

HEATHER DAVIS, SBN 239372
heather@protectionlawgroup.com
AMIR NAYEBDADASH, SBN 232204
amir@protectionlawgroup.com
D. LUKE CLAPP, SBN 306040
luke@protectionlawgroup.com
PROTECTION LAW GROUP, LLP
237 California Street
El Segundo, California 90245
Telephone: (424) 290-3095
Facsimile: (866) 264-7880

Attorneys for Plaintiff
JENNIFER HOLLADAY

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

JENNIFER HOLLADAY, individually and
on behalf of others similarly situated, and as
an aggrieved employee and Private Attorney
General,

Plaintiff,

vs.

GRANDCARE HEALTH SERVICES LLC, a
California limited liability company;
GRANDCARE SAN DIEGO LLC, a
California limited liability company; MSJ
HEALTHCARE LLC, a California limited
liability company and DOES 2 through 50,
inclusive,

Defendants.

Case No. 20STCV42115

*Assigned for all purposes to: Hon. Kenneth R.
Freeman, Dept. 14*

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

Filed date: October 29, 2020
Trial date: None

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

This Joint Stipulation of Class Action and PAGA Settlement is entered into by and between Plaintiff Jennifer Holladay, individually and on behalf of the Settlement Class and Defendants Grandcare Health Services, LLC, Grandcare San Diego, LLC, and MSJ Healthcare, LLC, and N & D Health Care Services, Inc.

DEFINITIONS

1. “Agreement” or “Settlement Agreement” means this Joint Stipulation of Class Action and PAGA Settlement.

2. “Action” means the court action, entitled “*Jennifer Holladay v. Grandcare Health Services LLC, et al.*” Case No. 20STCV42115, pending before the Los Angeles County Superior Court.

3. “Class Counsel” means Protection Law Group, LLP.

4. “Class Counsel’s Fees and Costs” means attorneys’ fees for Class Counsel’s litigation and resolution of this Action and their expenses and costs incurred in connection with the Action, which shall be paid from the Gross Settlement Amount. Class Counsel will request attorneys’ fees not to exceed Thirty-Five Percent (35%) of the Gross Settlement Amount, i.e. Two Hundred Fifty-Three Thousand Seven Hundred Fifty Dollars (\$253,750.00 and the reimbursement costs and expenses associated with the litigation and settlement of the Action, not to exceed Twenty Thousand Dollars (\$20,000.00), subject to the Court’s approval. Defendants have agreed not to oppose Class Counsel’s request for fees and reimbursement of costs and expenses in the amount set forth above.

5. “Class List” means a complete list of all Class Members that Defendants will diligently and in good faith compile from their records and provide to the Settlement Administrator within fourteen (14) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include Class Member’s: (1) full name; (2) last known home address; (3) last known telephone number; (4) social security number; (5) start and end dates of active employment as a non-exempt employee of Defendants in the State of California; (6) Total Wages earned by each Class Members during

1 the Class Period; (7) Total Wages earned by each PAGA Member during the PAGA Period; and
2 (8) any other information required by the Settlement Administrator in order to effectuate the terms
3 of the Settlement.

4 6. "Class" or "Class Members" means all current and former non-exempt employees
5 of Defendants employed by Defendants in the state of California at any time during the Class
6 Period.

7 7. "Class Period" means the period from October 29, 2016, to October 9, 2021.

8 8. "Class Representative" means Plaintiff, Jennifer Holladay in her capacity as the
9 representative of the Participating Class Members.

10 9. "Class Representative Enhancement Payment" means the amount that the Court
11 authorizes to be paid to Plaintiff, Jennifer Holladay, in addition to her Individual Settlement
12 Payments, in recognition of the efforts and the risks she has taken in assisting with the prosecution
13 of the Action and in exchange for the General Release of her claims as provided herein.

14 10. "Court" means the Superior Court of the State of California for the County of Los
15 Angeles.

16 11. "Defendants" mean GrandCare Health Services, LLC; GrandCare San Diego, LLC,
17 MSJ Healthcare, LLC, and N & D Health Care Services, Inc.

18 12. "Effective Date" means: the later of: (a) if no timely objections are filed or if all
19 objections are withdrawn, the date upon which the Court enters Final Approval; (b) if an objection
20 is filed and not withdrawn, the date for filing an appeal and no such appeal being filed; or (c) if
21 any timely appeals are filed, the date of the resolution (or withdrawal) of any such appeal in a way
22 that does not alter the terms of the settlement

23 13. "Final Approval" means the Court entering an order granting final approval of the
24 Settlement Agreement.

25 14. "Gross Settlement Amount" means the sum of Seven Hundred and Twenty-Five
26 Thousand Dollars (\$725,000.00). The Gross Settlement Amount is non-reversionary; no portion
27 of the Gross Settlement Amount will return to Defendants.

1 15. “Individual Settlement Payment” means the amount payable from the Net
2 Settlement Amount to each Participating Class Member and any payment a PAGA Member is
3 eligible to receive from the employee portion of the PAGA Payment. Individual Settlement
4 Payments shall be paid by a Settlement Check made payable to Participating Class Members
5 and/or PAGA Members.

6 16. “Net Settlement Amount” means the funds available for payments to the Class,
7 which shall be the amount remaining after the following amounts are deducted from the Gross
8 Settlement Amount: (1) Class Counsel’s fees; (2) Class Counsel’s costs; (3) Settlement
9 Administration Costs; (4) Class Representative Enhancement Payment to Plaintiff, Jennifer
10 Holladay; and (5) the PAGA Payment to the LWDA and PAGA Members..

11 17. “Notice” means the Notice of Class Action Settlement in a form substantially
12 similar to the form attached hereto as Exhibit A that will be mailed to each Class Member’s last
13 known address and which will provide each Class Member with information regarding the Action
14 and information regarding the settlement of the Action.

15 18. “PAGA” means the California Labor Code Private Attorneys General Act of 2004
16 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”).

17 19. “PAGA Payment” means the amount that the Parties have agreed to allocate in
18 order to settle claims arising under the Private Attorneys General Act of 2004 (Cal. Lab. Code §§
19 2698, *et seq.*)(“PAGA”). The Parties have agreed that Fifty Thousand Dollars (\$50,000.00) of the
20 Gross Settlement Amount will be allocated to the resolution of Plaintiff’s PAGA Claims. Seventy-
21 Five Percent (75%) of this amount (\$37,500.00) will be paid to the California Labor and Workforce
22 Development Agency in accordance with Labor Code §§ 2698 *et seq.* Twenty Five Percent (25%)
23 of this amount (\$12,500.00), will be distributed to PAGA Members. PAGA Members will receive
24 payment from the employee portion of the PAGA Payment regardless of their decision to
25 participate in the class action if the PAGA Payment is approved by the Court.

26 20. “PAGA Period” means the period from October 29, 2019, to October 9, 2021.

27 21. “PAGA Members” means all current and former non-exempt employees of
28 Defendants in the State of California at any time during the PAGA Period.

22. “Parties” means Plaintiff and Defendants, collectively, and “Party” shall mean either Plaintiff or Defendants, individually.

23. “Participating Class Members” means all Class Members who do not submit valid and timely Requests for Exclusion.

24. “Plaintiff” means Jennifer Holladay.

25. “Preliminary Approval” means the Court order granting preliminary approval of the Settlement Agreement.

26. “Objection” means a Class Member’s valid and timely written objection to the Settlement Agreement. For an Objection to be valid, it must include: (a) the objector’s full name, address, telephone number, last four digits of the employee’s social security number or employee ID number; and (b) a written statement of all grounds for the objection accompanied by legal support, if any, for such objection.

27. “Released Claims” means claims, rights, demands, liabilities and causes of actions that are alleged, or reasonably could have been alleged based on the facts and claims asserted in the operative complaint in the Action including the following claims: (i) failure to pay all regular wages, minimum wages and overtime wages due, including accrued sick pay and vacation pay; (ii) failure to provide meal periods or compensation in lieu thereof; (iii) failure to provide rest periods or compensation in lieu thereof; (iv) failure to reimburse necessary business expenses; (v) failure to provide complete, accurate wage statements; (vi) failure to pay wages timely at time of termination or resignation; (vii) failure to provide timely pay wages during employment; (viii) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint; (ix) failure to maintain required payroll records and (x) all claims under the California Labor Code Private Attorneys General Act of 2004 for civil penalties that could have been premised on the facts alleged in both the Notice provided to the LWDA and subsequently pled in the operative complaint including but not limited to the relevant IWC Order and California Labor Code sections 201, 202, 203, 204, 210, 221, 226, 226.3, 226.7, 227.3, 510, 512(a), 558, 1174(d), 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2699, and 2800, 2802.

1 28. “Released Parties” means GrandCare Health Services, LLC; Grandcare San Diego,
2 LLC; N & D Health Care Services, Inc., and MSJ Healthcare, LLC, and its past, present and/or
3 future, direct and/or indirect, officers, directors, members, managers, employees, agents,
4 representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent
5 companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint
6 venturers.

7 29. “Request for Exclusion” means a valid and timely written statement submitted by
8 a Class Member requesting to be excluded from the Action. To be effective, the Request for
9 Exclusion must contain (a) the Class Member’s name, address, telephone number, and the last four
10 digits of the Class Member’s Social Security number and/or the Employee ID number and (b) a
11 clear statement requesting to be excluded from the settlement of the class claims similar to the
12 following: “I wish to exclude myself from the class settlement reached in the matter of *Jennifer*
13 *Holladay v. Grandcare Health Services LLC, et al.*” I understand that by excluding myself, I will
14 not receive money from the settlement of my individual claims.” To be effective, the Request for
15 Exclusion must be post-marked by the Response Deadline and received by the Settlement
16 Administrator. The Request for Exclusion shall not be effective as to the release of claims arising
17 under the Private Attorneys General Act.

18 30. “Response Deadline” means the date sixty (60) days after the Settlement
19 Administrator mails Notice to Class Members and the last date on which Class Members may
20 submit Requests for Exclusion, written objections to the Settlement, or Disputes. In the event the
21 60th day falls on a Sunday or Federal holiday, the Response Deadline will be extended to the next
22 day on which the U.S. Postal Service is open. The Response Deadline for Requests for Exclusion
23 or objections will be extended fifteen (15) calendar days for any Class Member who is re-mailed
24 a Notice by the Settlement Administrator, unless the 15th day falls on a Sunday or Federal holiday,
25 in which case the Response Deadline will be extended to the next day on which the U.S. Postal
26 Service is open. The Response Deadline may also be extended by express agreement between
27 Class Counsel and Defendants. Under no circumstances, however, will the Settlement
28

1 Administrator have the authority to unilaterally extend the deadline for Class Members to submit
2 a Request for Exclusion or objection to the settlement.

3 31. "Settlement" means the disposition of the Action pursuant to this Agreement.

4 32. "Settlement Administrator" means Phoenix Class Action Administration Solutions.
5 The Parties each represent that they do not have any financial interest in the Settlement
6 Administrator or otherwise have a relationship with the Settlement Administrator that could create
7 a conflict of interest.

8 33. "Settlement Administration Costs" mean the costs payable from the Gross
9 Settlement Amount to the Settlement Administrator for administering this Settlement, including,
10 but not limited to, printing, distributing, and tracking documents for this Settlement, confirming
11 the number of workweeks in the Class Period, calculating each Participating Class Member's
12 Individual Settlement Payment, tax reporting, distributing the Gross Settlement Amount,
13 providing necessary reports and declarations, and other duties and responsibilities set forth herein
14 to process this Settlement, and as requested by the Parties. Settlement Administration Costs shall
15 not exceed Eleven Thousand Five Hundred Fifty Dollars (\$11,500.00).

16 34. "Total Wages" means the gross compensation paid to a Class Member during the
17 Class Period.

18 35. "Workweek" shall mean any calendar week (i.e. a week beginning on Sunday and
19 ending on Saturday) in which a Class Member or PAGA Member worked at least 1 day.

20 **TERMS OF AGREEMENT**

21 36. Settlement Consideration: The following will be paid out of the Gross Settlement
22 Amount: the sum of the Individual Settlement Payments, the Class Representative Enhancement
23 Payment, Class Counsel's Fees and Costs, the PAGA Payment, and the Settlement Administration
24 Costs, as specified in this Agreement. Except for any employer-side taxes due on the Individual
25 Settlement Payments, or as a result of an increase in the number of workweeks as set forth below,
26 Defendants shall not be required to pay more than the Gross Settlement Amount. The Gross
27 Settlement Amount is non-reversionary; no portion of the Gross Settlement Amount will revert to
28 Defendants.

37. Potential Increase to the Gross Settlement Amount: Defendants have represented there are approximately 29,630 Workweeks within the Class Period and approximately 450 class members. Should the actual number of Workweeks increase by more than ten percent (10%) (i.e. by more than 2,963 Workweeks) Defendants shall increase the Gross Settlement Amount on a *pro-rata* basis equal to the percentage increase in the number of Workweeks worked by the Class Members above 10%. For example, if the number of Workweeks increases by 11%, the Gross Settlement Amount will increase by 1%. As an alternative to paying an increased Gross Settlement Amount, Defendants may select an earlier end date for the Class Period which brings the total workweeks below 32,593 workweeks (110% of 29,630 workweeks represented by Defendants at mediation). If Defendants wish to select an earlier end date for the Class Period, Defendants will notify Plaintiff of their decision to do so 30 days before the preliminary approval hearing date.

38. Funding of the Gross Settlement Amount: Defendants shall fund one half of the Gross Settlement Amount within 60 days of the Effective Date. The second half of the settlement shall be funded within 6 months thereafter. Settlement payments approved by the Court shall be issued within fourteen (14) days of receipt of each payment. Defendants will deposit the Gross Settlement Amount and all applicable employer-side payroll taxes into a Qualified Settlement Fund ("QSF") to be established by the Settlement Administrator. Defendants shall provide all information necessary for the Settlement Administrator to calculate necessary payroll taxes including its official name, 8-digit state unemployment insurance tax ID number, and other information requested by the Settlement Administrator, no less than fourteen (14) calendar days in advance of each funding date.

39. Distribution of the Gross Settlement Amount: Within fourteen (14) calendar days of the funding of the first half of the Gross Settlement Amount, the Settlement Administrator will issue payments in the amount of one half (1/2) of the payments approved by the Court for: (a) Individual Settlement Payments; (b) the PAGA Payment to the Labor and Workforce Development Agency; (c) the Class Representative Enhancement Payment; (d) Class Counsel's Fees and Costs and (e) Settlement Administration Costs. Within fourteen (14) days of the second funding of the Settlement, the Settlement Administrator will issue the second half (1/2) of the Court approved

1 payments for (a) Individual Settlement Payments; (b) the PAGA Payment to the Labor and
2 Workforce Development Agency; (c) the Class Representative Enhancement Payment; (d) Class
3 Counsel's Fees and Costs and (e) Settlement Administration Costs. The Parties have expressly
4 agreed to payments over time to settle this matter based on the representation by Defendant
5 regarding its financial condition.

6 40. Attorneys' Fees and Costs: Defendants agree not to oppose any application or
7 motion by Class Counsel for attorneys' fees of not more than Two Hundred Fifty-Three Thousand
8 Seven Hundred Fifty Dollars (\$253,750.00) plus the reimbursement of costs and expenses
9 associated with the litigation and settlement of the Action, in an amount not to exceed Twenty
10 Thousand Dollars (\$20,000.00), both of which will be paid from the Gross Settlement Amount.
11 Any portion of the requested fees or costs that is not awarded to the Class Counsel shall be
12 reallocated to the Net Settlement Amount and distributed to Participating Class Members as
13 provided in this Agreement.

14 41. Class Representative Enhancement Payment: Defendants agree not to oppose or
15 object to any application or motion by Plaintiff for Class Representative Enhancement Payment of
16 Seven Thousand Five Hundred Dollars (\$7,500.00) for Plaintiff Jennifer Holladay. The Class
17 Representative Enhancement Payment is in exchange for the General Release of the Plaintiff's
18 individual claims and for her time, effort, and risk in bringing and prosecuting the Action. Any
19 portion of the requested Class Representative Enhancement Payment that is not awarded to the
20 Class Representative shall be reallocated to the Net Settlement Amount and distributed to
21 Participating Class Members as provided in this Agreement.

22 42. Settlement Administration Costs: The Settlement Administrator will be paid for the
23 reasonable costs of administration of the Settlement and distribution of payments from the Gross
24 Settlement Amount as further set forth in this Agreement. Settlement Administration Costs shall
25 not exceed Eleven Thousand Five Hundred Dollars (\$11,500.00).

26 43. PAGA Payment: Fifty Thousand Dollars (\$50,000.00) shall be allocated from the
27 Gross Settlement Amount for settlement of claims for civil penalties under the PAGA. The
28 Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Payment, or Thirty-

Seven Thousand Five Hundred Dollars (\$37,500.00), to the California Labor and Workforce Development Agency ("LWDA"). Twelve Thousand Five Hundred Dollars (\$12,500.00) will be distributed to PAGA Members on a *pro rata* basis based on the Total Wages earned by each PAGA Member during the PAGA Period. PAGA Members shall receive their portion of the PAGA Payment regardless of their decision to opt-out of the class settlement.

44. Net Settlement Amount for Payment of Class Claims: The Net Settlement Amount will be used to satisfy the class portion of Participating Class Members Individual Settlement Payments in accordance with the terms of this Agreement. The estimated Net Settlement Amount is as follows:

Gross Settlement Amount	\$	725,000.00
Enhancement Payment:	\$	7,500.00
Class Counsel's Fees:	\$	253,750.00
Class Counsel's Costs:	\$	20,000.00
PAGA Payment	\$	50,000.00
Settlement Administration Costs:	\$	11,500.00
Estimated Net Settlement Amount	\$	\$382,250.00

45. Individual Settlement Payment Calculations: Individual Settlement Payments will be paid from the Net Settlement Amount and the 25% portion of the PAGA Payment allocated for PAGA Members and shall be paid pursuant to the formula set forth herein:

a) Calculation of Class Portion of Individual Settlement Payments:

The Settlement Administrator will calculate the Total Wages earned by all Participating Class Members by adding the Total Wages paid to each Participating Class Members during the Class Period. The Total Wages earned by each Participating Class Member during the Class Period will be divided by the Total Wages paid to all Participating Class Members, resulting in the Payment Ratio for each Participating Class Member. Each Participating Class Member's Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Settlement Class Member's estimated share of the Net Settlement Amount.

b) Calculation of PAGA Portion of Individual Settlement Payments:

The Settlement Administrator will calculate the Total Wages by earned all PAGA Members by the Total Wages earned by each PAGA Member during the PAGA Period. The Total Wages earned by each PAGA Member during the PAGA Period will be divided by the Total Wages earned by all PAGA Members, resulting in the Payment Ratio for each PAGA Member. Each PAGA Member's Payment Ratio will then be multiplied by the employee portion of the PAGA Payment to calculate each PAGA Member's estimated share of the PAGA Payment. PAGA Members shall receive this portion of their Individual Settlement Payment regardless of whether they opt out of the participation regarding the class claims.

b) Allocation of Individual Settlement Payments: All Individual Settlement Payments will be allocated as follows: twenty percent (20%) of each Individual Settlement Payment will be allocated as wages, forty percent (40%) shall be allocated as interest, and forty percent (40%) shall be allocated as penalties. The portion of the Individual Settlement Payment allocated to wages will be reported by the Settlement Administrator on an IRS Form W-2. The remaining non-wage payments will be reported on an IRS Form-1099 by the Settlement Administrator.

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

47. Settlement Administration Process: The Parties agree to cooperate in the administration of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement. The Settlement Administrator will

1 provide the following services:

- 2 a) Establish and maintain a Qualified Settlement Fund.
- 3 b) Calculate the Individual Settlement Payment each Participating Class
- 4 Member is eligible to receive and the portion of the PAGA Payment each
- 5 PAGA Member shall receive.
- 6 c) Print and mail the Notice.
- 7 d) Conduct additional address searches for mailed Notices that are returned as
- 8 undeliverable.
- 9 e) Process Requests for Exclusion, field inquiries from Class Members,
- 10 f) Print and issue and issue Settlement Payment Checks, prepare IRS W2 and
- 11 1099 Tax Forms and any other filings required by any governmental taxing
- 12 authority.
- 13 g) Provide declarations and/or other information to this Court as requested by
- 14 the Parties and/or the Court.
- 15 h) Provide weekly status reports to counsel for the Parties.
- 16 i) Posting a notice of final judgment online at Settlement Administrator's
- 17 website.

18 48. Delivery of the Class List: Within fourteen (14) calendar days of Preliminary

19 Approval, Defendants will provide the Class List to the Settlement Administrator. This is a

20 material term of the Agreement, and if Defendants fail to comply, Plaintiff shall have the right to

21 void the Agreement.

22 49. Notice by First-Class U.S. Mail: Within seven (7) calendar days after receiving the

23 Class List from Defendants, the Settlement Administrator will mail the Notice to all Class

24 Members via regular First-Class U.S. Mail, using the most current, known mailing addresses

25 identified in the Class List.

26 50. Confirmation of Contact Information in the Class List: Prior to mailing, the

27 Settlement Administrator will perform a search based on the National Change of Address Database

28 for information to update and correct for any known or identifiable address changes. Any Notice

1 returned to the Settlement Administrator as non-deliverable on or before the Response Deadline
2 will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto
3 and the Settlement Administrator will indicate the date of such re-mailing on the Notice. If no
4 forwarding address is provided, the Settlement Administrator will promptly attempt to determine
5 the correct address using a skip-trace, or other search using the name, address and/or Social
6 Security number of the Class Member involved and will then perform a single re-mailing. If any
7 notice sent to a Class Member by the Settlement Administrator is returned as undeliverable to a
8 current employee, then Defendants shall make all reasonable efforts to obtain the current address
9 from the Class Member and provide the same within seven (7) calendar days of notice from the
10 Settlement Administrator. Those Class Members who receive a re-mailed Notice, whether by skip-
11 trace or by request, will have between the later of (a) an additional fifteen (15) calendar days or
12 (b) the Response Deadline to postmark a Request for Exclusion, or an objection to the Settlement.

13 51. Notice: All Class Members will be mailed a Notice of Class Action Settlement – in
14 both English and Spanish. Each Notice will provide: (a) information regarding the nature of the
15 Action; (b) a summary of the Settlement’s principal terms; (c) the Class definition; (d) the Total
16 Wages earned by each Class Member during the Settlement Class Period; (e) each Class Member’s
17 estimated Individual Settlement Payment and the formula for calculating Individual Settlement
18 Payments; (f) the dates which comprise the Class Period; (g) the deadlines by which the Class
19 Member must postmark Requests for Exclusion, Objections to the Settlement, or Disputes; (h) the
20 claims to be released, as set forth herein; and (j) the date for the final approval hearing.

21 52. Disputed Information on Notice: Class Members will have an opportunity to
22 dispute the information provided in their Notice. To the extent Class Members dispute the Total
23 Wages with which they have been credited, or the amount of their Individual Settlement Payment,
24 Class Members may produce evidence to the Settlement Administrator showing that such
25 information is inaccurate. Absent evidence rebutting Defendants’ records, Defendants’ records
26 will be presumed determinative. However, if a Class Member produces evidence to the contrary
27 by the Response Deadline, the Parties will evaluate the evidence submitted by the Class Member
28 and the Parties will make the final decision as to the Total Wages that should be applied and/or the

1 Individual Settlement Payment to which the Class Member may be entitled. If the Parties do not
2 agree, the dispute will be submitted to the Court.

3 53. Defective Submissions: If a Class Member's Request for Exclusion is defective as
4 to the requirements listed herein, that Class Member will be given an opportunity to cure the
5 defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3)
6 business days of receiving the defective submission to advise the Class Member that his or her
7 submission is defective and that the defect must be cured to render the Request for Exclusion valid.
8 The Class Member will have until the later of (a) the Response Deadline or (b) fifteen (15) calendar
9 days from the date of the cure letter, whichever date is later, to postmark a revised Request for
10 Exclusion. If a Class Member responds to a cure letter by filing a defective claim, then the
11 Settlement Administrator will have no further obligation to give notice of a need to cure. If the
12 revised Request for Exclusion is not postmarked within that period, it will be deemed untimely.

13 54. Request for Exclusion Procedures: Any Class Member wishing to opt-out from the
14 Action must sign and postmark a written Request for Exclusion to the Settlement Administrator
15 by the Response Deadline. The Request for Exclusion must include (a) the Class Member's name,
16 address, telephone number, and the last four digits of the Class Member's Social Security number
17 and/or the Employee ID number and (b) a clear statement requesting to be excluded from the
18 settlement of the class claims similar to the following: "I wish to exclude myself from the class
19 settlement reached in the matter of *Jennifer Holladay v. Grandcare Health Services LLC, et al.* I
20 understand that by excluding myself, I will not receive money from the settlement of my individual
21 claims. The date of the postmark on the return mailing envelope receipt confirmation will be the
22 exclusive means to determine whether a Request for Exclusion has been timely submitted. All
23 Requests for Exclusion will be submitted to the Settlement Administrator, who will certify jointly
24 to Class Counsel and Defendants' Counsel the Requests for Exclusion that were timely submitted.
25 All Class Members who do not request exclusion from the Action will be bound by all terms of
26 the Settlement Agreement if the Settlement is granted final approval by the Court. Class Members
27 who request to be excluded from the Settlement shall be identified to Counsel for the Parties and
28 noted in the proposed Judgment. The Request for Exclusion shall not be effective as to the release

of claims arising under the Private Attorneys General Act.

55. Defendants' Right to Rescind: If ten percent (10%) or more of the Class Members (rounded to the next whole number) elect not to participate in the Settlement, Defendants may, at their election, rescind the Settlement Agreement and all actions taken in furtherance of it will be thereby null and void. Defendants must meet and confer with Class Counsel prior to exercising this right and must make clear their intent to rescind the Agreement within fourteen (14) calendar days of the Settlement Administrator notifying the Parties of these opt-outs. If Defendants exercise their right to rescind the Agreement, Defendants shall be responsible for any Settlement Administration Costs incurred to the date of rescission.

56. Settlement Terms Bind All Class Members Who Do Not Opt-Out: Any Class Member who does not affirmatively opt-out of the Settlement by submitting a timely and valid Request for Exclusion will be bound by all of its terms, including those pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if it grants final approval to the Settlement. Class Members who opt-out of the Settlement shall not be bound by such Judgment or release. The names of Class Members who have opted-out of the settlement shall be disclosed to the Counsel for both Plaintiff and Defendants and noted in the proposed Judgment submitted to the Court.

57. Objection Procedures: To object to the Settlement, a Participating Class Member must postmark a valid Objection to the Settlement Administrator on or before the Response Deadline. The Objection must be signed by the Participating Class Member and contain all information required by this Settlement Agreement including the employees full name, address, telephone number, the last four digits of their social security number and/or Employee ID number, and the specific reason including any legal grounds for the Participating Class Members objection. The postmark date will be deemed the exclusive means for determining that the Notice of Objection is timely. Participating Class Members who fail to object in the manner specified above will be foreclosed from making a written objection, but shall still have a right to appear at the Final Approval Hearing in order to have their objections heard by the Court. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Participating Class Members to

1 submit written objections to the Settlement or appeal from the Order and Judgment. Class Counsel
2 will not represent any Class Members with respect to any objections to this Settlement.

3 58. Certification Reports Regarding Individual Settlement Payment Calculations: The
4 Settlement Administrator will provide Defendants' Counsel and Class Counsel a weekly report
5 which certifies: (a) the number of Class Members who have submitted valid Requests for
6 Exclusion; (b) the number of Notices returned and re-mailed and (c) whether any Class Member
7 has submitted a challenge to any information contained in the Notice. Additionally, the Settlement
8 Administrator will provide to counsel for both Parties any updated reports regarding the
9 administration of the Settlement Agreement as needed or requested.

10 59. Uncashed Settlement Checks: Any checks issued by the Settlement Administrator
11 to Participating Class Members and PAGA Members will be negotiable for at least one hundred
12 eighty (180) calendar days. If a Participating Class Member or PAGA Member does not cash his
13 or her Settlement Check or PAGA payment check within 180 days, the uncashed funds, subject to
14 Court approval, shall be distributed to the Controller of the State of California to be held pursuant
15 to the Unclaimed Property Law, California Civil Code §1500, *et. seq.* for the benefit of those
16 Participating Class Members and PAGA Members who did not cash their checks until such time
17 that they claim their property. The Parties agree that this disposition results in no "unpaid residue"
18 under California Civil Procedure Code § 384, as the entire Net Settlement Amount will be paid
19 out to Participating Class Members and PAGA Members, whether or not they all cash their
20 Settlement Checks or PAGA payment checks. Therefore, Defendants will not be required to pay
21 any interest on such amounts. The Individual Settlement Payments provided to Participating Class
22 Members and to PAGA Members shall prominently state the expiration date or a statement that
23 the Settlement Check will expire in one hundred eighty (180) days, or alternatively, such a
24 statement may be made in a letter accompanying the Individual Settlement Payment. Expired
25 Individual Settlement Payments will not be reissued, except for good cause and as mutually agreed
26 by the Parties in writing. The parties agree no unclaimed funds will result from the settlement.

27 60. Administration of Taxes by the Settlement Administrator: The Settlement
28 Administrator will be responsible for issuing to Plaintiff, Participating Class Members, and Class

Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes and penalties to the appropriate government authorities.

61. Tax Liability: Defendants makes no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiff and Participating Class Members are not relying on any statement, representation, or calculation by Defendants or by the Settlement Administrator in this regard. Plaintiff and Participating Class Members understand and agree that they will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein. Defendants' share of any employer payroll taxes and other required employer withholdings due on the Individual Settlement Payments, including, but not limited to, Defendants' FICA and FUTA contributions, shall be paid separate and apart from the Gross Settlement Amount.

62. Circular 230 Disclaimer: Each Party to this Agreement (for purposes of this section, the "acknowledging party" and each Party to this Agreement other than the acknowledging party, an "other party") acknowledges and agrees that: (1) no provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor 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 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.

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

64. Release by Participating Class Members PAGA Members, the LWDA, and the State of California: Upon the complete funding of the Gross Settlement Amount and all applicable employer-side payroll taxes by Defendants, Participating Class Members shall fully release and discharge the Released Parties from any and all Released Claims for the Class Period. This release shall be binding on all Participating Class Members. All PAGA Members, the LWDA, and State of California shall release claims arising under PAGA for the PAGA Period. All PAGA Members shall release claims arising under PAGA regardless of their decision to participate in the class settlement.

65. Release of Additional Claims & Rights by Plaintiff: Upon the funding of the Gross Settlement Amount, Plaintiff Jennifer Holladay agrees—on behalf of herself only—to the additional following General Release: In consideration of Defendants' promises and agreements as set forth herein, Plaintiff hereby fully releases the Released Parties from any and all Released Claims and also generally releases and discharges the Released Parties from any and all claims, demands, obligations, causes of action, rights, or liabilities of any kind which have been or could have been asserted against the Released Parties arising out of or relating to their employment by Defendants or termination thereof, including but not limited to claims for wages, restitution, penalties, retaliation, defamation, discrimination, harassment or wrongful termination of employment. This release specifically includes any and all claims, demands, obligations and/or causes of action for damages, restitution, penalties, interest, and attorneys' fees and costs (except provided by the Settlement Agreement) relating to or in any way connected with the matters referred to herein, whether or not known or suspected to exist, and whether or not specifically or particularly described herein. Specifically, Plaintiff Holladay waives all rights and benefits afforded by California Civil Code Section 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE

1 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
2 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE
3 RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE
4 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE
5 DEBTOR OR RELEASED PARTY.

6 This release specifically excludes claims for unemployment insurance, disability, social
7 security, and workers compensation (with the exception of claims arising pursuant to California
8 Labor Code Sections 132(a) and 4553).

9 66. Neutral Employment Reference: In the event that any potential or future employers
10 of Plaintiff request a reference regarding Defendants' employment of Plaintiff Holladay,
11 Defendants shall only provide the requested Plaintiff's dates of employment and job titles during
12 employment. Defendants shall not refer to the Action or this Settlement.

13 67. Nullification of Settlement Agreement: In the event that: (a) the Court does not
14 finally approve the Settlement as provided herein; (b) the Court strikes or does not approve any
15 material term of this Settlement Agreement; or (c) the Settlement does not become final as written
16 and agreed to by the Parties for any other reason, then this Settlement Agreement, and any
17 documents generated to bring it into effect, will be null and void, all amounts deposited into the
18 QSF will be returned to Defendants, and the Parties shall be returned to their original respective
19 positions. Any order or judgment entered by the Court in furtherance of this Settlement Agreement
20 will likewise be treated as void from the beginning. Should the Court fail to approve this settlement
21 for any reason, the Parties agree that they will return to and attend mediation with a mutually
22 agreed Mediator in an effort to reach a settlement that may be approved by the Court.

23 68. Preliminary Approval Hearing: Plaintiff will obtain a hearing before the Court to
24 request Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary
25 Approval Order for: (a) conditional certification of the Settlement Class for settlement purposes
26 only, (b) Preliminary Approval of the proposed Settlement Agreement, and (c) setting a date for a
27 Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for the
28 Notice to be sent to all Class Members as specified herein. In conjunction with the Preliminary

1 Approval hearing, Plaintiff will submit this Agreement, which sets forth the terms of the
2 Settlement, and will include the proposed Notice attached as Exhibit A. Defendants agree that it
3 will not oppose Plaintiff's motion for Preliminary Approval. Moreover, no later than five (5)
4 business days in advance of the deadline for Plaintiff to submit her Motion for Preliminary
5 Approval Defendants shall provide Plaintiff's Counsel with a declaration regarding its financial
6 condition which demonstrates the necessity of the payment plan agreed to between the Parties.
7 Any failure by the Court to fully and completely approve the Agreement as to the Action will result
8 in this Settlement Agreement and the Memorandum of Understanding entered into by the Parties,
9 and all obligations under this Settlement Agreement and the Memorandum of Understanding being
10 nullified and voided.

11 69. Final Settlement Approval Hearing and Entry of Judgment: Upon expiration of the
12 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with
13 the Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to
14 determine the Final Approval of the Settlement Agreement along with the amounts properly
15 payable for: (a) Individual Settlement Payments; (b) the Attorneys' Fees and Costs; (c) the Class
16 Representative Enhancement Payment; and (d) the Settlement Administration Costs. Class
17 Counsel will be responsible for drafting all documents necessary to obtain Final Approval. Any
18 failure by the Court to fully and completely approve the Settlement Agreement as to all of the
19 Action, or the entry of any Order by another Court with regard to any of the Action which has the
20 effect of modifying material terms of this Agreement or preventing the full and complete approval
21 of the Settlement Agreement as written and agreed to by the Parties, will result in this Agreement
22 and all obligations under this Agreement being null and void. Defendants agree it shall not oppose
23 the granting of the Motion for Final Approval, provided Defendants have not exercised their right
24 to rescind pursuant to the terms of this Agreement.

25 70. Judgment and Continued Jurisdiction: Upon Final Approval of the Settlement by
26 the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the
27 Judgment to the Court for its approval. After entry of the Judgment, the Court will have continuing
28 jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms

1 of the Settlement, (b) Settlement administration matters, and (c) such post-Judgment matters as
2 may be appropriate under court rules or as set forth in this Settlement.

3 71. Exhibits Incorporated by Reference: The terms of this Settlement include the terms
4 set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
5 herein. Any Exhibits to this Settlement are an integral part of the Settlement.

6 72. Entire Agreement: This Settlement Agreement and any attached Exhibits constitute
7 the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral
8 agreements may be deemed binding on the Parties.

9 73. Amendment or Modification: This Settlement Agreement may be amended or
10 modified only by a written instrument signed by counsel for all Parties or their successors-in-
11 interest.

12 74. Authorization to Enter Into Settlement Agreement: Counsel for all Parties warrant
13 and represent they are expressly authorized by the Parties whom they represent to negotiate this
14 Settlement Agreement and to take all appropriate action required or permitted to be taken by such
15 Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other
16 documents required to effectuate the terms of this Settlement Agreement. The Parties and their
17 counsel will cooperate with each other and use their best efforts to affect the implementation of
18 the Settlement. If the Parties are unable to reach an agreement on the form or content of any
19 document/s needed to implement the Settlement, or on any supplemental provisions that may
20 become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of
21 the Court to resolve such disagreement.

22 75. Binding on Successors and Assigns: This Settlement Agreement will be binding
23 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously
24 defined.

25 76. California Law Governs: All terms of this Settlement Agreement and Exhibits
26 hereto will be governed by and interpreted according to the laws of the State of California.

27 77. Execution and Counterparts: This Settlement Agreement is subject only to the
28 execution of all Parties. However, the Settlement Agreement may be executed in one or more

counterparts. All executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument, provided that counsel for the Parties will exchange among themselves original signed counterparts.

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

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

80. 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 either party may appeal any court order that materially alters the Settlement Agreement's terms.

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

82. Non-Admission of Liability: The Parties enter into this Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense and risk of continued litigation. In entering into this Agreement, Defendants do not admit, and specifically deny, they

1 have violated any federal, state, or local law; violated any regulations or guidelines promulgated
2 pursuant to any statute or any other applicable laws, regulations or legal requirements; breached
3 any contract; violated or breached any duty; engaged in any misrepresentation or deception; or
4 engaged in any other unlawful conduct with respect to their employees. Neither this Agreement,
5 nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed
6 as an admission or concession by Defendants of any such violations or failures to comply with any
7 applicable law. Except as necessary in a proceeding to enforce the terms of this Agreement, this
8 Agreement and its terms and provisions shall not be offered or received as evidence in any action
9 or proceeding to establish any liability or admission on the part of Defendants or to establish the
10 existence of any condition constituting a violation of, or a non-compliance with, federal, state,
11 local or other applicable law.

12 83. Captions: The captions and section numbers in this Agreement are inserted for the
13 reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
14 provisions of this Agreement.

15 84. Waiver: No waiver of any condition or covenant contained in this Settlement
16 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered
17 to imply or constitute a further waiver by such party of the same or any other condition, covenant,
18 right or remedy.

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

24 86. Mutual Preparation: The Parties have had a full opportunity to negotiate the terms
25 and conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly
26 against one Party than another merely by virtue of the fact that it may have been prepared by
27 counsel for one of the Parties, it being recognized that, because of the arms-length negotiations
28 between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

1 87. Representation By Counsel: The Parties acknowledge that they have been
2 represented by counsel throughout all negotiations that preceded the execution of this Agreement,
3 and that this Agreement has been executed with the consent and advice of counsel and reviewed
4 in full. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the
5 Agreement.

6 88. All Terms Subject to Final Court Approval: All amounts and procedures described
7 in this Settlement Agreement herein will be subject to final Court approval.

8 89. Cooperation and Execution of Necessary Documents: The Parties agree to
9 cooperate to promote participation in the Settlement, and in seeking court approval of the
10 Settlement. The Parties and their counsel agree not to take any action to encourage any Class
11 Members to opt out of and/or object to the Settlement. Defendants agree not to obtain any
12 settlement agreement waivers, Pick Up Stix agreements or arbitration agreements from any Class
13 Member prior to the funding of the Gross Settlement Amount concerning claims released via this
14 Agreement, or enter into any arbitration agreement with any Class Member that covers the claims
15 released via this Agreement during the Settlement approval process prior to the funding of the
16 Gross Settlement Amount and that the Parties will work in good faith to reach an agreement
17 approved by the Court.

18 90. Confidentiality: The Parties and their counsel agree to keep the terms of the
19 Settlement confidential until the filing of Plaintiff's Motion for Preliminary Approval. Plaintiff,
20 Class Counsel, Defendants and their counsel agree that they will not issue any press releases,
21 initiate any contact with the press, respond to any press inquiry or have any communication with
22 the press about the fact, amount or terms of the Settlement Agreement. Nothing in this Settlement
23 Agreement shall limit Defendants' ability to fulfill disclosure obligations reasonably required by
24 law or in furtherance of business purposes, including the fulfillment of obligations stated in this
25 Settlement Agreement or limit Class Counsel's communications with the Class Members in
26 furtherance of approval of this Settlement.

27 91. Binding Agreement: The Parties warrant that they understand and have full
28 authority to enter into this Settlement, and further intend that this Settlement Agreement will be

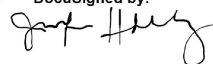
fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any settlement confidentiality provisions that otherwise might apply under federal or state law.

Dated: 12/15/2021

PLAINTIFF

By: _____

Jennifer Holladay

DocuSigned by:

B68E6F4B6A40415...

Dated: 12/15/2021

PROTECTION LAW GROUP, LLP

By: _____

Heather Davis, Esq.
Attorneys for Plaintiff



Dated: _____

DEFENDANT

GRANDCARE HEALTH SERVICES, LLC

By: _____

Name: _____

Title: _____

Dated: _____

DEFENDANT

GRANDCARE SAN DIEGO, LLC

By: _____

Name: _____

Title: _____

1 fully enforceable and binding on all Parties, and agree that it will be admissible and subject to
2 disclosure in any proceeding to enforce its terms, notwithstanding any settlement confidentiality
3 provisions that otherwise might apply under federal or state law.

4
5 Dated: _____

PLAINTIFF

6 By: _____

Jennifer Holladay

7
8
9
10 Dated: _____

PROTECTION LAW GROUP, LLP

11 By: _____

12 Heather Davis, Esq.
13 Attorneys for Plaintiff
14

15 Dated: 12/29/2021

DEFENDANT

GRANDCARE HEALTH SERVICES, LLC

17 By: DAVID BELL

18 Name: DAVID BELL

19 Title: CEO

20
21 Dated: 12/29/2021

DEFENDANT

GRANDCARE SAN DIEGO, LLC

23 By: DAVID BELL

24 Name: DAVID BELL

25 Title: PRESIDENT & CEO

1 Dated:

12/29/2021

DEFENDANT

MSJ HEALTHCARE, LLC

By:

[Signature]

Name:

DAVID BELL

Title:

PRESIDENT & CEO

7 Dated:

12/29/2021

DEFENDANT

N & D HEALTH CARE SERVICES, INC

By:

[Signature]

Name:

DAVID BELL

Title:

PRESIDENT & CEO

15 Dated:

12/29/2021

FISHER PHILLIPS

By:

Spencer Waldron

Spencer Waldron

Attorneys for Defendants

Exhibit A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Holladay v. GrandCare Health Services, LLC, et al.

Los Angeles County Superior Court, Case No. 20STCV42115

**THIS IS A COURT-AUTHORIZED NOTICE. IT IS NOT A SOLICITATION.
PLEASE READ THIS NOTICE CAREFULLY.
YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT.**

To:	All current and former non-exempt employees who are or were employed by GrandCare Health Services, LLC, GrandCare San Diego, LLC, MSJ Healthcare, LLC, and/or N & D Health Care Services, Inc in the State of California at any time between October 29, 2016, and October 9, 2021.
------------	--

BASIC INFORMATION

1. What is this settlement about?

A lawsuit was commenced by Jennifer Holladay (“Plaintiff”) a former employee of GrandCare Health Services, LLC, GrandCare San Diego, LLC, MSJ Healthcare, LLC, and N & D Health Care Services, Inc (“Defendants”) on October 29, 2020. The case is currently pending in the Los Angeles County Superior Court, Case No. 20STCV42115.

The lawsuit claims that Defendants violated sections of the California Labor Code and California Business and Professions Code. Specifically, Plaintiff alleges that Defendants failed to provide compliant meal and rest periods and associated premium pay, did not properly pay employees all wages owed for time worked, did not provide accurate wage statements, did not timely pay all wages during employment and all wages owed at termination of employment, failed to reimburse employees for necessary business expenses, and maintained unfair business practices. The settlement also seeks to recover penalties pursuant to the California Private Attorneys General Act (“PAGA”). The lawsuit claims that the Defendants violated the California Labor Code and the California Business and Professions Code, entitling Class Members to, *inter alia*, damages, penalties, and restitution. Defendants deny all alleged violations and deny that they owe Class Members any remedies. The Court has not made a ruling on the merits of the case.

2. Why is this a class action?

In a class action, one or more people called the Class Representative (in this case Jennifer Holladay, also known as “Plaintiff”), sue on behalf of people who appear to have similar claims (in this case all individuals who were employed by Defendants GrandCare Health Services, LLC, GrandCare San Diego, LLC; MSJ Healthcare, LLC, and/or N & D Health Care Services, Inc in the state of California as hourly-paid, non-exempt employees at any time from October 29, 2016 to October 9, 2021. All these people are referred to here as Class Members. In a class action one court resolves the issues for all Class Members in one lawsuit, except for those who exclude themselves from the Class. The Los Angeles County Superior Court is in charge of this particular class action.

3. Why is there a settlement?

The Court has not decided in favor of the Plaintiff or Defendants. Instead, both sides agreed to a settlement which is memorialized in the Joint Stipulation of Class Action and PAGA Settlement (“Agreement” or “Settlement”). On **[DATE OF PRELIMINARY APPROVAL]** the Court granted preliminary approval of the Settlement, appointed

Plaintiff, Jennifer Holladay, as the Class Representative, and appointed her attorneys at Protection Law Group as counsel for the Class (“Class Counsel”).

The Class Representative and Class Counsel think the Settlement is best for the Class.

WHO IS IN THE SETTLEMENT?

4. How do I know if I am part of the settlement?

You are part of the Settlement, and a Class Member, if you were employed by Defendants as an hourly-paid, non-exempt employee in the state of California at any time between October 29, 2016, and October 9, 2021.

THE SETTLEMENT BENEFITS—WHAT YOU GET

5. What does the settlement provide?

The Settlement provides that Defendants will pay a maximum of Seven Hundred Twenty-Five Thousand Dollars (\$725,000) (“Gross Settlement Amount”). This includes all costs and attorneys’ fees for Class Counsel.

The “Net Settlement Amount” is the portion of the Gross Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Amount is the Gross Settlement Amount less the following amounts (which are subject to Court approval):

- A. **Attorneys’ Fees to Class Counsel** not to exceed 35% of the Gross Settlement Amount or Two Hundred Fifty-Three Thousand Seven Hundred Fifty Dollars (\$253,750);
- B. **Litigation Costs/Expenses to Class Counsel** not to exceed Twenty Thousand Dollars (\$20,000);
- C. **Enhancement Payment to the Class Representative** in an amount not to exceed Seven Thousand Five Hundred Dollars (\$7,500);
- D. **Settlement Administration Costs** which are currently estimated to be Eleven Thousand Five Hundred Dollars (\$11,500); and
- E. **PAGA Payment** in the amount of Fifty Thousand Dollars (\$50,000) for the settlement of claims arising under the Private Attorney’s General Act of 2004 (PAGA). Seventy-Five percent (75%) of this amount, (\$37,500) shall be paid to the LWDA. The remaining twenty-five percent (25%) (\$12,500) will be distributed to hourly-paid, non-exempt employees who worked for Defendants at any time from October 29, 2019 to October 9, 2021, for the release of their claims arising under PAGA.

The amount you are eligible to receive from the settlement, your “Individual Settlement Payment”, will be determined on a *pro rata* basis, based on the total compensation you earned in California as an hourly-paid, non-exempt employee of Defendants between October 29, 2016, and October 9, 2021. (“Total Wages”). Your Individual Settlement Payment includes both your estimated share of the Net Settlement Amount and, if eligible, your share of the PAGA Payment.

Your Individual Settlement Payment will be apportioned as twenty percent (20%) wages, forty percent (40%) interest and forty percent (40%) penalties. The wage portion of the Individual Settlement Payment will be subject to withholding for the employee taxes and will be reported on a W-2 Form. Employer-side payroll taxes shall be paid separately from and in addition to the Gross Settlement Amount. The penalties and interest portions of each class member’s settlement payment will not be subject to any withholdings and will be reported on an IRS Form 1099.

Defendants' records indicate you earned \$XXX.XX during the class period. Your Individual Settlement Payment is \$XXX.XX. This Amount is an estimate and may change depending on the payments approved by the Court and other potential factors.

This Amount was determined based on Defendants' record of your employment between October 29, 2016, and October 9, 2021, and is presumed correct. If you dispute the accuracy of Defendants' records as to your earnings during the Class Period, you must contact the Settlement Administrator and provide any documentation you have supporting such dispute by [DATE]. All disputes will be resolved and decided by the Parties or if the Parties cannot agree, the Court, after you submit evidence to the Settlement Administrator. The Settlement Administrator's contact information is listed below:

[Phoenix Settlement Administrator]

[Address]

[Telephone No.]

[Fax No.]

HOW TO GET A PAYMENT FROM THE SETTLEMENT

6. How can I get a payment?

You do not have to do anything to qualify for a payment of your portion of the Settlement.

7. What am I giving up if I do not request to be excluded from the Settlement?

Upon the funding of the Gross Settlement Amount by Defendants, in exchange for the consideration set forth by the Settlement, Class Members who do not submit a timely request for exclusion will release the "Released Parties" from the "Released Claims" for the "Class Period."

The "Released Parties" means GrandCare Health Services, LLC; Grandcare San Diego, LLC; N & D Health Care Services, Inc., and MSJ Healthcare, LLC and any of their past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

The "Released Claims" means any and all claims, rights, demands, liabilities, and causes of action that are alleged, or reasonably could have been alleged based on the facts and claims asserted in the operative complaint in this Action, including, but not limited to claims for: (i) failure to pay all regular wages, minimum wages and overtime wages due including accrued sick pay and vacation pay; (ii) failure to provide meal periods or compensation in lieu thereof; (iii) failure to provide rest periods or compensation in lieu thereof; (iv) failure to reimburse necessary business expenses; (v) failure to provide complete, accurate wage statements; (vi) failure to pay wages timely at time of termination or resignation; (vii) failure to provide timely pay wages during employment; (viii) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint; (ix) failure to maintain required payroll records and (x) all claims under the California Labor Code Private Attorneys General Act of 2004 for civil penalties that could have been premised on the facts alleged in both the Notice provided to the LWDA and subsequently pled in the operative complaint including but not limited to the relevant IWC Order and California Labor Code sections 201, 202, 203, 204, 210, 221, 226, 226.3, 226.7, 227.3 510, 512(a), 558, 1174(d), 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2699, 2800, and 2802.

The "Class Period" during which the release of Released Claims pertains is from October 29, 2016 to October 9,

2021.

All Class Members will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged any and all Released Claims arising under PAGA the with respect to all of the Released Parties irrespective of whether a Class Member submits a request for exclusion.

EXCLUDING YOURSELF FROM THE RELEASE OF NON-PAGA CLAIMS

If you want to keep the right to sue or continue to sue Defendants with respect to the Released Claims (other than those which arise under the Private Attorney General Act (California Labor Code sections 2698 *et seq.*), then you must submit a request for exclusion in conformity with the requirements set forth herein. If you exclude yourself, you will not receive payment from Net Settlement Amount. However, if eligible, you will still receive a payment in an amount equal to your estimated *pro rata* share of the PAGA Payment because the Request for Exclusion does not apply to this claim.

8. How can I not participate in the Settlement?

To exclude yourself from the release of Released Claims you must submit a written request for exclusion. You must include your name, address, telephone number and the last four digits of your social security number and/or Employee ID number. Your request for exclusion must also include a statement that you do not wish to be included in this action similar to the following: I wish to exclude myself from the class action settlement reached in the matter of *Holladay v. GrandCare Health Services, LLC, et al.* I understand that by excluding myself I will not receive money from the class portion of the settlement.”

The written Request for Exclusion must be mailed to the Settlement Administrator at the address listed below, post-marked by [DATE]. You cannot exclude yourself by phone.

[Phoenix Settlement Administrator]

[Address]

[Telephone No.]

[Fax No.]

If you ask to be excluded, you will not receive payment of any portion of the Net Settlement Amount and you cannot object to the Settlement. You will not be legally bound by the release of Released Claims (except for Released Claims that arise under the Private Attorney General Act (California Labor Code sections 2698 *et seq.*)).

You may be able to sue Defendants and/or the Released Parties or continue any suit you have pending against Defendants or the Released Parties, regarding the Released Claims (except for Released Claims that arise under the Private Attorney General Act (California Labor Code sections 2698 *et seq.*)).

9. If I don't exclude myself, can I sue Defendants for the same thing later?

No. Unless you submit a request for exclusion, you give up the right to sue Defendants and Released Parties for the Released Claims. If you have a pending lawsuit involving the Released Claims, speak to your lawyer in that lawsuit immediately.

10. If I exclude myself, can I get money from this settlement?

No. (except if you worked between October 29, 2019, and October 9, 2021, in which case you will still receive the portion of your Individual Settlement Payment for Released Claims that arise under PAGA.). But if you submit a

timely and valid request for exclusion, you retain any right that you may have to sue, continue to sue, or be part of a different lawsuit against Released Parties for Released Claims (except for Released Claims that arise under PAGA).

THE LAWYERS REPRESENTING YOU

11. Do I have a lawyer in this case?

The Court has approved PROTECTION LAW GROUP, LLP. as Class Counsel. The firm's contact information is:

PROTECTION LAW GROUP LLP

Heather Davis, Esq.
Amir Nayebdadash, Esq.
237 California Street
El Segundo, California 90245
Telephone: (844) 294-3095
Facsimile: (866) 264-7880

Class Counsel will ask the Court for attorneys' fees of up to \$253,750 and reimbursement of litigation cost/expenses of up to \$20,000. These amounts are subject to Court approval and the Court may award less than these amounts.

OBJECTING TO THE SETTLEMENT

You can object to the Settlement or some part of it.

12. How do I tell the Court if I don't like the settlement?

If you are a Class Member, you can object to the Settlement and you can give reasons for why you think the Court should not approve it. The Court will consider your views. To object, you must mail your objection to the Settlement Administrator no later than [DATE]. Your objection must include your full name, address, telephone number, the last four digits of your social security number or employee ID number, and the specific reason for your objection. You may also come to the Final Approval Hearing on [DATE] and make an objection at that time, regardless of whether you submitted a written objection.

13. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to grant final approval of the Settlement ("Final Approval Hearing"). You may attend, but you do not have to attend.

14. When and where will the Court decide whether to approve the settlement?

The Court will hold the Final Approval Hearing at [REDACTED] a.m./p.m. on [REDACTED], 2021], at the Los Angeles Superior Court—Spring Street Courthouse, located at 312 N. Spring St. Los Angeles, CA 90012.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them.

15. Do I have to come to the hearing?

No. If you agree to the Settlement you do not have to come to Court to talk about it. However, you may attend. You may also retain your own lawyer at your expense to attend on your behalf. You may attend in person, but you may also attend remotely if you wish. Remote appearances may be scheduled through “LA Court Connect” <https://www.lacourt.org/lacc/>

16. How will I learn if the settlement was approved

A notice of final judgment will be posted on the Settlement Administrator website located at [www.\[REDACTED\].com](http://www.[REDACTED].com)

IF YOU DO NOTHING

17. What happens if I do nothing at all?

If you do nothing, you will receive your share of the Settlement, and you will release the Released Claims. You will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants or Released Parties about the Released Claims, ever again. Your Individual Settlement Payment will be mailed to you and remain valid and negotiable for 180 days. If you do not cash your settlement check within 180 days, these funds will be transferred to the Controller of the State of California’s Unclaimed Property Fund. You may then claim these funds from there.

GETTING MORE INFORMATION

18. How do I get more information?

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by viewing the settlement located on the Settlement Administrator’s website at [REDACTED] or by contacting the Settlement Administrator or Class Counsel.

WHAT IF MY INFORMATION CHANGES?

19. What if my contact information changes?

It is your responsibility to inform the Settlement Administrator of your updated information to ensure receipt of settlement payments or communications regarding this matter. You can change or update your contact information by contacting the Settlement Administrator.

DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR THE JUDGE