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Attorneys for Plaintiff

**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 and
GRANDCARE SAN DIEGO LLC, a
California limited liability company; MSJ
HEALTHCARE, LLC, a California limited
liability company; N & D HEALTH CARE
SERVICES, INC., a California corporation,
and DOES 3 through 50, inclusive,

Defendants.

Case No.: 20STCV42115

*Assigned for all purposes to: Honorable
Kenneth Freeman Department SSC 14*

CLASS ACTION

**FIRST AMENDMENT TO JOINT
STIPULATION OF CLASS ACTION
AND PAGA SETTLEMENT**

1 4. **WHEREAS**, Paragraph 84 of the Settlement Agreement provides that "The
2 Settlement Agreement may be amended or modified only by a written instrument signed by
3 Counsel for all Parties or their successors-in-interest."

4 5. **WHEREAS**, Counsel whose signatures appear below represent and warrant that
5 they are authorized by the Parties whom they represent to negotiate and enter into this First
6 Amendment to the Settlement Agreement.

7 **NOW, THEREFORE**, the Parties hereby agree to amend and modify the Settlement
8 Agreement as follows:

9 1. Paragraph 27 of the Settlement Agreement shall be amended to delete any and all
10 reference to claims arising under the Private Attorneys General Act and an amended Paragraph 27
11 (a) shall be amended to read as follows:

12 "Released *Class Claims*" means *all* claims, rights, demands, liabilities and causes
13 of actions that are alleged, or reasonably could have been alleged based on the facts
14 and claims asserted in the operative complaint in the Action including the following
15 claims: (i) failure to pay all regular wages, minimum wages and overtime wages
16 due, including accrued sick pay and vacation pay; (ii) failure to provide meal
17 periods or compensation in lieu thereof; (iii) failure to provide rest periods or
18 compensation in lieu thereof; (iv) failure to reimburse necessary business expenses;
19 (v) failure to provide complete, accurate wage statements; (vi) failure to pay wages
20 timely at time of termination or resignation; (vii) failure to provide timely pay
21 wages during employment; (viii) unfair business practices that could have been
22 premised on the claims, causes of action or legal theories of relief described above
23 or any of the claims, causes of action or legal theories of relief pleaded in the
24 operative complaint; *and* (ix) failure to maintain required payroll records ~~and (x)~~
25 ~~all claims under the California Labor Code Private Attorneys General Act of 2004~~
26 ~~for civil penalties that could have been premised on the facts alleged in both the~~
27 ~~Notice provided to the LWDA and subsequently pled in the operative complaint~~
28 ~~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

2. An amended paragraph 27 (b) shall be added to the agreement as follows:
“Released PAGA Claims” means 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.

3. Paragraph 64 of the Agreement shall be updated to reflect the amended definitions of the “Released Class Claims” and “Released PAGA Claims” as follows:

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 *Class* 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 all Released PAGA Claims arising under PAGA for that arose during~~ the PAGA Period. All PAGA Members shall release claims arising under PAGA regardless of their decision to participate in the class settlement.

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1 4. The proposed notice attached to the Settlement Agreement as Exhibit A and
2 attached hereto as Exhibit 1 shall be amended to reflect amended definitions and separate release
3 of the alleged class claims and alleged PAGA claims.
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5 Dated: March 10, 2022

6 **FISHER PHILLIPS**

7
8 By: _____

9 Spencer Waldron

10 Attorneys for Defendants

11 Dated: March 10, 2022

12 **PROTECTION LAW GROUP, LLP**

13
14 By: _____

15 Heather Davis

16 Amir Nayebdadash

17 Attorneys for Plaintiffs
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Exhibit 1

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.
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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 Class 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; and (ix) failure to maintain required payroll records

The "Class Period" during which the release of Released Claims pertains is from October 29, 2016 to October 9, 2021.

In addition, all PAGA Members, the LWDA, and the State of California shall released the Released Parties for 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 and which arose between October 29, 2019, and October 9, 2021 (the “Released PAGA Claims”).

All PAGA Members will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged any and all Released PAGA Claims 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