

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement ("Agreement") is entered into between Plaintiff Oreyda Paramo-Domio ("Plaintiff" or "Class Representative") and Defendants Prescott Sanchez, Inc., dba Home Instead Senior Care ("HISC"), Carter Jordan Prescott and Gregorio Valentin Sanchez, Jr. ("Defendants"). For purposes of this Agreement, Plaintiff and Defendants are referred to as a "Party" and collectively as the "Parties."

Recitals

A. On September 10, 2020 Plaintiff filed a Complaint in the Superior Court of California, County of Los Angeles, Case No. 20STCV34809, entitled OREYDA PARAMO-DOMIO, individually and on behalf all others similarly situated, Plaintiff, v. PRESCOTT SANCHEZ, INC., a California Corporation doing business as Home Instead Senior Care; CARTER JORDAN PRESCOTT, an individual; GREGORIO VALENTINE SANCHEZ, JR., an individual; DOES 1 through 50, inclusive, Defendants. On January 6, 2021, Plaintiff filed a First Amended Complaint ("FAC," the "Action" or the "Litigation") against Defendants. The FAC alleged claims for Violation of California Labor Code §§ 201-204 (Wages Not Paid Upon Termination and By The Appropriate Pay Period); Violation of California Labor Code §§ 1194, 1197 and 1197.1 (Failure to Pay Minimum Wage); Violation of California Labor Code §§ 510, 1194, 1197.1 and 1454 (Failure to Pay Overtime); Violation of California Labor Code § 226(a) (Improper Wage Statements); Violation of California Labor Code § 450-451, and 2802 (Failure to Reimburse Business Expenses); Violation of California Labor Code §§ 1174, 1174.5 and 1198 (Failure to Maintain Records); Violation of California Business & Professions Code § 17200, et seq. (Unfair Competition); and Violation of California Labor Code §§ 2698, et seq. (PAGA) (*See* FAC, attached hereto as Exhibit "A."). Defendants deny Plaintiff's allegations and claims.

B. On February 18, 2021, the Parties participated in a day-long mediation with mediator and retired Judge Steven Denton of Judicate West. In preparation for the mediation, Plaintiff's counsel requested and Defendants' counsel provided sample time and payroll data for the purported class, personnel and employment documents. With Judge Denton's assistance, the Parties agreed to enter into a class action settlement to resolve all claims that were alleged or could be alleged in the FAC, subject to the approval by the Court.

C. Class Counsel are Arin Norijanian and James Demerjian of Arin | James LLP ("Class Counsel"). Class Counsel has performed a thorough and comprehensive investigation of the facts relating to this Action. Among other things, Class Counsel has carefully reviewed and analyzed records received from Defendants, including but not limited to Defendants' policies and practices, payroll records and time-keeping records. Class Counsel is of the opinion that the settlement documented by this Agreement is fair, reasonable, adequate and equitable, and in the best interest of Plaintiff and the purported class in light of all known facts and circumstances, including the risk of significant delay, and defenses asserted to the merits.

D. Although Defendants continue to deny liability in these actions, the Parties agree that the settlement is fair, reasonable, adequate, and equitable to Plaintiff, Class Members, and Defendants, and is the product of good faith and informed arms-length negotiations between the Parties consistent with public policy, and fully complies with applicable provisions of law. The term "Resolution" as used herein means this Agreement to resolve the Litigation.

E. The Parties intend this settlement to be contingent upon the Court's preliminary and final approval of each and every term of this Agreement. If the Court does not so approve this Agreement, then (1) this Agreement shall be null and void and unenforceable, (2) this Agreement may not be used or construed as evidence by or against any Party as a determination, admission, or concession of any issue of law or fact in this Action, or in any other case or proceeding for any purpose, and (3) the Parties do not waive, and instead expressly reserve, their respective rights to

1 prosecute and defend this Action as if this Agreement never existed. However, the Parties agree
2 that, should this Agreement not be approved by the Court, the Parties will work together to revise
the Agreement in a manner that reflects the interests of the Parties and be entered as Judgment by
the Court.

3 **Terms and Conditions**

4 NOW, THEREFORE, in consideration of the recitals listed above, and the promises and
5 warranties set forth below, the Parties agree, subject to the Court's approval as follows:

6 **A. Provisional Approval Of This Settlement**

- 7 1. Plaintiff shall submit a copy of this Agreement to the Court and shall move the
Court to enter an Order as to all of the following:
 - 8 a. For purposes of this Agreement only, Plaintiff and Defendants
9 stipulate to the certification of the following class: all current and
former hourly-paid or non-exempt employees who worked for any
10 of the Defendants within the State of California at any time between
September 10, 2016 and the date of the preliminary approval of the
11 Settlement by the Court ("Class Members"). The Parties agree for
purposes of this Settlement the Private Attorneys General Act
12 ("PAGA") settlement period is July 21, 2019 through the date of the
Court's preliminary approval of this Settlement. "PAGA Settlement
13 Group" means all current and former hourly-paid or non-exempt
employees who worked for any of the Defendants within the State of
California any time during the PAGA settlement period of July 21,
14 2019 to the date of preliminary approval of this Settlement.
 - 15 b. Provisionally approve all terms of this Agreement, and find that the
terms of this Agreement are sufficient to warrant the sending of
16 notice to the Class Members;
 - 17 c. Approve the Notice Of Proposed Settlement And Fairness Hearing
(the "Notice of Settlement") attached to this Agreement as
18 Exhibit "B";
 - 19 d. Authorize the mailing of the Notice of Settlement to the Class
Members;
 - 20 e. Appoint and approve Arin Norijanian and James Demerjian of Arin |
James LLP as Class Counsel;
 - 21 f. Appoint and approve CPT Group, Inc. (hereafter, the "Settlement
Administrator") to administer the notice and settlement payment
22 procedures required by this Agreement; and
 - 23 g. Schedule a hearing, to occur within a reasonable period of time after
the opt-out deadline has expired, requesting that the Court fully and
24 finally approve the reasonableness of this Agreement, and enter a
judgment permanently enjoining each of the Class Members from
25 pursuing, or seeking to reopen, claims that are in any way related to
those asserted in this action (the "Final Settlement Approval
26 Hearing").

- 1 2. Defendants shall not oppose Class Counsel's motion for preliminary or final
2 approval of the settlement so long as the motions and supporting papers are
3 consistent with the terms of this Agreement. Class Counsel shall provide
4 Defendants with a reasonable opportunity to review, and provide comments to, any
5 filings, including but not limited to the motions for preliminary and final approval of
6 the settlement, before the motions and supporting papers are filed with the Court.
- 7 3. The settlement documented by this Agreement is contingent upon entry of an Order
8 by the Court that contains each of the terms specified in Section A(l) above. This
9 Agreement shall immediately become null and void in the event the Court for any
10 reason does not enter such an Order. Settlement is not contingent, however, on
11 Court approval of either the Class Representative Enhancement amount or the
12 allocation of the gross settlement amount described below as between class member
13 payments, administrative costs, attorney's fees, penalties or other amounts identified
14 in paragraph B below.

15 B. Settlement Amount

16 Defendants shall pay \$309,581.12 (hereinafter, the "Settlement Amount"), which
17 consists of the following: (i) Class Counsel's fees in an amount not to exceed \$103,193.71, which
18 is approximately 1/3 of the Settlement Amount, (ii) Settlement Administrator's costs of
19 administration in the amount of approximately \$15,000.00 ("Administration Costs"), (iii)
20 Plaintiff's incentive award not to exceed \$7,500.00 ("Enhancement Award"), (iv) Class Counsel's
21 costs not to exceed \$15,000.00, and (v) \$7,500.00 as the penalties portion of the Settlement
22 Amount as the PAGA Settlement Amount, 75% of which, or \$5,625.00, will be paid to the
23 California Labor and Workforce Development Agency ("LWDA"), the remaining 25% of the
24 PAGA Settlement Amount, or \$1,875.00, will be paid to the members of the PAGA Settlement
25 Group. The Settlement Fund, less the foregoing five items, shall be referred to herein as the "Net
26 Settlement Amount" or "NSA" (approximately \$161,387.41). Defendants will not object to a
27 request for Class Counsel's fees and class representative payments and other amounts set forth
28 above. In addition, Defendants shall pay the employer's portion of payroll taxes on settlement
payments attributed as wages. Defendants shall pay the Settlement Amount as follows:

- 1 a. The first payment in the amount of \$154,790.56 shall be made within thirty (30) days after
2 the Court grants final approval of the Settlement or if an appeal is filed, within 15 days after the
3 final resolution of the appeal. Defendants shall deposit the first installment of \$154,790.56 into a
4 Qualified Settlement Account to be established by the Settlement Administrator.
- 5 b. The second payment in the amount of \$154,790.56 shall be made within one year of the
6 first installment payment and also be deposited into the Qualified Settlement Account to be
7 established by the Settlement Administrator.

8 In no event shall Defendants pay more than \$309,581.12, plus Defendants' employer-side
9 taxes on the wage portion of the NSA.

10 This is not a "claims-made" settlement, and Defendants will not be entitled to any
11 reversion. The Settlement Fund is non-reversionary.

12 The Parties agree that for purposes of this settlement, the NSA to be distributed to Class
13 Members shall be attributed as follows: 20% as wages and 80% as penalties and interest. The
14 portions paid as penalties and interest shall be reported via an IRS 1099 form, and portions
15 attributed to wages shall be paid via an IRS form W-2. The Class Members are responsible for
16 their share of the payroll taxes, which shall be deducted from their individual settlement payments.

1 Defendants are responsible for the employer payroll taxes, and these taxes will not be deducted
2 from the NSA.

3 Nothing in this agreement is intended to be, nor shall be construed as, tax advice.

4 The Settlement is subject to Court approval, and if approved, Defendants, shall fund the
5 settlement according to the deadlines in this Agreement.

6 Settlement checks will specifically indicate that they are void if not negotiated within one
7 hundred eighty (180) days of their issuance. Any settlement checks that remain uncashed one
8 hundred eighty (180) or more calendar days after issuance by the Settlement Administrator shall
9 be voided. The Settlement Administrator will remit the amount of each Class Member's uncashed
10 Settlement Payment to the California State Controller's Office: Unclaimed Property, subject to
11 Court approval. The Parties acknowledge that California Code of Civil Procedure section 384 and
12 the doctrine of *cy pres* are not applicable to this Settlement because the terms of the Settlement
13 Agreement expressly provide for the disposition of the entire Settlement Fund whether claimed or
14 unclaimed.

15 1. Calculation of Settlement Payments to Class Members and PAGA Class Members

16 Any Class Member who does not opt-out of the settlement shall receive a sum of money in
17 settlement of all released claims. Class Members will be paid automatically from the Net
18 Settlement Amount after payment of the Enhancement Award, Administration Costs, PAGA
19 payment and payment of Class Counsel's Fees and Costs. The NSA is approximately
20 \$161,387.41, which is arrived at as follows: \$309,581.12 (Settlement Fund) minus \$7,500.00
21 (Enhancement Award) minus \$7,500 (PAGA Settlement Amount) minus \$15,000 (Administration
22 Costs) minus \$103,193.71 (Class Counsel's attorney's fees) minus an amount not to exceed
23 \$15,000.00 (Class Counsel's litigation costs) = \$161,387.41. If the Court approves an amount that
24 is less than requested as set forth in this Agreement for the Enhancement Award, Administration
25 Costs, or Class Counsel Fees and Costs, then any difference shall be included in the NSA.

26 Members of the Settlement Class not opting out will receive a lump sum payment as good
27 and valuable consideration for the waiver and release of claims, in an amount determined by the
28 Settlement Administrator in accordance with the provisions of this Agreement.

The lump sum payment to each member of the Settlement Class not excluding him/herself
will be determined by dividing the NSA by the total number of Qualified Workweeks ("Qualified
Workweek" means a calendar week during the Class Period in which the Class Member actually
worked at least one day (as opposed to being on a leave or not on an assignment)) worked by all
members of the Settlement Class during the Settlement Period (the "Weekly Amount") and then
multiplying the Weekly Amount by the number of Qualified Workweeks by the individual class
member as determined by the Settlement Administrator, less any applicable withholding taxes
based on the Parties' stipulated allocation of the NSA. The lump sum payment to each member of
the PAGA Settlement Group, as defined above, will be determined by dividing the individual
portion of the PAGA Settlement payment by the total number of Qualified Workweeks worked by
all members of the PAGA Settlement Group during the PAGA Settlement Period (the "PAGA
Weekly Amount") and then multiplying the PAGA Weekly Amount by the number of PAGA
Qualified Workweeks by the individual class member as determined by the Settlement
Administrator, less any applicable withholding taxes based on the Parties' stipulated allocation of
the NSA.

2. Class Representative Enhancement

Defendants shall not oppose an application by Class Representative, and Class Representative shall not seek or receive an amount in excess of \$7,500.00 for her participation in and assistance with the Litigation. Any enhancement awarded to Class Representative by the Court shall be deducted from the Gross Settlement Amount for the purpose of determining the NSA, and shall be reported on IRS Form 1099. If the Court approves an enhancement of less than \$7,500.00 to Class Representative, then the unapproved portion or portions shall revert into the NSA to be distributed between the participating Settlement Class members on a pro-rata basis.

3. Charges of the Settlement Administrator

Class Representative and Defendants, through their respective counsel, have selected CPT Group, Inc. as the Settlement Administrator to administer the Resolution, which includes but is not limited to distributing and responding to inquiries about the Notice of Proposed Class Action Resolution and Workweek Dispute Form, determining the validity of any disputes and opt-outs and calculating all amounts to be paid from the Net Settlement Fund. Charges and expenses of the Settlement Administrator, estimated to be \$15,000.00, will be paid from the Settlement Amount. Any charges and expenses of the Settlement Administrator greater than the allocated \$15,000.00 will come from the Settlement Amount. If the actual Settlement Administrator fees are less than the Parties' estimation, the difference between the actual and estimated Settlement Administrator fees will revert to the participating Settlement Class Members.

It is anticipated that the Settlement Administrator, through a settlement trust or otherwise, shall issue the appropriate 1099 and W-2 statements to Class Members and advise Defendants of the amount to be paid in satisfaction of employer payroll tax payment obligations and coordinate and facilitate that payroll tax payment.

4. Taxes

The Parties agree that all employment taxes and other legally required withholdings, including but not limited to employer-funded taxes and contributions imposed on the wage portions of the Settlement Payment under the Federal Insurance Contributions Act, the Federal Unemployment Tax Act, and any similar state taxes and contributions required of employers, such as for unemployment insurance, will be withheld from payments to the members of the Settlement Class and Class Representative based on the Parties' stipulated allocation of the Net Settlement Amount as provided for in this Section. Defendants shall pay the employer's share of payroll taxes separate and apart from the Settlement Amount.

The amount of federal income tax withholding will be based upon a flat withholding rate for supplemental wage payments in accordance with Treas. Reg. § 31.3402(g)-1(a)(2) as amended or supplemented. Income tax withholding will also be made pursuant to applicable state and/or local withholding codes or regulations.

For withholding tax characterization purposes and payment of taxes, the Net Settlement Amount shall be deemed and is allocated by the Parties as follows ("Net Settlement Allocation"):

- (1) 20% as wages; and
- (2) 80% as penalties and interest

Forms W-2 and/or Forms 1099 will be distributed at times and in the manner required by the Internal Revenue Code of 1986 (the "Code") and consistent with this Agreement. If the Code, the regulations promulgated thereunder, or other applicable tax law, is changed after the date of this Agreement, the processes set forth in this Section may be modified in a manner to bring Defendants into compliance with any such changes.

1 Finally, any and all Employer Taxes that Defendants normally would be responsible for
2 paying on wages will be paid over and above the Net Settlement Fund based on the stipulated Net
3 Settlement Allocation.

4 The amounts paid under this Agreement do not represent a modification of any previously
5 credited hours of service under any employee benefit plan, policy or bonus program sponsored by
6 Defendants. Such amounts will not form the basis for additional contributions to, benefits under,
7 or any other monetary entitlement under, benefit plans (self-insured or not) sponsored by
8 Defendants, policies or bonus programs. Any payments made under the terms of this Resolution
9 shall not be applied retroactively, currently or on a going forward basis as salary, earnings, wages,
10 or any other form of compensation for the purposes of Defendants' benefit plan, policy or bonus
11 program. Defendants retain the right to modify the language of their benefit plans, policies and
12 bonus programs to effect this intent and to make clear that any amounts paid pursuant to this
13 Resolution are not for "hours worked," "hours paid," "hours of service," or any similar measuring
14 term as defined by applicable plans, policies and bonus programs for purpose of eligibility,
15 vesting, benefit accrual or any other purpose, and that additional contributions or benefits are not
16 required by this Resolution.

17 The Enhancement Award is for services to the Class and will not be treated as wages
18 subject to withholding of payroll taxes. The Class Representative agrees that she shall be solely
19 responsible for paying any and all taxes due on the Enhancement Award. Plaintiff acknowledges
20 that Defendants are not undertaking to advise her or any Class Member with respect to any tax
21 consequences of this Agreement.

22 Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR
23 PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH
24 PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY,
25 AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION
26 OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE
27 BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER
28 ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH
COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED);
(2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS,
HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE
(INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS
NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR
ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON
ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER
TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE
IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR
ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT
PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR
ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION
IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY
OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION,
INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

29 C. Notice of Settlement

1. Within 14 calendar days of the entry of an Order granting preliminary approval of the terms of this Agreement and the Notice of Settlement, Defendants shall provide to the Settlement Administrator a database of the names, last known home addresses, Social Security numbers (Settlement Administrator only), and number of workweeks as defined by payroll records of all Class Members ("Class List"). The database will be used exclusively for purposes of facilitating the settlement. In the event that the Court does not provide preliminary or final approval of the settlement terms, the Settlement Administrator will destroy the originals and all copies of the database, and the database will not be used, directly or indirectly, in any further litigation of the Action. Defendants further agree to consult with the Settlement Administrator prior to the production date to ensure that the format will be acceptable to the Settlement Administrator.
2. The Settlement Administrator shall run all the addresses provided through the United States Postal Service NCOA database (which provides updated addresses for any individual who has moved in the previous four years who has notified the U.S. Postal Service of a forwarding address) to obtain current address information, and shall mail the Notice and Workweek Dispute Form to the members of the Settlement Class via first-class regular U.S. Mail using the most current mailing address information available within seven (7) calendar days of the receipt of the Class List from Defendants. The Notice shall provide the members of the Settlement Class forty-five (45) days' notice of all applicable dates and deadlines.
3. The Notice will also include information regarding the nature of the Litigation; a summary of the terms of the Settlement; the definition of the Settlement Class; a statement that the Court has preliminarily approved the Settlement; the procedure and time period for objecting to the Settlement, the date and location of the Final Approval hearing; information regarding the opt-out procedure; and Defendants' calculation of the number of Qualified Workweeks that each Settlement Class member has worked as an employee in California at any time during the Settlement Period. The Notice shall enclose the Workweek Dispute Form for Settlement Class members.
4. For each Settlement Class member, the Workweek Dispute Form will identify the number of Qualified Workweeks that she/he was employed and inform the employee of his or her right to dispute this number by completing and returning the form within forty-five (45) days of the postmark date of the Workweek Dispute Form. A Class Member's receipt of settlement proceeds is not conditional on the submission of the Workweek Dispute Form. Absent the receipt of a Workweek Dispute Form, the number of workweeks identified in the Workweek Dispute Form shall be determined to be accurate. The Settlement Administrator shall decide any work week disputes.
5. If a Notice is returned from the initial notice mailing, the Settlement Administrator will submit the applicable and available information, including name, Social Security number, and original mailing address, to a company that specializes in address skip tracing in an attempt to locate a more current address. If the Settlement Administrator is successful in locating a new address, it will re-mail the Notice to the Settlement Class member. Class members receiving a re-mailed notice shall have an additional 15 days from the date of the re-mail to object or opt out. Further, any Notices returned with a forwarding address to the Settlement Administrator, as non-deliverable before the deadline date, shall be sent to the forwarding address affixed thereto. Efforts to locate updated addresses for returned notices will continue throughout the 45-day notice period.

1 6. Should any member of the Settlement Class timely submit a Workweek Dispute
2 Form with a deficiency, the Settlement Administrator shall, within five (5) calendar
3 days of receipt by the Settlement Administrator of each timely submitted Workweek
4 Dispute Form, send a deficiency notice. The deficiency notice will provide the
5 member of the Settlement Class no more than fourteen (14) days from the mailing of
6 the deficiency notice to postmark a written response to cure all deficiencies. The
7 failure of a member of Settlement Class to timely submit a Workweek Dispute or
8 timely respond to a notice of deficiency shall invalidate the dispute unless all
9 Parties' counsel agrees to allow the dispute.

10 7. No later than fifteen (15) days prior to the Final Approval Hearing, the Settlement
11 Administrator shall provide counsel for Defendants and Class Counsel with a
12 declaration attesting to the completion of the Notice process, including the number
13 of attempts to obtain valid mailing addresses for and re-sending of any returned
14 Notices, as well as the number of valid Workweek Dispute Forms, opt-outs and
15 deficiencies which the Settlement Administrator received.

16 D. Request for Exclusion

17 In order for any Settlement Class member to validly exclude himself or herself from the
18 Settlement Class and this Resolution (i.e., to validly opt out), a written request for exclusion
19 ("Request to be Excluded") must be signed by the Settlement Class member or his or her
20 authorized representative and must be sent to the Settlement Administrator, postmarked by no
21 later than forty-five (45) days after the date the Settlement Administrator initially mails the Notice
22 of Proposed Class Action Resolution to the Settlement Class members. The Notice of Proposed
23 Class Action Resolution shall contain instructions on how to opt out.

24 The date of the initial mailing of the Notice of Proposed Class Action Resolution, and the
25 date the signed Request to be Excluded was postmarked, shall be conclusively determined
26 according to the records of the Settlement Administrator. Any Settlement Class member who
27 timely and validly submits a Request to be Excluded from the Settlement Class and this
28 Resolution will not be entitled to any individual settlement payment, will not be bound by the
29 terms and conditions of this Resolution, and will not have any right to object, appeal, or comment
30 thereon.

31 Any member of the Settlement Class who does not timely file and mail a Request to be
32 Excluded from the Settlement Class will be deemed included in the Settlement Class in
33 accordance with this Settlement. Class Representative waives any right to be excluded from the
34 Settlement Class.

35 The Parties and their respective counsel agree that none of them will take any steps to
36 encourage any Class Member to remain in or opt out of the Class.

37 Should five percent (5%) or more of eligible Class Members opt-out of the Settlement,
38 Defendants have the right to rescind the settlement at its sole discretion and within 10 days of
39 determining that at least 5% of eligible Class Members opted-out of the Settlement.

40 E. Objections to Settlement

41 A Settlement Class member may object to this Resolution, or any term of it, provided that
42 the person making the objection must not submit a request for exclusion (i.e., must not opt out)
43 and may, by no later than forty-five (45) days after the Notice of Proposed Class Action
44 Resolution was initially mailed to the Settlement Class members, mail to the Settlement
45 Administrator a written statement of the grounds of objection, signed by the objecting Settlement
46 Class member or his or her attorney, along with all supporting papers if any. The Settlement Class

1 member may appear through a timely submitted written objection, personally, or through an
2 attorney, at his or her own expense, at the Final Approval hearing to present his or her objection
3 directly to the Court. Class Members may also appear personally (or through an attorney at their
4 own expense) at the Final Approval Hearing and orally present their objections to the Court
5 regardless of whether a written objection was submitted. The Court will hear from any class
6 member who attends the Final Approval Hearing and asks to speak regarding his or her objection
7 regardless of whether a written objection was submitted. If a Settlement Class member objects to
8 this Resolution, the Settlement Class member will remain a member of the Settlement Class and if
9 the Court approves this Agreement, the Settlement Class member will be bound by the terms of
10 the Resolution and Final Approval in the same way and to the same extent as a Settlement Class
11 member who does not object. The date of mailing of the Notice of Proposed Class Action
12 Resolution to the objecting Settlement Class member shall be conclusively determined according
13 to the records of the Settlement Administrator. The Court retains final authority with respect to
14 the consideration and admissibility of any Settlement Class member objections. Any Settlement
15 Class member who submits an objection may also participate in the settlement. Provided that the
16 Settlement Administrator mailed the Notice to a member of the Settlement Class, this deadline to
17 file an objection shall apply notwithstanding assertion by any member of the Settlement Class of
18 non-receipt of the Notice.

19 Class Representative and Defendants will be permitted to respond in writing to such
20 objections no later than seven (7) days before the Final Approval hearing. Class Representative
21 waives any right to object to the Resolution, and hereby endorses the Resolution as fair,
22 reasonable and adequate and in the best interests of the Settlement Class.

23 The Parties and their respective counsel agree that none of them will take any steps to
24 encourage any Class Member to object or not object to this Agreement or any term of it. Class
25 Members who fail to object to the Settlement in the manner specified herein shall be deemed to
26 have waived any objections, unless otherwise ordered by the Court.

27 F. Duties of the Settlement Administrator After the Opt-out Deadline and
28 Distribution of Settlement Payments

1. No later than 15 days before the Final Settlement Approval Hearing, the Settlement Administrator shall verify in writing to counsel for the respective Parties: (1) the number of Class Members to whom the Notice of Settlement was mailed, (2) the number that were undeliverable, (3) the number of Class Members who requested exclusion (i.e., opted-out), and (4) the estimated total gross amount to be distributed to the Class Members in the aggregate.
2. No later than 10 days after receiving the second payment from Defendants, the Settlement Administrator shall issue the individual settlement payment checks and distribute them to Class Members, issue the payment to Class Counsel for attorneys' fees and costs, issue the Class Representative enhancement to Plaintiff, issue the PAGA payment to the LWDA, and issue the employer payroll taxes to the appropriate taxing authorities.
3. No later than 180 days following issuance of the settlement checks to Class members, the Settlement Administrator will provide notice to all counsel of the amount of checks issued that remain unpaid and will be remitted pursuant to CCP 384, to the California State Controller's Office: Unclaimed Property, subject to Court approval.

1 **G. Final Settlement Approval Hearing**

- 2 1. “Effective Date” means the latter of : (i) the date upon which the Court enters an
3 order granting final approval of the Joint Stipulation of Class Action Settlement and
4 Release; or (ii) the final resolution of any appeals timely filed, or the expiration date
5 of the time for filing or noticing any such appeals. This Agreement will not become
6 effective, and Defendants shall have no obligation to make any payments
7 contemplated by this Agreement, unless and until the Court conducts a Final
8 Settlement Approval Hearing and enters Judgment, as described below, approving
9 without material modification all of the terms of this Agreement.
- 10 2. Class Counsel shall be responsible for ensuring that at least the following documents
11 are filed with the Court in advance of the Final Settlement Approval Hearing so that
12 the Court will have a sufficient basis upon which to evaluate and approve the
13 settlement. Class Counsel shall provide Defendants with a reasonable opportunity
14 to review, and provide comments to, the motion for final approval of the settlement
15 before the motions and supporting papers are filed with the Court:
- 16 a. A final report by the Settlement Administrator providing the
17 information listed in Section F.1 of this Agreement;
- 18 b. A duly noticed motion, accompanying memorandum of points and
19 authorities prepared by Class Counsel, and such other pleadings,
20 evidence or other documents as may be necessary for the Court to
21 determine that the settlement documented by this Agreement is fair,
22 adequate and reasonable;
- 23 c. A Proposed Judgment for the Court’s signature (i) approving each
24 and every term of the settlement documented by this Agreement (as
25 modified by the Court as to items remaining within its discretion
26 relating to allocation of the Settlement Fund) as being fair, adequate
27 and reasonable; (ii) release and waive all of the Class Members from
28 pursuing, or seeking to reopen, claims made pursuant to the
 California Labor Code Violation of California Labor Code §§
 §§201-04, 226, 450-51, 510, 1174, 1174.5, 1194, 1197, 1197.1,
 1198, 1454, and 2802, and relevant sections of the applicable Wage
 Orders, and for Wages Not Paid Upon Termination and By The
 Appropriate Pay Period; Failure to Pay Minimum Wage; Failure to
 Pay Overtime; Improper Wage Statements; Failure to Reimburse
 Business Expenses; Failure to Maintain Records; Violation of
 California Business & Professions Code § 17200, et seq. (unfair
 competition); and Violation of California Labor Code §§ 2698, et
 seq. (PAGA), claims for civil penalties pursuant to the California
 Labor Code as disclosed in Plaintiff’s letters to the Labor &
 Workforce Development Agency (“LWDA”) and alleged in
 Plaintiff’s First Amended Complaint, and any other claims
 reasonably arising out of the same set of operative facts alleged in
 the operative complaint and arising during the Class Period; and (iii)
 entering judgment of the entire Action. Pursuant to California Rules
 of Court (“CRC”) 3.769(h), the judgment will include a provision
 for the retention of the court’s jurisdiction over the Parties to enforce
 the terms of the judgment. Any judgment entered by the Court will
 be posted on the Settlement Administrator’s website for no less than
 one year following entry of judgment;

d. A Proposed Judgment and Notice of Entry of Judgment (collectively, "Judgment").

3. Within the Motion for Final Approval, Class Counsel shall seek approval an award of attorneys' fees in an amount that shall not exceed \$103,193.71, which is equivalent to 1/3 of the gross total of the Settlement Fund, plus costs not to exceed \$15,000.00. Defendants shall not oppose Class Counsel's request for attorneys' fees if the request does not exceed \$103,193.71, plus costs not to exceed \$15,000.00. Defendants shall not oppose Class Counsel's request for a Class Representative Enhancement in an amount not to exceed \$7,500.00. Should the Court approve a lesser percentage or amount of fees and/or Litigation costs than the amount that Class Counsel ultimately seeks, then the unapproved portion or portions shall revert to the participating settlement class members on a pro-rata basis.

H. Delivery of Settlement Funds to Settlement Administrator

1. Within 30 days after entry by the Court of the Final Order and Notice of Entry of Judgment, the Settlement Administrator shall calculate the employer's share of payroll taxes, including FICA and FUTA, on the wage portion of the settlement payments to the Class. Defendants shall then forward to the Settlement Administrator the Settlement Amount, which shall not exceed \$15,000.00, according to the deadlines stated in this Agreement, to pay the following as approved by the Court:
- a. The payments to all Class Members, as calculated by the Settlement Administrator;
 - b. The Enhancement Award;
 - c. The Administration Costs;
 - d. Attorneys' fees and costs in the amount awarded by the Court to Class Counsel; and
 - e. The PAGA Settlement Amount.

I. Releases

1. Release as to All Settlement Class Members.

As of the date the Defendants fully fund the settlement, Class Representative and all Class Members, except those who make a valid and timely request to be excluded from the Class and except the Class Representative's individual claims she has brought in Superior Court of California, County of Los Angeles, Case No. 20STCV36212, will release any and all claims and causes of action against Defendants and their franchisors, owners, officers, shareholders, partners, members, customers, agents and employees, and all related or affiliated entities, arising out of the facts and claims asserted in the operative First Amended Complaint filed in the Action, or any other claims or causes of action reasonably arising out of the same set of operative facts alleged in the operative First Amended Complaint, including but not limited to California Labor Code §§ 201-04, 226, 450-51, 510, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 1454, and 2802, and relevant sections of the applicable Wage Orders, and for Wages Not Paid Upon Termination and By The Appropriate Pay Period; Failure to Pay Minimum Wage; Failure to Pay Overtime; Improper Wage Statements; Failure to Reimburse Business Expenses; Failure to Maintain Records; Violation of

1 California Business & Professions Code § 17200, et seq. (unfair competition); Violation of
2 California Labor Code §§ 2698, et seq. (PAGA), and claims for civil penalties pursuant to the
3 California Labor Code as disclosed in Plaintiff's letters to the Labor & Workforce Development
4 Agency ("LWDA") and alleged in Plaintiff's First Amended Complaint. The PAGA claims will
5 be released and the PAGA Settlement Group will be entitled to their portion of the PAGA penalty,
6 regardless of whether or not the Class Member opts out.

7 **J. Miscellaneous Provisions**

8 **1. Stay of Discovery**

9 Class Representative and Defendants agree to the stay of all discovery in the Litigation,
10 pending Final Approval of the Resolution by the Court.

11 **2. Interpretation of the Agreement**

12 This Agreement constitutes the entire agreement between Class Representative and
13 Defendants. This Agreement incorporates the Parties' post-mediation Memorandum of
14 Understanding that was signed by all Parties as of February 24, 2021 to the extent it is consistent
15 with the terms herein. If any terms of this Agreement are inconsistent with the Parties'
16 Memorandum of Understanding, then this Agreement is controlling. Except as expressly provided
17 herein, this Agreement has not been executed in reliance upon any other written or oral
18 representations or terms, and no such extrinsic oral or written representations or terms shall
19 modify, vary or contradict its terms. In entering into this Agreement, the Parties agree that this
20 Agreement is to be construed according to its terms and may not be varied or contradicted by
21 extrinsic evidence. The Agreement will be interpreted and enforced under the laws of the State of
22 California, both in its procedural and substantive aspects, without regard to its conflict of laws
23 provisions. Any claim arising out of or relating to the Agreement, or the subject matter hereof,
24 will be resolved solely and exclusively in the Superior Court of the State of California for the
25 County of Los Angeles, and Class Representative and Defendants hereby consent to the personal
26 jurisdiction of the Judge over them solely in connection therewith. Class Representative, on her
27 own behalf and on behalf of the Settlement Class, and Defendants participated in the negotiation
28 and drafting of this Agreement and had available to them the advice and assistance of independent
counsel. As such, neither Class Representative nor Defendants may claim that any ambiguity in
this Agreement should be construed against the other.

The terms and conditions of this Agreement constitute the exclusive and final
understanding and expression of all agreements between Class Representative and Defendants
with respect to the Resolution of the Litigation. The Agreement may be modified only by a
writing signed by the original signatories expressly stating an intent to modify the Agreement and
approved by the Court.

3. Further Cooperation

Class Representative and Defendants and their respective attorneys shall proceed diligently
to prepare and execute all documents, to seek the necessary approvals from the Court, and to do all

1 things reasonably necessary or convenient to consummate the Agreement as expeditiously as
2 possible.

3 4. Confidentiality of Documents

4 After the expiration of any appeals period, Class Representative, the Settlement
5 Administrator, and Class Counsel shall maintain the confidentiality of all documents, deposition
6 transcripts, declarations and other information obtained in the lawsuit, unless necessary for appeal
7 or such documents are ordered to be disclosed by the Judge or by a subpoena.

8 5. Counterparts

9 The Agreement may be executed in one or more actual or non-original counterparts, all of
10 which will be considered one and the same instrument and all of which will be considered
11 duplicate originals.

12 6. Authority

13 Each individual signing below warrants that he or she has the authority to execute this
14 Agreement on behalf of the party for whom or which that individual signs.

15 7. No Third-Party Beneficiaries

16 Class Representative, members of the Settlement Class, and Defendants are direct
17 beneficiaries of this Agreement, but there are no third party beneficiaries.

18 8. Deadlines Falling on Weekends or Holidays

19 To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or
20 legal holiday, that deadline shall be continued until the following business day.

21 9. Severability

22 In the event that any one or more of the provisions contained in this Agreement shall for
23 any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
24 unenforceability shall in no way effect any other provision if Defense Counsel and Class Counsel,
25 on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such
26 invalid, illegal, or unenforceable provision had never been included in this Agreement.

27 10. No Mass Communication

28 Class Counsel and the Class Representative will not engage in any mass communications
or other publicity regarding this Settlement except as necessary to effectuate notices to the Class
Members. Neither Class Counsel nor the Class Representative (nor any of their respective agents)
shall issue any press release relating to this Settlement other than statements in the required
notices to the Class Members and the required Court filings.

11. No Prior Assignment

The Parties and their counsel represent, covenant, and warrant that they have not directly or

1 indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or
2 entity any portion of any liability, claim, demand, action, cause of action or right herein released and
3 discharged.

4
5 12. Enforcement and Continuing Jurisdiction of the Court

6 Except for those matters to be resolved by the Settlement Administrator as expressly
7 stated, any dispute regarding the interpretation or validity of this Settlement, or relating to the
8 Actions or the Released Claims, shall be subject to the exclusive jurisdiction of the Court, and
9 Plaintiffs, Class Members, and Defendant agree to submit to the personal and exclusive
10 jurisdiction of the Court pursuant to California Code of Civil Procedure section 664.6 and
11 California Rule of Court 3.769(h). The Disposition entered by the Court will not adjudicate the
12 merits of the Actions or the liability of the Parties resulting from the allegations of the Actions.
13 The Court shall retain jurisdiction solely with respect to the interpretation, implementation and
14 enforcement of the terms of this Settlement and all orders, judgments entered in connection
15 therewith, Settlement administration matters, and post-judgment matters. The prevailing party to
16 any enforcement actions of this Agreement shall be entitled to recover its attorneys' fees and costs
17 related to such enforcement actions.

18 13. Binding on Successors and Assigns

19 The provisions of this Agreement shall bind and inure to the benefit of the heirs,
20 beneficiaries, employees, agents, principals, officers, directors, shareholders, investors, affiliated,
21 related, parent company, subsidiaries, insurers, attorneys, accountants, trust and trustees,
22 representatives, businesses, predecessors, successors, subrogees, assigns and fiduciaries of the
23 Parties.

24 14. Invalidity of Any Provision

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

28 15. Waiver of Certain Appeals

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

16. Enforcement Actions

1 In the event that one or more of the Parties institutes any legal action or other proceeding
2 against any other Party or Parties to enforce the provisions of this Settlement or to declare rights
3 and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover
4 from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert
5 witness fees incurred in connection with any enforcement actions.

6 17. Binding Agreement

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

12 THE UNDERSIGNED ACKNOWLEDGE THAT EACH HAS READ THE FOREGOING
13 AGREEMENT AND ACCEPTS AND AGREES TO THE PROVISIONS CONTAINED
14 THEREIN, AND HEREBY EXECUTES IT VOLUNTARILY WITH FULL KNOWLEDGE OF
15 ITS CONSEQUENCES.

16 IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates
17 indicated below.

18 **IT IS SO AGREED:**

19 Oreyda Paramo-Domio:

Signature

Date

20 Prescott Sanchez, Inc., dba Home Instead Senior Care

Signature, Title

Date

21 Carter Jordan Prescott:

Signature

Date

22 Gregorio Valentin Sanchez, Jr.:

Signature

Date

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

17. Binding Agreement

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

THE UNDERSIGNED ACKNOWLEDGE THAT EACH HAS READ THE FOREGOING AGREEMENT AND ACCEPTS AND AGREES TO THE PROVISIONS CONTAINED THEREIN, AND HEREBY EXECUTES IT VOLUNTARILY WITH FULL KNOWLEDGE OF ITS CONSEQUENCES.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates indicated below.

IT IS SO AGREED:

Oreyda Paramo-Domio:

Signature

DocuSigned by:

Oreyda Paramo

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March 16, 2022

Date

Prescott Sanchez, Inc., dba Home Instead Senior Care

Signature, Title

Date

Carter Jordan Prescott:

Signature

Date

Gregorio Valentin Sanchez, Jr.:

Signature

Date