returned Notices. Notices returned to the Settlement
13 Administrator as non-delivered shall be re-sent to the forwarding address, if any, on the
14 returned envelope. A returned Notice will be forwarded only once per Class Member by the
15 Settlement Administrator. Upon completion of these steps by the Settlement Administrator,
16 the Parties shall be deemed to have satisfied their obligation to provide the Notice to the
17 affected Class Member. The affected Class Member shall remain a Class Member and shall
18 be bound by all the terms of this Stipulation and the Court's Final Order and Judgment.

19 d) Processing Requests For Exclusion ("Opt-Outs") From Settlement. In the
20 event that a Class Member requests to be excluded ("opts out") from the Settlement provided
21 herein, he or she must mail a written Request for Exclusion to the Settlement Administrator
22 by first class U.S. Mail, or equivalent, postage paid and postmarked, by no later than the
23 Document Receipt Deadline, which is thirty (30) calendar days after the date that the
24 Settlement Administrator originally mails Notices to Class Members. To be valid, the written
25 Request for Exclusion must include (i) the Class Member's name, (ii) the Class Member's
26 address, (iii) a request for exclusion, and (iv) the Class Member's signature. The Settlement
27 Administrator shall notify Class Counsel and Defendants' Counsel of the fact of its receipt
28 of all valid Requests for Exclusion within three (3) business days after having received each

1 such Request for Exclusion; the identities of those individuals submitting Requests for
2 Exclusion may be disclosed only to Defendants and Defendants' Counsel, unless otherwise
3 ordered by the Court.

4 e) Payment Of Individual Settlement Awards. The Settlement Administrator
5 shall be solely responsible for the disbursement of the Individual Settlement Award
6 payments.

7 f) Declaration Of Due Diligence. No later than ten (10) calendar days prior to
8 the Final Settlement Approval Hearing, the Settlement Administrator shall provide both
9 Parties with a declaration of due diligence to be filed with the Court.

10 g) Allocating Portions Of The Individual Settlement Awards As Wages. The
11 Settlement Administrator shall be responsible for calculating the portion of each Individual
12 Settlement Award to be allocated as wages. Ten percent (10%) of each Individual Settlement
13 Award shall be allocated as wages, and ninety percent (90%) of each Individual Settlement
14 Award shall be allocated as interest and penalties.

15 h) Taxation Of Individual Settlement Awards. The Settlement Administrator
16 shall be responsible for paying the employer's and employees' share of federal, state, and
17 local payroll and income taxes. The portion of each Individual Settlement Award allocated
18 as wages shall be subject to payroll withholding. Defendants shall pay the employer's share
19 of payroll taxes on all wages paid as part of this Settlement separate and apart from the Total
20 Class Action Settlement Amount (*i.e.*, the employer's share of payroll taxes will not be
21 deducted from the Total Class Action Settlement Amount). Appropriate withholding of the
22 employee's share of income taxes shall be deducted from each Individual Settlement Award.

23 i. Federal Tax Reporting. The Settlement Administrator shall issue an IRS Form
24 W-2 to each Class Member for the portion of the Individual Settlement Award
25 that is designated as wages. The Settlement Administrator shall issue an IRS
26 Form 1099 to each Class Member for the portion of the Individual Settlement
27 Awards that is not designated as wages. The Settlement Administrator shall
28 issue an IRS Form 1099 to the Class Representative for any enhancement

award paid pursuant to Paragraph 18, subparagraph (c), above, in connection with her roles as the Class Representative.

ii. State Tax Reporting. The Settlement Administrator shall file, with the California Employment Development Department (“EDD”), the required reports of Personal Income Tax (“PIT”) wages withheld from the Individual Settlement Awards, as well as the amounts to be paid as Unemployment Insurance (“UI”), Employment Training Tax (“ETT”), and State Disability Insurance (“SDI”). For purposes of this reporting, prior to disbursement of the Individual Settlement Awards, the Settlement Administrator shall provide Defendants with a list of all Class Members, and Defendants shall provide to the Settlement Administrator the following information: (1) its Form DE 2088, *Notice of Contribution Rates and Statement of UI Account*, for the current calendar year (if unavailable, Defendants may provide instead their California State Employer’s Identification Number and its applicable UI and ETT Rates); and (2) the year-to-date earnings of each Class Member who received any wages from Defendants during the current calendar year.

iii. Responsibility For Tax Obligations. All Class Members and the Class Representative will be responsible for correctly characterizing the compensation they receive for tax purposes and for paying any taxes on the amounts received, except for the employer contributions which will be handled as provided by this Stipulation. The Class Members and the Class Representative agree to indemnify Defendants for any liability Defendants incur to any tax authority on account of the Class Members’ or the Class Representative’s failures to pay all taxes due on amounts they receive hereunder, except if the failure results from Defendants’ failure to pay their own portion(s) of taxes due. The liability of each Class Member and each Class Representative is limited to the liability caused by that individual’s own failure.

i) Mailing Of Individual Settlement Awards. Within ten (10) calendar days after Defendants' transfer of funds to the Settlement Administrator, the Settlement Administrator shall mail all Class Members their Individual Settlement Awards. Each check issued to a Class Member shall remain valid and negotiable for one hundred eighty (180) days from the date of issuance. Those Individual Settlement Awards not cashed by the Check Cashing Deadline shall be canceled automatically, in which event the Class Member's claim will be deemed void and the unclaimed funds shall be sent to the State of California Unclaimed Property Fund in the Class Member's name.

j) Certifying The Class Members Bound By The Settlement. Within fifty (50) calendar days following the mailing by the Settlement Administrator of the Individual Settlement Awards, the Settlement Administrator shall file written certification with the Court with copies to counsel for all Parties that all Class Members have been mailed their Individual Settlement Awards.

k) Payments To Class Counsel. Within ten (10) calendar days after Defendants' transfer of funds to the Settlement Administrator, the Settlement Administrator shall pay the attorneys' fees and costs, as detailed in Paragraph 18, subparagraphs (a) and (b), above.

l) Payment Of PAGA Allocation. Within ten (10) calendar days after Defendants' transfer of funds to the Settlement Administrator, the Settlement Administrator shall mail to the LWDA the State of California's allocated portion of the Court-approved PAGA Allocation, as detailed in Paragraph 18, subparagraph (e), above.

21. Disputes Regarding The Settlement Administrator's Performance Of Duties. All disputes relating to the Settlement Administrator's performance of its duties shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Stipulation until all payments and obligations contemplated by this Stipulation have been fully carried out.

VIII. DUTIES OF THE PARTIES PRIOR TO PRELIMINARY COURT APPROVAL

22. Submission Of Stipulation To Court. Plaintiff shall promptly submit this Stipulation to the Court in support of Plaintiff's motion for preliminary approval and determination by the Court

as to the fairness, adequacy, and reasonableness of this Stipulation, and shall apply to the Court for the entry of an order substantially in the following form:

a) Scheduling a fairness hearing on the question of whether the proposed Settlement – including payment of attorneys’ fees, attorneys’ costs, appointment of the Class Representative and the amount of her enhancement award, and the method of determining Individual Settlement Awards to be paid to Class Members – should be finally approved as fair, reasonable, and adequate as to the Class;

b) Approving as to form and content the proposed Notice (attached as **Exhibit A**);

c) Directing the mailing to Class Members of the Notice, by first class U.S. Mail, pursuant to the terms specified herein;

d) Preliminarily approving the Settlement, subject only to the objections of Class Members and final review by the Court; and

e) Enjoining the Class Representative and all Class Members from filing or prosecuting any claims, suits, or administrative proceedings (including filing claims with the California Division of Labor Standards Enforcement) regarding claims released by the Settlement unless such individuals have submitted valid Requests for Exclusion to the Settlement Administrator.

Class Counsel must submit the motion for preliminary approval and all supporting documents to Defendants’ Counsel, for Defendants’ review and comment, no later than three (3) business days prior to filing. The [Proposed] Preliminary Approval Order to be submitted to the Court shall be the document attached hereto as **Exhibit B**, unless the Court’s orders during the approval process require revisions to be made. Unless the Parties agree otherwise, only necessary revisions shall be made to the [Proposed] Preliminary Approval Order to be submitted to the Court.

23. Amendment Of This Stipulation To Conform To The Court’s Order. To the extent the Court does not approve this Stipulation, or any term contained herein, and instead allows the Parties to amend this Stipulation, the Parties agree to cooperate in good faith to amend the Stipulation in accordance with the Court’s direction, and to retain all other terms of the Stipulation that the Court

1 approves.

2 **IX. DUTIES OF THE PARTIES FOLLOWING PRELIMINARY COURT APPROVAL**

3 24. Timely Approval Of Documents To Be Mailed By The Settlement Administrator.
4 Counsel for the Parties shall respond to requests by the Settlement Administrator to approve all
5 claims administration documents, including the Notice to be mailed to the Class, within four (4)
6 business days of the Settlement Administrator's request for approval.

7 25. Defendants' Provision Of Class Member Data To Settlement Administrator. No later
8 than thirty (30) calendar days following preliminary approval of this Settlement by the Court,
9 Defendants shall provide the Settlement Administrator with data that is within Defendants'
10 possession containing, for each Class Member: (a) the Class Member's name; (b) the Class
11 Member's last known address; (c) the Class Member's social security number; (d) the total number
12 of "qualified weeks" during which the Class Member was employed by Defendants in California in
13 a non-exempt role during the Class Period; (e) the total number of pay periods during which the
14 Class Member was employed by Defendants in California in a non-exempt role during the PAGA
15 Period; and (f) identification of whether the Class Member participated in the settlement in the
16 *Mortimer* Action, and, if so, (i) their "qualified weeks" during the *Mortimer* class period (ending on
17 April 4, 2020), and (ii) their "qualified weeks" after April 4, 2020. This information is confidential
18 and not to be disclosed to anyone other than the Settlement Administrator. This information shall
19 be based on Defendants' payroll and other business records, and shall be in a format readily
20 accessible to Defendants. Within ten (10) calendar days of receipt of the information from
21 Defendants, the Settlement Administrator will mail the Notice to the Class Members, provided that
22 counsel for the Parties have approved the documents pursuant to Paragraph 24 herein. In the event
23 that approval of the documents pursuant to Paragraph 24 takes more than ten (10) calendar days, the
24 Settlement Administrator shall mail the Notice to the Class Members within one (1) business day of
25 receiving approval of the documents pursuant to Paragraph 24.

26 26. Disputes Arising From Claims Administration. Any disputes arising during the
27 claims administration process must be resolved informally by counsel for the Parties and, if the
28 Parties cannot agree, by the Settlement Administrator, within ten (10) calendar days of the Document

1 Receipt Deadline.

2 27. Motions By Class Counsel.

3 a) Motions Required For Final Approval Of The Settlement. Class Counsel shall
4 timely prepare, subject to Defendants' review and right to comment, Final Settlement Papers
5 in conformance with the terms of this Settlement, including (1) a motion for final approval
6 of the Settlement; (2) a motion for award of attorneys' fees and costs; (3) a motion for the
7 Class Representative's enhancement award; (4) the [Proposed] Final Settlement Order; and
8 (5) any other documents, petitions, or motions required to effectuate this Settlement –
9 including, but not limited to, any additional proposed orders requested by the Court. Class
10 Counsel must submit the Final Settlement Papers to Defendants' Counsel, for Defendants'
11 review and comment, no later than three (3) business days prior to filing the motion for final
12 approval of the Settlement. In the event that Class Counsel and Defendants' Counsel cannot
13 resolve any dispute regarding the Final Settlement Papers arising from Defendants' right to
14 review and comment, Defendants' Counsel shall submit its objections to the Final Settlement
15 Papers to the Court before or during the Final Settlement Approval Hearing.

16 b) [Proposed] Final Settlement Order. The [Proposed] Final Settlement Order
17 shall include a proposed Final Order and Judgment ordering:

- 18 i. Approval of the Settlement, adjudging the terms thereof to be fair, reasonable,
19 and adequate, and directing consummation of its terms and provisions;
- 20 ii. Approval of Class Counsel's application for an award of attorneys' fees and
21 costs (Class Counsel will separately submit a motion for award of attorneys'
22 fees and costs);
- 23 iii. Approval of the enhancement award to the Class Representative;
- 24 iv. Dismissal of the Action with prejudice and permanently barring and enjoining
25 the Class Representative and all Class Members from prosecuting against the
26 Released Parties any claims released herein pursuant to Paragraphs 15 through
27 16, above, including any Released Class Claims and any claims covered by a
28 limited and/or general release, upon satisfaction of all payments and

obligations hereunder; and

- v. Reserving jurisdiction over the construction, interpretation, implementation, and enforcement of the Parties' Settlement, and over the administration and distribution of the Settlement amounts.

The [Proposed] Final Approval Order and Judgment to be submitted shall be the document attached hereto as **Exhibit C**, unless the Court's orders during the approval process require revisions to be made. Unless the Parties agree otherwise, only necessary revisions shall be made to the [Proposed] Final Approval Order and Judgment to be submitted to the Court.

28. Final Fairness Hearing. Upon expiration of the Document Receipt Deadline, the Parties shall attend a Final Settlement Approval Hearing with the Court to finally approve the Settlement as fair, reasonable, and adequate as to (a) Class Members; (b) attorneys' fees and costs to Class Counsel; (c) the enhancement awards to the Class Representative; (d) the costs and fees for claims administration; (e) the PAGA Allocation; and (f) the Individual Settlement Awards to be paid to the Class Members, including the methodology used to calculate such awards.

X. DUTIES OF THE PARTIES FOLLOWING FINAL COURT APPROVAL

29. Final Settlement Approval, And Entry Of Judgment. At or before the Final Settlement Approval Hearing, Class Counsel shall submit the [Proposed] Final Settlement Approval Order and Judgment to the Court for the Court's approval and entry. After entry of the Final Settlement Approval Order and Judgment, the Court shall have continuing jurisdiction over the administration of the Settlement.

30. Payment Of Settlement Amount. Not later than ten (10) business days following the Effective Date, Defendants shall deposit the Total Class Action Settlement Amount into an account established by the Settlement Administrator. The Settlement Administrator will retain authority over the deposited funds, which are to be used in accordance with this Stipulation and any orders of the Court. The Settlement Administrator shall make all payments and other disbursements required by this Stipulation from the Total Class Action Settlement Amount. Defendants shall have no further obligations over the distribution of the Total Class Action Settlement Amount.

31. Provision Of Final Settlement Approval Order And Judgment To Settlement

1 Administrator. Within two (2) business days following final approval by the Court of the Settlement
2 provided for in this Stipulation, Class Counsel shall provide the Settlement Administrator with a
3 copy of the Final Settlement Approval Order and Judgment.

4 **XI. ADDITIONAL TERMS**

5 32. Nullification Of Settlement. This Stipulation shall be null and void, and any order or
6 judgment entered by the Court in furtherance of the Settlement shall be vitiated *nunc pro tunc*, if any
7 of the following occurs:

8 a) The Court does not enter the Final Settlement Approval Order and Judgment
9 as provided for herein or contemplated by this Stipulation;

10 b) The Court does not finally approve the Settlement as provided for herein;

11 c) The Court does not enter a Final Settlement Approval Order and Judgment as
12 provided for herein that becomes final as a result of the occurrence of the Effective Date; or

13 d) The Settlement does not become final for any other reason.

14 In such a case, the Parties shall be returned to their respective statuses as of the date of June
15 7, 2021, and the Parties shall proceed in all respects as if this Stipulation had not been executed. If
16 an appeal is filed from the Court's Final Settlement Approval Order and Judgment prior to the
17 Effective Date, administration of the Settlement shall be immediately stayed pending final resolution
18 of the appeal process.

19 33. No Admissions. Nothing contained herein is to be construed or deemed to be an
20 admission of liability or wrongdoing by Defendants. This Stipulation and the attached exhibits are
21 settlement documents, and, pursuant to the California Evidence Code and Federal Rules of Evidence,
22 these documents shall be inadmissible in any proceeding except in an action or proceeding to
23 approve, interpret, or enforce this Stipulation.

24 34. Return Of Documents And Data. All originals, copies, and summaries of documents
25 and data provided to Plaintiff's Counsel by Defendants and/or Defendants' Counsel in connection
26 with the mediation or other settlement negotiations in this matter may be used only with respect to
27 this Settlement, and for no other purpose, and may not be used in any way that violates any existing
28 contractual agreement, statute, or rule. Within thirty (30) calendar days after the Effective Date,

1 Plaintiff's Counsel will return or destroy any such documents and data, and will confirm in writing
2 to Defendants the disposition of all such documents and data. To the extent Plaintiff's Counsel
3 chooses to return such documents and data pursuant to this Paragraph, the return shall be effectuated
4 by sending the materials to Defendants' Counsel, to the attention of Jennifer L. Katz
5 (jennifer.katz@ogletree.com) and James T. Conley (james.conley@ogletree.com), or any other such
6 individual designated by Defendants or Defendants' Counsel.

7 35. No Unalleged Claims. Plaintiff and Class Counsel represent that, as of the date of
8 execution of this Stipulation, they are not currently aware of: (a) unalleged claims in addition to, or
9 different from, those which are finally and forever settled and released against the Released Parties
10 by this Settlement; and (b) unalleged facts or legal theories upon which any claims or causes of action
11 could be brought against Defendants, except such facts and theories specifically alleged in the
12 Complaint and/or First Amended Complaint in this Action.

13 36. Amendment Or Modification. This Stipulation may be amended or modified only by
14 a written instrument signed by counsel for all Parties.

15 37. Entire Agreement. With the sole exception of Plaintiff's separate individual
16 settlement agreement and general release of all claims, this Stipulation and the accompanying
17 exhibits constitute and comprise the entire agreement between the Parties with respect to Plaintiff's
18 claims. No oral or written representations, warranties, or inducements have been made to any of the
19 Parties concerning this Stipulation other than the representations, warranties, and covenants
20 contained and memorialized herein.

21 38. Construction. The Parties agree that the terms of this Stipulation and the
22 accompanying exhibits are the result of lengthy, arm's-length negotiations, and that this Stipulation
23 shall not be construed in favor of or against any of the Parties by reason of the extent to which any
24 of the Parties or their respective counsel participated in the drafting of this Stipulation.

25 39. Parties' Authority. The signatories to this Stipulation represent that they are fully
26 authorized to enter into this Stipulation and to bind the Parties hereto to the terms and conditions
27 hereof.

28 40. Successors And Assigns. This Stipulation is binding upon, and inures to the benefit

of, the Parties' successors and assigns. The Parties represent and warrant that they have not, directly or indirectly, assigned, transferred, or encumbered to any person or entity any portion of any claim, demand, action, cause of action, or rights herein released and discharged except as set forth herein.

41. Enforcement Of Actions. In the event that any of the Parties to this Stipulation institutes any legal action, arbitration, or other proceeding against any of the other Parties to enforce the provisions of this Stipulation or to declare rights or obligations under this Stipulation, the successful Party shall be entitled to recover from the unsuccessful Party or Parties, reasonable attorneys' fees and costs, including expert witness fees, incurred in connection with any such enforcement proceedings.

42. Governing Law. All terms of this Stipulation shall be governed by and interpreted according to the laws of the State of California.

43. Jurisdiction Of The Court. The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Stipulation and all orders and judgments entered in connection therewith.

44. Counterparts. This Stipulation may be executed in one or more counterparts. All executed counterparts, and each of them, shall be deemed to be one and the same instrument. Signatures may be affixed either by original signatures, PDF, or facsimile.

45. Notices. Unless otherwise specifically provided in this Stipulation, all notices, demands, and/or other communications will be in writing and will be deemed to have been duly given as of the third (3rd) business day after mailing by U.S. Mail, addressed as follows:

To Plaintiff & The Class:

LEBE LAW, APLC
Jonathan M. Lebe
Annaliz L. Loera
777 S. Alameda Street, Second Floor
Los Angeles, California 90021

To Defendants:

OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.
Jennifer L. Katz
400 South Hope Street, Suite 1200
Los Angeles, California 90071
OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.
James T. Conley
500 Capitol Mall, Suite 2500
Sacramento, California 95814

1 46. Enforceability. The Parties intend for this Agreement to be enforceable in the
2 Superior Court for the State of California for the County of Los Angeles, by and subject to the Court’s
3 pending jurisdiction. Pursuant to Code of Civil Procedure Section 664.6, the Court shall retain
4 jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this
5 Agreement and all orders and judgment entered in connection therewith, and the Parties and their
6 counsel hereto submit to the jurisdiction of the Superior Court for purposes of interpreting,
7 implementing, and enforcing the Settlement embodied in this Agreement and all orders and
8 judgments in connection therewith.

9 47. Interpretation. This Stipulation shall be construed as a whole according to its fair
10 meaning. It shall not be construed strictly for or against any Party. Unless the context indicates
11 otherwise, the term “or” shall be deemed to include the term “and,” and the singular or plural number
12 shall be deemed to include the other. Captions and headings are intended solely for convenience of
13 reference and shall not be used in the interpretation of this Stipulation.

14 48. Non-Publicity. Plaintiff and Class Counsel agree not to disclose or publicize the
15 Settlement, including the fact of the Settlement, its terms or contents, and the negotiations underlying
16 the Settlement, in any manner or form, directly or indirectly, to any person or entity, except to
17 potential Class Members and as shall be contractually required to effectuate the terms of the
18 Settlement. For the avoidance of doubt, this section means Plaintiff and Class Counsel agree not to
19 issue press releases; communicate with, or respond to, any media or publication entities; publish
20 information in manner or form, whether printed or electronic, on any medium; or otherwise
21 communicate, whether by print, video, recording, or any other medium, with any person or entity
22 concerning the Settlement, including the fact of the Settlement, its terms or contents, and the
23 negotiations underlying the Settlement, except as shall be contractually required to effectuate the
24 terms of the Settlement. However, for the limited purpose of allowing Class Counsel to prove
25 adequacy as class counsel in other actions, Class Counsel may disclose the name of the Parties in
26 this action and the venue/case number of this action (but not any other settlement details) for such
27 purposes.

28 49. Exhibits Incorporated By Reference. The terms of this Stipulation include the terms

1 set forth in any attached exhibits, which are incorporated by this reference as though fully set forth
2 herein. Any exhibit to this Stipulation is an integral part of the Settlement.

3 50. Interim Stay Of Proceedings. The Parties agree to refrain from further litigation of
4 this matter, except such proceedings necessary to implement and obtain an Order granting Final
5 Approval of the terms of the Settlement. The Parties further agree that the mutual, voluntary
6 cessation of litigation shall terminate either as of the Effective Date or the date upon which this
7 Settlement has been denied by the Court and all subsequent attempts to cure deficiencies pursuant to
8 Paragraph 23 have ended.

9 51. Invalidity Of Any Provision. Before declaring any provision of this Stipulation
10 invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible
11 consistent with applicable precedents so as to define all provisions of this Settlement valid and
12 enforceable.

13 52. Class Certification For Settlement Purposes Only. The Parties agree to stipulate to
14 class certification only for purposes of the Settlement. If, for any reason, the Settlement is not
15 approved, the stipulation to certification will be void. The Parties further agree that certification for
16 purposes of the Settlement is not an admission that class certification is proper under the standard
17 applied to contested certification motions and that this Settlement will not be admissible in this or
18 any other proceeding as evidence that (i) a class should or should not be certified, or (ii) Defendants
19 are or are not liable to the Class Representative or the putative Class Members.

20 53. All Terms Subject To Final Court Approval. All amounts and procedures described
21 in this Stipulation shall be subject to final Court approval.

22 54. Execution Of Necessary Documents. All Parties shall execute all documents
23 reasonably necessary to effectuate the terms of this Settlement.

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26
27 ////

1 55. Binding Agreement. The Parties intend that this Settlement shall be fully enforceable
2 and binding on all Parties, and that it shall be admissible and subject to disclosure in any proceeding
3 to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might
4 apply under federal or state law.

5
6 DATED: December 1 , 2021

7
8 By:  _____
 Linda Cazares
9
10 Plaintiff and Class Representative

11 DATED: _____, 2021

12 ENCOMPASS HEALTH REHABILITATION
13 HOSPITAL OF BAKERSFIELD, LLC
14 ENCOMPASS HEALTH CORPORATION

15 By: _____
16 Patrick Darby
17 Authorized Representative

18 DATED: December 1 , 2021

19 LEBE LAW, APLC

20
21 By:  _____
 Jonathan M. Lebe
22 Annaliz L. Loera
23 Attorneys for Plaintiff LINDA CAZARES
24
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28

1 55. Binding Agreement. The Parties intend that this Settlement shall be fully enforceable
2 and binding on all Parties, and that it shall be admissible and subject to disclosure in any proceeding
3 to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might
4 apply under federal or state law.

5
6 DATED: _____, 2021

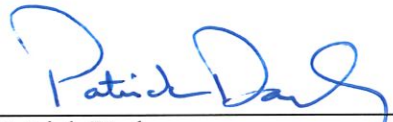
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8 By: _____
Linda Cazares

9 Plaintiff and Class Representative

10
11 DATED: December 1, 2021

12 ENCOMPASS HEALTH REHABILITATION
HOSPITAL OF BAKERSFIELD, LLC

13 ENCOMPASS HEALTH CORPORATION

14
15 By:  _____
16 Patrick Darby
17 Authorized Representative

18 DATED: _____, 2021

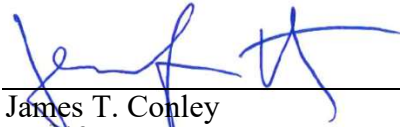
19 LEBE LAW, APLC

20
21 By: _____
Jonathan M. Lebe
22 Annaliz L. Loera

23 Attorneys for Plaintiff LINDA CAZARES
24
25
26
27
28

1 DATED: December 1, 2021

2 OGLETREE, DEAKINS, NASH, SMOAK &
3 STEWART, P.C.

4
5 By:  _____

6 James T. Conley
7 Jennifer L. Katz

8 Attorneys for Defendants
9 ENCOMPASS HEALTH REHABILITATION
10 HOSPITAL OF BAKERSFIELD, LLC and
11 ENCOMPASS HEALTH CORPORATION
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