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and Proposed Class Counsel
8

9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

10 **FOR THE COUNTY OF STANISLAUS**

11
12 RENEE LOPEZ, on behalf of herself and
all "aggrieved employees" pursuant to
13 Labor Code § 2698 *et seq.*

14 Plaintiff,

15 v.

16 COVENANT LIVING WEST, a California
domestic nonprofit corporation, and DOES
17 1 through 10, inclusive,

18 Defendants.
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CASE NO: CV-21-001160

Assigned to the Hon. Stacy Speiller, Department 22

CLASS ACTION

**DECLARATION OF DANIEL F. GAINES IN
SUPPORT OF UNOPPOSED MOTION AND
UNOPPOSED MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

DATE: January 18, 2023

TIME: 8:30 a.m.

DEPT.: 22

Action Filed: March 5, 2021

1 I, DANIEL F. GAINES, hereby declare and state as follows:

2 1. I am an attorney duly admitted to the practice of law in the State of California. I am
3 a shareholder of Gaines & Gaines, APLC, counsel for Plaintiff Renee Lopez ("Lopez" or
4 "Plaintiff") and proposed Class Counsel in this action. I have personal knowledge of the facts set
5 forth herein and if called as a witness to testify to them, I could and would do so competently.

6 **Education and Experience:**

7 2. I obtained my BS degree from the University California at Berkeley in 2003. I
8 majored in Business Administration at the Haas School of Business.

9 3. Thereafter, I attended the University of Virginia School of Law. At Virginia, I was
10 a member of the editorial board of the Virginia Tax Review. I was also the recipient of the Lacy
11 Armour Scholarship, awarded to recognize academic excellence. At Virginia, I focused my
12 studies on tax and real estate. I earned my JD and became a member of the California Bar in 2007.

13 4. Since becoming a member of the Bar, and until his recent retirement, I practiced law
14 with my father, Kenneth, at Gaines & Gaines, APLC. Our practice specializes in litigation, with
15 an emphasis in employment disputes like this one. Over 95% of my practice is devoted to complex
16 employment litigation similar to the instant action.

17 5. My firm has represented employees in complex employment matters such as this
18 one, with an emphasis in wage and hour issues. I have participated in and have been certified as
19 class counsel in dozens of class action matters since my admission to the Bar. A list of the cases
20 in which I have been appointed as class counsel is attached hereto as **Exhibit A**.

21 **Factual and Procedural Background:**

22 6. On December 8, 2020, Plaintiff exhausted the pre-filing requirements of the Labor
23 Code Private Attorneys General Act of 2004 ("PAGA").

24 7. On or about March 5, 2021, Plaintiff initiated the Action by filing a Representative
25 Action Complaint for Penalties, pursuant to PAGA, on behalf of herself and all other aggrieved
26 employees. The First Amended Complaint, filed on or about August 27, 2021, asserts class and
27 PAGA representative action claims against Defendant for (1) failure to pay all minimum and
28 overtime wages due (Labor Code §§ 510, 1194, and 1194.2); (2) failure to provide rest periods or

1 compensation in lieu thereof (Labor Code §§ 226.7, 510, and 1194; IWC Wage Order 5-2001);
2 (3) failure to comply with itemized employee wage statement provisions (Labor Code § 226(a),
3 (e), (h)); (4) failure to timely pay wages due at separation of employment (Labor Code §§ 201-
4 203); (5) violation of Business and Professions Code §§ 17200, *et seq.*; and (6) civil penalties
5 pursuant to Labor Code §§ 2698, *et seq.* for violations of Labor Code §§ 201-202, 226(a), 226.3,
6 226.7, 510, 558 and 1194 (the "First Amended Complaint").

7 8. Defendant denies any liability or wrongdoing of any kind associated with the claims
8 alleged in the Action, and further denies that the Action is appropriate for class treatment for any
9 purpose other than this settlement. Defendant contends that it has complied at all times with the
10 California Labor Code, Industrial Welfare Commission Wage Orders, and all other applicable
11 federal, state, and local laws and regulations. It is Defendant's position that, if this case were to
12 be litigated, class certification would be inappropriate because Plaintiff is not an adequate class
13 representative, Plaintiff's claims are not typical of putative class members, and individual issues
14 predominate over class issues. The Action, the negotiation and execution of this Settlement
15 Agreement, and all acts performed or documents executed pursuant to or in furtherance of the
16 Settlement Agreement (i) shall not be used as an admission or evidence of wrongdoing on behalf
17 of Defendant; (ii) shall not be an admission or evidence of fault on behalf of Defendant in any
18 action before a civil, criminal, or administrative agency; and (iii) shall not be deemed to be, and
19 may not be used as, an admission or evidence of the appropriateness of these or similar claims for
20 class certification in the Action or with respect to any other proceeding. The parties further agree
21 that Defendant does not waive any defense to the First Amended Complaint and the PAGA claim
22 contained therein.

23 9. The Class Representative contends that Defendant violated the California Labor
24 Code and Industrial Welfare Commission Wage Order(s), and that this case is appropriate for class
25 certification.

26 **Investigation and Settlement Discussions**

27 10. My colleagues and I have conducted a thorough investigation into the facts and law
28 during the prosecution of this class action case, including the exchange of extensive informal

1 discovery and the review and verification of statistical data and other facts and information
2 provided by Defendant. My colleagues and I have investigated the applicable law as applied to the
3 facts discovered regarding the alleged claims of Plaintiff and potential defenses thereto, and the
4 damages and other losses claimed by Plaintiff.

5 11. On April 18, 2022 and again on August 2, 2022, following their exchange of
6 information and documents regarding the Settlement Class and Aggrieved Employees and the
7 claims and defenses asserted by the Parties, the Parties engaged in arm's-length negotiations with
8 the assistance of mediator Steven Pearl, Esq. At the conclusion of the August 2, 2022 mediation
9 session, the Parties were able to reach the resolution of the Action set forth herein.

10 **Class Counsel's Assessment of the Fairness of the Settlement and the Risks of Continued**
11 **Litigation:**

12 12. Based on our independent investigation and evaluation, my colleagues and I are of
13 the opinion that settlement for the consideration and on the terms set forth in this Settlement
14 Agreement is fair, reasonable, and adequate and is in the best interest of the Settlement Class in
15 light of all known facts and circumstances, including the risk of significant delay, the risk the
16 Settlement Class will not be certified by the Court, and the defenses asserted by Defendant.

17 13. The Parties agree that the Settlement Class described herein may be certified for
18 settlement purposes only and that any motion for approval seeking, *inter alia*, certification of the
19 Settlement Class is for purposes of the settlement only. If for any reason the settlement is not
20 approved, the certification will have no force or effect and will immediately be revoked. The
21 Parties further agree that certification for purposes of the settlement is in no way an admission that
22 class certification is proper under the more stringent standard applied for litigation and that
23 evidence of this limited Stipulation for settlement purposes only will not be admissible for any
24 purpose in this or any other proceeding.

25 14. The parties jointly prepared the Settlement Agreement and Release of Claims
26 ("Settlement Agreement", "Settlement", or "Stip."). A true and correct copy of the Settlement is
27 attached hereto as **Exhibit B**.

1 15. Plaintiff alleges that Defendant paid Plaintiff and Class Members bonuses and other
2 forms of non-base hourly wages that were not included in their regular rate of pay for purposes of
3 computing the proper overtime rate. Plaintiff claims that Defendant failed to properly blend these
4 non-base hourly wages and instead paid Plaintiff and other Class Members overtime based only
5 on the base hourly rate of pay, thus depriving Plaintiff and other Class Members of all overtime
6 wages earned. As a result, they were allegedly not properly compensated for work performed in
7 excess of 8 hours in a workday and worked performed in excess of 40 hours in a workweek at a
8 rate no less than one and one-half times the regular rate of pay, in violation of Labor Code §§ 510,
9 558 and 1194. The non-base hourly wages earned by Plaintiff and Class Members were not
10 discretionary within the meaning of the applicable regulation, and accordingly, must have been
11 included in their regular rate of pay for purposes of determining their overtime pay compensation.
12 Plaintiff calculates the aggregate class damage liability for this claim at \$73,634.

13 16. Plaintiff further contends that Defendant failed to provide Plaintiff and Class
14 Members with legally compliant rest periods, or premium wages of one hour's pay in lieu thereof,
15 as required by Labor Code §§ 226.7 and 558 and Wage Order 5-2001. Plaintiff contends that she
16 and Class Members were simply too busy to take their rest periods and would be required to work
17 through them. Furthermore, she argues that Defendant maintains an illegal policy and practice
18 requiring Plaintiff and Class Members to remain on company premises during rest periods, which
19 resulted in impermissible on-duty rest periods subject to employer control. Plaintiff contends she
20 was unable to leave the premises during rest breaks and was required to take her breaks in the
21 break room *only*.

22 17. Defendant contends that this claim is completely without merit; that it never exerted
23 control over Class Members during their rest periods; that they were free to come and go as they
24 wish during their rest breaks, with no adverse consequences; and that this claim would never be
25 certified because assessing which employees took rest breaks would be impossible because rest
26 breaks are not recorded in the time records. The risks inherent in prevailing on this claim
27 commanded a discount for settlement purposes at this juncture of the litigation.
28

1 18. Plaintiff calculates Defendant's maximum rest period damages at \$6,400,000, if she
2 was able to prove a 50% violation rate. The risks of prevailing on the merits and the risks to
3 achieving class certification on this claim favor the compromised settlement amount reached here,
4 particularly because each of these risks involves a 50% or higher hurdle to prevail.

5 19. Plaintiff alleges that Defendant failed to issue Plaintiff and Class Members
6 accurately itemized wage statements. As detailed above, Plaintiff contends that she and Class
7 Members were not paid all minimum and overtime wages due and premium rest period wages. As
8 such, the wage statements provided by Defendant allegedly failed to accurately state all gross
9 wages earned, in violation of Labor Code §§ 226(a)(1) and 226.3, total hours worked, in violation
10 of Labor Code §§ 226(a)(2) and 226.3, net wages earned, in violation of Labor Code §§ 226(a)(5)
11 and 226.3, and all applicable hourly rates in effect during the pay period and the corresponding
12 number of hours worked at each hourly rate, in violation of Labor Code §§ 226(a)(9) and 226.3.
13 Plaintiff calculates the damages for this claim at \$1,428,000, but this required a compromise to
14 reach the settlement here, particularly because this claim is wholly derivative of the unpaid wage
15 claims and if Plaintiff did not prevail on those claims, she would not prevail on this claim either.

16 20. Finally, Plaintiff sought penalties for waiting time (Labor Code section 203) and
17 under PAGA, predicated on all the claims alleged in the Action. The value of these duplicative
18 and potentially oppressive penalties may approach close to \$10,000,000. These claims also
19 required a significant compromise at this juncture of the litigation, and the compromise reached is
20 fair given the risk of loss on the merits and as to class certification as to the unpaid wage claims
21 from which they derive.

22 21. The discount negotiated for settlement here is a reasonable compromise, particularly
23 considering that the risk of obtaining class certification on all or any of Plaintiff's claims involves
24 a 50% or higher hurdle, especially with respect to the rest period claims, to which Defendant
25 maintains strong arguments to defeat class certification (in addition to multiple defenses on the
26 merits of the claims). Class certification is a substantial risk in any class action case. Here, while
27 Plaintiff maintains that the requirements of class certification are met, Defendant proffers various
28 arguments why class treatment is not appropriate, including but not limited to that individualized

1 inquires among class members predominate over common ones. If Defendant was to defeat
2 Plaintiff's class certification motion, there would be no class wide relief whatsoever, and most
3 Class Members would likely not file individual claims.

4 22. Plaintiff also faced the risk of a loss on the merits on her claims. It is very possible
5 that the Court would agree with Defendant's position that its rest period practices complied with
6 the requirements of California law or could not be certified. In such a case, the value of the
7 majority of Plaintiff's claims would be zero.

8 23. Finally, Plaintiff faced the risk that she would not obtain a maximum
9 damage/penalty award on all (or any of) her claims. For example, Plaintiff seeks discretionary
10 penalties pursuant to the PAGA. Even if Plaintiff did prevail on these claims, it is possible that
11 the Court would not impose all penalties pursuant to its discretionary power to reduce them.

12 24. Defendant strongly contends that its policies and practices do not violate any laws.
13 It contends that it properly provided for all meal and rest periods and fully compensated its
14 employees for all time worked. It further contends that the wage statements it provides to its
15 employees are fully compliant with California law.

16 25. When the costs and risks of non-certification and loss on the merits are considered,
17 my colleagues and I are of the opinion that the settlement reached is clearly a favorable one.

18 26. The settlement for each Class Member is fair, reasonable and adequate, given the
19 inherent risk of litigation, the risk relative to class certification and the costs of pursuing such
20 litigation. The settlement shall finally resolve all claims of the Class Members as alleged in the
21 Action.

22 **Class Certification Requirements:**

23 27. To date, no class has been certified. The Stipulation of Settlement contains a
24 provision pursuant to which we stipulate to the Court's provisional certification of the
25 approximately 2,615-member Settlement Class, but do so for purposes of this settlement only.

26 28. In this case, the Class Members are identifiable from Defendant's employment and
27 payroll records. Further, the Settlement Class is sufficiently numerous to warrant certification.
28 According to Defendant's records, the Class comprises approximately 2,615 employees.

29. The Class Members' claims all stem from a common source: members of the Settlement Class allege that Defendant violated the same Labor Code provisions in connection with their employment. All members of the Class seek the same relief under the same California laws (related to unpaid wages, unpaid rest period premiums, inaccurate or incomplete wage statements, failure to timely pay wages due upon separation, and derivative claims). Under these circumstances, the commonality requirement is satisfied for purposes of certifying the Settlement Class for settlement purposes.

30. In this case, named Plaintiff and proposed Class Representative Renee Lopez is a former non-exempt employee who worked for Defendant in the State of California during the Class Period. She contends that Defendant failed to pay all wages due, failed to provide rest periods, failed to comply with itemized employee wage statement provisions, and failed to timely pay wages at the separation of employment, in violation of Labor Code §§ 201-203, 226, 226.3, 226.7, 510, 558, 1194, 1194.2, 2698, and 2699, among other Labor Code provisions. She has the same claims as those that the members of the Settlement Class would reasonably be expected to bring based on the course of conduct alleged herein.

31. Plaintiff has also demonstrated that she will aggressively and competently assert the interests of the proposed Settlement Class; she has taken an active role in this litigation and has no apparent conflicts with other class members.

Settlement of Claims Pursuant to Labor Code § 2699 *et seq.* (PAGA)

32. Concurrently with the filing of this Motion, my office is transmitting the Settlement Agreement (and these approval documents) to the LWDA, in compliance with Labor Code § 2699(1)(2).

I declare, under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed this 12th day of December, 2022 at Westlake Village, California.

Daniel F. Gaines
DANIEL F. GAINES

EXHIBIT A

Adams v. Newell Rubbermaid, USDC – Central District of California (Los Angeles), Case No. EDCV 08-1499 JTM (CTx)

Adams v. Sam's West, Inc., San Bernardino County Superior Court, Case No. CIVDS1403987

Agredano v. GS Brothers, Inc., Los Angeles County Superior Court, Case No. BC445561

Allen v. Toms Sierra Company, Nevada County Superior Court, Case No. CU18-082823

Allen v. Valley Inventory Service, Inc., Solano County Superior Court, Case No. FCS034682

Alvarez v. Pilot Travel Centers, LLC, San Joaquin County Superior Court, Case No. STK-CV-UOE-2018-4605

Alonzo v. Camblin Steel Service, Inc., Placer County Superior Court, Case No. SCV0034165

Amenhotep v. Google, Inc., Santa Clara County Superior Court, Case No. 17CV311528

Anaya v. Progressive Logistics Services, LLC, Riverside County Superior Court, Case No. RIC1308270

Andre v. Newell Rubbermaid, Inc., San Bernardino County Superior Court, Case No. CIVVS1200282

Anduha v. ABC Phones of North Carolina, Inc., Stanislaus County Superior Court, Case No. 2022729

Anslow v. Wellington Energy, Inc., USDC – Northern District of California (San Francisco), Case No. CV11-1596-JCS

Aranda, et al. v. Universal Lumpers of California, Inc., San Joaquin County Superior Court, Case No. STK-UOE-2017-7826

Armendariz v. Integrated Pain Management Medical Group, Inc., Kern County Superior Court, Case No. BCV-19-100267-SDS

Barrow, et al. v. Desmond Foods, L.P., Sacramento County Superior Court, Case No. 34-2015-00187227

Batmanghelich v. Sirius XM Radio Inc., USDC – Central District of California (Los Angeles), Case No. CV 09-9190 VBF (JCx)

Bosser v. Hooked on Solar, Yolo County Superior Court, Case No. CVCV-2016-876

Bourland v. Horizon Personnel Services, Inc., Sacramento County Superior Court, Case No. 34-2014-00161365-CU-OE-GDS

Bowen v. IMI Material Handling Logistics, Inc., San Joaquin County Superior Court, Case No. STK-CV-UOE-2016-0000192

Branson v. Mladen Buntich Construction, San Bernardino County Superior Court, Case No. CIVDS1609129

Brandt v. Sacramento Auto Insurance Center, Inc., San Joaquin County Superior Court, Case No. 39-2009-00202938-CU-OE-STK

Brown v. 22nd District Agricultural Association, United States District Court, Southern District of California, Case No. 15-cv-2578-DHB

Brown v. Sierra Central Credit Union, Sutter County Superior Court, Case No. CVCS18-0002161

Burgess v. Blue Cross and Blue Shield of South Carolina, San Joaquin County Superior Court, Case No. 39-2012-00277449-CU-BT-STK

Burgess v. Strategic Retail Solutions, LLC, Los Angeles County Superior Court, Case No. BC413791

Calhoun v. Celadon Trucking Services, Inc., USDC – Central District of California (Los Angeles), Case No. 5:16-cv-01351-PSG-FFM

Caporicci v. Owens & Minor Distribution, Inc., San Joaquin County Superior Court, Case No. 39-2013-00295662-CU-OE-STK

Carl v. Advanced Call Center Technologies, LLC, Sacramento County Superior Court, Case No. 34-2013-00148310

Carlisle, et al. v. Professional Technical Security Services, Inc., Case No. CGC18569791

Carrete v. Gamestop, Inc., Imperial County Superior Court, Case No. ECU08501

Carrillo v. Bimbo Bakeries, Inc., San Bernardino County Superior Court, Case No. CIVDS1606813

Caudillo v. Aegis Treatment Centers, LLC, Merced County Superior Court, Case No. 18CV-0744

Cerami v. Metlife, Inc., USDC – Central District of California (Orange County), Case No. 11-CV-00681-CJC (MLGx)

Charles v. Aaron's Inc., Los Angeles County Superior Court, Case No. BC431468

Charles v. Nursefinders, LLC, Imperial County Superior Court, Case No. ECU07422

Cheifer v. JetBlue Airways Corporation, Los Angeles County Superior Court, Case No. BC451887

Cheifer, et al. v. WHGM, Inc., Los Angeles County Superior Court, Case No. LC104900

Chong, et al. v. Crescent Northwoods Inn, Inc., Del Norte County Superior Court, Case No. CVUJ-2018-1133

Church v. GameStop, Inc., et. al., USDC – Central District of California (Los Angeles), Case No. 11-CV-00132-VAP-RZ

Clothier v. Spar Marketing Services, Inc., Alameda County Superior Court, Case No: RG12-639317

Coleman v. Wireless Lifestyle, Inc., USDC – Western District of Missouri, Case No. 4:12-cv-00855-ODS

Colombo-Beyeler, et al. v. Viking River Cruises, Inc., San Bernardino County Superior Court, Case No. CIVDS1611608

Conlee v. Clark Pacific Corporation, Yolo County Superior Court, Case No. CV14-1409

Contreras v. Osmose Utilities Services, Inc., San Bernardino County Superior Court, Case No. CIVDS1513998

Contreras v. West American Service Corporation, Kings County Superior Court, Case No. 14C0280

Corona v. Yosemite Meat & Locker Service, Inc., Stanislaus County Superior Court, Case No. 2006828

Cortellessa v. Dotnext, Inc., Alameda County Superior Court, Case No. RG09429971

County v. Ingram Mirco, Inc., San Bernardino Superior Court, Case No. CIVRS 1304445

Covarrubias, et al. v. Petersendean Builder Group, Inc., Kern County Superior Court, Case No. BCV-16-101122

Cowen, et al. v. Evergreen Alliance Golf Limited, L.P., d/b/a Arcis Golf, San Bernardino County Superior Court, Case No. CIVDS1719283

Cruz-Garcia v. Lemonade Restaurant Group, LLC, Los Angeles County Superior Court, Case No. BC478205

Cunningham v. Performance Contracting, Inc., Contra Costa County Superior Court, Case No. C16-02157

Dabney v. Coneybeare, LLC, et al., Orange County Superior Court, Case No. 30-2018-00999989-CU-OE-CXC

Dabney, et al. v. Panera, LLC., San Bernardino County Superior Court, Case No. CIVDS1516030

Diaz, et al. v. Seaworld Entertainment, Inc., Imperial County Superior Court, Case No. ECU10046

Diggs v. Western Waterproofing Company, Inc., San Francisco County Superior Court, Case No. CGC-14-539281

Dismuke v. Rhodes Retail Services, Inc., Sacramento County Superior Court, Case No. 34-2011-00105001

Dorsette v. TA Operating, LLC, USDC – Central District of California (Los Angeles), Case No. EDCV 09-1350 PA (RZx)

Duran v. The Image of California, Inc., Kern County Superior Court, Case No. S-1500-CV-284056 DRL

Edwards v. Trans World Entertainment Corp., San Diego County Superior Court, Case No. 37-2010-00095123-CU-OE CTL

Esakhani v. Central Valley Gaming, Stanislaus County Superior Court, Case No. 2020667

Escobar v. SMSSI of California, Inc., San Francisco Superior Court, JCCP No. 4776

Espinosa v. Taltech Construction, et al., Los Angeles County Superior Court, Case No. BC590176

Espinosa v. Bodycote Thermal Processing, Inc., Los Angeles County Superior Court, Case No. BC501617

Espinoza v. Pabco Building Products, LLC, Los Angeles County Superior Court, Case No. VC065660

Estrada v. Net Source Communications, Inc., Los Angeles County Superior Court, Case No. BC431169

Estrada v. OS Restaurant Services, LLC, Santa Clara County Superior Court, Case No. 16CV293249

Estupinan v. Global Development Strategies, Inc., Santa Clara County Superior Court, Case No. 110CV178898

Fadhl. v. Siemens Healthcare Diagnostics Inc., Sacramento County Superior Court, Case No. 34-2017-00209518

Fernandez v. The Regents of the University of California, Los Angeles County Superior Court, Case No. BC656256

Ferrer v. Dish Network Corporation, Los Angeles County Superior Court, Case No. BC441354

Findora v. Barry Callebaut USA LLC, Napa County Superior Court, Case No. 19CV000219

Flores v. Cintas Corporation, Los Angeles County Superior Court, Case No. BC400422

Friel v. Midwest Construction Services, Inc., San Joaquin County Superior Court, Case No. 39-2015-00329204-CU-OE-STK

Gagnon v. Banc of California, Contra Costa County Superior Court, Case No. C 15-00196

Galarza v. Bayou Well Services, LLC, Kern County Superior Court, Case No. S-1500-CV-279372 DRL

Galarza v. C & H Testing Service LLC, Kern County Superior Court, Case No. BCV-15-100008 SPC

Garcia v. Old Dominion Freight Line, Inc., San Bernardino County Superior Court, Case No. CIVDS1404636

Geer v. Applied Aerospace Structures Corp., San Joaquin County Superior Court, Case No. 39-2014-00313702-CU-OE-STK

Getz v. California Cinema Investments, Inc., Ventura County Superior Court, Case No. 56-2013-00437706-CU-MC-VTA

Gibbs v. M. Lehmann Enterprises, Orange County Superior Court, Case No. 30-2013-00678538-CU-OE-CXC

Gilles v. Schaefer Ambulance Service Inc., Imperial County Superior Court, Case No. ECU07970

Goldman, et al. v. Defender's, Inc., San Joaquin County Superior Court, Case No. STK-CV-UOE-2018-0009973

Gomez v. Low Desert Empire Pizza, Inc., San Bernardino County Superior Court, Case No. CIVVS900392

Gomez v. Pizza Hut of Southeast Kansas, Inc., San Bernardino County Superior Court, Case No. CIVVS900679

Gonzalez v. Harris Farms, Inc., USDC – Eastern District of California (Fresno), Case No. 1:14-cv-00038-LJO-SAB

Guerrero v. Main Electric Supply Company LLC, Ventura County Superior Court, Case No. 56-2019-00525427-CU-OE-VTA

Gutierrez v. Asset Management Specialists, Inc., Fresno County Superior Court, Case No. 12CECG03577

Gutierrez v. Linkus Enterprises, Inc., Madera County Superior Court, Case No. MCV065774

Gutierrez v. Shiekh, LLC, San Bernardino County Superior Court, Case Nos. CIVRS1206525, CIVRS1303408

Hairston v. Stanislaus Surgical Hospital, Stanislaus County Superior Court, Case No. CV-19-000651

Hindman v. Service Quick, Inc., San Bernardino County Superior Court, Case No. CIVDS1724229

Hogan v. iMobile of CA LLC, San Bernardino County Superior Court, Case No. CIVDS1409263

Hogan v. Wireless Evolution Inc., Riverside County Superior Court, Case No. MCC1300669

Hogan v. Wireless That's It! LLC, Riverside County Superior Court, Case No. RIC1201997

Holmes v. Bottling Group, LLC, Stanislaus County Superior Court, Case No. 2022584

Hooper, et al. v. URS Midwest, Inc., et al., San Bernardino Superior Court, Case No. CIVDS1607489

Humphrey v. Freedomroads, LLC, Shasta County Superior Court, Case No. 178228

Hurtado v. Rush Truck Centers of California, Inc., Los Angeles County Superior Court, Case No. BC427672

Hyde v. Dent Wizard International Corporation, Sacramento County Superior Court, Case No. 34-2015-00173882

Ibrihim v. Imperfect Foods, Inc., San Joaquin County Superior Court, Case No. STK-VI-UOE-2019-0000846

Id-deen v. Educational Services of America, Solano County Superior Court, Case No. FCS040803

Isherwood v. Mason Dixon Intermodal, Inc., San Joaquin County Superior Court, Case No. 39-2012-00279891-CU-OC-STK

Jahanbin v. Pacific Mercantile Bank, Orange County Superior Court, Case No. 30-2011-00480705CU-OE-CXC

Jenkins v. Sedgwick Claims Management Services, Inc., Los Angeles Superior Court, Case No. LC101648

Job v. California Security Services, Yuba County Superior Court, Case No. 14-0000820

Johnson v. The Goodyear Tire & Rubber Company, USDC – Northern District of California (San Francisco), Case No. 3:13-cv-01069-MMC

Jolin v. Bay Cities Recovery, Inc., El Dorado County Superior Court, Case No. PC20100458

Jordan v. Sutter Memorial Hospital, Stanislaus County Superior Court, Case No. 2023344

Keebaugh v. Mike Thompson Recreational Vehicles, San Bernardino County Superior Court, Case No. CIV-DS-1500718

Kelly v. Robin's Enviro Vac, Inc., Kern County Superior Court, Case No. S-1500-CV-282277
DRL

King v. Levy Premium Foodservice Limited Partnership, Alameda County Superior Court, Case No. HG15786353

Kunsman v. Punch Bowl Sacramento, LLC, et al., Sacramento County Superior Court, Case No. 34-2018-00243175

LaFear v. Encore Education Corporation, San Bernardino County Superior Court, Case No. CIVDS1802251

Lanzarin v. AWI Management Corporation, Solano County Superior Court, Case No. FCS041809

Lee, et al. v. Foster Dairy Farms, Stanislaus County Superior Court, Case Nos. 2006542, 2015679

Lemus, et al. v. Eastridge Workforce Technology, Inc., San Bernardino County Superior Court, Case No. CIV-DS-1611470

Lewis v. American Casino & Entertainment Properties LLC, San Bernardino County Superior Court, Case No. CIVDS1719094

Lemus v. On Assignment Staffing Services, San Bernardino County Superior Court, Case No. CIV-DS-1600497

Leon v. Piercey West Inc., Los Angeles County Superior Court, Case No. BC656874

Lopez v. Creative Communication Technologies, Inc., Imperial County Superior Court, Case No. ECU07851

Lopez v. Go Green Auto Spa Franchise, Inc., et al., Los Angeles County Superior Court, Case No. BC 562212

Lopez v. Truck Accessories Group, LLC, Yolo County Superior Court, Case No. CV13798

Ludlow v. Prince Telecom, LLC, Stanislaus County Superior Court, Case No. 684239

Luna v. Express Locations, LLC, Imperial County Superior Court, Case No. ECU09779

Macias v. American Tire Distributors, Inc., Kern County Superior Court, Case No. BCV-18-101586

Maldonado v. Hardwood Flooring Liquidators, Inc., Los Angeles County Superior Court, Case No. BC642170

Mansfield v. Cambridge Real Estate Services, Inc., Butte County Superior Court, Case No. 160175

Martinez v. DPI Specialty Foods West, San Joaquin County Superior Court, Case No. 39-2015-00327311-CU-OE-STK

Martinez v. Styles For Less, Inc., San Bernardino County Superior Court, Case No. CIVVS1203057

Mayne v. John Muir Behavioral Health, Contra Costa County Superior Court, Case No. C17-00998

Maze v. Bulldog Freightway, Inc., Imperial County Superior Court, Case No. ECU08716

McCormick v. G & O Body Shop, Inc., El Dorado Superior Court, Case No. PC20130291

McCrary v. Campbell Soup Supply Company, San Joaquin County Superior Court, Case No. 39-2013-00297698-CU-OE-STK

McDaniel v. Vancary, Inc., Tulare County Superior Court, Case No. 268036

Melgar-Farela v. Guardian Compliance, Inc., Los Angeles County Superior Court, Case No. BC481865

Mendiola v. Tyco Electronics Corporation, Riverside County Superior Court, Case No. RIC1400721

Mettler v. Les Schwab Tire Centers of California, Inc., San Joaquin County Superior Court, Case No. STK-CV-UOE-2018-476

Miller v. California Subshine, Inc., Los Angeles County Superior Court, Case No. BC637754

Miller v. Southwest Airlines Co., USDC – Northern District of California (San Francisco), Case No. 3:12-cv-05978-CRB

Mitchell v. Crossmark, Inc., USDC – Central District of California (Los Angeles), Case No. CV 11-2818-JAK (FMOx)

Moghrabi v. Vitaligent, Inc., San Joaquin County Superior Court, Case No. STK-CV-UOE-2018-1650

Molina v. Berkshire Hathaway Energy Company, et al., Imperial County Superior Court, Case No. ECU000522

Moore v. Horizon Solar Power, Inc., San Bernardino County Superior Court, Case No. CIVDS1410001

Murray v. Select Media Services, LLC, Los Angeles County Superior Court, Case No. BC424506

Myles v. Central Transport LLC, San Bernardino County Superior Court, Case No. CIVDS1401434

Navarro v. Mariana Packing Co., Inc., Solano County Superior Court, Case No. FCS045935

Nehrlich, et al. v. RPM Mortgage, Inc., Orange County Superior Court, Case No. 30-2013-00666783-CU-OE-CXC

Overton v. Hat World, Inc., USDC – Eastern District of California (Sacramento), Case No. 2:11-CV-01645-LKK-KJN

Perez v. Alcatel-Lucent USA Inc., Imperial County Superior Court, Case No. ECU07977

Perez v. Major Gloves and Safety, Inc., San Bernardino County Superior Court, Case No. CIVDS1710445

Perry v. Cardinal Health 200, LLC, Solano County Superior Court, Case No. FCS035303

Phraxayavong-Briones v. RSM, Inc., Sacramento County Superior Court, Case No. 34-2012-00117524

Pugh v. Wi Spa, LLC, Imperial County Superior Court, Case No. ECU07932

Quist v. Knight Transportation, Inc., San Bernardino Superior Court, Case No. CIVDS 1615414

Quitco v. Aviation Fuel Systems Repair, Inc., San Bernardino Superior Court, Case No. CIVRS1302311

Rambeau v. C.C.M. Corporation, et al., Sacramento County Court, Case No. 34-2018-00244842

Rankins v. Roman Empire Living Skills, Inc., Los Angeles County Superior Court, Case No. BC713399

Rees v. Advantel, Incorporated, Santa Clara County Superior Court, Case No. 16-CV-292219

Renfrow v. Janra Enterprises, Inc., Sacramento County Superior Court, Case No. 3402010-00080471

Reynolds v. Diamond Pet Food Processors of Ripon, San Joaquin County Superior Court, Case No. 39-2014-00310818

Richard v. A-Para Transit Corp., Alameda County Superior Court, Case No. HG17870373

Richardson v. TEC Equipment, Inc., et al., Los Angeles County Superior Court, Case No. VC065536

Robles v. North County Health Project Incorporated, San Diego Superior Court, Case No. 37-2014-00001751-CU-OE-NC

Rodas v. Monetary Management of California, Inc., USDC – Eastern District of California (Sacramento), Case No. 2:14 cv 01389 TLN AC

Rodriguez v. 20/20 Plumbing & Heating, Inc., San Bernardino County Superior Court, Case No. CIVDS1705362

Rodriguez v. Commerce Distribution Company, Los Angeles County Superior Court, Case No. BC656259

Rodriguez v. Valley Oak, San Joaquin County Superior Court, Case No. STK-CV-UOE-2016-7980

Roden v. Service Champions, San Bernardino County Superior Court, Case No. CIVDS1613183

Russell v. Bradshaw International, Imperial County Superior Court, Case No. ECU00853

Rutledge, et al. v. Healthport Technologies, LLC, Alameda County Superior Court, Case No. RG16835813

Sabala v. Econtactlive, Inc., Stanislaus County Superior Court, Case No. 684981

Sabatier v. Picture Perfect Installation, Inc., Riverside County Superior Court, Case No. RIC10004953

Salameh v. Sonomaience OPCO, LLC, Sonoma County Superior Court, Case No. SVC264228

Salazar v. Tag-3 Medical Investment Group, LLC, Los Angeles County Superior Court, Case No. BC527698

Salbeck v. Ingredion Incorporated, San Joaquin County Superior Court, Case No. STK-UOE-2017-0012622

Sampson v. Healthnet of California Inc., Sacramento County Superior Court, Case No. 34-2015-00183785-CU-OE-GDS

Sanchez v. Don Roberto Jewelers, Inc., Imperial County Superior Court, Case No. ECU06819

Sanders v. Lionakis, Sacramento County Superior Court, Case No. 34-2017-00223601

Santana v. United Staffing Associates, LLC, Tulare County Superior Court, Case No. 249338

Schrader v. Adidas Promotional Retail Operations, Inc., Los Angeles County Superior Court, Case No. BC414168

Sebrell v. Pomeroy IT Solutions, San Bernardino County Superior Court, Case No. CIVDS1721560

Seymour v. Quest Service Group, LLC, Sacramento County Superior Court, Case No. 34-2017-00206917

Silva v. Trical, San Benito County Superior Court, Case No. CU-16-00218

Simler v. Polly's Inc., Riverside County Superior Court, Case No. RIC 1117862

Sipin, Scott v. Salesforce.com, Inc., San Joaquin County Superior Court, Case No. STK-CV-UOE-2019-0004629

Skuro v. BMW of North America, LLC, USDC – Central District of California (Los Angeles), Case No.: CV 10-8672-GW (FFMx)

Smith v. Steelcase, Inc., San Bernardino County Superior Court, Case No. CIVDS1725850

Sohal v. Foster Poultry Farms, Stanislaus County Superior Court, Case No. 2026605

Solomon v. City of Los Angeles, Los Angeles County Superior Court, Case No. BC570345

Solano v. Vozzcom, Inc., Imperial County Superior Court, Case No. ECU09519

Smith, et al. v. Sente Development, Inc., Sacramento County Superior Court, Case No. 34-2016-00196614

Solorzano v. FDS Manufacturing Corporation, Los Angeles County Superior Court, Case No. BC542532

Solowitz v. BakeMark USA LLC, Los Angeles County Superior Court, Case No. BC467838

Spampinato v. Wind & Sea Restaurants, Inc., San Bernardino County Superior Court, Case No. CIVVS1205154

Spitzer, et al. v. FRHI Hotels & Resorts (Canada) Inc., San Bernardino County Superior Court, Case No. C IVDS1712220

Stephens v. C.S., Inc., Riverside County Superior Court, Case No. PSC1301224

Stevenson v. Harvest Management Sub LLC, Ventura County Superior Court, Case No. 56-2011-00397420-CU-OE-SIM

Thompson v. Continental Labor Resources, Inc. d/b/a Continental Labor & Staffing Resources, Kern County Superior Court, Case No. S-1500-CV-278751-DRL

Thompson v. Sidhu Truck Line, Inc., Kern County Superior Court, Case No. BCV-15-101308-DRL

Tigas v. Ajilon Communications, Los Angeles County Superior Court, Case No. BC409737

Torres v. Coastal Employment Inc., Los Angeles County Superior Court, Case No. BC529207

Tran v. CSP Fiber Services, San Bernardino County Superior Court, Case No. CIVDS172758

Tripp v. California Guest Services, Inc., Plumas County Superior Court, Case No. CV16-00036

Valdez v. Diamond Landscaping, Inc., Los Angeles County Superior Court, Case No. BC497097

Valencia v. American Team Managers, Inc., Orange County Superior Court, Case No. 30-2016-00857365-CU-CR-CXC

Van Son v. Rush Truck Centers of California, Inc., Los Angeles County Superior Court, Case No. BC494747

Vasquez v. Schurman Fine Papers, San Joaquin County Superior Court, Case No. STK-CV-LMC-2015-10035

Velasquez v. Modesto Ventures, LLC, Sacramento County Superior Court, Case No. 32-2012-00126159

Victoria v. Bali Limousines Inc., San Mateo County Superior Court, Case No. CIV507774

Victorian v. Vision X, Inc., Los Angeles County Superior Court, Case No. BC400333

Wade v. Frito Lay, Kern County Superior Court, Case No. BCV-17-102014

Walls v. E. & J. Gallo, Stanislaus County Superior Court, Case No. 2015874

Warner v. Waterdrops Express Car Wash, LLC, Tulare County Superior Court, Case No. 265708

Waybright v. EAH, Inc., Stanislaus County Superior Court, Case No. 2011677

Weiss v. C.A.R. Enterprises, Inc., Riverside County Superior Court, Case No. RIC1113165

White v. Sally Beauty Supply, LLC, Imperial County Superior Court, Case No. ECU08177

Williams v. Dennis Dillon RV, LLC, San Bernardino County Superior Court, Case No. CIVDS 16006879

Williams v. Closet World, Inc., Los Angeles County Superior Court, Case No. BC400178

Williams v. Progress Rail Services Corporation, Kern County Superior Court, Case No. S-1500-CV-280236 DRL

Wing v. Three Group, Inc., Los Angeles County Superior Court, Case No. BC643883

Wilson v. ALSCO, Inc., Imperial County Superior Court, Case No. ECU07406

Wilson v. Michael C. Stead, Inc., Contra Costa Superior Court, Case No. C1400135

Winningham v. Storer Transportation Service, San Joaquin County Superior Court, Case No. 39-2015-00324708-CU-STK

Woody v. WBN Home Design, San Bernardino County Superior Court, Case No. CIVDS1613367

Woods, et al. v. F&B Innovations, LLC, San Bernardino County Superior Court, Case No. CIVDS1717765

Woodyard v. Bellus ALC Acquisition, LLC, USDC – Central District of California (Los Angeles), Case No. 2:13-cv-05285 SJO AGRx

Wright v. Social Vocational Services, Inc., Kern County Superior Court, Case No. BCV-15-101264

Ybarra v. New Legend, Inc., Sutter County Superior Court, Case No. CVCS-16-2097

Zaragoza v. Center Automotive, Inc., Los Angeles Superior Court, Case No. BC505194

EXHIBIT B

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF STANISLAUS**

RENEE LOPEZ, on behalf of herself and all
“aggrieved employees” pursuant to Labor
Code § 2698 *et seq.*

Plaintiff,

v.

COVENANT LIVING WEST, a California
domestic nonprofit corporation, and DOES
1 through 10, inclusive,

Defendants.

CASE NO: CV-21-001160

*Assigned to the Hon. Stacy Speiller, Department
22*

CLASS ACTION

**SETTLEMENT AGREEMENT AND
RELEASE OF CLAIMS**

Complaint Filed: March 5, 2021

1 **SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS**

2 This Settlement Agreement and Release of Claims (“Settlement Agreement,” “Stipulation,”
3 or “Stipulation of Settlement”) is made and entered into by and between Plaintiff Renee Lopez
4 (“Lopez” or “Plaintiff” or “Class Representative”), individually and on behalf of the Settlement
5 Class and all others similarly situated, and Defendant Covenant Living West (“Defendant”), subject
6 to the terms and conditions herein and the Court’s approval.

7 **A. Definitions.**

8 1. Plaintiff, the Settlement Class (as defined below), and Defendant are collectively
9 referred to herein as “the Parties.”

10 2. Daniel F. Gaines and Alex P. Katofsky of Gaines & Gaines, APLC are counsel of
11 record for Plaintiff. For purposes of this settlement only, the firm of Gaines & Gaines, APLC shall
12 be designated as “Class Counsel.”

13 3. The “Action” means the case entitled *Renee Lopez v. Covenant Living West*, Case
14 No. CV-21-001160, pending before the Superior Court of the State of California for the County of
15 Stanislaus.

16 4. The “Settlement Class” shall be defined as “all persons who are or were employed
17 in California by Defendant as non-exempt employees at any point from March 5, 2017 through
18 September 30, 2022” (the “Class Period”).

19 5. The Aggrieved Employees are defined as “all persons who are or were employed in
20 California by Defendant as non-exempt employees at any point from December 8, 2019 through
21 September 30, 2022” (“the “PAGA Period”). No Aggrieved Employee may opt out of the PAGA
22 portion of the settlement, and each Aggrieved Employee shall be bound by the PAGA Release and
23 be paid a share of the PAGA allocation, even if they opt out of the class settlement.

24 6. Members of the Settlement Class shall collectively be referred to as a “Class
25 Member” or “Class Members.” Any Class Member who files a timely Request for Exclusion, as
26 detailed below, will be excluded from the final Settlement Class.

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28 \\\

B. General.

1. On December 8, 2020, Plaintiff exhausted the pre-filing requirements of the Labor Code Private Attorneys General Act of 2004 ("PAGA").

2. On or about March 5, 2021, Plaintiff initiated the Action by filing a Representative Action Complaint for Penalties, pursuant to PAGA, on behalf of herself and all other aggrieved employees. The First Amended Complaint, filed on or about August 27, 2021, asserts class and PAGA representative action claims against Defendant for (1) failure to pay all minimum and overtime wages due (Labor Code §§ 510, 1194, and 1194.2); (2) failure to provide rest periods or compensation in lieu thereof (Labor Code §§ 226.7, 510, and 1194; IWC Wage Order 5-2001); (3) failure to comply with itemized employee wage statement provisions (Labor Code § 226(a), (e), (h)); (4) failure to timely pay wages due at separation of employment (Labor Code §§ 201-203); (5) violation of Business and Professions Code §§ 17200, *et seq.*; and (6) civil penalties pursuant to Labor Code §§ 2698, *et seq.* for violations of Labor Code §§ 201-202, 226(a), 226.3, 226.7, 510, 558 and 1194 (the "First Amended Complaint").

3. Defendant denies any liability or wrongdoing of any kind associated with the claims alleged in the Action, and further denies that the Action is appropriate for class treatment for any purpose other than this settlement. Defendant contends that it has complied at all times with the California Labor Code, Industrial Welfare Commission Wage Orders, and all other applicable federal, state, and local laws and regulations. It is Defendant's position that, if this case were to be litigated, class certification would be inappropriate because Plaintiff is not an adequate class representative, Plaintiff's claims are not typical of putative class members, and individual issues predominate over class issues. The Action, the negotiation and execution of this Settlement Agreement, and all acts performed or documents executed pursuant to or in furtherance of the Settlement Agreement (i) shall not be used as an admission or evidence of wrongdoing on behalf of Defendant; (ii) shall not be an admission or evidence of fault on behalf of Defendant in any action before a civil, criminal, or administrative agency; and (iii) shall not be deemed to be, and may not be used as, an admission or evidence of the appropriateness of these or similar claims for class certification in the Action or with respect to any other proceeding. The parties further agree

1 that Defendant does not waive any defense to the First Amended Complaint and the PAGA claim
2 contained therein.

3 4. The Class Representative contends that Defendant violated the California Labor
4 Code and Industrial Welfare Commission Wage Order(s), and that this case is appropriate for class
5 certification.

6 5. Class Counsel represent that they have conducted a thorough investigation into the
7 facts and law during the prosecution of this class action case, including the exchange of extensive
8 informal discovery and the review and verification of statistical data and other facts and information
9 provided by Defendant. Counsel for the Parties also represent that they have investigated the
10 applicable law as applied to the facts discovered regarding the alleged claims of Plaintiff and
11 potential defenses thereto, and the damages and other losses claimed by Plaintiff.

12 6. On April 18, 2022 and again on August 2, 2022, following their exchange of
13 information and documents regarding the Settlement Class and Aggrieved Employees and the
14 claims and defenses asserted by the Parties, the Parties engaged in arm's-length negotiations with
15 the assistance of mediator Steven Pearl, Esq. At the conclusion of the August 2, 2022 mediation
16 session, the Parties were able to reach the resolution of the Action set forth herein.

17 7. Based on their own independent investigation and evaluation, Class Counsel are of
18 the opinion (and will so represent to the Court) that settlement for the consideration and on the
19 terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best
20 interest of the Settlement Class in light of all known facts and circumstances, including the risk of
21 significant delay, the risk the Settlement Class will not be certified by the Court, and the defenses
22 asserted by Defendant. Defendant and its counsel also agree (and will so represent to the Court)
23 that this settlement is fair and in the best interest of the Settlement Class.

24 8. The Parties agree that the Settlement Class described herein may be certified for
25 settlement purposes only and that any motion for approval seeking, *inter alia*, certification of the
26 Settlement Class is for purposes of the settlement only. If for any reason the settlement is not
27 approved, the certification will have no force or effect and will immediately be revoked. The
28 Parties further agree that certification for purposes of the settlement is in no way an admission that

1 class certification is proper under the more stringent standard applied for litigation and that
2 evidence of this limited Stipulation for settlement purposes only will not be admissible for any
3 purpose in this or any other proceeding.

4 **C. Terms of Settlement.**

5 1. The financial terms of the settlement are as follows:

6 (a) **Maximum Settlement Amount:** The Parties agree to settle this Action for
7 a Maximum Settlement Amount of One Million Nine Hundred Thousand U.S. Dollars (\$1,900,000)
8 (the "Maximum Settlement Amount"), subject to any increase based on the escalator provision in
9 paragraph H(16) herein. The Maximum Settlement Amount includes the attorneys' fees of Class
10 Counsel; litigation costs and expenses (which includes, without limitation, all such fees and costs
11 incurred to date, as well as such fees and costs to be incurred in documenting the settlement,
12 providing any notices required as part of the settlement, securing Court approval of the settlement,
13 and obtaining judgment in the Action); the Enhancement Payment to the Class Representative, as
14 approved by the Court; the payment to the California Labor and Workforce Development Agency
15 ("LWDA"); and all costs of administration, including, without limitation, settlement administration
16 fees and expenses. All employer payroll tax obligations due on wage payments made from the Net
17 Settlement Proceeds shall be paid by Defendant separate and apart from the Maximum Settlement
18 Amount.

19 (b) **Net Settlement Proceeds:** "Net Settlement Proceeds" is defined as the
20 Maximum Settlement Amount less the amounts approved and awarded by the Court for: attorneys'
21 fees and documented litigation costs and expenses incurred or advanced by Class Counsel; the
22 Enhancement Payment to the Class Representative; the payment to the LWDA pursuant to PAGA;
23 and the costs of administering the settlement.

24 (c) **Individual Payment Amounts:** "Individual Payment Amount" means the
25 portion of the Net Settlement Proceeds distributable to each Class Member who participates in the
26 class settlement (i.e., who does not submit a valid request for exclusion) and each Aggrieved
27 Employee, whether or not they participate in the class settlement.

28 \\\

1 i. The class portion of the Individual Payment Amounts will be
2 calculated by dividing the Net Settlement Proceeds, less the \$20,000 allocation to the Aggrieved
3 Employees, by the total weeks worked by all participating Class Members in California in a non-
4 exempt position during the Class Period, which will yield the applicable class workweek rate. The
5 class workweek rate shall be multiplied by the number of workweeks each individual participating
6 Class Member worked for Defendant in California in a non-exempt position during the Class Period
7 to yield the class portion of their Individual Payment Amount. Each Participating Settlement Class
8 Member who does not opt out will receive an Individual Payment Amount for the class settlement
9 equal to their individual workweeks worked in California in a non-exempt position during the Class
10 Period multiplied by the class workweek rate.

11 ii. The PAGA portion of the Individual Payment Amounts will be
12 calculated by dividing the \$20,000 of the Net Settlement Proceeds allocated to the Aggrieved
13 Employees, by the total workweeks worked by all Aggrieved Employees in California in a non-
14 exempt position during the PAGA Period, which will yield the applicable PAGA workweek rate.
15 The PAGA workweek rate shall be multiplied by the number of workweeks each individual
16 participating Aggrieved Employee worked for Defendant in California in a non-exempt position
17 during the PAGA Period to yield the PAGA portion of their Individual Payment Amount. Each
18 Aggrieved Employee will receive an Individual Payment Amount for the PAGA allocation of the
19 settlement equal to their individual workweeks worked in California in a non-exempt position
20 during the PAGA Period multiplied by the PAGA workweek rate.

21 iii. For tax purposes, each non-PAGA portion of the Individual Payment
22 Amounts will be apportioned (a) 20% as wages (reported on an IRS Form W-2 and subject to
23 applicable withholdings); and (b) 80% to penalties and interest (reported on an IRS Form 1099, if
24 required by law). The PAGA portion of the Individual Payment Amounts will be apportioned
25 100% to penalties (reported on an IRS Form 1099, if required by law). All Individual Payment
26 Amounts paid to Class Members will be subject to any applicable wage garnishments, liens, or
27 other legally mandated treatment as required by law.

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1 (d) **PAGA Payment:** The Parties agree that Eighty Thousand Dollars (\$80,000)
2 shall be allocated to settle Plaintiff's claims brought pursuant to PAGA. Of this amount, Seventy-
3 Five percent (75%), or Sixty Thousand Dollars (\$60,000), shall be paid to the LWDA, and the
4 remaining Twenty-Five percent (25%), or Twenty Thousand Dollars (\$20,000), shall be included
5 in the Net Settlement Proceeds for payment to Aggrieved Employees.

6 (e) **Enhancement Payment to Class Representative:** The amount awarded to
7 the Class Representative as an Enhancement Payment will be set by the Court in its discretion, not
8 to exceed Fifteen Thousand Dollars (\$15,000). This amount will be deducted from the Maximum
9 Settlement Amount. An IRS Form 1099 will be issued to the Class Representative for her
10 Enhancement Payment. Defendant agrees not to dispute or otherwise object to the Enhancement
11 Payment if Plaintiff requests \$15,000 or less.

12 (f) **Attorneys' Fees:** An award to Class Counsel of attorneys' fees will be
13 deducted from the Maximum Settlement Amount in an amount to be set by the Court taking into
14 account the settlement award that has been made available for the Settlement Class by the efforts
15 of Class Counsel. The amount awarded shall not exceed 35% of the Maximum Settlement Amount
16 (i.e., Six Hundred Sixty-Five Thousand Dollars \$665,000)). An IRS Form 1099 will be issued to
17 Class Counsel with respect to its award of attorneys' fees. Defendant agrees not to dispute or
18 otherwise object to the attorneys' fee award requested by Class Counsel so long as the request does
19 not exceed 35% of the Maximum Settlement Amount.

20 (g) **Attorneys' Costs and Expenses:** Class Counsel will be reimbursed from
21 the Maximum Settlement Amount in an amount to be set by the Court for documented out-of-
22 pocket litigation costs and expenses, not to exceed Twenty Thousand Dollars (\$20,000). An IRS
23 Form 1099 will be issued to Class Counsel with respect to its award of costs and expenses.
24 Defendant agrees not to dispute or otherwise object to the attorneys' cost award requested by Class
25 Counsel so long as the request does not exceed \$20,000.

26 (h) **Settlement Administration Costs:** The fees and other charges of the
27 Settlement Administrator to administer the Settlement are expected to total no more than Twenty-
28 Five Thousand Dollars (\$25,000), and will be paid from the Maximum Settlement Amount. These

1 fees shall include any costs associated with the required tax reporting on any Individual Payment
2 Amounts, and the issuing of any and all W-2 and 1099 forms. Subject to approval of the Court, the
3 Parties have agreed that Phoenix Class Action Administration Solutions will serve as a neutral
4 third-party claims' administrator ("Settlement Administrator") to perform all acts related to
5 providing notice to the Settlement Class. Settlement Administrator shall be responsible for (a)
6 printing and distributing the Court-approved Notice of Class Action Settlement ("Class Notice") to
7 all Class Members; (b) administering the settlement; (c) processing exclusions, objections, and field
8 inquiries from Class Members; (d) resolving disputes; (e) calculating the Individual Payment
9 Amount each Participating Class Members is eligible to receive; (f) distributing the Maximum
10 Settlement Amount as directed by the Court and set forth herein; (g) tax reporting; (h) providing
11 necessary weekly status reports; and (i) other duties and responsibilities set forth herein.

12 (i) **No Warranty by Defendant:** Plaintiff understands and agrees that
13 Defendant is not providing Plaintiff or Class Members with tax or legal advice and that Defendant
14 makes no representations regarding tax obligations or consequences, if any, related to this
15 Settlement Agreement.

16 **D. Release of Claims.**

17 1. Upon the Effective Date, and subject to Defendant's full payment of the Maximum
18 Settlement Amount and all employer payroll taxes due hereunder, Plaintiff and all Settlement
19 Class Members who do not timely opt-out will be deemed to have fully released and discharged
20 Defendant Covenant Living West and its respective present and former parents, owners, assigns,
21 executors, administrators, transferees, affiliates, divisions, subsidiaries and any affiliated or related
22 persons or entities and each of their respective officers, directors, employees, partners,
23 shareholders, directors, attorneys and agents and any other successors, assigns or legal
24 representatives ("Released Parties") from any and all Released Claims which arose during their
25 employment in a non-exempt position in California during the Class Period.

26 2. The "Released Claims" include any and all claims and/or causes of action, known
27 or unknown, which accrued during the Class Period during employment in a non-exempt position
28

1 in California, that are alleged in the First Amended Complaint on file in the Action, or that could
2 have been alleged in the Action based on the facts set forth in the First Amended Complaint.

3 3. Upon the Effective Date, and subject to Defendant's full payment of the Maximum
4 Settlement Amount and all employer payroll taxes due hereunder, Plaintiff and Aggrieved
5 Employees (including those who opt out of the Settlement Class) will be deemed to have fully
6 released and discharged the Released Parties from any and all PAGA claims and/or causes of
7 action, known or unknown, which accrued during the PAGA Period during employment in a non-
8 exempt position in California, that are alleged in the First Amended Complaint on file in the
9 Action, or that could have been alleged in the Action based on the facts set forth in the First
10 Amended Complaint. No Aggrieved Employee may opt out of the PAGA portion of the
11 Settlement.

12 3. Upon the Effective Date and subject to Defendant's full payment of the Maximum
13 Settlement Amount and all employer payroll taxes due hereunder, Plaintiff Lopez shall be deemed
14 to have fully, finally, and forever released the Released Parties from any and all claims, obligations,
15 demands, actions, rights, causes of action, and liabilities against the Released Parties, of whatever
16 kind and nature, character, and description, whether in law or equity, whether sounding in tort,
17 contract, federal, state and/or local law, statute, ordinance, regulation, common law, or other source
18 of law, whether known or unknown, and whether anticipated or unanticipated, including unknown
19 claims covered by Civil Code Section 1542, arising through the date of her signature hereon, for
20 any type of relief, including, without limitation, claims for wages, damages, unpaid costs, penalties,
21 liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, or
22 equitable relief. These claims include, but are not limited to, the Released Claims, as well as any
23 other claims under any provision of the California Labor Code or any applicable California
24 Industrial Welfare Commission Wage Orders, and claims under local, state, or federal
25 discrimination statutes, including, without limitation, the California Fair Employment and Housing
26 Act, California Government Code §§ 12940 et seq.; the Unruh Civil Rights Act, California Civil
27 Code §§ 51 et seq.; the California Constitution; Title VII of the Civil Rights Act of 1964, 42 U.S.C.
28 §§ 2000 et seq.; the Americans with Disabilities Act, 42 U.S.C. §§ 12101 et seq.; the Employee

1 Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 et seq.; and all of their implementing
2 regulations and interpretive guidelines. With respect to these Released Claims as described in this
3 Section, Plaintiff Lopez shall be deemed to have expressly waived and relinquished, to the fullest
4 extent permitted by law, the provisions, rights, and benefits she may otherwise have had pursuant
5 to Section 1542 of the California Civil Code, which provides as follows:

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

10 Notwithstanding Section 1542, Plaintiff understands and agrees that this Agreement shall
11 act as a release of all future claims that may arise from Plaintiff Lopez's employment or separation
12 from employment with Defendant, or any other matters that existed between Plaintiff Lopez and
13 the Released Parties up to the date of this Agreement, whether such claims are currently known or
14 unknown, and that Plaintiff intentionally waives any rights she may have under the provisions of
15 Section 1542, as well as under any other statutes or common law principles of similar effect in the
16 State of California or in any other state.

17 **E. Notice and Exclusion Process.**

18 1. Within ten (10) calendar days after entry of the order granting preliminary approval
19 of this Settlement, Defendant shall provide to the Settlement Administrator a list of all Class
20 Members, including their last known addresses, telephone numbers, social security numbers, and
21 their dates of employment in a non-exempt position in California during the Class Period
22 ("Settlement Class Information"). The names, addresses, telephone numbers, and Social Security
23 numbers will only be disclosed to the Settlement Administrator and not to Plaintiff's Counsel. All
24 information provided to the Settlement Administrator will be marked CONFIDENTIAL. This
25 information shall be kept confidential and shall not be disclosed, either in writing or orally, by the
26 Settlement Administrator. The Settlement Administrator shall use due care with respect to the
27 storage, custody, use, and/or dissemination of the confidential information. Such information must
28 be stored in a secure fashion and all persons who access the data must agree to keep it confidential.

2. A notice of pendency of class action, proposed settlement, and hearing date for Court approval ("Class Notice") in the form attached hereto as **Exhibit 1**, and as approved by the Court, shall be sent by the Settlement Administrator to the Class Members, by first class mail, within twenty (20) calendar days after entry of the order granting preliminary approval. The Class Notice will include instructions to request exclusion from the Settlement.

3. The Settlement Administrator will make reasonable efforts to ensure that the Class Notice is sent to all Class Members. It will conclusively be presumed that if an envelope has not been returned within thirty (30) days of the mailing that the Class Member received the Class Notice. In the event of returned or non-deliverable notices, the Settlement Administrator will make reasonable efforts to locate Class Members and re-send the notices.

4. Each Class Member will be fully advised of the settlement, the ability to object to the settlement, and the ability to submit a request for exclusion. The Class Notice will inform the Class Members of the Court-established deadlines for filing objections and submitting requests for exclusion.

5. Each Class Notice will contain personalized information setting forth the number of workweeks each Class Member worked for Defendant in California in a non-exempt position during the Class and PAGA Periods and their estimated Individual Payment Amounts. To the extent a Class Member disputes any of the information listed on his or her Class Notice, the Class Member may produce evidence to the Settlement Administrator showing such information the Class Member contends should be reflected in the Class Notice. Defendant's records will be presumed determinative, however, and the Settlement Administrator's decision on these matters will be final. The Class Notice will also set forth IRS W-9 information if required.

6. All Class Members who do not submit a request for exclusion and all Aggrieved Employees will be eligible to receive an Individual Payment Amount which shall be mailed to them if and when the Effective Date occurs.

7. In order to elect not to participate in the Settlement, a Class Member must submit a request for exclusion, and mail it to the Settlement Administrator no later than forty-five (45) calendar days after the initial mailing of the Class Notice to Class Members, unless the Court

1 requires a longer period, in which case the Court ordered exclusion period will apply. The date of
2 the postmark shall be deemed the date of submission. The timeliness of submitted requests for
3 exclusion will be determined by valid postmark. If the 45th day falls on a Sunday or federal
4 holiday, the time to request exclusion will be extended to the next day on which the U.S. Postal
5 Service is open. To be valid, a request for exclusion must (i) state the Class Member's name,
6 address, telephone number, and social security number (last four digits) or employee ID number,
7 (ii) be signed and dated, and (iii) included an express request to be excluded from the class.

8 8. The deadline for submission of exclusion requests shall be extended once by 30 days
9 for those Class Members whose Class Notice is returned as "undeliverable." If the 30th day falls
10 on a Sunday or federal holiday, this deadline will be extended to the next day on which the U.S.
11 Postal Service is open.

12 9. The Settlement Administrator will search for additional addresses on returned mail
13 and will re-mail the Class Notice to an updated address (if any) within 15 days of receipt of the
14 returned mail. The 30-day extended time limit will run from the date of the second mailing for
15 those Class Members. To the extent a Class Notice from the initial mailing is not returned within
16 30 days, it shall be deemed to have been sent to a valid address even if it is thereafter returned. It
17 is the intent of the Parties that reasonable, but not extraordinary, efforts be used to locate Class
18 Members. If the initial Class Notice is returned, the Settlement Administrator will search using the
19 social security number for a more current address. If no address is found within 10 days, no further
20 action is required.

21 10. The Settlement Administrator will notify the Parties of the total number of valid
22 requests for exclusion within ten (10) calendar days after the deadline for receipt of the requests
23 (fifty-five (55) days following the initial mailing of the Class Notice to Class Members).

24 11. In order to object to the settlement, a Class Member must mail his or her objection
25 to the Settlement Administrator no later than forty-five (45) calendar days after the mailing of the
26 Class Notice and Request for Exclusion Form to Class Members., unless the Court requires a longer
27 period, in which case the Court ordered objection period will apply. If the 45th day falls on a
28 Sunday or federal holiday, the time to object to the settlement will be extended to the next day on

1 which the U.S. Postal Service is open. Under no circumstances shall the objection deadline be
2 extended for any reason.

3 12. The Settlement Administrator shall provide to the Parties, at least twelve (12)
4 calendar days prior to the final approval hearing, or as otherwise ordered by the Court, a declaration
5 of due diligence and proof of mailing with regard to the mailing of the Class. The Settlement
6 Administrator will also provide to the Parties, at least twelve (12) calendar days prior to the final
7 approval hearing, or as otherwise ordered by the Court, a report listing the amount of all payments
8 to be made to each Class Member without names or personal identifying information.

9 13. The Effective Date of this Settlement Agreement ("Effective Date") is the date of
10 the later of: (a) final approval by the Court; or (b) if there are objections to the settlement which are
11 not withdrawn, and if an appeal, review, or writ is not sought from the judgment, the sixty-fifth
12 (65th) day after service of notice of entry of judgment; or (c) the dismissal or denial of an appeal,
13 review, or writ, if the Judgment is no longer subject to judicial review, provided that the Settlement
14 has not been modified by any court of appeal.

15 14. Class Members and Aggrieved Employees must cash each of their Individual
16 Payment Amount checks within one hundred eighty (180) calendar days after they are mailed by
17 the Settlement Administrator. The value of any checks uncashed more than one hundred eighty
18 (180) days after mailing shall be paid to the California's State Controller's Office to held in trust
19 for such class and Aggrieved Employees pursuant to California's Unpaid Property Law.

20 **F. Duties of the Parties Prior to Court Approval.**

21 1. Promptly after execution of this Settlement Agreement, Plaintiff shall move the
22 Court for preliminary approval of this settlement and entry of an order accomplishing the
23 following:

- 24 (a) scheduling a fairness hearing on the question of whether the proposed
25 settlement should be finally approved as fair, reasonable and adequate as to the Class Members;
26 (b) approving as to form and content the proposed Class Notice;
27 (c) preliminarily certifying the Settlement Class for purposes of settlement;
28 (d) preliminarily approving the PAGA payment of \$60,000 to the LWDA;

- 1 (e) preliminarily setting attorneys' fees and costs payable to Class Counsel;
2 (f) preliminarily setting the enhancement payment to the Class Representative;
3 and
4 (g) preliminarily approving Phoenix Class Action Administration Solutions as
5 the Settlement Administrator and its estimated fees and costs of \$25,000.

6 The Parties shall submit this Settlement Agreement to the Court and the LWDA in support
7 of Plaintiff's unopposed motion for preliminary approval of the settlement.

8 **G. Duties of the Parties in Connection with and Following Final Court Approval.**

9 1. In connection with the hearing on final approval of the settlement provided for in
10 this Settlement Agreement, the Parties will submit a proposed final order no later than ten (10)
11 calendar days prior to the scheduled date of the hearing on final approval (unless otherwise ordered
12 by the Court):

13 (a) approving the settlement, adjudging the terms thereof to be fair, reasonable
14 and adequate, and directing consummation of its terms and provisions;

15 (b) approving Class Counsel's application for an award of attorneys' fees and
16 reimbursement of documented litigation costs and expenses, the Enhancement Payment to the
17 Class Representative, the PAGA Payment to the LWDA and the Aggrieved Employees, and the
18 costs of administering the settlement; and

19 (c) entering judgment in this Action in accordance with this Stipulation,
20 pursuant to Cal. Rules of Court, Rule 3.769(h).

21 2. Class Counsel shall file an application for attorneys' fees and reimbursement of
22 costs and expenses no later than ten (10) calendar days prior to the scheduled date of the hearing
23 on final approval (unless otherwise ordered by the Court).

24 **H. Miscellaneous Provisions:**

25 1. **Voiding the Agreement.**

26 A failure of the Court to approve any material condition of this Settlement Agreement which
27 effects "a fundamental change of the Parties' settlement," or if the settlement is reversed or
28 materially modified on appellate review, shall render the entire Stipulation of Settlement voidable

1 and unenforceable as to all Parties herein at the option of any Party. Defendant, at its option, may
2 withdraw from the Settlement if 5% or more of the Class Members opt-out of the Settlement. If
3 Defendant chooses to withdraw it will be responsible for all costs incurred by the Settlement
4 Administrator in administering the Settlement up through the date of withdrawal.

5 **2. Parties' Authority.**

6 The signatories hereto represent that they are fully authorized to enter into this Settlement
7 Agreement and bind the Parties hereto to the terms and conditions hereof.

8 **3. Mutual Full Cooperation.**

9 The Parties agree to fully cooperate with each other to accomplish the terms of this
10 Stipulation of Settlement, including but not limited to, execution of such documents and such other
11 action as may reasonably be necessary to implement the terms of this Settlement Agreement. The
12 Parties to this Settlement Agreement shall use their best efforts, including all efforts contemplated
13 by this Settlement Agreement and any other efforts that may become necessary by order of the
14 Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As
15 soon as practicable after execution of this Settlement Agreement, Class Counsel shall, with the
16 assistance and cooperation of Defendant and its counsel, take all necessary steps to secure the
17 Court's preliminary and final approval of the settlement.

18 **4. No Prior Assignments.**

19 The Parties hereto represent, covenant, and warrant that they have not directly or indirectly,
20 assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or
21 entity any portion of any liability, claim, demand, action, cause of action or rights released and
22 discharged by this Stipulation of Settlement.

23 **5. No Admission.**

24 Nothing contained herein, nor the consummation of this Stipulation of Settlement, is to be
25 construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part
26 of Defendant or any of the other Released Parties. Each of the Parties hereto has entered into this
27 Settlement Agreement with the intention of avoiding further disputes and litigation with the
28 attendant inconvenience and expenses. This Settlement Agreement is a settlement document and

1 shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408
2 and/or any other similar law, be inadmissible in evidence in any proceeding, except an action or
3 proceeding to approve the settlement, and/or interpret or enforce this Settlement Agreement.

4 **6. Construction.**

5 The Parties hereto agree that the terms and conditions of this Settlement Agreement are the
6 result of lengthy, intensive arms' length negotiations between the Parties and that this Settlement
7 Agreement shall not be construed in favor of or against any Party by reason of the extent to which
8 any Party or her or its counsel participated in the drafting of this Settlement Agreement.

9 **7. Captions and Interpretations.**

10 Paragraph titles or captions contained herein are inserted as a matter of convenience and for
11 reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement
12 or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a
13 recital.

14 **8. Modification.**

15 This Settlement Agreement may not be changed, altered, or modified, except in writing and
16 signed by the Parties hereto, and approved by the Court. This Settlement Agreement may not be
17 discharged except by performance in accordance with its terms or by a writing signed by each of
18 the Parties hereto on their attorneys.

19 **9. Integration Clause.**

20 This Settlement Agreement contains the entire agreement between the Parties relating to
21 the settlement and transactions contemplated hereby, and all prior or contemporaneous agreements,
22 understandings, representations, and statements, whether oral or written and whether by a Party or
23 such Party's legal counsel, are merged herein. No rights hereunder may be waived except in
24 writing.

25 **10. Binding on Assigns.**

26 This Settlement Agreement shall be binding upon and inure to the benefit of the Parties
27 hereto and their respective heirs, trustees, executors, administrators, successors, and assigns.

28 \\\

1 **11. Governing Law.**

2 All terms of this Settlement Agreement and its exhibits shall be governed by and interpreted
3 according to the laws of the State of California, without giving effect to any conflict of law
4 principles or choice of law principles.

5 **12. Signatures of All Class Members Unnecessary to be Binding.**

6 It is agreed that, because the members of the Settlement Class are numerous, it is impossible
7 or impractical to have each Class Member execute this Settlement Agreement. The Class Notice,
8 attached hereto as Exhibit 1, will advise all Class Members of the binding nature of the release
9 provided herein and such shall have the same force and effect as if this Settlement Agreement was
10 executed by each Class Member.

11 **13. Counterparts.**

12 This Settlement Agreement may be executed in counterparts, and when each Party has
13 signed and delivered at least one such counterpart, each counterpart shall be deemed an original,
14 and when taken together with other signed counterparts, shall constitute one fully-signed Settlement
15 Agreement, which shall be binding upon and effective as to all Parties.

16 **14. Confidentiality**

17 Until Plaintiff files her motion for preliminary approval of the class action settlement, the
18 Parties and their Counsel agree to maintain confidentiality as to the Settlement, including the
19 amount and terms of the Settlement, except as to spouses, tax or financial advisors, attorneys, taxing
20 agencies, or as otherwise required by law.

21 **15. No Publicity**

22 Plaintiff and her Counsel will not contact the media about the settlement or advertise the
23 settlement on their law firm promotional materials (including their law firm website) or respond to
24 any inquiries by the media regarding the Settlement, other than to state that the matter was amicably
25 settled, and the Court did not find Defendant liable. Plaintiff and her Counsel also will not post
26 any information about the settlement on social media or their firms' websites.

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1 **16. Representation Regarding Class Size.**

2 Defendant has represented that Class Members worked approximately 238,076 workweeks
3 during the Class Period. Should this number increase by more than 5%, the Maximum Settlement
4 Amount will increase proportionately above the 5% threshold. For example, if there are 261,883
5 workweeks (i.e., a 10% increase), the Maximum Settlement Amount shall increase by 5%.

6 **17. Default; Notice; Cure; Acceleration; Time is of the Essence.**

7 Time is of the essence with respect to all provisions of this Agreement. If Defendant fails
8 to timely make any payment due hereunder, it shall be in default of its obligations. Plaintiff shall
9 thereafter give notice of default and Defendant must cure said default within five (5) business days
10 thereof. In the event of an uncured default, all unpaid amounts shall be accelerated and be all due
11 and payable together with interest at the legal rate from the date of default.

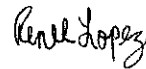
12 **18. Continuing Jurisdiction.**

13 The Parties agree that upon the occurrence of the entry of judgment in this case pursuant to
14 the terms of this Agreement, this Agreement shall be enforceable by the Court pursuant to Code of
15 Civil Procedure Section 664.6 and all other applicable law, and the Court shall retain exclusive and
16 continuing equity jurisdiction of this Action over all Parties and Class Members to interpret and
17 enforce the terms, conditions and obligation of the Agreement.

18 11 / 28 / 2022

19 Dated: November ____, 2022

20 By:



21 _____
22 RENEE LOPEZ

23 Plaintiff and Class Representative

24 Dated: November ____, 2022

25 COVENANT LIVING WEST

26 By:
27 _____
28 _____

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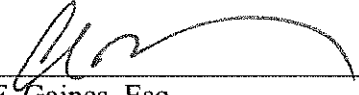
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1 **APPROVED AS TO FORM AND CONTENT:**

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3 Dated: November 28, 2022

GAINES & GAINES, APLC

4
5 By: 

6 Daniel F. Gaines, Esq.
7 Alex P. Katofsky, Esq.
8 Counsel for Plaintiff and Class
Representative

9 Dated: November ____, 2022

NARAYAN TRAVELSTEAD P.C.

10
11 By: _____

12 Timothy C. Travelstead, Esq.
13 Scott C. Ku, Esq.
14 Counsel for Defendant
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1 **APPROVED AS TO FORM AND CONTENT:**

2
3 Dated: December ____, 2022

GAINES & GAINES, APLC

5 By: _____

6 Daniel F. Gaines, Esq.
7 Alex P. Katofsky, Esq.
8 Counsel for Plaintiff and Class
Representative

9 Dated: December 6, 2022

NARAYAN TRAVELSTEAD P.C.

11 By: _____

12 Timothy C. Travelstead, Esq.
13 Scott C. Ku, Esq.
14 Counsel for Defendant

EXHIBIT 1

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF STANISLAUS**

RENEE LOPEZ, on behalf of herself and all
“aggrieved employees” pursuant to Labor Code
§ 2698 *et seq.*

Plaintiff,

v.

COVENANT LIVING WEST, a California
domestic nonprofit corporation, and DOES 1
through 10, inclusive,

Defendants.

CASE NO: CV-21-001160

Assigned to the Hon. Stacy Speiller, Dept. 22

**NOTICE OF PENDENCY OF PROPOSED
CLASS ACTION SETTLEMENT AND
FINAL HEARING**

**YOU MAY BE ENTITLED TO RECEIVE MONEY FROM A SETTLEMENT
PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED.**

A California court authorized this notice. This is not a solicitation from a lawyer.

- A settlement will provide \$1,900,000 to pay claims to all individuals who worked for Covenant Living West (“Defendant”) as non-exempt employees in California at any time between March 5, 2017 and September 30, 2022.
- The settlement resolves a lawsuit alleging that Defendant failed to pay all minimum and overtime wages due; provide compliant rest periods or premium compensation in lieu thereof; timely issue final wages upon separation of employment; and issue accurate and complete itemized wage statements. The Settlement avoids costs and risks of continuing the lawsuit; pays money to employees; and releases Defendant from liability from the claims asserted in this lawsuit.
- Lawyers for the employees will ask the Court to award them up to \$665,000 as attorneys’ fees and \$20,000 as expenses for investigating the facts, litigating the case, and negotiating the settlement. This will be paid from the settlement amount.
- Defendant denies liability and believes all appropriate wages were paid and that it otherwise complied with any Labor Code obligations. The Parties disagree on how much money could have been awarded if employees won at trial.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing	You do not need to take any action if you wish to receive your settlement payment. If the settlement is approved by the Court, you will automatically be mailed a settlement check at the address on file with the Settlement Administrator. If your address has changed, you must notify the Settlement Administrator of your new address. In exchange for the settlement payment, you will release claims against the Defendant, as detailed below.
Exclude Yourself	To exclude yourself, you must send a written Request for Exclusion to the Settlement Administrator by the applicable deadline, as detailed below. If you request exclusion, you may receive no money from the Settlement . This is the only option that allows you to ever be part of any other lawsuit against Covenant Living West about the legal claims that were brought in this case. You may not exclude yourself from the PAGA portion of the settlement.
Object	Write to the Settlement Administrator about why you don't like the settlement by the applicable deadline, as detailed below, and/or appear at the Final Approval Hearing to make an oral objection.
Go to a Hearing	Ask to speak in Court about the fairness of the settlement, as detailed below.

WHY DID YOU RECEIVE THIS NOTICE?

This notice explains a proposed settlement of a class action lawsuit, and informs you of your legal rights under that proposed settlement. You are receiving this notice because you may be a member of the Class on whose behalf this class action lawsuit has been brought.

WHAT IS THIS LAWSUIT ABOUT?

On June March 5, 2021, Plaintiff Renee Lopez ("Plaintiff"), a former employee of Covenant Living West, filed this lawsuit in the Stanislaus County Superior Court. The lawsuit alleges violations of the California Labor Code and California Business and Professions Code. The lawsuit seeks to certify a class of all current and former non-exempt California employees of Defendant at any time between March 5, 2017 and September 30, 2022 ("Class Period"). Specifically, the lawsuit alleges that members of the Class were not provided all minimum and overtime wages due; compliant rest periods or premium compensation in lieu thereof; were not timely issued final wages upon separation of employment; and were not issued accurate and complete itemized wage statements. The Settlement seeks recovery of wages, damages, interest, statutory and civil penalties, restitution, attorneys' fees and costs. Defendant denies all of the material allegations in the lawsuit and denies that it owes Class Members any remedies. The Court has not made a ruling on the merits of the case.

The lawyers for the parties are:

Plaintiff's Attorneys

Daniel F. Gaines, Esq.
Alex P. Katofsky, Esq.
Gaines & Gaines, APLC
4550 E. Thousand Oaks Blvd., Suite 100
Westlake Village, CA 91362
Phone: (866) 550-0855

Defendant's Attorneys

Timothy C. Travelstead, Esq.
Scott C. Ku, Esq.
Narayan Travelstead P.C.
7901 Stoneridge Drive, Suite 230
Pleasanton, CA 94588

SUMMARY OF THE SETTLEMENT

A. Why is there a Settlement?

The Court did not decide in favor of Plaintiff or Defendant. Plaintiff believes she would have prevailed on her claims at a trial. Defendant does not believe that Plaintiff would have won anything from a trial. There has been no trial. Instead, both sides agreed to a settlement, which is memorialized in the Settlement Agreement and Release of Claims ("Settlement" or "Settlement Agreement"), in order to avoid the further costs, risks, and uncertainty of a trial. Plaintiff and Plaintiff's Attorneys believe the settlement is fair, reasonable, adequate, and in the best interests of all Class Members.

B. Who is in the Settlement Class?

The Settlement encompasses a class composed of all individuals who worked for Covenant Living West as non-exempt employees in California at any time between March 5, 2017 and September 30, 2022.

C. What does the Settlement provide?

1. Maximum Settlement Amount.

The Settlement provides that Defendant will pay \$1,900,000 (the "Maximum Settlement Amount") to settle the lawsuit.

2. Net Settlement Proceeds.

The "Net Settlement Proceeds" is the portion of the Maximum 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 Proceeds is the Maximum Settlement Amount less the following amounts that will be requested at the Final Approval Hearing and are subject to comment or objection by Participating Class Members. The Court will fix these amounts at the Final Approval Hearing.

(a) **Class Counsel's Attorneys' Fees** in an amount set by the Court, not to exceed 35% of the Maximum Settlement Amount (i.e. \$665,000);

(b) **Class Counsel's Documented Litigation Costs/Expenses** in an amount set by the Court, not to exceed \$20,000;

(c) **Enhancement Payment to the Class Representative** in an amount set by the Court, not to exceed 15,000 for her service in the lawsuit;

(d) **Settlement Administration Costs** which are currently estimated to not exceed \$25,000, for administering the settlement; and

(e) **PAGA Payment** in the total amount of \$80,000 for the settlement of claims arising under the California Private Attorneys General Act ("PAGA"). 75% or \$60,000, shall be paid to the California Labor and Workforce Development Agency. The remaining 25% or \$20,000, shall be included in the Net Settlement Proceeds for payment to Aggrieved Employees, defined as all persons who are or were employed in California by Defendant as non-exempt employees at any point from December 8, 2019 through September 30, 2022. ("PAGA Period").

3. Individual Payment Amount.

Your share of the Net Settlement Proceeds will be determined by the formula detailed in section E below.

D. What Are You Giving Up To Get A Payment Or Stay In The Class?

Upon the Effective Date, and subject to Defendant's full payment of the Maximum Settlement Amount and all employer payroll taxes due hereunder, Plaintiff and all Settlement Class Members who do not timely opt-out will be deemed to have fully released and discharged Defendant Covenant Living West and its respective present and former parents, owners, assigns, executors, administrators, transferees, affiliates, divisions, subsidiaries and any affiliated or related persons or entities and each of their respective officers, directors, employees, partners, shareholders, directors, attorneys and agents and any other successors, assigns or legal representatives ("Released Parties") from any and all Released Claims which arose during their employment in a non-exempt position in California during the Class Period.

The "Released Claims" include any and all claims and/or causes of action, known or unknown, which accrued during the Class Period during employment in a non-exempt position in California, that are alleged in the First Amended Complaint on file in the Action, or that could have been alleged in the Action based on the facts set forth in the First Amended Complaint.

Upon the Effective Date, and subject to Defendant's full payment of the Maximum Settlement Amount and all employer payroll taxes due hereunder, Plaintiff and Aggrieved Employees (including those who opt out of the Settlement Class) will be deemed to have fully released and discharged the Released Parties from any and all PAGA claims and/or causes of action, known or unknown, which accrued during the PAGA Period during employment in a non-exempt position in California, that are alleged in the First Amended Complaint on file in the Action, or that could have been alleged in the Action based on the facts set forth in the First Amended Complaint. No Aggrieved Employee may opt out of the PAGA portion of the Settlement.

E. How Is My Share Of The Settlement Calculated?

Each participating Class Member (those who do not opt out of the Settlement) shall receive an "Individual Payment Amount," which is distributable to each Class Member who participates in the Settlement (i.e., who does not submit a valid request for exclusion form) and all Aggrieved Employees.

The class portion of the Individual Payment Amounts will be calculated by dividing the Net Settlement Proceeds, less the \$20,000 allocation to the Aggrieved Employees, by the total weeks worked

by all participating Class Members in California in a non-exempt position during the Class Period, which will yield the applicable class workweek rate. The class workweek rate shall be multiplied by the number of workweeks each individual participating Class Member worked for Defendant in California in a non-exempt position during the Class Period to yield the class portion of their Individual Payment Amount. Each Participating Settlement Class Member who does not opt out will receive an Individual Payment Amount for the class settlement equal to their individual workweeks worked in California in a non-exempt position during the Class Period multiplied by the class workweek rate.

The PAGA portion of the Individual Payment Amounts will be calculated by dividing the \$20,000 of the Net Settlement Proceeds allocated to the Aggrieved Employees, by the total workweeks worked by all Aggrieved Employees in California in a non-exempt position during the PAGA Period, which will yield the applicable PAGA workweek rate. The PAGA workweek rate shall be multiplied by the number of workweeks each individual participating Aggrieved Employee worked for Defendant in California in a non-exempt position during the PAGA Period to yield the PAGA portion of their Individual Payment Amount. Each Aggrieved Employee will receive an Individual Payment Amount for the PAGA allocation of the settlement equal to their individual workweeks worked in California in a non-exempt position during the PAGA Period multiplied by the PAGA workweek rate.

For tax purposes, each non-PAGA portion of the Individual Payment Amounts will be apportioned (a) 20% as wages (reported on an IRS Form W-2 and subject to applicable withholdings); and (b) 80% to penalties and interest (reported on an IRS Form 1099, if required by law). The PAGA portion of the Individual Payment Amounts will be apportioned 100% to penalties (reported on an IRS Form 1099, if required by law). All Individual Payment Amounts paid to Class Members will be subject to any applicable wage garnishments, liens, or other legally mandated treatment as required by law.

According to the records of Defendant, you worked [REDACTED] workweeks while employed as a non-exempt employee in California from March 5, 2017 through September 30, 2022 and [REDACTED] workweeks while employed as a non-exempt employee in California from December 8, 2019 through September 30, 2022. Based on these weeks worked, you are entitled to an Individual Payment Amount from the class settlement of approximately \$[REDACTED] and an Individual Payment Amount from the PAGA settlement of approximately \$[REDACTED]. These amounts are subject to change based on the final ruling of the Court.

Please be advised that the individual data above is presumed to be correct unless you submit documentation proving otherwise. If you disagree with the data, please submit an explanation and evidence in support of your position to the Settlement Administrator no later than [REDACTED], 2022. In the event of a dispute, the Settlement Administrator will resolve the challenge with input from the Defendant and will make a final and binding determination without a hearing or right of appeal by you.

THE SETTLEMENT HEARING

The Court will conduct a final fairness hearing regarding the proposed settlement (the "Final Settlement Hearing") on [REDACTED], at 8:30 a.m., in the Courtroom of Judge Stacy Speiller of the Stanislaus County Superior Court, Department 22, located at [COURT ADDRESS]. The Court will determine: (i) whether the lawsuit should finally be certified as a class action for settlement purposes; (ii) whether the settlement should be given the Court's final approval as fair, reasonable, adequate and in the best interests of the Settlement Class Members; (iii) whether the Settlement Class Members should be bound by the terms of the settlement; (iv) the amount of the attorneys' fees and costs to be awarded to Plaintiff's Attorneys; and (v) the amount that should be awarded to Plaintiff as an enhancement payment. At the Final Settlement Hearing, the Court will hear all properly filed objections, as well as arguments for and against the proposed settlement. You have a right to attend this hearing, but you are not required to

do so. You also have the right to hire an attorney to represent you, or to enter an appearance and represent yourself.

WHAT ARE YOUR OPTIONS?

- **OPTION 1 – DO NOTHING AND PARTICIPATE IN THE SETTLEMENT**

IF YOU TAKE NO ACTION IN RESPONSE TO THIS NOTICE, YOU WILL AUTOMATICALLY RECEIVE YOUR SHARE OF THE SETTLEMENT IF IT IS APPROVED BY THE COURT. YOU ARE NEVER REQUIRED TO GO TO COURT OR PAY ANYTHING TO THE LAWYERS IN THIS CASE. If you move, you must update your address with the Settlement Administrator. If you disagree with pre-printed data indicated in section E above, you must submit an explanation and/or documentation to the Settlement Administrator to justify your position, postmarked no later than _____. The Settlement Administrator's address is [Settlement Administrator address].

- **OPTION 2 – OBJECT TO THE SETTLEMENT**

If you wish to remain a Settlement Class Member, but you object to the proposed settlement (or any of its terms) and wish the Court to consider your objection at the Final Settlement Hearing, you may object to the proposed settlement in writing. You may also appear at the Final Approval Hearing, either in person or through an attorney at your own expense. All written objections, supporting papers, and/or notices of intent to appear at the Final Approval Hearing must clearly identify the case name and number and be mailed to the Settlement Administrator at [Settlement Administrator address]. Written objections must be postmarked no later than _____.

- **OPTION 3 – EXCLUDE YOURSELF FROM THE SETTLEMENT**

You have a right to exclude yourself ("opt out") from the Settlement Class, but if you choose to do so, you will not receive any benefits from the proposed settlement. You will not be bound by a judgment in this case (except that you will be bound by the PAGA release in section D above, whether you opt out or not) and you will have the right to file your own lawsuit against the Defendant and pursue your own claims in a separate suit. You can opt out of the Class by sending a letter to the Settlement Administrator at the above-stated address. The letter must include (i) your name, address, telephone number, and social security number (last four digits) or employee ID number, (ii) your signature and date, and (iii) an express request to be excluded from the class. Your exclusion request must be postmarked no later than _____ or it will be rejected.

ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you should review the detailed "Settlement Agreement and Release of Claims" which is on file with the Clerk of the Court. The pleadings and other records in the Lawsuit may be examined at any time during regular business hours at the Office of the Clerk of the Stanislaus County Superior Court, located at [COURT ADDRESS].

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact the Settlement Administrator at [address], [telephone number], or Gaines & Gaines, APLC, Counsel for the Class, at (866) 550-0855.

PLEASE DO NOT TELEPHONE THE COURT FOR INFORMATION ABOUT THIS SETTLEMENT OR THE CLAIMS PROCESS.

**BY ORDER OF THE SUPERIOR COURT OF
THE STATE OF CALIFORNIA**

Title	Renee Lopez Settlement Agreement v5
File name	Lopez v CLW - Set...ment v5 FINAL.pdf
Document ID	3110ddfd591626ea47422c48b7b70e14c5259647
Audit trail date format	MM / DD / YYYY
Status	* Signed

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11 / 28 / 2022

21:18:10 UTC

Sent for signature to Renee Lopez

[REDACTED] from office@gaineslawfirm.com



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11 / 28 / 2022

21:35:39 UTC

Viewed by Renee Lopez

IP: 172.225.88.108



SIGNED

11 / 28 / 2022

21:36:11 UTC

Signed by Renee Lopez



COMPLETED

11 / 28 / 2022

21:36:11 UTC

The document has been completed.