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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

BLANCA LOC, individually, and on behalf of
all others similarly situated,

Plaintiff,

vs.

MONTEREY HEALTHCARE & WELLNESS
CENTRE, LP, a limited liability company; and
DOES 1 through 10, inclusive,

Defendants

Case No.: 20STCV31094

[Assigned for all Purposes to the Honorable
Robert B. Broadbelt, Department 53]

**JOINT STIPULATION OF PAGA
SETTLEMENT AND RELEASE
BETWEEN PLAINTIFF AND
DEFENDANT**

1 This Joint Stipulation and Settlement Agreement (hereinafter “Settlement,” “Agreement,” or
2 “Settlement Agreement”) is entered into by and between MONTEREY HEALTHCARE &
3 WELLNESS CENTRE, LP, (“Defendant”) on the one hand, and Plaintiff BLANCA LOC (“Plaintiff”
4 or “Representative Plaintiff”), on behalf of herself and each member of the Settlement Aggrieved
5 Group, on the other hand, subject to the terms and conditions hereof and the approval of the Court
6 pursuant to California Labor Code § 2699(1)(2).

7 **I. SUMMARY OF SETTLEMENT TERMS**

8 Under the terms of this Settlement, Defendant will pay the Gross Settlement Amount of
9 \$150,000.00, without reversion, in exchange for the consideration and subject to the terms and
10 conditions discussed herein. Members of the Settlement Aggrieved Group will not be required to make
11 a claim to receive a Settlement Award. Defendant will not be required to pay anything more than the
12 Gross Settlement Amount.

13 The Parties will seek the Court’s approval of this Settlement pursuant to California Labor Code
14 § 2699(1)(2). Should the Court not approve this Settlement, the Settlement Agreement shall be deemed
15 null and void *ab initio* and of no force and effect.

16 In exchange for the consideration discussed herein: (1) Representative Plaintiff agrees to a
17 general release of any and all claims that she has against Defendant and confirms her voluntary
18 resignation from employment with Defendant; and (2) the members of the Settlement Aggrieved
19 Group release the SAG Released Claims by the Settlement.

20 **II. DEFINITIONS**

21 As used in this Settlement Agreement, the following terms shall have the following meanings:

- 22 1. “Action” means the civil action titled *Loc v. Monterey Healthcare & Wellness Centre,*
23 *LP*, pending in Los Angeles County Superior Court, Case No. 20STCV31094.
- 24 2. “Approval Date” means the date of entry of the Approval Order.
- 25 3. “Approval Motion or Stipulation” means the motion or joint stipulation SAG Counsel
26 and Plaintiff will be filing to seek Court approval of this Settlement Agreement per California Labor
27 Code § 2699(1)(2).
- 28 4. “Approval Order” means the Order granting approval of this Settlement and dismissing

1 the Action with prejudice. The Parties' proposed Approval Order is attached as **Exhibit "A"** hereto.

2 5. "Settlement Administration Costs" means the fees and costs incurred or charged by the
3 Settlement Administrator in connection with the execution of its duties under this Settlement
4 Agreement including, but not limited to: (i) preparing, issuing, mailing and/or monitoring reports,
5 filings, and notices; (ii) computing the amount of the Settlement Awards and any other payments to
6 be made under this Settlement Agreement, and issuing those payments; (iii) handling inquiries about
7 the calculation of individual Settlement Awards; (iv) establishing and operating a Settlement payment
8 center address and phone number to receive inquiries about the Settlement; and (v) preparing and
9 issuing any tax forms required under the law and/or this Agreement, and preparing and submitting any
10 filings required by any governmental taxing authority or other governmental agency.

11 6. "Settlement Administrator" means ("Phoenix Class Action Administration Solutions"),
12 the third-party entity that SAG Counsel and Defense Counsel mutually selected to process and
13 administer the terms of this Settlement Agreement.

14 7. "Complaint" means the First Amended Complaint filed in the Action by Plaintiff.

15 8. "Court" means the Los Angeles County Superior Court, in which the Action is pending,
16 or any other Court with proper jurisdiction over this Action.

17 9. "Defense Counsel" means Grace Y. Horoupian and Bret Martin of FISHER &
18 PHILLIPS LLP.

19 10. "Effective Date" means the later of the following events: (a) five (5) calendar days after
20 approval is granted by the court if there are no objections to the settlement or intervenors in the action;
21 or (b) if any appeal, writ or other appellate proceeding opposing this Settlement has been filed, then
22 fourteen (14) days after when any appeal, writ or other appellate proceeding opposing the Settlement
23 has been resolved finally and conclusively with no right to pursue further remedies or relief.

24 11. "Final Judgment" or "Judgment" means the judgment entered by the Court pursuant
25 to the terms set forth in this Settlement Agreement, finally and fully giving effect to the terms
26 contained herein. The Parties' proposed Final Judgment is attached as **Exhibit "C"** hereto.

27 12. "Gross Settlement Amount" means the total amount of one hundred fifty thousand
28 dollars (\$150,000.00) to be paid by Defendant in full satisfaction of the SAG Released Claims and all

claims released by Plaintiff pursuant to the General Release, and includes all individual Settlement Awards payable to the SAG Members, General Release Payment to Plaintiff, SAG Counsel's attorneys' fees and costs, the Settlement Administration Costs, and the LWDA Payment.

13. "General Release Payment" means the payment to Plaintiff for her service to the SAG Members, and in consideration for general release of all claims against Defendant and confirmation of her voluntary resignation of employment with Defendant, which is in addition to whatever payment she is otherwise entitled to receive in her capacity as a SAG Member.

14. "LWDA Payment" means the 75% portion of the Net Settlement Amount which will be paid to the California Labor and Workforce Development Agency ("LWDA") pursuant to the terms of this Settlement Agreement.

15. "Net Settlement Amount" ("NSA") means the portion of the Gross Settlement Amount after deducting SAG Counsel's attorneys' fees and costs, the General Release Payment, and the Settlement Administration Costs. The NSA will fund (a) the LWDA Payment (75% of the NSA) and (b) the Settlement Awards paid to the SAG Members (25% of the NSA).

16. "PAGA" refers to the Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*

17. "Parties" means Plaintiff and Defendant, collectively.

18. "Party" means either Plaintiff or Defendant, individually.

19. "General Release" means Plaintiff's confirmation of voluntary resignation from employment with Defendant and Plaintiff's irrevocable and unconditional release, acquittal, and discharge of the Released Parties and all persons and/or corporate entities acting through, under, on behalf of, or in concert with any of them, or any of them, from any and all SAG Released Claims and any and all existing claims, demands, suits, actions, causes of action, obligations, agreements, contracts, promises, liabilities, debts, compensation, damages, losses, costs, expenses, and attorneys' fees, of any and every kind, nature or character, known or unknown, suspected or unsuspected, actual or potential, absolute or contingent, pending or anticipated, including but not limited to those arising under any federal, state, or local law, regulation or ordinance, contract, quasi-contract, the common law, public policy, or any constitution, such as, without limitation, the California Constitution; the

1 California Labor Code, including Labor Code section 132a; Family and Medical Leave Act; California
2 Family Rights Act; Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the
3 California Fair Employment and Housing Act; the Private Attorneys General Act of 2004; Americans
4 with Disabilities Act; Older Workers Benefit Protection Act; Age Discrimination in Employment Act;
5 Consolidated Omnibus Budget Reconciliation Act of 1985; Employee Retirement Income Security
6 Act of 1974; Immigration Reform and Control Act; the Workers Adjustment and Retraining
7 Notification Act; The Occupational Safety and Health Act; The Sarbanes-Oxley Act of 2002; The Fair
8 Credit Reporting Act; the Equal Pay Act; The Genetic Information Nondiscrimination Act of 2008;
9 Statutory Provision Regarding the Confidentiality of AIDS Information – Cal. Health & Safety Code
10 § 120775; California Confidentiality of Medical Information Act; California Civil Code section 51 *et*
11 *seq.*; Wage Orders of the California Industrial Welfare Commission; the California Code of
12 Regulations; the California Business and Professions Code; Fair Labor Standards Act; and claims of
13 intentional infliction of emotional distress; defamation and/or libel, or any other damage to reputation
14 claims; breach of implied contract; breach of the covenant of good faith and fair dealing, as well as
15 any other express or implied covenant; or any other statute or common law principle of similar effect,
16 known or unknown, which Plaintiff now has, owns, or holds, or claims to have, own or hold, or which
17 Plaintiff at any time heretofore had, owned, or held, or claimed to have, own, or hold or which Plaintiff
18 at any time hereinafter may have, own, or hold, or claim to have, own, or hold, against each or any of
19 the Released Parties, arising from acts, events, or circumstances occurring on or before the effective
20 date of this Agreement. This shall not affect Plaintiff's workers' compensation claims, if any.
21 Plaintiff's worker's compensation claims and any other claims which cannot be released by law are
22 not released by this Agreement

23 With respect to claims released in this Section, Plaintiff expressly waives the benefits of
24 California Civil Code section 1542. Civil Code section 1542 provides:

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

1 Notwithstanding the provisions of section 1542, and for the purpose of implementing a
2 complete release and discharge of the claims in the General Release, Plaintiff expressly acknowledges
3 that this Agreement is intended to include in its effect all claims she does not know of or suspect to
4 exist in her favor at the time of execution hereof and that this Agreement contemplates the
5 extinguishment of all such claims.

6 20. "Qualified Settlement Fund Account" means the account into which the Settlement
7 Administrator will transfer the Gross Settlement Amount pursuant to Internal Revenue Code section
8 1.468B-1.

9 21. "Released Parties" means (i) Defendant; and (ii) Defendant's past, present, or future
10 subsidiaries, divisions, affiliates, predecessors, successors, and assigns, officers, directors, agents,
11 employees, advisors, insurers, attorneys, executors, administrators, servants, owners, shareholders,
12 bondholders, partners, and any parent or related organizations, successors in interest, and/or
13 representatives.

14 22. "SAG Counsel" means Kane Moon, H. Scott Leviant and Lilit Tunyan of Moon &
15 Yang, APC.

16 23. "SAG Fund" means the 25% portion of the NSA used to fund the Settlement Awards
17 to the SAG Members.

18 24. "SAG List" means the list to be provided to the Settlement Administrator, which
19 consists of the following information as pertains to the SAG Members: their first and last names, last-
20 known addresses, dates of employment, social security numbers, and the number of pay periods
21 worked during the SAG Period as a SAG Member.

22 25. "SAG Member(s)" means all individuals in the Settlement Aggrieved Group.

23 26. "SAG Period" means the period from August 12, 2019 through the earlier of December
24 1, 2021 or the date of the Approval Order.

25 27. "SAG Released Claims" means any and all claims to recover civil penalties pursuant
26 to PAGA for violations of the Labor Code during the SAG Period that were alleged in the Complaint
27 in this Action and the LWDA Notice letter that Plaintiff submitted to the LWDA prior to filing this
28 Action, or that could have been stated based on the facts set forth therein, including but not limited to

any and all claims for PAGA penalties for violations of the Labor Code governing meal and rest breaks, minimum wage, overtime, and double time wages, wage statement violations, and separation pay violations. The LWDA Notice letter is attached as **Exhibit “B”** hereto. The release will be effectuated upon entry of the Approval Order.

28. “Settlement Aggrieved Group” (“SAG”) consists of current and former employees of Defendant who worked at least one pay period for Defendant in California at any time during the SAG Period and includes Representative Plaintiff.

29. “Settlement Award(s)” means the payments to the SAG Members made from the SAG Fund pursuant to the terms of this Settlement Agreement, which collectively total 25% of the NSA.

III. BACKGROUND

Plaintiff initiated the Action on August 14, 2020 by filing a putative Class Action alleging the following labelled causes of action: (1) Failure to Pay Minimum Wage and Regular Rate Wages [Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197]; (2) Failure to Pay Overtime Compensation [Cal. Lab. Code §§ 1194 and 1198]; (3) Failure to Provide Meal Periods [Cal. Lab. Code §§ 226.7, 512]; (4) Failure to Authorize and Permit Rest Breaks [Cal. Lab. Code §§ 226.7]; (5) Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-203]; (6) Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226]; and (7) Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, et seq.]. Plaintiff satisfied the administrative exhaustion requirement that is a prerequisite to filing a claim for Civil Penalties under the Labor Code Private Attorneys General Act of 2004 [Lab. Code § 2699, et seq.] (“PAGA”). On December 23, 2020, Plaintiff filed a First Amended Complaint adding the eighth cause of action for Civil Penalties Under PAGA [Cal. Lab. Code § 2699, et seq.]. On December 30, 2020, Plaintiff filed an application to dismiss Plaintiff’s claims one through seven against Defendant without prejudice since Plaintiff signed a binding arbitration agreement and proceeded with a single cause of action for Civil Penalties Under PAGA [Cal. Lab. Code § 2699, et seq.].

The Parties agreed to participate in mediation and in connection with their planned mediation, the Parties informally exchanged documents and information related to the merits of Plaintiff’s claims and Defendant’s defenses, the number of estimated employees in the Settlement Aggrieved Group

1 during the SAG Period, and the number of estimated pay periods worked by the SAG Members during
2 the SAG Period. On October 20, 2021, the Parties participated in a full-day mediation before Todd
3 Smith, Esq., which resulted in an executed Memorandum of Understanding laying out, in summary
4 terms, the present Settlement Agreement between the Parties.

5 SAG Counsel has investigated the facts relating to the claim alleged in the Action and analyzed
6 the legal principles applicable to that claim. Based upon SAG Counsel's investigation and legal
7 evaluation, and taking into account the sharply contested legal and factual issues involved, SAG
8 Counsel's assessment of the uncertainties of complex litigation, and the relative benefits conferred
9 upon the Settlement Aggrieved Group pursuant to this Settlement Agreement, SAG Counsel has
10 concluded that a settlement with Defendant on the terms set forth in this Agreement is fair, reasonable,
11 adequate, and in the best interests of Plaintiff and the Settlement Aggrieved Group. In particular, SAG
12 Counsel and Plaintiff understand the risks of the arguments and defenses asserted by Defendant in the
13 Action.

14 Defendant denied, and continues to deny, the allegations in the Action in their entirety and any
15 and all liability arising out of the conduct alleged in the Complaint. Defendant has asserted defenses
16 to the claim alleged in the Action and has always maintained that it complied at all times with the
17 California Labor Code and the relevant Industrial Welfare Commission Wage Order.

18 Nevertheless, Defendant has concluded that further defense of the Action would likely be
19 protracted and expensive. Substantial amounts of Defendant's time, energy, and resources have
20 already been expended, and absent this Settlement, will continue to be expended in defense of the
21 claim asserted in this Action. Defendant has therefore agreed to settle in the manner and upon the
22 terms described in this Agreement to put to rest the claim set forth in the Action.

23 The Parties and their counsel specifically agree that Defendant's agreement to settle this matter
24 is not, and shall not be construed as, an admission of any wrongdoing whatsoever by Defendant.

25 **IV. SETTLEMENT APPROVAL & IMPLEMENTATION PROCEDURE**

26 **A. Mutual Cooperation.**

27 The Parties agree to cooperate fully with each other to accomplish the terms and requirements
28 of this Settlement Agreement, including the execution of such documents and the taking of such other

1 action as may be necessary to implement the terms of this Agreement.

2 **B. Approval Motion or Stipulation.**

3 Within 45 calendar days of signing this Settlement Agreement, Plaintiff will file the Approval
4 Motion or Stipulation for Approval, including such papers, pleadings, and evidence as may be required
5 for the Court to approve this Agreement per California Labor Code § 2699(1)(2). Defense Counsel
6 shall have a reasonable opportunity to review and comment on that motion or stipulation before it is
7 filed.

8 Thereafter, the Court shall conduct a hearing to determine approval of the Settlement
9 Agreement along with the amounts properly payable for: (i) SAG Counsel's attorneys' fees and costs;
10 (ii) the General Release Payment to Plaintiff; (iii) Settlement Administration Costs; (iv) the LWDA
11 Payment; and (v) the Settlement Awards. Upon approval of the Settlement Agreement by the Court at
12 or after that hearing, the Parties shall present the Approval Order to the Court for entry.

13 If the Settlement fails to be approved or otherwise fails to be consummated for any reason
14 whatsoever, then Defendant retains all rights previously available to it, and the adoption of any
15 procedure herein shall be undone, and the Parties restored to their pre-Settlement status.

16 **C. LWDA Notice.**

17 Simultaneously with filing the Approval Motion or Stipulation, SAG Counsel will submit a
18 copy of this Settlement to the LWDA as required by Labor Code § 2699(1)(2).

19 **D. Approval Order, Final Judgment, and Continuing Jurisdiction.**

20 After entry of the Approval Order, the Court shall have continuing jurisdiction over the Action
21 for purposes of addressing: (i) settlement administration matters; (ii) such post-Approval Order
22 matters as may be appropriate under Court rules or as set forth in this Settlement Agreement; and
23 (iii) ruling on the stipulated request for Final Judgment of the entire Action when all aspects of the
24 Settlement Agreement have been consummated. Within 10 calendar days of entry of the Approval
25 Order, SAG Counsel will submit a copy thereof to the LWDA as required by Labor Code § 2699(1)(3).

26 **E. SAG List and Mailing of Settlement Awards.**

27 Following entry of the Approval Order, but before the entry of Final Judgment, the Parties
28 agree that the following procedures shall be followed:

1 1. No later than 10 calendar days after the date of the entry of the Approval Order,
2 Defendant shall provide the SAG List to the Settlement Administrator.

3 2. Neither Defendant nor the Settlement Administrator shall provide the identification of
4 SAG Members to the Representative Plaintiff, SAG Counsel, any other SAG Member, or to any other
5 person or entity. However, before the Settlement Administrator sends the Settlement Awards to the
6 SAG Members as outlined below, it will advise the Parties of the total number of SAG Members and
7 the total number of pay periods on the SAG List.

8 3. If Defendant and the Settlement Administrator determine, based upon further review
9 of available data, that a person previously identified as being a SAG Member should not be so
10 included, or if they identify a person who should have been included as a SAG Member but was not
11 so included, Defendant and the Settlement Administrator shall promptly delete or add such person as
12 appropriate and immediately notify SAG Counsel prior to such deletions or additions (and the reasons
13 therefore).

14 4. Using the address information contained on the SAG List, the Settlement Administrator
15 shall mail the Settlement Awards to the SAG Members via the United States Postal Service in the
16 amounts and at the time described in section V, below.

17 5. Any Settlement Awards mailed out to the SAG Members but returned to the Settlement
18 Administrator as non-delivered shall be re-sent to the forwarding addresses affixed thereto. If no
19 forwarding address is provided with a Settlement Award that is returned to the Settlement
20 Administrator as non-delivered, then such Settlement Award will be re-sent by the Settlement
21 Administrator after the address is updated using the following skip-trace procedures: (1) run the SAG
22 List through the United States Postal Service's National Change of Address database; and (2) perform
23 address searches using public and proprietary electronic resources which collect their data from
24 various sources such as utility records, property tax records, motor vehicle registration records, and
25 credit bureaus. Undelivered Settlement Awards will be re-sent within 5 business days after the
26 Settlement Administrator receives notice that the Settlement Award was undeliverable.

27 6. Other than the obligations set forth in this Settlement Agreement, Plaintiff, SAG
28 Counsel, Defendant, Defense Counsel, and the Settlement Administrator shall have no additional

obligation to identify or locate any SAG Members, or have any liability in connection with the provision of information to the Settlement Administrator or otherwise.

V. SETTLEMENT FUND AND SETTLEMENT AWARD CALCULATION

A. Gross Settlement Amount.

1. Defendant shall pay the Gross Settlement Amount of \$150,000.00 to settle this Action. In no event shall the Gross Settlement Amount exceed that sum. The Gross Settlement Amount is based in part on the following figures applicable to the Settlement Aggrieved Group: 228 employees and 5,861 pay periods (“Affected Pay Periods”) from August 12, 2019 through October 20, 2021. If the actual number of Affected Pay Periods during the SAG Period is more than 10% greater than this number (i.e., if there are more than 6,447 Affected Pay Periods during the SAG Period), Defendant shall increase the Gross Settlement Amount in proportion to the increase in Affected Pay Periods over 10% (e.g., if the number of Affected Pay Periods in the SAG Period is 11% greater than 5,861, Defendant will increase the Gross Settlement Amount by 1%).

2. Deposit. Thirty (30) calendar days after the Effective Date, Defendant shall deliver to the Settlement Administrator the Gross Settlement Amount. Immediately upon receipt by the Settlement Administrator, these funds shall be transferred into a Qualified Settlement Fund Account. No Party shall have any further obligation for any payment under this Settlement Agreement to Plaintiff, the SAG Members, SAG Counsel, or the Settlement Administrator.

3. Disbursement by Settlement Administrator. All disbursements hereunder shall be made from the Qualified Settlement Fund Account, and only the Settlement Administrator shall be authorized to make withdrawals or payments from that account.

4. Payments from the Gross Settlement Amount. Subject to Court approval and for purposes of effectuating this Settlement Agreement, the following amounts shall be paid by the Settlement Administrator from the Gross Settlement Amount:

a. General Release Payment: \$10,000.00. In exchange for Plaintiff’s release of all claims in the General Release and confirmation of voluntary resignation from employment with Defendant, and in addition to her individual Settlement Award as a SAG Member, \$10,000.00 will be paid to Plaintiff as a General Release Payment for her efforts in bringing and prosecuting this matter. The

1 Settlement Administrator shall issue an IRS Form 1099 for this payment. The Settlement
2 Administrator shall pay the General Release Payment approved by the Court within 10 calendar days
3 after deposit of the Gross Settlement Amount by Defendant. Any amounts not approved by the Court
4 as a General Release Payment up to the amount set forth in this paragraph shall be added back to the
5 NSA. As part of her consideration for the General Release Payment, Plaintiff confirms her voluntary
6 resignation from employment with Defendant and covenants and agrees not to assert any claim
7 released by the General Release, or to commence, join in, or voluntarily assist in a lawsuit or
8 adversary proceeding against the Released Parties, or any of them, arising out of or regarding the
9 claims released by the General Release.

10 b. SAG Counsel Attorneys' Fees and Costs: up to \$52,500.00 and \$12,000.00,
11 respectively. SAG Counsel shall make a motion for reasonable attorneys' fees and costs incurred in
12 the Action. The attorneys' fees requested by SAG Counsel shall not exceed 35% of the Gross
13 Settlement Amount, or \$52,500.00. This amount will compensate SAG Counsel for work already
14 performed and all remaining work to be performed in the Action. SAG Counsel's separate request for
15 reimbursement of costs shall not exceed \$12,000.00.

16 i. Defendant and its attorneys agree not to oppose any application or motion by SAG Counsel
17 for their attorneys' fees and costs up to the sums set forth herein, so long as any such application or
18 motion is consistent with the provisions of this Settlement Agreement, and SAG Counsel agrees not
19 to petition the Court for any additional payments for fees, costs, or interest.

20 ii. The Settlement Administrator shall pay the attorneys' fees and costs approved by the Court
21 from the Gross Settlement Amount within 10 calendar days after its deposit. Any amounts not
22 approved by the Court in attorneys' fees and costs, up to the amounts set forth herein, shall be added
23 back to the NSA.

24 iii. The attorneys' fees and costs approved by the Court shall constitute full satisfaction of
25 Defendant's obligations to pay amounts to any person, attorney, or law firm for attorneys' fees,
26 expenses, or costs incurred in this Action on behalf of Plaintiff and/or the Settlement Aggrieved Group,
27 and shall relieve Defendant from any other claims or liability to any other attorney or law firm for any
28 attorneys' fees, expenses, and/or costs to which any of them may claim to be entitled on behalf of

1 Plaintiff and/or the Settlement Aggrieved Group. Plaintiff further agrees that any allocation of fees
 2 between or among SAG Counsel and any other attorney representing a plaintiff and/or the Settlement
 3 Aggrieved Group shall be the sole responsibility of SAG Counsel, and Plaintiff agrees to hold harmless
 4 Defendant from any claim by any other individual, entity, or other third party seeking any additional
 5 attorneys' fees or costs.

6 iv. An IRS Form 1099 shall be provided to SAG Counsel for the payments made to SAG Counsel.
 7 SAG Counsel shall be solely responsible to pay any and all applicable taxes on the payments made to
 8 SAG Counsel.

9 c. Settlement Administration Costs: up to \$10,000.00. All Settlement Administration
 10 Costs shall be paid from the Gross Settlement Amount in an amount not to exceed \$10,000.00. Any
 11 amounts not approved by the Court in Settlement Administration Costs, up to the amount set forth in
 12 this paragraph, shall be added back to the NSA. The Parties agree to cooperate in the settlement
 13 administration process and to make all reasonable efforts to control and minimize the Settlement
 14 Administration Costs. The Settlement Administrator shall pay itself the Settlement Administration
 15 Costs approved by the Court within 10 calendar days after the deposit of the Gross Settlement Amount.

16 **B. Net Settlement Amount; LWDA Payment & Settlement; Formula.**

17 1. After the sums described in paragraphs V.A.4.a-c., above, are deducted from the Gross
 18 Settlement Amount, the remaining funds shall constitute the Net Settlement Amount. Seventy-five
 19 percent of the NSA shall be used to make the LWDA Payment, and the remaining twenty-five percent
 20 of the NSA shall constitute the SAG Fund which shall be used to make Settlement Award payments
 21 to the SAG Members.

22 2. The Settlement Administrator shall pay the LWDA Payment from the NSA approved
 23 by the Court within 10 calendar days after deposit of the Gross Settlement Amount by Defendant.

24 3. Solely for purposes of effectuating this Settlement Agreement and in exchange for the
 25 release of the SAG Released Claims, SAG Members shall be paid a Settlement Award as follows:
 26 each SAG Member will be paid a *pro rata* share of the SAG Fund based on the number of pay periods
 27 he or she worked for Defendant during the SAG Period as a SAG Member, divided by the total number
 28 of pay periods worked by all SAG Members during the SAG Period.

1 4. The Settlement Administrator shall be responsible for determining eligibility for, and
2 the amount of, the Settlement Awards to be paid to the SAG Members. Settlement Awards shall be
3 paid and mailed to the SAG Members no later than 10 business days after the deposit of the Gross
4 Settlement Amount.

5 5. The Settlement Awards to the SAG Members shall be treated by all Parties as all
6 penalties, to be reported to the SAG Members on an IRS Form 1099 and shall not be subject to
7 withholdings.

8 6. SAG Members shall be solely and legally responsible to pay any and all applicable
9 taxes on the payments made to them. Defendant makes no representations or warranties regarding the
10 tax consequences or obligations resulting from any payments made to SAG Members.

11 7. All eligibility and Settlement Award determinations shall be based on personnel and
12 payroll data that Defendant will make available as needed to the Settlement Administrator. Any
13 Settlement Awards that are undeliverable to SAG Members shall be distributed to the State of
14 California Controller Unclaimed Property Fund (“UPF”) or like fund.

15 8. All checks for Settlement Awards shall remain valid and negotiable for 180 days from
16 the date of their issuance. The Settlement Administrator will include with the checks a letter stating
17 that the check must be cashed or deposited within 180 days. The funds represented by Settlement
18 Award checks returned as undeliverable and those Settlement Award checks remaining uncashed for
19 more than 180 days after issuance shall be retained by the Settlement Administrator. Any amounts
20 from settlement checks that remain uncashed and otherwise unclaimed shall be distributed to the
21 Controller of the State of California to be held pursuant to the Unclaimed Property Law, California
22 Civil Code section 1500 *et seq.*, for the benefit of that SAG Member. The Parties agree that this
23 disposition results in no “unpaid residue” under California Code of Civil Procedure section 384, as the
24 entire Net Settlement Amount will be paid out to the LWDA and SAG Members. Therefore,
25 Defendant will not be required to pay any interest on said amount. In the event that a SAG Member’s
26 payment is distributed to the Controller of the State of California, the terms of the final judgment and
27 the release of SAG Released Claims will nevertheless be binding upon that SAG Member.

28 9. The aggregate amount of the Settlement Awards paid to SAG Members shall not under

1 any circumstances exceed the SAG Fund.

2 10. There shall be language included on the back of the checks to the SAG Members for
3 Settlement Awards that states the following:

4 Paid pursuant to the court approved Settlement in *Loc v. Monterey*
5 *Healthcare & Wellness Centre, LP*, Case No. 20STCV31094, Los
6 Angeles County Superior Court in exchange for your release of claims
that were alleged or could have been alleged in this action.

7 **C. Taxes.**

8 1. Withholding and Reporting Requirements. The Settlement Administrator shall be
9 responsible for ensuring that all taxes associated with this Settlement Agreement, if any, are timely
10 paid to the appropriate tax authorities. The Settlement Administrator's responsibilities include the
11 following: (i) filing all federal, state, and local tax deductions; (ii) timely and proper filing of all
12 required federal, state and local forms with the appropriate taxing authorities; and (iii) completing any
13 other steps necessary for compliance with any tax obligations of the Settlement under federal, state,
14 and/or local law, as applicable. To verify the Settlement Administrator's compliance with the
15 foregoing withholding and reporting requirements, as soon as administratively practicable, the
16 Settlement Administrator shall furnish SAG Counsel and Defense Counsel with copies of all forms
17 detailing the payment of taxes sufficient to prove that such payments were properly remitted. The
18 Settlement Administrator shall provide a final accounting declaration adequate to demonstrate full
19 compliance with all duties set forth in this Settlement Agreement, including, but not limited to, tax
20 withholding, payment, and reporting obligations.

21 2. Determination and Payment of Taxes. The Settlement Administrator shall determine
22 the amount of any taxes, if any, to be withheld from each SAG Members' Settlement Award and issue
23 the appropriate IRS Forms to the SAG Members. All such withholdings shall be remitted by the
24 Settlement Administrator to the proper governmental taxing authorities. Each SAG Member shall be
25 responsible for any tax consequences of any funds paid out to him or her pursuant to this Settlement
26 Agreement.

27 3. Circular 230 Disclaimer. Each Party to this Settlement Agreement (for purposes of this
28 paragraph, only, referred to as the "Acknowledging Party"; and each Party to this Settlement

Agreement other than the Acknowledging Party, an “Other Party”) acknowledges and agrees that (1) no provision of this Settlement Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisors, is or was intended to be, nor shall 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 advisers for advice (including tax advice) in connection with this Settlement Agreement, (b) has not entered into this Settlement 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 advisor to any Other Party to avoid any tax penalty that may be imposed on the Acknowledging Party; and (3) no attorney or advisor 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 Settlement Agreement.

4. Completion of and Report on Settlement Administration. Administration of the Settlement Agreement shall be completed on or before the eleventh business day after the deposit of the Gross Settlement Amount. The Settlement Administrator shall also furnish counsel for the Parties with a report showing the amounts and dates of each payment. Within 10 business days of its completion of administration of the Settlement Agreement, the Settlement Administrator shall provide written certification of such completion and provide proof of payment to Defense Counsel and SAG Counsel in the form of a sworn, executed declaration. The Settlement Administrator shall provide the Parties and the Court with further proof of its compliance with the terms of this Settlement Agreement, upon request.

VI. RELEASES

Pursuant to this Settlement, Representative Plaintiff, the SAG Members, and all persons purporting to act on their behalf or purporting to assert a claim under or through them, including, but not limited to their spouses, dependents, attorneys, heirs and assigns, beneficiaries, devisees, legatees,

executors, administrators, trustees, conservators, guardians, personal representatives, and successors-in-interest, whether individual, class, collective, representative, legal, equitable, direct or indirect, or any other type or in any other capacity fully, finally, and forever settle, compromise, and discharge the Released Parties of the SAG Released Claims and, for the Representative Plaintiff, of the claims in the General Release. Upon the approval by the Court of this Settlement Agreement and by operation of the Agreement's terms, and except as to such rights or claims as may be created by this Agreement, all SAG Members fully release and forever discharge the Released Parties from all SAG Released Claims during the SAG Period.

VII. FAILURE OF SETTLEMENT; IMPACT OF APPELLATE REVIEW

A. Invalid without Court Approval. In the event this Settlement Agreement is not approved by the Court, it shall be deemed null and void, of no force and effect, and of no probative or evidentiary value, and the Parties hereto represent, warrant, and covenant that it will not be used or referred to for any purpose whatsoever.

B. Effect of Revocation or Failure of Settlement. In the event that the Settlement does not become final for any reason, this Agreement shall be null and void and any order entered by the Court in furtherance thereof shall be treated as void *ab initio*. In such a case, the Parties shall return to the status quo as if they had not entered into this Settlement Agreement. The Settlement Administrator will be paid in equal parts by Plaintiff and by Defendant for its costs through the date it is notified that the Settlement will not proceed.

C. Impact of Appellate Review. In the event an appeal is filed from any of the Court's Orders, or any other appellate review is sought prior to the Effective Date, administration of the Settlement Agreement shall be stayed pending final resolution of the appeal or other appellate review.

VIII. PARTIES' AUTHORITY

A. Authority. The signatories hereto represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties to its terms and conditions.

B. No Signature Required by SAG Members on Settlement Agreement. Because the SAG Members are numerous, it is impossible or impractical to have each one execute this Agreement. The Court's approval of this Agreement shall have the same force and effect as if this Settlement

1 Agreement were executed by each of the SAG Members.

2 **IX. LIMITATIONS ON USE OF THIS AGREEMENT**

3 A. No Admission of Liability or Wrongdoing. Defendant denies any and all claims alleged
4 in the Complaint and denies all wrongdoing and liability whatsoever. Defendant maintains, among
5 other things, that it has complied at all times with the California Labor Code, relevant Industrial
6 Welfare Commission Wage Order, and all other applicable California and federal law. This Settlement
7 Agreement is not a concession or admission and shall not be used against Defendant as an admission
8 or indication with respect to any claim of any fault, concession, or omission by Defendant. The Parties
9 understand that there are no admissions of liability by Defendant and the Parties shall, in good faith,
10 endeavor to communicate the terms of the Settlement in a manner that is respectful of the fact that no
11 final adjudication of fault was determined by a court or jury.

12 Whether or not the Settlement Agreement is approved by the Court, neither the Agreement,
13 nor any document, statement, proceeding or conduct related to this Agreement, nor any reports or
14 accounts thereof, shall in any event be: (i) construed, offered, or admitted in evidence as, received as,
15 or deemed to be, evidence for any purpose, including, but not limited to, evidence of a presumption,
16 concession, indication or admission by Defendant of any liability, fault, wrongdoing, omission,
17 concession, or damage; or (ii) disclosed or referred to for any purpose, or offered or received in
18 evidence in any further proceeding in this lawsuit, or any other civil, criminal, or administrative action
19 or proceeding against Defendant except for purposes of settling the Action pursuant to this Agreement
20 and for obtaining approval thereof, except that this Agreement may be filed and used in other
21 proceedings, where relevant, to demonstrate the fact of its existence and of this Settlement, including
22 but not limited to, Released Parties filing the Agreement and/or the Approval Order and Final
23 Judgment in any other action that may be brought against them in order to support a defense or
24 counterclaim based on principles of *res judicata*, collateral estoppel, release, waiver, or any other
25 theory of claim preclusion, issue preclusion, or similar defense or counterclaim. The limitations set
26 forth in this paragraph do not apply to any use of this Agreement by the Parties to enforce this
27 Settlement following approval by the Court.

28 B. No Impact on Employee Benefit Plan, Policy or Bonus Program. Defendant states that

1 the amounts paid under this Settlement Agreement will not affect any previously credited hours of
2 service under any employee benefit plan, policy, or bonus program sponsored by Defendant. To the
3 extent permitted by the terms of any plan as exists at the time of the payment, the amounts paid under
4 this Agreement will not form the basis for additional contributions to, benefits under, or any other
5 monetary entitlement under any Defendant employee benefit plans, policies, or bonus programs. Any
6 payments made under the terms of this Agreement shall not be applied retroactively, currently, or on
7 a going forward basis as salary, earnings, wages, bonuses, commissions, or any other form of
8 compensation for the purposes of any Defendant employee benefit plan, policy, or bonus program.
9 Defendant retains the right to modify the language of its employee benefit plans, policies, and bonus
10 programs to effect this intent and to make clear that any amounts paid pursuant to this Agreement are
11 not for “hours worked,” “hours paid,” “hours of service,” or any similar measuring term as defined by
12 applicable plans, policies, and bonus programs for the purpose of eligibility, vesting, benefit accrual
13 or any other purpose, and that additional contributions or benefits are not required by this Agreement.
14 Neither Defendant nor Plaintiff are opining on the terms of any such plan.

15 C. No Publicity. Neither the Parties nor their counsel, without the prior written approval
16 of counsel for the other Party (which may be withheld in a Party’s sole discretion), shall issue,
17 authorize, or contribute to the preparation or dissemination of any press release or any other public
18 statement or advertisement, including but not limited to publishing any information relating to the
19 Agreement on either Parties’ counsel’s website, concerning this Agreement or any of its terms, or
20 sponsor or participate in any press conference, interview, media appearance, or other public discussion
21 concerning this Agreement or any of its terms. If the Parties or their counsel are contacted by the press,
22 media or any industry association, they will respond only that the Action has been amicably resolved
23 to the Parties’ mutual satisfaction. The Parties’ counsel are authorized to make limited disclosures to
24 the Court and the LWDA for the purposes of obtaining the approval of this Settlement.

25 D. Various Proceedings Stayed. The Parties agree to stay all proceedings in the Action,
26 except those proceedings necessary to implement and complete the Settlement, pending the hearing
27 on the Approval Motion.

28 E. Use of Defendant’s Data and Documents. Plaintiff and SAG Counsel agree that none

1 of the documents provided to them by Defendant during the Action shall be used for any purpose other
2 than the Settlement of this Action. Furthermore, should Plaintiff or SAG Counsel possess any originals
3 or copies of Defendant's documents, they agree to destroy or return such originals and copies upon
4 the Effective Date of the Settlement Agreement.

5 **X. MISCELLANEOUS**

6 A. No Assignment of Rights. Plaintiff warrants and represents that she has not assigned,
7 transferred, or hypothecated, or purported to assign, transfer, or hypothecate to any person or entity
8 any of the claims in the General Release or any rights, claims, or causes of action arising out of those
9 claims. This warranty and representation of non-assignment shall survive the execution of this
10 Settlement Agreement and entry of Final Judgment in the Action. No Settlement Award shall be paid
11 to any person or entity with respect to whom Plaintiff has assigned, transferred, or hypothecated, or
12 purported to assign, transfer, or hypothecate, any of the claims in the General Release or any rights,
13 claims, or causes of action arising out of those claims.

14 B. Construction. The Parties hereto agree that the terms and conditions of this Settlement
15 Agreement are the result of lengthy, intensive arms-length negotiations between the Parties, and that
16 this Agreement shall not be construed in favor of or against any Party by reason of the extent to which
17 any Party or his, her, or its counsel participated in the drafting of this Settlement Agreement.

18 C. Captions and Interpretations. Paragraph titles or captions contained herein are inserted
19 as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope
20 of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is
21 contractual and not merely a recital.

22 D. Modification. This Settlement Agreement may not be changed, altered, or modified,
23 except in a writing signed by the Parties hereto and approved by the Court. This Settlement Agreement
24 may not be discharged except by performance in accordance with its terms or by a writing signed by
25 the Parties hereto.

26 E. Integration Clause. This Settlement Agreement and its exhibits constitute the entire
27 agreement between the Parties relating to the Settlement and transaction contemplated hereby, and the
28 final, complete and exclusive expression of the terms and conditions of their Agreement. Any and all

1 prior or contemporaneous agreements, understandings, representations, and statements, whether oral
2 or written and whether by a Party or such Party's legal counsel, are hereby superseded and merged
3 herein. No rights hereunder may be waived except in writing.

4 F. Binding on Assigns. This Settlement Agreement shall be binding upon and inure to the
5 benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors,
6 and assigns.

7 G. Enforcement. The Parties agree that following entry of the Final Judgment, this
8 Settlement Agreement shall be enforceable by the Court and the Court shall retain exclusive and
9 continuing jurisdiction of this Action over all Parties and the SAG Members to interpret and enforce
10 the terms, conditions, and obligations of the Settlement Agreement. This Agreement may be pleaded
11 or asserted by or on behalf of Defendant as a defense and complete bar to any action or claim that may
12 be brought against or involve Defendant by anyone acting or purporting to act on behalf of Plaintiff
13 and/or the SAG Members with respect to any matters within the scope of this Settlement Agreement
14 and excepting only the obligations of the Parties under this Settlement Agreement.

15 H. Counterparts. This Settlement Agreement may be executed in counterparts, and when
16 each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed
17 an original, and, when taken together with other signed counterparts, shall constitute one Settlement
18 Agreement, which shall be binding upon and effective as to all Parties. This Settlement Agreement
19 will become effective on the date when the last person signs and dates it.

20 ///

1 I. Governing Law. All terms of this Settlement Agreement shall be governed by and
2 interpreted according to the laws of the State of California and the United States of America, where
3 applicable.

4
5 DATED: November ____, 2021

DocuSigned by:

Blanca Loc

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Blanca Loc, for herself and the Settlement
Aggrieved Group

8
9 DATED: November ____, 2021

_____, on behalf of MONTEREY
HEALTHCARE & WELLNESS CENTRE, LP

1 I. Governing Law. All terms of this Settlement Agreement shall be governed by and
2 interpreted according to the laws of the State of California and the United States of America, where
3 applicable.
4

5 DATED: November ____, 2021

6
7 Blanca Loc, for herself and the Settlement
8 Aggrieved Group

9 DATED: December 14, 2021

10 
11 Leanne Mejia, on behalf of MONTEREY
12 HEALTHCARE & WELLNESS CENTRE, LP
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1 **APPROVED AS TO FORM**

2
3 Dated: November ___, 2021

MOON & YANG, APC

4 By: 

5 Kane Moon
6 H. Scott Leviant
7 Lilit Tunyan

8 Attorneys for Plaintiff Blanca Loc and aggrieved
9 employees

10 Dated: November ___, 2021

FISHER & PHILLIPS LLP

11
12 By: _____

13 Grace Y. Horoupian
14 Bret Martin

15 Attorneys for Defendant MONTEREY
16 HEALTHCARE & WELLNESS CENTRE,
17 LP
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1 **APPROVED AS TO FORM**

2
3 Dated: November __, 2021

MOON & YANG, APC

4 By: _____

5 Kane Moon
6 H. Scott Leviant
7 Lilit Tunyan

8 Attorneys for Plaintiff Blanca Loc and aggrieved
9 employees

10 Dated: December 14, 2021

FISHER & PHILLIPS LLP

11
12 By:  _____

13 Grace Y. Horoupian
14 Bret Martin

15 Attorneys for Defendant MONTEREY
16 HEALTHCARE & WELLNESS CENTRE,
17 LP