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17 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

18 **IN AND FOR THE COUNTY OF SANTA CLARA**

19
20 JOANNE MANALO, individually, on behalf
of herself and all other similarly situated
21 employees,

22 Plaintiff,

23 v.

24 SAN JOSE, LLC, REGIONAL MEDICAL
CENTER OF SAN JOSE, an entity, form
25 unknown; and DOES 1 to 5,
Defendants.

Case No. 20CV371934

CLASS ACTION

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

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13 San Jose, LLC and San Jose Healthcare System, L.P. dba Regional Medical Center of San Jose,
14 erroneously sued as Regional Medical Center of San Jose

1 IT IS HEREBY STIPULATED, by and between Plaintiff Joanne Manalo ("Plaintiff"),
2 individually and on behalf of the Settlement Class, and Defendants San Jose, LLC and San Jose
3 Healthcare System, L.P. dba Regional Medical Center of San Jose, erroneously sued as Regional
4 Medical Center of San Jose ("Defendants"), and subject to approval by the Court, that the Action
5 is hereby compromised and settled under the terms and conditions set forth in this Joint Stipulation
6 of Class and PAGA Action Settlement and Release of Claims (the "Stipulation") and that the
7 Court shall make and enter judgment subject to the definitions, recitals and terms set forth in this
8 Stipulation.

9 I. DEFINITIONS

- 10 A. "Action" shall mean the civil action entitled *Manalo v. San Jose, LLC*, Santa Clara County
11 Superior Court Case No. 20CV371934, filed on October 23, 2020.
- 12 B. "Agreement" or "Settlement Agreement" or "Stipulation" means this Joint Stipulation of
13 Class and PAGA Action Settlement and Release of Claims.
- 14 C. "Aggrieved Employees" means all current and former non-exempt employees who worked
15 for Defendants in California as hourly, non-exempt registered nurses at any time or times
16 during the PAGA Period. All individual Aggrieved Employees are also Class Members,
17 unless they opt-out of participation in the class action portion of the Settlement.
- 18 D. "Aggrieved Employee Data" means information regarding Aggrieved Employees that
19 Defendant will compile from its available existing records and provide to the Settlement
20 Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall include all
21 the following information: (i) each Aggrieved Employee's full name; (ii) each Aggrieved
22 Employee's last-known address; (iii) each Aggrieved Employee's Social Security Number;
23 and (iv) the number of pay periods worked by each Aggrieved Employee during the PAGA
24 Period.
- 25 E. "Class Counsel" means the attorneys of record for the Class Representative and Class
26 Members, *i.e.*, (1) Eric A. Grover and David M. Watson of Keller Grover LLP, (2) Alexei
27 Kuchinsky of Kuchinsky Law Office, P.C., and (3) William P. Klein of Klein Law Group,
28 P.C.

- 1 F. "Class Counsel Award" means an award of attorneys' fees, expenses, and litigation costs
2 granted to Class Counsel and paid from the Maximum Settlement Amount in recognition
3 of their efforts and risks in prosecuting the Action.
- 4 G. "Class Data" means information regarding Class Members that Defendants will compile
5 from its available and existing records and provide to the Settlement Administrator. It
6 shall be formatted as a Microsoft Excel spreadsheet and shall include all the following
7 information: (i) each Class Member's full name; (ii) each Class Member's last-known
8 address; (iii) each Class Member's Social Security Number; and (iv) the number of weeks
9 worked by each Class Member during the Class Period.
- 10 H. "Class Members" means all current and former hourly, non-exempt registered nurses who
11 worked for Defendants in California at any time or times during the Class Period. An
12 individual Class Member also may be an Aggrieved Employee if he or she falls within the
13 "Aggrieved Employee" definition.
- 14 I. "Class Period" shall mean the time period from and including October 22, 2019 through
15 June 1, 2025.
- 16 J. "Class Representative Incentive Award/General Release Payment" means the amount that
17 the Court authorizes to be paid to the Plaintiff from the Maximum Settlement Amount, in
18 addition to the Plaintiff's Individual Settlement Payment and Individual PAGA Payment,
19 in recognition of her effort and risk in assisting with the prosecution of the Action.
- 20 K. "Class Representative" means Plaintiff Joanne Manalo.
- 21 L. "Complaint" means the operative First Amended Complaint filed in Santa Clara County
22 Superior Court on April 25, 2024.
- 23 M. "Court" means the Santa Clara County Superior Court.
- 24 N. "Defendants" means San Jose, LLC and San Jose Healthcare System, L.P. dba Regional
25 Medical Center of San Jose, erroneously sued as Regional Medical Center of San Jose.
- 26 O. "Defense Counsel" means Richard J. Simmons, Jason W. Kearnaghan, Melanie M.
27 Hamilton, and Hilary A. Habib of Sheppard, Mullin, Richter & Hampton, LLP.
- 28

- 1 P. "Effective Date" means the date on which the Final Approval Order becomes final. For
2 purposes of this Agreement, the Final Approval Order "becomes final" only after the Court
3 grants the Motion for Final Approval and upon service of the Notice of Entry of Order
4 and/or Judgment, and upon the latter of: (i) if no appeal, or other challenge is filed, the 61st
5 day following Notice of Entry of the Court's Order and/or Judgment; (ii) the date of
6 affirmance of an appeal of the Order Granting Final Approval and/or Judgment becomes
7 final under the California Rules of Court; or (iii) the date of final dismissal of any appeal
8 from the Order Granting Final Approval and/or Judgment or the final dismissal of any
9 proceeding on review of any court of appeal decision relating to the Order Granting Final
10 Approval and/or Judgment, and issuance of remittitur.
- 11 Q. "Final Approval Order" means the Court's order granting final approval of the Settlement.
- 12 R. "Individual PAGA Payment" means the amount payable to each Aggrieved Employee
13 from the PAGA Payment. An individual who is entitled to both an Individual Settlement
14 Payment and an Individual PAGA Payment will receive one check incorporating both
15 amounts.
- 16 S. "Individual Settlement Payment" means the amount payable from the Net Settlement
17 Amount to each Settlement Class Member. An individual who is entitled to both an
18 Individual Settlement Payment and an Individual PAGA Payment will receive one check
19 incorporating both amounts.
- 20 T. "LWDA" means the California Labor & Workforce Development Agency (LWDA).
- 21 U. "LWDA Notice" means the letter Plaintiff filed with the LWDA on or about July 21, 2020
22 alleging Labor Code violations against San Jose LLC and "Regional Medical Center."
- 23 V. "LWDA Payment" means the 75% of the \$50,000 PAGA Payment (i.e., \$37,500) that will
24 be paid to the LWDA pursuant to PAGA.
- 25 W. "Maximum Settlement Amount" means the total gross amount of \$1,750,000, which
26 includes all payments to Settlement Class members, payment of the Class Counsel Award,
27 payment of the Class Representative Incentive Award/General Release Payment, the
28 PAGA Payment, and payment to the Settlement Administrator for settlement

- 1 administration expenses. The Maximum Settlement Amount does not include employer-
2 side payroll taxes, which shall be paid by Defendants separate from, and in addition to, the
3 Maximum Settlement Amount. This is an all-in and non-reversionary Settlement.
- 4 X. "Net Settlement Amount" means the amount that remains after deducting the Class
5 Representative Incentive Award/General Release Payment (estimated to be \$20,000), the
6 Class Counsel Award (estimated to be \$612,500 in fees and \$70,000 in costs), the PAGA
7 Payment (\$50,000), and the Settlement Administration Costs (capped at no more than
8 \$12,500) from the Maximum Settlement Amount, resulting in a Net Settlement Amount of
9 an estimated \$985,000.
- 10 Y. "Notice of Class and PAGA Action Settlement" means the notice substantially similar to
11 the notice attached to this Stipulation as **Exhibit 1**.
- 12 Z. "PAGA" means the California Labor Code Private Attorneys General Act of 2004, Labor
13 Code §§ 2698, *et seq.*
- 14 AA. "PAGA Payment" means the \$50,000 portion of the Maximum Settlement Amount that is
15 allocated to the settlement of claims for civil penalties under PAGA, 25% (\$12,500) of
16 which will be paid to the Aggrieved Employees and 75% (\$37,500) of which will be paid
17 to the LWDA.
- 18 BB. "PAGA Period" means the period from and including October 22, 2019 through June 1,
19 2025.
- 20 CC. "PAGA Released Claims" means the claims being released as described in Paragraph III.D
21 below.
- 22 DD. "Parties" means Plaintiff and Defendants, collectively, and "Party" shall mean either
23 Plaintiff or Defendants, individually.
- 24 EE. "Payment Ratio – Aggrieved Employee" means the respective number of Qualified Pay
25 Periods for each Aggrieved Employee divided by the total number of Qualified Pay
26 Periods for all Aggrieved Employees.
- 27 FF. "Payment Ratio – Class Member" means the respective number of Qualified Workweeks
28 worked by an individual Settlement Class Member who do not opt-out of the class action

- 1 portion of the Settlement divided by the total number of Qualified Workweeks worked by
2 all Settlement Class Members who do not opt-out of the class action portion of the
3 Settlement.
- 4 GG. "Plaintiff" shall mean the named Plaintiff Joanne Manalo.
- 5 HH. "Preliminary Approval Date" means the date on which the Court enters an order granting
6 preliminary approval of the Settlement.
- 7 II. "Preliminary Approval Order" means an order granting preliminary approval of the
8 Settlement.
- 9 JJ. "Qualified Pay Periods" means and includes any and all pay periods (as reflected in
10 Defendants' records) during which one or more Aggrieved Employees performed work for
11 Defendants in California during the PAGA Period.
- 12 KK. "Qualified Settlement Fund" or "QSF" means the qualified settlement fund that will be set
13 up by the Settlement Administrator and into which the Maximum Settlement Amount shall
14 be deposited and from which disbursements shall be made.
- 15 LL. "Qualified Workweeks" means and includes any weeks during which Class Members
16 performed work for Defendants in California during the Class Period (as reflected in
17 Defendants' records of each Class Member's dates of employment and pay records).
- 18 MM. "Released Class Claims" means the claims being released as described in Paragraph III.B.
19 below.
- 20 NN. "Released Parties" shall mean Defendants San Jose, LLC and San Jose Healthcare System,
21 L.P. dba Regional Medical Center of San Jose, erroneously sued as Regional Medical
22 Center of San Jose and each of their past, present and future agents, employees, servants,
23 officers, directors, managing agents, members, owners (whether direct or indirect),
24 partners, trustees, representatives, shareholders, stockholders, attorneys, parents,
25 subsidiaries, equity sponsors, plans, related companies/corporations and/or partnerships,
26 divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint
27 employers, potential and alleged joint employers, temporary staffing agencies, common
28 law employers, potential and alleged common law employers, dual employers, potential

1 and alleged dual employers, co-employers, potential and alleged co-employers,
2 contractors, affiliates, service providers, alter-egos, potential and alleged alter-egos,
3 vendors, affiliated organizations, any person and/or entity with potential or alleged to have
4 joint liability, and all of their respective past, present and future employees, directors,
5 officers, members, owners, agents, representatives, payroll agencies, attorneys,
6 stockholders, fiduciaries, parents, subsidiaries, other service providers, and assigns, and
7 any and all persons and/or entities acting under, by, through or in concert with any of them.

8 OO. "Response Deadline" means the date 60 calendar days after the Settlement Administrator
9 first mails the Notice of Class and PAGA Action Settlement to Class Members and is the
10 last date on which Class Members may submit Requests for Exclusion or a Notice of
11 Objection to the Settlement. Class Members may only submit Requests for Exclusion with
12 respect to the class action component of this settlement. Aggrieved Employees shall have
13 no right to opt out of the PAGA portion of the Settlement. .

14 PP. "Settlement" means the disposition of the Action pursuant to this Agreement.

15 QQ. "Settlement Administrator" means Simpluris, Inc.

16 RR. "Settlement Class Members" means all Class Members who do not submit a valid Request
17 for Exclusion. All Settlement Class Members will automatically receive an Individual
18 Settlement Payment without the need to submit a claim form. Settlement Class Members
19 will release all of the Released Claims and be bound by all terms of the Settlement and any
20 final judgment entered in this Action.

21 II. RECITALS

22 A. Class Certification. The Parties stipulate and agree to certification for purposes of this
23 Settlement only. This Agreement is subject to approval by the Court and is made for the
24 sole purpose of consummating settlement of the Action. Should the Settlement not
25 become final and effective as provided herein, class certification shall immediately be set
26 aside and the Settlement Class immediately decertified, subject to further proceedings on
27 the motion of any party to certify or deny certification thereafter. The Parties' willingness
28 to stipulate to class certification as part of the Settlement shall have no bearing on, and

1 shall not be admissible in or considered in connection with, the issue of whether a class
2 should be certified in a non-settlement context in this Action and shall have no bearing on,
3 and shall not be admissible or considered in connection with, the issue of whether a class
4 should be certified in any other lawsuit.

5 B. Settlement Negotiations. The Parties participated in a private mediation session with
6 respected mediator Francis M. “Tripper” Ortman, III, Esq. and engaged in good faith,
7 arms-length settlement negotiations. As part of the process, the Parties exchanged the
8 information necessary to engage in productive settlement negotiations. The negotiations
9 resulted in the Settlement described in this Stipulation to resolve this Action in its entirety.

10 C. Benefits of Settlement to Settlement Class Members. Plaintiff and Class Counsel
11 recognize the expense and length of continued proceedings that would be necessary to
12 litigate their disputes through trial and through any possible appeals. Plaintiff also has
13 taken into account the uncertainty and risks regarding the outcome of further litigation and
14 the difficulties and delays inherent in any such litigation. Plaintiff and Class Counsel also
15 are aware of the burdens of proof necessary to establish liability for the claims asserted in
16 the Action, both generally and in response to Defendants’ defenses thereto, and the
17 difficulties in establishing damages and civil penalties for the Class Members and
18 Aggrieved Employees. Based on these factors, Plaintiff and Class Counsel have
19 determined that the terms set forth in this Agreement represent a fair, adequate, and
20 reasonable settlement and are in the best interests of the Class Members, the LWDA, and
21 the Aggrieved Employees.

22 D. Defendants’ Reasons for Settlement. Defendants have concluded that any further defense
23 of this litigation would be protracted and expensive for all Parties. Substantial amounts of
24 Defendants’ time and resources have been and, unless this Settlement is made, will
25 continue to be devoted to the defense of the claims asserted by Plaintiff. In reaching their
26 decision to enter into this Settlement, Defendants also have taken into account the risks of
27 further litigation. Defendants deny each of the allegations and claims asserted against it in
28 the Action. Despite continuing to contend that it is not liable for any of the claims that

1 Plaintiff has asserted, Defendants nonetheless have agreed to settle in the manner and upon
2 the terms set forth in this Agreement to put to rest the claims asserted in the Action.

3 E. Class Members' Claims. The Class Representative contends that the allegations have
4 merit and give rise to liability on Defendants' part. This Agreement is a compromise of
5 disputed claims. The monies being paid as part of the Settlement are genuinely disputed
6 and the Parties agree that the provisions of California Labor Code § 206.5 are not
7 applicable to this Settlement. Because there is a good faith dispute as to whether any
8 wages are due, the release of claims does not violate California Labor Code § 206.5, which
9 provides in pertinent part as follows:

10 An employer shall not require the execution of any release of any claim or
11 right on account of wages due or to become due, or made as an advance on
wages to be earned, unless payment of such wages has been made.

12 Cal. Lab. Code §206.5(a). Nothing contained in this Agreement, no documents referred to
13 in this Agreement, and no action taken to carry out this Agreement may be construed or
14 used as an admission by or against the Class Members or Class Counsel regarding the
15 merits or lack of merit of the claims asserted.

16 F. Aggrieved Employees' Claims. Plaintiff contends that the PAGA allegations have merit
17 and give rise to liability on the part of Defendants. This Agreement is a compromise of
18 disputed claims. The monies being paid as part of the settlement are genuinely disputed
19 and the Parties agree that the provisions of Labor Code § 206.5 are not applicable to this
20 settlement. Nothing contained in this Agreement, no documents referred to in this
21 Agreement and no action taken to carry out this Agreement may be construed or used as an
22 admission by or against the Aggrieved Employees or Class Counsel as to the merits or lack
23 of merit of the claims asserted.

24 G. Defendants' Defenses. Defendants claim that the Class Released Claims and the PAGA
25 Released Claims have no merit and do not give rise to liability. This Agreement is a
26 compromise of disputed claims. The monies being paid as part of the Settlement are
27 genuinely disputed and the Parties agree that the provisions of California Labor Code §
28 206.5 are not applicable to this Settlement. Nothing contained in this Agreement, no

documents referred to in this Agreement, and no action taken to carry out this Agreement may be construed or used as an admission by or against Defendants as to the merits or lack of merit of the claims asserted.

III. TERMS OF AGREEMENT

- A. Settlement Consideration to be paid by Defendants. Defendants shall pay the monetary sums specified in this Agreement, i.e., the Maximum Settlement Amount.
- B. Release by All Settlement Class Members. As of the Effective Date of this Agreement, all Class Members who do not properly opt-out of the Settlement will fully and finally release the Released Parties (which as defined above specifically includes Defendants) from any and all Released Class Claims for the entirety of the Class Period. The "Released Class Claims" include all claims asserted in the Action, as amended, and/or LWDA Notice, arising from or related to the facts and claims alleged in the Action, as amended, and/or LWDA Notice, as amended, or that could have been raised in the Action, as amended, and/or LWDA Notice, as amended, based on the facts and claims alleged. The Released Class Claims include all claims for unpaid wages, including, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; wages related to alleged illegal time rounding; missed/short/late/interrupted meal period, rest period, and/or recovery period wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods and/or recovery periods; failure to pay sick pay; the calculation of meal period, rest period, and/or recovery period premiums; payment for all hours worked, including off-the-clock work; wage statements; unpaid vacation; deductions; failure to keep/maintain accurate records including payroll records; unfair business practices related to the Released Class Claims; penalties, including, but not limited to, recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; failure to timely pay wages; failure to timely pay final wages; and attorneys' fees and costs; all claims related to the Released Class Claims arising under: the California Labor Code (including, but not limited to, sections 200, 201, 201.1, 202, 203, 204, 204.2, 204.11, 210, 212, 213,

1 218, 218.5, 218.6, 221, 222, 223, 224, 225, 225.5, 226, 226.3, 226.7, 227.3, 246, 256, 510,
2 512, 515.5, 516, 554, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1194.3, 1194.5, 1197,
3 1197.1, 1197.2, 1198, 1198.5, 2698 *et seq.*, 2699 *et seq.*, and 2802); the Wage Orders of
4 the California Industrial Welfare Commission; California Business and Professions Code
5 section 17200, *et seq.*; the Fair Labor Standards Act ("FLSA"), 29 U.S.C. § 201 *et seq.*;
6 and federal common law.

7 Participating Settlement Class Members who timely cash or otherwise negotiate their
8 Individual Settlement Payment will be deemed to have opted into the Action for purposes
9 of the FLSA and, as to those Class Members, the Released Class Claims include any and
10 all claims the Class Members may have under the FLSA asserted in the Action, arising
11 from or related to the facts and claims alleged in the Action, or that could have been
12 alleged in the Action based on the facts and claims alleged in the Action during the Class
13 Period. Only those Settlement Class Members who timely cash or otherwise negotiate
14 their Individual Settlement Payment will be deemed to have opted into the Action for
15 purposes of the FLSA and thereby release and waive any of their claims under the FLSA
16 arising under or relating to the alleged claims.

17 The following language will be printed on the reverse of each Individual Settlement
18 Payment, or words to this effect:

19 "By endorsing or otherwise negotiating this check, I acknowledge that I read, understood,
20 and agree to the terms set forth in the Notice of Class Action Settlement and I consent to
21 join in the Fair Labor Standards Act ("FLSA") portion of the Action, elect to participate in
the settlement of the FLSA claims, and agree to release all of my FLSA claims that are
covered by the Settlement."

22 As of the Effective Date of this Agreement, Settlement Class Members are precluded from
23 filing a wage and hour action under the Fair Labor Standards Act against the Released
24 Parties for claims and/or causes of action encompassed by the Released Class Claims
25 which are extinguished and precluded pursuant to the holding in Rangel v. PLS Check
26 Cashers of California, Inc., 899 F.3d 1106 (2018).

27 This release excludes the release of claims not permitted by law.
28

1 C. General Release by Plaintiff Only. As a condition of receiving any portion of the Class
2 Representative Incentive Award/General Release Payment, as of the Effective Date of this
3 Agreement, Plaintiff, and each of her former and present spouses, representatives, agents,
4 attorneys, heirs, administrators, successors, and assigns generally, release and discharge
5 Released Parties (which as defined above specifically includes Defendants), and each and all
6 of them, from any and all claims, liabilities, causes of actions, charges, complaints,
7 obligations, costs, losses, damages, injuries, attorneys' fees, and other legal responsibilities,
8 of any form whatsoever, whether known or unknown, unforeseen, unanticipated,
9 unsuspected, or latent, which Plaintiff or her heirs, administrators, executors, successors in
10 interest, and/or assigns have incurred or expect to incur, or now own or hold, or have at any
11 time heretofore owned or held, or may at any time own, hold, or claim to hold by reason of
12 any matter or thing arising from any cause prior to the later date of Plaintiff's execution of
13 this Agreement or Plaintiff's execution of the stand-alone individual settlement agreements
14 (whichever is later). This Release extends to any and all claims including, but not limited to,
15 any alleged (a) violation of the National Labor Relations Act, Title VII of the Civil Rights
16 Act, the California Fair Employment and Housing Act, the Americans With Disabilities Act
17 of 1990, the Federal Age Discrimination in Employment Act, as amended by the Older
18 Workers Benefit Protection Act of 1990, the Fair Labor Standards Act, the California Labor
19 Code, any applicable California Wage Order, the California Private Attorneys General Act
20 ("PAGA") (to include, but not limited to, acting as a PAGA representative), the California
21 Equal Pay Act, the California Fair Pay Act, the Occupational Safety and Health Act, the
22 Consolidated Omnibus Budget Reconciliation Act of 1985, the California Family Rights
23 Act, the Employee Retirement Income Security Act (excluding vested benefits), the
24 California Unfair Business Practices Act/Unfair Competition Law, the Family and Medical
25 Leave Act, the Worker Adjustment and Retraining Notification Act, and any state law
26 equivalent; (b) harassment, discrimination and/or retaliation, or failure to prevent the same,
27 on the basis of age, race, color, ancestry, national origin (including language use
28 restrictions), citizenship, religious creed (including religious dress and grooming practices),

1 sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to
2 pregnancy, childbirth or breastfeeding), marital status, domestic partnership status, sexual
3 orientation, gender, gender identity or gender expression, veteran status, military status,
4 political affiliation, failure to accommodate a disability, failure to engage in the interactive
5 process, family care or medical leave status or the denial of family and medical care leave,
6 physical or mental disability (including HIV and AIDS), medical condition (including cancer
7 and genetic characteristics), genetic information or any other basis protected by applicable
8 federal, state and/or local laws, regulations, rules, ordinances and/or orders, failure to pay
9 wages due or other monies owed; (c) any whistleblower or retaliation claims on the basis of
10 any protected activity or other protected basis; (d) breach of any express or implied promise,
11 contract or agreement (express or implied), or breach of the implied covenant of good faith
12 and fair dealing; (e) any tort or common law claims, including wrongful discharge,
13 intentional or negligent infliction of emotional distress, negligence, fraud, misrepresentation,
14 defamation, libel, slander, interference with prospective economic advantage, or other tort or
15 common law actions; (f) claims for misclassification, wage and hour, or other claims related
16 to hours, conditions, or compensation related to work; and (g) any other violation of local,
17 state, or federal law, constitution, statute, regulation or ordinance, public policy, contract, or
18 tort or common law claim, whether for legal or equitable relief, having any bearing
19 whatsoever on the terms and conditions of employment, or association or working
20 relationship, with any of the Released Parties, including but not limited to any allegations for
21 penalties, interest, costs and fees, including attorneys' fees, incurred in any of these matters,
22 which Plaintiff ever had, now has, or may have as of the later date of Plaintiff's execution of
23 this Agreement or Plaintiff's execution of the stand-alone individual settlement agreements
24 (whichever is later) (with the exception of the Released Class Claims and Released PAGA
25 Claims, as the release for those claims will extend through the Class Period and PAGA
26 Period, respectfully) ("Plaintiff's Released Claims").

27 Plaintiff's Released Claims include, but are not limited to, all claims asserted in the
28 Action, as amended, and/or PAGA Notice, as amended, arising from or related to the

1 Action, as amended, and/or PAGA Notice, as amended, and/or that could have been raised
2 in the Action, as amended, and/or PAGA Notice, as amended, based upon the facts and
3 causes of action alleged. Plaintiff's Released Claims include, but are not limited to, the
4 Released Class Claims, Released PAGA Claims, all claims for unpaid wages, failure to
5 pay minimum wages, straight time compensation, overtime compensation, double-time
6 compensation, and interest; the calculation of the regular rate of pay; wages related to
7 alleged illegal time rounding; missed/short/late/interrupted meal period, rest period, and/or
8 recovery period wages/premiums; failure to provide meal periods; failure to authorize and
9 permit rest periods and/or recovery periods; the calculation of meal period, rest period,
10 and/or recovery period premiums; payment for all hours worked, including off-the-clock
11 work; wage statements; unpaid vacation; deductions; failure to keep/maintain accurate
12 records including payroll records; unfair business practices; penalties, including, but not
13 limited to, recordkeeping penalties, wage statement penalties, minimum-wage penalties,
14 and waiting-time penalties; failure to timely pay wages; failure to timely pay final wages;
15 and attorneys' fees and costs. Plaintiff's Released Claims include all claims arising under
16 the California Labor Code (including, but not limited to, sections 200, 201, 201.1, 201.3,
17 201.5, 202, 203, 204, 204.1, 204.2, 204.11, 205, 205.5, 206, 210, 212, 213, 216, 218,
18 218.5, 218.6, 221, 222, 223, 224, 225, 225.5, 226, 226.3, 226.7, 226.8, 227.3, 246, 256,
19 432, 510, 511, 512, 515, 515.5, 516, 550, 551, 552, 554, 558, 1174, 1174.5, 1182.12,
20 1194, 1194.2, 1194.3, 1194.5, 1197, 1197.1, 1197.2, 1197.5, 1198, 1198.5, 1199, 2698, *et*
21 *seq.*, 2699, *et seq.*, 2800, and 2802); all claims arising under: the Wage Orders of the
22 California Industrial Welfare Commission; the California Private Attorneys General Act
23 of 2004 ("PAGA"); California Business and Professions Code section 17200, *et seq.*; the
24 California Civil Code, to include but not limited to, sections 3287, 3336 and 3294; 12
25 CCR § 11040; 8 CCR § 11060; California Code of Civil Procedure § 1021.5; the
26 California common law of contract; the Fair Labor Standards Act ("FLSA"), 29 U.S.C. §
27 201 *et seq.*; federal common law; and the Employee Retirement Income Security Act, 29
28 U.S.C. § 1001, *et seq.* ("ERISA"). Plaintiff's Released Claims also include all claims for

1 lost wages and benefits, emotional distress, retaliation, punitive damages, and attorneys'
2 fees and costs arising under federal, state, or local laws for discrimination, harassment,
3 retaliation, and wrongful termination, such as, by way of example only, (as amended) 42
4 U.S.C. section 1981, Title VII of the Civil Rights Act of 1964, the Americans With
5 Disabilities Act, the Age Discrimination in Employment Act, and the California Fair
6 Employment and Housing Act; and the law of contract and tort.

7 This release excludes the release of claims not permitted by law. Plaintiff's Release does
8 not apply to: (a) Plaintiff's entitlement under ERISA to vested retirement or pension
9 benefits; (b) enforcement of the terms of this Agreement; (c) any entitlement to workers'
10 compensation benefits; (d) any right to unemployment insurance benefits; (e) any other
11 claims that cannot lawfully be waived by this agreement; and (f) any rights Plaintiff may
12 have to file, cooperate, or participate in any proceeding before the Equal Employment
13 Opportunity Commission ("EEOC") or a state fair employment practices agency, and/or
14 Government Agency. Plaintiff, however, waives the right to recover any damages or to
15 receive other relief in any claim or suit brought by or through the EEOC or any other
16 federal, state or local agency on Plaintiff's behalf directly from the Released Parties to the
17 fullest extent permitted by law, but expressly excluding any monetary award or other
18 relief available, including a whistleblower award, or other awards or relief that may not
19 lawfully be waived.

20 All such claims, liabilities or causes of action (including, without limitation, claims for
21 related attorneys' fees and costs) are forever barred by this Agreement regardless of the
22 forum in which they may be brought. The Parties intend for this release to be as broad as
23 possible. To the extent Plaintiff releases persons or entities not signatory to this
24 Agreement, Plaintiff acknowledges and agrees that this Agreement is made for her benefit
25 and use.

26 Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or
27 to any claims for vested benefits, unemployment benefits, disability benefits, social
28 security benefits, workers' compensation benefits that arose at any time. Plaintiff

acknowledges that she may discover facts or law different from, or in addition to, the facts or law that she now knows or believes to be true but agree, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them. The specific terms of Plaintiff's Release will be detailed in a separate, stand-alone individual settlement agreement.

Plaintiff's Waiver of Rights Under California Civil Code Section 1542.

Plaintiff's Released Claims is intended to be broad to include all claims, whether known or unknown. Even if Plaintiff discovers facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of Plaintiff's Released Claims, those claims will remain released and forever barred. Thus, for purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

- D. PAGA Release: All Aggrieved Employees, including those who timely and effectively exclude themselves from the Released Class Claims (Settlement), shall nevertheless be bound by the Released PAGA Claims for the entirety of the PAGA Period and shall receive a pro rata portion of 25% of the PAGA Penalties. As of the Effective Date of this Agreement, all Aggrieved Employees, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, assigns, and the LWDA, shall release the Released Parties (which as defined above specifically includes Defendants) from all known and unknown claims for civil penalties under PAGA that were asserted in the Action, as amended, and/or LWDA Notice, and any claims alleged, or that could have been alleged, in the Action, as amended, and/or LWDA Notice,

1 based on the allegations asserted in the Action, as amended, and/or LWDA Notice,
2 including all claims for unpaid wages, including, but not limited to, claims relating to
3 failure to pay minimum wages, straight time compensation, overtime compensation,
4 double-time compensation, and interest; the calculation of the regular rate of pay; wages
5 related to alleged illegal time rounding; missed/short/late/interrupted meal period, rest
6 period, and/or recovery period wages/premiums; failure to provide meal periods; failure to
7 pay sick pay; failure to authorize and permit rest periods and/or recovery periods; the
8 calculation of meal period, rest period, and/or recovery period premiums; payment for all
9 hours worked, including off-the-clock work; wage statements; unpaid vacation;
10 deductions; failure to keep/maintain accurate records including payroll records; unfair
11 business practices; penalties, including, but not limited to, recordkeeping penalties, wage
12 statement penalties, minimum wage penalties, and waiting time penalties; failure to timely
13 pay wages; failure to timely pay final wages; attorneys' fees and costs; and all claims
14 relating to alleged violations of the Labor Code, including, but not limited to, sections 200,
15 201, 201.1, 202, 203, 204, 204.2, 204.11, 210, 212, 213, 218, 218.5, 218.6, 221, 222, 223,
16 224, 225, 225.5, 226, 226.3, 226.7, 227.3, 246, 256, 510, 512, 515.5, 516, 554, 558, 1174,
17 1174.5, 1182.12, 1194, 1194.2, 1194.3, 1194.5, 1197, 1197.1, 1197.2, 1198, 1198.5, 2698
18 *et seq.*, 2699 *et seq.*). The time period of the PAGA Released Claims shall be for the
19 entirety of the PAGA Period.

20 E. Conditions Precedent: This Settlement will become final and effective only upon the
21 occurrence of all the following events:

- 22 1. The Court enters a Preliminary Approval Order granting preliminary approval to the
23 Settlement;
- 24 2. The Court enters a Final Approval Order and a judgment;
- 25 3. The final Effective Date occurs; and
- 26 4. Defendants do not invoke its right to revoke the Settlement as described in Paragraph
27 III.S herein.

1 F. Nullification of Settlement Agreement. In the event that the Court denies preliminary or
2 final approval of this Agreement with prejudice, the Settlement fails to become effective,
3 or it is reversed, withdrawn or modified by the Court, or the Court in any way prevents or
4 prohibits Defendants from obtaining a complete resolution of the claims as described
5 herein:

- 6 1. This Agreement shall be void ab initio and of no force or effect, and shall not be
7 admissible in any judicial, administrative or arbitral proceeding for any purpose or
8 with respect to any issue, substantive or procedural;
- 9 2. The conditional class certification (obtained for any purpose) shall be void ab initio
10 and of no force or effect, and shall not be admissible in any judicial, administrative or
11 arbitral proceeding for any purpose or with respect to any issue, substantive or
12 procedural; and
- 13 3. None of the Parties to this Settlement will be deemed to have waived any claims,
14 objections, defenses or arguments in the Action.

15 G. Certification of the Settlement Class. The Parties stipulate to conditional class certification
16 of the Settlement Class for the Class Period for purposes of settlement only as follows:

- 17 1. Plaintiff Joanne Manalo shall be appointed as the Class Representative.
- 18 2. The Parties stipulate that (1) Eric A. Grover and David M. Watson of Keller Grover
19 LLP, (2) Alexei Kuchinsky of Kuchinsky Law Office, P.C., and (3) William P. Klein
20 of Klein Law Group, P.C. shall be appointed as Class Counsel.
- 21 3. In the event that the Court denies preliminary or final approval of this Settlement
22 Agreement with prejudice, it fails to become effective, or it is reversed, withdrawn or
23 modified by the Court, or in any way prevents or prohibits Defendants from
24 obtaining a complete resolution of the claims as described herein, the conditional
25 class certification (obtained for any purpose) shall be void ab initio and of no force or
26 effect, and shall not be admissible in any judicial, administrative or arbitral
27 proceeding for any purpose or with respect to any issue, substantive or procedural.
28

1 H. Tax Liability. The Parties make no representations as to the tax treatment or legal effect of
2 the payments called for by this Stipulation, and Plaintiff, Settlement Class Members,
3 Aggrieved Employees and Defendants are not relying on any statement or representation
4 by the Parties in this regard. Plaintiff and Settlement Class Members understand and agree
5 that they will be responsible for the payment of their respective portions of any taxes and
6 penalties assessed on the Class Representative Incentive Award/General Release Payment,
7 Individual Settlement Payments, and Individual PAGA Payments described in this
8 Stipulation and will be solely responsible for any penalties or other obligations resulting
9 from their personal tax reporting of all such payments.

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

26 J. Settlement Administrator. By accepting the role as Settlement Administrator, the
27 Settlement Administrator is bound to all of the terms, conditions, and obligations described
28 in this Settlement Agreement. Among these obligations, the Settlement Administrator

1 shall have sole and exclusive responsibility for calculating Individual Settlement Payments
2 and Individual PAGA Payments; processing and transmitting payments to the Class
3 Representative, Class Counsel, the LWDA, Settlement Class Members, and Aggrieved
4 Employees; printing the Notice of Class and PAGA Action Settlement and mailing it to the
5 Class Members and Aggrieved Employees as directed by the Court; receiving, processing,
6 and reporting Requests for Exclusion and Notices of Objection; sending a postcard
7 reminder to Settlement Class Members and Aggrieved Employees 30 days before the
8 check void date; distributing tax forms; providing declaration(s) as necessary in support of
9 preliminary and/or final approval of this Agreement; and such other tasks as the Parties
10 mutually agree or the Court orders the Settlement Administrator to perform. The
11 Settlement Administrator shall keep the Parties timely apprised of the performance of all of
12 the Settlement Administrator's responsibilities. Defendants and Defense Counsel shall
13 have no responsibility for validating or ensuring the accuracy of the Settlement
14 Administrator's work. Plaintiff, Class Counsel, Defendants, and Defense Counsel shall not
15 bear any responsibility for errors or omissions in the calculation or distribution of
16 Individual Settlement Payments, Individual PAGA Payments or any other distribution of
17 monies contemplated by this Agreement.

18 K. Notice Procedure.

- 19 1. Class Data and Aggrieved Employee Data. No later than 21 calendar days after the
20 Preliminary Approval Date and only after Defendants receive sufficient and
21 reasonable assurance that the Settlement Administrator will maintain the
22 confidentiality of the Class Data and the Aggrieved Employee Data, Defendants shall
23 provide the Settlement Administrator with the Class Data and Aggrieved Employee
24 Data for purposes of preparing and mailing the Notice of Class and PAGA Action
25 Settlement to Class Members and Aggrieved Employees, as well as undertaking its
26 other obligations. The Settlement Administrator shall be obligated to keep the Class
27 Data and Aggrieved Employee Data confidential and shall take reasonable and
28 necessary precautions to maintain the confidentiality of the data. The Settlement

1 Administrator shall not distribute or use the Class Data, Aggrieved Employee Data or
2 any information contained therein for any purpose other than to administer this
3 settlement.

4 2. Notice of Class and PAGA Action Settlement.

5 a) The Notice of Class and PAGA Action Settlement shall be in a form
6 substantially similar to the form attached to this Stipulation as **Exhibit 1**. The
7 Notice of Class and PAGA Action Settlement shall instruct Class Members and
8 Aggrieved Employees to keep the Settlement Administrator apprised of their
9 current mailing addresses, to which the Settlement Payments will be mailed
10 following the Effective Date. The Notice of Class and PAGA Action
11 Settlement shall set forth the release to be given by Settlement Class Members
12 in exchange for an Individual Settlement Payment.

13 b) The Notice of Class and PAGA Action Settlement shall be individualized by
14 inclusion of each Class Member's number of Qualified Workweeks and
15 Qualified Pay Periods and the Settlement Administrator's calculation of each
16 Class Member's estimated gross Individual Settlement Payment if that Class
17 Member does not request exclusion from the Settlement and each Aggrieved
18 Employee's estimated Individual PAGA Payment.

19 3. Notice By First Class U.S. Mail. Upon receipt of the Class and Aggrieved Employee
20 Data, the Settlement Administrator will perform a search based on the National
21 Change of Address Database to update and correct any known or identifiable address
22 changes. No later than 14 calendar days after receiving the Class and Aggrieved
23 Employee Data from Defendants as provided in this Stipulation, the Settlement
24 Administrator shall mail copies of the Notice of Class and PAGA Action Settlement
25 to all Class Members and Aggrieved Employees via regular First Class U.S. Mail.
26 The Settlement Administrator shall exercise its best judgment to determine the
27 current mailing address for each Class Member and Aggrieved Employee. The
28 address identified by the Settlement Administrator as the current mailing address

1 shall be presumed to be the best mailing address for each Class Member and
2 Aggrieved Employee.

- 3 4. Undeliverable Notices. Any Notice of Class and PAGA Action Settlement that is
4 returned to the Settlement Administrator as not having been delivered on or before
5 the Response Deadline shall be re-mailed to the forwarding address affixed to it. If
6 no forwarding address is provided, the Settlement Administrator promptly shall
7 attempt to determine a correct address by lawful use of skip-tracing and by other
8 searches using the name, address and Social Security number of the Class Member or
9 Aggrieved Employee involved and, if another mailing address is identified by the
10 Settlement Administrator, then shall perform a re-mailing to that Class Member or
11 Aggrieved Employee. In addition, if any Notices of Class and PAGA Action
12 Settlement that are addressed to Class Members or Aggrieved Employees who are
13 employed by Defendants at the time of mailing are returned to the Settlement
14 Administrator as non-delivered and no forwarding address is provided, the
15 Settlement Administrator shall so notify Defendants. Defendants then will request
16 that the currently-employed Class Member or Aggrieved Employee provide a
17 corrected address and will transmit to the Administrator any corrected address
18 provided by the Class Member or Aggrieved Employee.

- 19 5. Disputes Regarding Qualified Workweeks. A Class Member who disagrees with the
20 number of Qualified Workweeks stated on that Class Member's Notice of Class and
21 PAGA Action Settlement will have the opportunity to provide documentation and/or
22 an explanation to show a different number of weeks having been worked during the
23 Class Period. If there is a dispute, the Settlement Administrator will consult with the
24 Parties to determine whether an adjustment is warranted. The Settlement
25 Administrator shall determine the eligibility for, and the amounts of, any Individual
26 Settlement Payments under the terms of this Agreement. The Settlement
27 Administrator's determination of the eligibility for and the amount of any Individual
28

1 Settlement Payment shall be binding upon the Settlement Class Member and the
2 Parties.

3 6. Disputes Regarding Administration of Settlement. Any disputes not resolved by the
4 Settlement Administrator concerning the administration of the Settlement will be
5 resolved by the Court under the laws of the State of California. Before any such
6 involvement of the Court, counsel for the Parties will confer in good faith to resolve
7 the disputes without the need to involve the Court.

8 7. Requests for Exclusion.

9 a) The Notice of Class and PAGA Action Settlement shall state that Class
10 Members who wish to exclude themselves from the class action Settlement
11 must submit a written Request for Exclusion by the Response Deadline to the
12 address provided in the Notice of Class and PAGA Action Settlement. The
13 written Request for Exclusion must state that the Class Member wishes to
14 exclude himself or herself from the class action Settlement and: (1) must
15 contain the name, address, and the last four digits of the Social Security
16 Number of the person requesting exclusion; (2) must be signed by the Class
17 Member; (3) must be postmarked by the Response Deadline and returned to the
18 Settlement Administrator at the specified address; and (4) must contain a
19 typewritten or handwritten notice stating, in substance, as follows: "I wish to
20 opt out of the Settlement of the class action lawsuit entitled *Manalo v. SJRMC*."

21 b) The Request for Exclusion will not be valid unless it both: (1) is timely
22 submitted; and (2) complies with the requirements set forth above in Paragraph
23 III.L.7(a). The date of the postmark on the return mailing envelope for the
24 Request for Exclusion shall be the exclusive means used to determine whether
25 the Request for Exclusion was timely submitted. If the Settlement is approved
26 by the Court, Class Members who have failed to submit a valid and timely
27 written Request for Exclusion on or before the Response Deadline shall be
28

1 Settlement Class Members who are bound by all terms of the Settlement and
2 any final judgment entered in this Action.

3 c) Any Class Member who requests to be excluded from the class action
4 Settlement will not be entitled to an Individual Settlement Payment and will
5 neither be bound by the terms of the class action Settlement nor have any right
6 to object to, appeal from or comment on the class action Settlement. Nothing in
7 this Settlement Agreement will constitute or be construed as a waiver of any
8 defense that Defendants or the Released Parties have or could assert against
9 anyone who timely serves a Request for Exclusion.

10 d) Aggrieved Employees cannot request to be excluded from the settlement of the
11 PAGA Released Claims. Class Members who are also Aggrieved Employees
12 cannot request to be excluded from the settlement of the PAGA Released
13 Claims.

14 e) No later than five calendar days after the Response Deadline, the Settlement
15 Administrator shall provide counsel for the Parties with a final list of the Class
16 Members who have timely submitted written Requests for Exclusion.

17 f) At no time shall any of the Parties or their counsel solicit or otherwise
18 encourage Class Members to submit Requests for Exclusion from the
19 Settlement.

20 8. Objections.

21 a) The Notice of Class and PAGA Action Settlement shall state that Class
22 Members who wish to object to the Settlement must mail to the Settlement
23 Administrator, at the address provided in the Notice of Class and PAGA Action
24 Settlement, a written statement of objection ("Notice of Objection") by the
25 Response Deadline. The postmark date of mailing shall be deemed to be the
26 exclusive means for determining whether a Notice of Objection was timely
27 submitted.
28

- 1 b) Class Members who submit a timely Notice of Objection will have a right to
2 appear at the final approval hearing to have their objections heard by the Court.
3 The Notice of Objection must be signed by the Class Member and state: (1) the
4 case name and number; (2) the name of the Class Member; (3) the address of
5 the Class Member; (4) the last four digits of the Class Member's Social
6 Security Number; (5) the basis for the objection and any supporting documents;
7 and (6) whether or not the Class Member intends to appear at the final approval
8 hearing. Class Members who fail to make objections in the manner specified
9 above may be deemed to have waived any objections and to be foreclosed from
10 making any objections to the Settlement, whether by appeal or otherwise. The
11 failure to submit a written objection does not waive a Settlement Class
12 Member's right to appear and orally object at the final approval hearing.
- 13 c) At no time shall any of the Parties or their counsel seek to solicit or otherwise
14 encourage Class Members to file or serve written objections to the Settlement
15 or to appeal from the Final Approval Order.
- 16 d) Class Members who submit a written Request for Exclusion are not entitled to
17 object to the Settlement. If a Class Member submits both a Request for
18 Exclusion and a Notice of Objection, the Request for Exclusion will be valid
19 and the Notice of Objection will be invalid.
- 20 e) The Settlement Administrator shall send all Notices of Objection it receives to
21 Class Counsel and Defense Counsel promptly. Class Counsel will be
22 responsible for filing any such objections with the Court before the final
23 approval hearing. Plaintiff and/or Defendants may file oppositions to any
24 Notices of Objection no later than 10 calendar days before the date of the final
25 approval hearing.
- 26 f) Aggrieved Employees cannot object to the settlement of the PAGA Released
27 Claims. Class Members who are also Aggrieved Employees cannot object to
28 the settlement of the PAGA Released Claims. Any such objections by

1 Aggrieved Employees or by Class Members who are Aggrieved Employees
2 shall be deemed invalid.

3 g) Defendants shall not be responsible for the fees, costs, or expenses incurred by
4 Plaintiff, Class Counsel or Class Members arising from or related to any
5 objection to the Settlement Agreement or related to any appeals thereof.

6 M. Funding and Allocation of the Maximum Settlement Amount. This is an all-in and non-
7 reversionary settlement in which Defendants are required to pay the entirety of the
8 Maximum Settlement Amount plus the employer-side payroll taxes. No amount of the
9 Maximum Settlement Fund will revert to Defendants. Upon satisfaction of the
10 preconditions described in this Settlement and pursuant to the timeline and instructions
11 below, Defendants will deposit the Maximum Settlement Amount into a Qualified
12 Settlement Fund ("QSF") to be established by the Settlement Administrator.

13 1. Funding Due Date. No later than 21 calendar days after the Effective Date,
14 Defendants shall provide the Maximum Settlement Amount (plus the employer's
15 share of the payroll taxes) to the Settlement Administrator to fund the Settlement as
16 set forth in this Agreement.

17 2. Payments to Settlement Class Members and Aggrieved Employees.

18 a) Calculation of Individual Settlement Payments. Every Settlement Class
19 Member is entitled to an Individual Settlement Payment without the need to
20 submit a claim form. Individual Settlement Payments shall be paid from the
21 Net Settlement Amount and shall be paid under the formula set forth in this
22 Stipulation.

23 (1) Using the Class Data, the Settlement Administrator will calculate the total
24 number of Qualified Workweeks for all Settlement Class Members. The
25 number of Qualified Workweeks for each Settlement Class Member then
26 will be divided by the total number of Qualified Workweeks for all
27 Settlement Class Members. The result of that division will be the
28 "Payment Ratio" for each Settlement Class Member. Each Settlement

1 Class Member's Payment Ratio then will be multiplied by the Net
2 Settlement Amount to calculate that Settlement Class Member's share of
3 the Net Settlement Amount, except no gross Individual Settlement
4 Payment will be less than \$25. A share of the Net Settlement Amount will
5 be provided only to those individuals who satisfy the definition of
6 Settlement Class Members, *i.e.*, Class Members who do not submit a
7 timely and valid Request for Exclusion.

8 (2) The Parties recognize and agree that the formula provided in this
9 Stipulation for allocating the Net Settlement Amount to be paid to the
10 Settlement Class Members is reasonable and designed to provide a fair
11 settlement to the Settlement Class Members.

12 b) Calculation of Individual PAGA Payments: Using the Aggrieved Employee
13 Data, the Settlement Administrator will calculate the total number of Qualified
14 Pay Periods for all Aggrieved Employees. The number of Qualified Pay
15 Periods for each Aggrieved Employee then will be divided by the total number
16 of Qualified Pay Periods for all Aggrieved Employees. The result of that
17 division will be the Payment Ratio for each Aggrieved Employee. Each
18 Aggrieved Employee's Payment Ratio then will be multiplied by the \$12,500
19 portion of the PAGA Payment that is allocated for distribution to the Aggrieved
20 Employees to calculate each Aggrieved Employee's Individual PAGA
21 Payment.

22 c) Tax Allocation. For tax purposes, Individual Settlement Payments shall be
23 allocated and treated as follows: 1) one-third as payment for alleged unpaid
24 interest and alleged unpaid statutory penalties; and 2) two-thirds as wages. For
25 tax purposes, Individual PAGA Payments shall be allocated and treated as
26 100% penalties. The Settlement Administrator will be responsible for issuing
27 and mailing all required IRS tax forms.
28

1 d) Mailing. The Individual Settlement Payments and Individual PAGA Payments
2 shall be mailed by regular First Class U.S. Mail to Settlement Class Members'
3 and Aggrieved Employees' last known mailing addresses no later than 42
4 calendar days after the Effective Date.

5 e) Uncashed Checks. All checks issued to Settlement Class Members shall remain
6 valid and negotiable for 120 calendar days from the date of their issuance. In
7 the event any Individual Settlement Payment or Individual PAGA Payment
8 settlement checks have not been cashed by the check cashing deadline, upon
9 Court approval, the Settlement Administrator shall tender to Legal Aid at Work
10 (<https://legalaidatwork.org/>) the funds represented by any such uncashed
11 checks. The Parties agree that this results in no unpaid residual under
12 California Code of Civil Procedure § 384, as the entire Net Settlement Amount
13 will be paid out. Therefore, Defendant will not be required to pay any interest
14 on the said amount.

15 3. Class Representative Incentive Award/General Release Payment.

16 a) Plaintiff will apply for a Class Representative Incentive Award/General Release
17 Payment of up to \$20,000 for her time, effort, and risk in bringing and
18 prosecuting this Action. The Class Representative Incentive Award/General
19 Release Payment shall be in addition to Plaintiff's Individual Settlement
20 Payment and Individual PAGA Payment.

21 b) The Settlement Administrator shall pay the Class Representative Incentive
22 Awards/General Release Payment to Plaintiff from the Maximum Settlement
23 Amount no later than 42 calendar days after the Effective Date. Any portion of
24 the requested Class Representative Incentive Award/General Release Payment
25 that is not awarded to the Class Representative shall become part of the Net
26 Settlement Amount.

27 c) The Settlement Administrator shall issue an IRS Form 1099 — MISC to
28 Plaintiff for her Class Representative Incentive Award/General Release

1 Payment. Plaintiff shall be solely and legally responsible to pay all applicable
2 taxes on the Class Representative Incentive Awards/General Release Payment
3 and Plaintiff shall hold Defendants and the Released Parties harmless from any
4 claim or liability for taxes, penalties, or interest arising because of Plaintiff's
5 Class Representative Incentive Award/General Release Payment.

- 6 d) In the event that the Court reduces or does not approve the requested Class
7 Representative Incentive Award/General Release Payment, Plaintiff and Class
8 Counsel shall not have the right to modify or revoke the Settlement, or to
9 appeal such order, and the Settlement will remain binding, and neither Plaintiff
10 nor Class Counsel shall seek, request, or demand an increase in the Maximum
11 Settlement Amount on that basis.

12 4. Class Counsel Award.

- 13 a) In consideration for settling the Action and in exchange for the release of the
14 Released Parties for all Released Claims and for the resolution of the PAGA
15 Released Claims, Class Counsel intends to apply for an award of attorneys' fees
16 not to exceed thirty-five percent (35%) of the Maximum Settlement Amount
17 (i.e., \$612,500 of the \$1,750,000 Maximum Settlement Amount), plus actual
18 costs and litigation expenses estimated not to exceed \$70,000.
- 19 b) Class Counsel, Plaintiff, Settlement Class Members, and the Aggrieved
20 Employees will not apply to the Court for any payment of attorneys' fees and
21 costs that are in addition to the foregoing. The Parties agree that, over and
22 above the Court-approved Class Counsel Award, each of the Parties, including
23 each Settlement Class Member and Aggrieved Employee, shall bear his, her or
24 its own fees and costs, including, but not limited to, those related to the
25 investigation, filing, prosecution, or settlement of the Action; the negotiation,
26 execution, or implementation of this Agreement; and/or the process of
27 obtaining, administering, or challenging a Preliminary Approval Order and/or
28 Final Approval Order.

- 1 c) Any portion of the requested Class Counsel Award that is not awarded to Class
2 Counsel shall be part of the Net Settlement Amount and shall be distributed to
3 Settlement Class Members as provided in this Agreement.
- 4 d) The Settlement Administrator shall pay the Class Counsel Award to Class
5 Counsel from the Maximum Settlement Amount no later than 42 calendar days
6 after the Effective Date.
- 7 e) Class Counsel shall be solely and legally responsible to pay all applicable taxes
8 on the payment made pursuant to this Paragraph III.M.4. The Settlement
9 Administrator shall issue an IRS Form 1099-MISC to Class Counsel for the
10 payments made pursuant to this Paragraph.
- 11 f) In the event that the Court reduces or does not approve the requested Class
12 Counsel Award, Plaintiff and Class Counsel shall not have the right to modify
13 or revoke the Settlement, or to appeal such order, and the Settlement will
14 remain binding, and neither Plaintiff nor Class Counsel shall seek, request, or
15 demand an increase in the Maximum Settlement Amount on that basis.

16 5. PAGA Payment. \$50,000 shall be allocated from the Maximum Settlement Amount
17 for settlement and release of claims for civil penalties under PAGA, i.e., the “PAGA
18 Payment.” The Settlement Administrator shall pay 75% of that \$50,000 payment,
19 i.e., \$37,300, to the LWDA (the “LWDA Payment”) and the remaining 25% of that
20 \$50,000 payment, i.e., \$12,500, to the Aggrieved Employees according to the
21 formula described in Paragraph III.M.2.(b). The payment shall be made no later than
22 42 calendar days after the Effective Date. Class Counsel will take all action required
23 by California Labor Code § 2699(l).

24 6. Settlement Administration Costs. The Settlement Administrator shall be paid from
25 the Maximum Settlement Amount for the costs of administration of the Settlement.
26 The Settlement Administrator agreed that its fee will not exceed \$12,500. The
27 Settlement Administrator shall be paid for the settlement administration costs no later
28

1 than 42 calendar days after Defendants provide funds to the Settlement Administrator
2 for disbursement under this Agreement.

3 N. Mutual Full Cooperation. The Parties agree to cooperate fully with each other to
4 accomplish the terms of this Settlement Agreement, including but not limited to executing
5 the necessary documents and taking such other action as reasonably may be necessary to
6 implement the terms of this Settlement Agreement. As soon as practicable after executing
7 this Settlement Agreement, Class Counsel shall, with the assistance and cooperation of
8 Defendants and Defense Counsel, take all necessary steps to secure the Court's
9 Preliminary and Final Approval of this Settlement Agreement. The Parties also agree to
10 cooperate in the settlement administration process. The Parties each represent they do not
11 have any financial interest in the Settlement Administrator or otherwise have a relationship
12 with the Settlement Administrator that could create a conflict of interest. Class Counsel
13 also will notify Defense Counsel if subpoenaed or upon receipt of any other request for
14 documents or information regarding any other action filed or potential action against the
15 Released Parties that covers or includes any Settlement Class Members and the Released
16 Claims or any Aggrieved Employees and the PAGA Released Claims.

17 O. Preliminary Approval Motion. The Parties agree to jointly prepare and file a motion for
18 preliminary approval ("Motion for Preliminary Approval") that complies with the Santa Clara
19 County Superior Court's current requirements for Preliminary Approvals.

20 1. Plaintiff's Responsibilities. Class Counsel will prepare and deliver to Defense Counsel
21 all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice,
22 and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of
23 the Settlement under Dunk/Kullar and a request for approval of the PAGA Settlement under Labor
24 Code Section 2699, subd. (f)(2); (ii) a draft proposed Order Granting Preliminary Approval and
25 Approval of PAGA Settlement; (iii) a signed declaration from the Administrator attaching its "not
26 to exceed" bid for administering the Settlement and attesting to its: willingness to serve;
27 competency; operative procedures for protecting the security of Class Data; amounts of insurance
28 coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any

1 actual or potential conflicts of interest with Class Members; and the nature and extent of any
2 financial relationship with Plaintiff, Defendants, Class Counsel or Defense Counsel; (iv) a signed
3 declaration from Plaintiff confirming her willingness and competency to serve and disclosing all
4 facts relevant to any actual or potential conflicts of interest with Class Members, and/or the
5 Administrator; (v) a signed declaration from Class Counsel attesting to its competency to represent
6 Class Members; and (vi) its timely transmission to the LWDA of all necessary PAGA documents
7 pursuant to Labor Code section 2699(1) (initial notice of violations (Labor Code section 2699.3,
8 subd. (a)), operative complaints (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor
9 Code section 2699, subd. (1)(2)), and notice of final settlement and approval; and all facts relevant
10 to any actual or potential conflict of interest with Class Members and/or the Administrator.

11 2. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible
12 for timely finalizing and filing the Motion for Preliminary Approval at least 16 court days prior to
13 the date reserved for the Motion for Preliminary Approval; and for appearing in Court to advocate
14 in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the
15 Court's Preliminary Approval to the Administrator.

16 3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
17 Preliminary Approval and/or the supporting declarations and documents, Class Counsel and
18 Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or
19 by telephone, and in good faith, to resolve the disagreement. If the Court does not grant
20 Preliminary Approval or conditions Preliminary Approval on any material change to this
21 Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the
22 Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and
23 otherwise satisfy the Court's concerns.

24
25 P. Final Approval Motion. No later than 16 court days before the final approval hearing,
26 Plaintiff shall file with the Court a Motion for Final Approval of Settlement, Class
27 Representative Incentive Award/General Release Payment, Class Counsel Award, and
28

1 Settlement Administration Costs. Plaintiff shall provide a courtesy draft of those motion
2 papers to Defense Counsel at least five calendar days before filing the documents.

3 1. Declaration by Settlement Administrator. The Settlement Administrator shall submit
4 a declaration in support of Plaintiff's Motion for Final Approval of this Settlement.
5 That declaration shall detail the number of Notices of Class and PAGA Action
6 Settlement mailed and re-mailed to Class Members, the number of undeliverable
7 Notices of Class and PAGA Action Settlement, the number of timely Requests for
8 Exclusion, the number of Notices of Objection received, the amount of the average
9 Individual Settlement Payment, the average Individual PAGA Payment, the
10 settlement administration costs, and any other information that the Parties mutually
11 agree to include or that the Court orders the Settlement Administrator to provide.

12 2. Final Approval Order. The Parties shall present a proposed Final Approval Order to
13 the Court, consistent with the terms and conditions of this Agreement, for the Court's
14 approval and judgment thereon.

15 Q. Option to Revoke Settlement. Defendants have the unilateral right to revoke this
16 Agreement if, after the Response Deadline, the number of Class Members who have
17 submitted timely and valid written Requests for Exclusion equals at least 10% of all Class
18 Members. If Defendants exercise the option to terminate this Agreement, (a) Defendants
19 shall provide written notice to Class Counsel within 15 calendar days after the Response
20 Deadline, at which time this Agreement shall be void ab initio, (b) Defendants shall pay all
21 settlement administration costs incurred up through that date and/or as a result of the
22 termination, and (c) the Parties shall proceed in all respects as if this Agreement had not
23 been executed.

24 R. Interim Stay of Proceedings. Pending the final approval hearing to be conducted by the
25 Court, the Parties agree to stay all proceedings in the Action, except such proceedings as
26 are necessary or desirable to implement and complete the Settlement.

27 S. Nullification of Settlement Agreement. In the event that (i) the Court denies preliminary
28 approval with prejudice, (ii) the Court denies final approval with prejudice, (iii) the Court

1 does not enter a final judgment as provided in this Stipulation, or (iv) the Settlement does
2 not become final for any other reason, this Agreement shall be null and void and any order
3 or judgment entered by the Court in furtherance of this Settlement shall be treated as void
4 from the beginning. In such a case, the Parties shall be returned to their respective statuses
5 as of the date and time immediately before the execution of this Agreement, and the Parties
6 shall proceed in all respects as if this Agreement had not been executed, except that any
7 costs already incurred by the Settlement Administrator shall be paid by equal
8 apportionment among the Parties, except as otherwise specified in Paragraph III.S. If an
9 appeal is filed from the Court's final judgment, or any other appellate review is sought,
10 administration of the Settlement shall be stayed pending final resolution of the appeal or
11 other appellate review. In that event, within 30 calendar days of that notification, the
12 Parties shall pay any costs by equal apportionment that were incurred by the Settlement
13 Administrator before it was notified of the filing of an appeal from the Court's final
14 judgment or of any other appellate review.

15 T. No Effect on Employee Benefits. Amounts paid to Plaintiff, Settlement Class Members,
16 and Aggrieved Employees under this Agreement shall be deemed not to be pensionable
17 earnings and shall not have any effect on the eligibility for, or calculation of, any of the
18 employee benefits (e.g., vacations, holiday pay, retirement plans, etc.) of the Plaintiff, the
19 Settlement Class Members, and Aggrieved Employees.

20 U. Headings. The descriptive headings of any paragraphs or sections of this Agreement are
21 inserted for convenience of reference only and do not constitute a part of this Agreement.

22 V. Amendment or Modification. This Agreement may be amended or modified only by a
23 written instrument that: (1) is signed by counsel for all Parties or their successors-in-
24 interest; (2) is signed by the Parties or their successors-in-interest; and (3) if the Court's
25 approval is required, is as approved by the Court.

26 W. Entire Agreement. This Agreement and any attached Exhibits constitute the entire
27 Agreement among these Parties.
28

1 X. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
2 represent that they are expressly authorized by the Parties whom they represent to
3 negotiate this Agreement, to take all appropriate actions required or permitted to be taken
4 by those Parties under this Agreement to effectuate its terms, and to execute any other
5 documents required to effectuate the terms of this Agreement. The person signing this
6 Agreement on behalf of Defendants represent and warrant that he or she is authorized to
7 sign this Agreement on behalf of Defendants. Plaintiff represents and warrants that he is
8 authorized to sign this Agreement and that he has not assigned or transferred to any third-
9 party or encumbered any claim, or part of a claim, demand, cause of action or any rights
10 herein released and discharged or covered by this Agreement.

11 Y. Binding on Successors and Assigns. The provisions of this Settlement Agreement shall
12 run in perpetuity. This Agreement shall be binding upon and inure to the benefit of the
13 successors or assigns of the Parties to this Agreement, including the Settlement Class
14 Members and the LWDA.

15 Z. California Law Governs. All terms of this Agreement and its Exhibits and any disputes
16 arising under this Agreement shall be governed by and interpreted in accordance with the
17 laws of the State of California.

18 AA. Counterparts. This Agreement may be executed in one or more counterparts and may by
19 electronically signed. All executed counterparts and each of them shall be deemed to be
20 one and the same instrument, provided that counsel for the Parties to this Agreement shall
21 exchange among themselves copies or originals of the signed counterparts.

22 BB. This Settlement Is Fair, Adequate, and Reasonable. The Parties believe this Settlement to
23 be a fair, adequate, and reasonable settlement of this Action and have arrived at this
24 Agreement after extensive arm's-length negotiations, taking into account all relevant
25 factors, present and potential. The Parties further agree that this Settlement Agreement
26 shall not be construed in favor of or against any Party by reason of the extent to which any
27 Party or his, her or its counsel participated in the drafting of this Settlement Agreement.
28

1 CC. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction with
2 respect to the interpretation, implementation and enforcement of the terms of this
3 Agreement and all orders and judgments entered in connection therewith. The Parties to
4 this Agreement and their counsel submit to the jurisdiction of the Court for purposes of
5 interpreting, implementing and enforcing the Settlement embodied in this Agreement and
6 all orders and judgments entered in connection with this Agreement.

7 DD. Invalidity of Any Provision. Before declaring any provision of this Agreement to be
8 invalid, the Court first shall attempt to construe that provision as valid to the fullest extent
9 possible consistent with applicable precedents so as to hold all provisions of this
10 Agreement valid and enforceable.

11 EE. Waiver of Certain Appeals. Provided that the Court does not materially modify the terms
12 of this Agreement, the Parties: (1) agree to waive all appeals from any orders of the Court
13 before final approval of the Settlement; and (2) further agree to waive all appeals from the
14 Court's final approval of the Settlement.

15 FF. Confidentiality of Documents. After the expiration of any appeals period, Plaintiff, the
16 Settlement Administrator, and Class Counsel shall maintain the confidentiality of all
17 settlement-related documents and other information obtained from the other Party in the
18 Action, unless necessary for appeal or such documents are ordered to be disclosed by the
19 Court or by a subpoena.

20 GG. No Admissions by the Parties. Plaintiff has asserted and continues to assert that the
21 Released Claims and the PAGA Released Claims have merit and give rise to liability on
22 Defendants' part. Defendants have asserted and continues to assert that the Released
23 Claims and the PAGA Released Claims have no merit and do not give rise to liability.
24 This Agreement is a compromise of disputed claims. Nothing contained in this
25 Agreement, no documents referred to in this Agreement and no action taken to carry out
26 this Agreement may be construed or used as an admission by or against the Defendants or
27 Plaintiff or Class Counsel as to the merits or lack of merit of the claims asserted.
28 Moreover, nothing contained in this Agreement is a waiver as to any positions, remedies,

1 or other rights of enforcement related to any claims or events not expressly resolved
2 herein.

3 By signing below, the Parties indicate their approval of the form of this Settlement
4 Agreement and its exhibits.

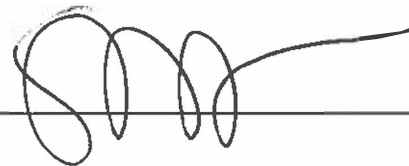
5 IN WITNESS WHEREOF, this Joint Stipulation of Class and PAGA Action Settlement
6 and Release of Claims is executed by the Parties and their duly authorized attorneys as of the day
7 and year set forth below.

8
9 **IT IS SO AGREED:**

10 DATED: 8/18, 2025

SAN JOSE, LLC

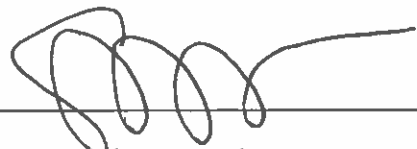
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13 By: _____



14 Jackie Van Blaricum
15 Senior Vice
16 President
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1 DATED: 8/18, 2025

SAN JOSE HEALTHCARE SYSTEM, L.P.

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4 By: 
5 Jackie Van Blaricum
6 Senior Vice President
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10 DATED: 07/17/2025, 2025

JOANNE MANALO

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13 By: Joanne Manalo
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1 **APPROVED AS TO FORM:**

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4 DATED: 7/21, 2025

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11 DATED: 8/4, 2025

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KELLER GROVER LLP

By: EAGAN

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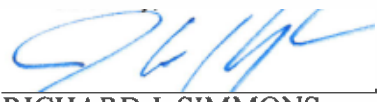
By: William Klein
WILLIAM P. KLEIN

Attorneys for Plaintiff
JOANNE MANALO

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DATED: August 21, 2025

**SHEPPARD, MULLIN, RICHTER &
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By: 

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