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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

GEORGE STICKLES and MICHELE RHODES,
individuals on behalf of themselves and others
similarly situated,

Plaintiffs,

v.

ATRIA SENIOR LIVING, INC., ATRIA
MANAGEMENT COMPANY, LLC, and DOES 1
through 10, Inclusive,

Defendants.

Case No. 3:20-CV-09220-WHA

**CLASS AND PAGA ACTION
SETTLEMENT AGREEMENT AND
RELEASE OF CLAIMS**

1 This Settlement Agreement is made and entered into by and between Atria Management
 2 Company, LLC and Atria Senior Living, Inc. ("Defendants"), on the one hand, and plaintiff George
 3 Stickles, on his own behalf and on behalf of the certified class (as described in the Recitals hereafter)
 4 and each of its members, which excludes individuals who previously opted out of the class (collectively
 5 "Settlement Class Members"), along with plaintiff Michele Rhodes, on her own behalf and on behalf of
 6 all PAGA Aggrieved Employees (as described in the Recitals hereafter)(George Stickles and Michele
 7 Rhodes are hereafter referred to as "Plaintiffs"), on the other hand (collectively, Plaintiffs and
 8 Defendants are hereafter referred to as the "Parties"). This Settlement Agreement resolves all claims in
 9 the matter of *George Stickles and Michele Rhodes v. Atria Management Company, LLC and Atria*
 10 *Senior Living, Inc.*, Case No. 3:20-CV-09220-WHA, pending in the U.S. District Court for the Northern
 11 District of California (the "Litigation"), with respect to the settlement of (a) all of Plaintiff Stickles'
 12 individual claims, (b) the class claims alleged in the First Amended Complaint filed in the Litigation,
 13 and (c) the representative claim alleged in the Litigation brought under California's Private Attorneys'
 14 General Act, Labor Code section 2698, *et seq.* ("PAGA"). This Settlement Agreement is subject to the
 15 terms and conditions hereof and the approval of the Court.

16 RECITALS

17 On December 18, 2020, Plaintiffs filed the initial Complaint in the Litigation in the United States
 18 District Court for the Northern District of California. On April 22, 2021, Plaintiffs filed the First
 19 Amended Complaint. The First Amended Complaint seeks classwide recovery for Defendants' alleged
 20 failure to (1) pay overtime wages; (2) provide meal periods; (3) provide rest breaks; (4) provide accurate
 21 wage statements; and (5) pay all wages due at termination. The First Amended Complaint also alleges
 22 violations of California Business & Professions Code section 17200, *et seq.* and seeks civil penalties
 23 under PAGA. The matter is presided over by the Hon. William H. Alsup, United States District Judge.

24 On October 20, 2021, Plaintiffs moved for class certification of all their claims except their
 25 representative PAGA claim. On December 27, 2021, the Court certified the following Class:
 26 Community Sales Directors in California who did not sign arbitration agreements and whom Defendants
 27 classified as exempt outside salespersons from April 9, 2018 through September 29, 2019. The Court
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1 appointed Plaintiff George Stickles as the class representative ("Class Representative"), and Hayes
2 Pawlenko LLP as Class Counsel ("Class Counsel").

3 On March 11, 2022, 73 individuals were mailed a notice advising that a class had been certified.
4 The deadline to opt-out of the class passed on April 25, 2022. Two individuals, Diane R. Castro and
5 Fleta Herb, timely opted-out of the class. After class notice was sent, Atria discovered that two
6 individuals who had not worked as Community Sales Directors during the Class Period, and who are
7 therefore not members of the class certified by the Court, had mistakenly been sent notice. Accordingly,
8 there are a total of 69 Settlement Class Members. For purposes of this Settlement Agreement, the
9 "Participating Settlement Class Members" consists of the 69 Settlement Class Members, except those
10 who subsequently opt-out of this Settlement Agreement, or who are not able to be provided notice of
11 this Settlement Agreement.

12 For purposes of this Settlement Agreement, "Aggrieved Employees" consists of all persons
13 employed by Atria Senior Living, Inc. and/or Atria Management Company, LLC, in the position of
14 Community Sales Director in California from January 27, 2020 through May 2, 2020, who were
15 classified as exempt outside salespersons. There are approximately 65 Aggrieved Employees included
16 in the settlement of the PAGA representative action.

17 Following the Court's December 27, 2021 Order granting class certification, the Parties
18 commenced settlement negotiations at a mandatory settlement conference with the Hon. Donna M. Ryu
19 on February 7, 2022. That conference did not result in a settlement. The following month, the Parties
20 participated in private mediation with mediator Barbara Reeves on March 8, 2022, which likewise did
21 not result in a settlement. On March 28, 2022, counsel for the Parties participated in a teleconference
22 with Judge Ryu to discuss the status of settlement negotiations and to plan further discussions. Finally,
23 following another month of settlement negotiations, the Parties ultimately reached an agreement to settle
24 the Litigation, subject to approval by the Court. However, on June 1, 2022, the Court denied
25 preliminary approval of the settlement, requesting changes to Settlement Agreement and the Notice of
26 Proposed Class Action Settlement. Thereafter, the Parties continued to engage in settlement
27 negotiations, and ultimately reached a new agreement to settle the Litigation, subject to approval by the
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1 Court, as memorialized in this Settlement Agreement. At all times, the negotiations leading to this
2 Settlement Agreement have been adversarial, non-collusive, and at arm's length.

3 Defendants deny any liability or wrongdoing of any kind associated with the claims alleged in
4 the First Amended Complaint. Defendants contend, among other things, that they have complied at all
5 times with all applicable California laws and assert that all Settlement Class Members, and all of the
6 "Aggrieved Employees" encompassed by the representative PAGA claim, were properly compensated.
7 Neither this Settlement Agreement nor any other item pertaining to the settlement contemplated herein,
8 shall be offered in any other case or proceeding as evidence of any admission by Defendants of any
9 liability on any claims for damages or other relief. Any stipulation or admission by Defendants
10 contained herein is made for settlement purposes only.

11 Plaintiffs believe that they have filed a meritorious action. Defendants contend that they have
12 complied with all provisions of the California Labor Code, including those that Plaintiffs allege have
13 been violated, and that their policies and practices are in compliance with California law. For these
14 reasons, Defendants deny that Plaintiffs, or any Settlement Class Members or "Aggrieved Employees,"
15 are entitled to any damages, penalties or other recovery, and deny that Defendants failed to comply with
16 the California Labor Code. Furthermore, Defendants contend that they did not engage in any unfair or
17 unlawful business practices. Defendants contend that Community Sales Directors were properly
18 classified as exempt employees and that therefore Plaintiffs' claims in the Litigation are without merit.
19 Nevertheless, in the interest of avoiding the costs and disruption of ongoing litigation and resolving the
20 claims asserted in the Litigation, Defendants believe the settlement negotiated between the Parties and
21 set forth in this Settlement Agreement is fair, reasonable, and adequate.

22 With respect to Plaintiff Stickles' individual claims, it is the desire of the Parties to fully, finally,
23 and forever settle, compromise, and discharge any and all claims, rights, demands, charges, complaints,
24 causes of action, obligations or liability of any and every kind that he has or may have against any of the
25 Releasees, as defined below. With respect to the class claims alleged in the Litigation, the Parties wish
26 to fully, finally, and forever settle, compromise, and discharge these claims. With respect to the
27 representative PAGA claim, the Parties wish to fully, finally, and forever settle, compromise, and
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1 discharge this claim on behalf of all Aggrieved Employees and the Labor & Workforce Development
2 Agency ("LWDA").

3 The specific terms of the Releases given by the Class Representative and by the Participating
4 Settlement Class Members and Aggrieved Employees are set forth in Paragraphs 3 and 4 hereafter and
5 are not to be construed or interpreted by any language in the Recitals portion of this Settlement
6 Agreement.

7 **1. TERMS OF SETTLEMENT**

8 **1.1. Establishment of the Settlement Fund.** This settlement is being made on a non-
9 reversionary basis. Defendants shall pay a total of One Million Three Hundred Thousand Dollars
10 (\$1,300,000.00) (the "Settlement Fund"). The payments by Defendants pursuant to this Settlement
11 Agreement shall be used to satisfy settlement of all of Plaintiff George Stickles' individual claims, the
12 class claims of the Participating Settlement Class Members that were alleged in the First Amended
13 Complaint, the PAGA representative action, administration and notice costs, Class Counsel's attorneys'
14 fees and costs and any service award to the Class Representative, as approved by the Court. The
15 payments are not being made for any other purpose and will not be construed as compensation for
16 purposes of determining eligibility for any health and welfare benefits or unemployment compensation.
17 In addition, all individuals receiving a payment pursuant to this Settlement Agreement shall not be
18 entitled to any additional or increased health, welfare or retirement benefits as a result of their
19 participation in the settlement. Defendants' share of any payroll taxes owing on payments made
20 pursuant to this Settlement Agreement shall be paid separately by Defendants and not out of the
21 Settlement Fund.

22 **1.2. Calculation of Net Settlement Fund.** The Net Settlement Fund ("NSF") will constitute
23 the total sum from which the Class Representative, the Participating Settlement Class Members and
24 Aggrieved Employees will be paid. It shall be comprised of the Settlement Fund, less (a) the PAGA
25 payment to the LWDA, (b) Court-approved Class Counsel attorneys' fees and costs, (c) Court-approved
26 settlement administration costs, and (d) any Court-approved service award to the Class Representative.
27 The NSF will be used to satisfy the payments to the Participating Settlement Class Members and
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1 Aggrieved Employees, as described in Paragraphs 1.9 and 1.10 below, if this settlement becomes Final,
2 as defined in Paragraph 1.3 below.

3 **1.3. Effective Date.** The settlement embodied in this Settlement Agreement shall become
4 effective when the settlement is considered as Final. "Final" means the later of (i) the settlement has
5 been finally approved by the Court and if any appeal is filed, any appropriate appellate court has
6 rendered a final judgment affirming the Court's final approval without material modification, and the
7 applicable date for seeking further appellate review has passed; or (ii) the applicable date for seeking
8 appellate review of the Court's final approval of the settlement has passed without a timely appeal or
9 request for review having been made. If the Court fails to approve the settlement, or if any appellate
10 court fails to approve the settlement, then: (1) the Settlement Agreement shall have no force and effect
11 and the Parties shall be restored to their respective positions as of February 7, 2023 and no Party shall be
12 bound by any of its terms; (2) Defendants shall have no obligation to make any payments pursuant to the
13 Settlement Agreement; (3) any preliminary approval order, final approval order or judgment, shall be
14 vacated; and (4) the Settlement Agreement and all negotiations, statements and proceedings and data
15 relating thereto shall be deemed confidential and not subject to disclosure for any purpose in any
16 proceeding.

17 **1.4. Attorneys' Fees and Costs.**

18 a. Class Counsel shall apply to the Court for an award of attorneys' fees and costs incurred
19 in connection with the prosecution of this matter. The award of reasonable attorneys' fees and costs to
20 be paid to Class Counsel shall be determined solely by the Court. Amounts awarded by the Court for
21 attorneys' fees and costs shall be paid from the Settlement Fund.

22 b. In the event that the Court does not approve the award of attorneys' fees and costs
23 requested by Class Counsel, or the Court awards attorneys' fees and costs in an amount less than that
24 requested by Class Counsel, such award shall not be a basis for rendering the settlement null, void, or
25 unenforceable.

26 **1.5. Class Representative Service Award.** Whether any service award is paid to the Class
27 Representative from the Settlement Fund, and the amount thereof, shall be determined solely by the
28 Court and pursuant to an application by the Class Representative. In addition to any service award that

1 may be granted, the Class Representative shall also be entitled to his share of the NSF as a Participating
2 Settlement Class Member.

3 **1.6. Costs of Administration.** Subject to Court approval, the Parties have selected Phoenix
4 Class Action to act as the Settlement Administrator in this action. This administration duty shall include
5 without limitation, mailing a Court-approved Notice of Proposed Class Action Settlement and Opt-Out
6 Form to the Settlement Class Members, mailing a Court-approved Notice of Settlement of PAGA
7 Action to the Aggrieved Employees, performing necessary skip traces on Notices returned as
8 undeliverable, calculating the shares of the Net Settlement Fund to be paid to the Participating
9 Settlement Class Members and Aggrieved Employees, preparing and mailing of settlement checks,
10 preparing appropriate tax forms in connection with all payments made pursuant to this Settlement
11 Agreement and remitting those forms to the appropriate governmental agencies. All settlement
12 administration fees will be paid out of the Settlement Fund, subject to approval by the Court, and are not
13 to exceed \$7,500.

14 **1.7. PAGA Payment to the LWDA.** The Parties allocate \$40,200 to the Private Attorneys
15 General Act civil penalty claim under Labor Code section 2698, *et seq.* pleaded in the First Amended
16 Complaint. Accordingly, a payment of 75% of this amount, \$30,150, will be paid by the Settlement
17 Administrator to the LWDA out of the Settlement Fund, while the remaining 25%, \$10,050 (the PAGA
18 Distribution Amount), shall be distributed to the Aggrieved Employees.

19 **1.8. No Claim Form Required.** Participating Settlement Class Members and Aggrieved
20 Employees shall be entitled to payments from the Net Settlement Fund as set forth in Paragraphs 1.9 and
21 1.10. Participating Settlement Class Members and Aggrieved Employees shall not be required to
22 complete a claim form in order to receive payment.

23 **1.9. Calculation of Aggrieved Employees' Shares of the PAGA Distribution Amount.**
24 Each Aggrieved Employee's share of the PAGA Distribution Amount shall be calculated by multiplying
25 the PAGA Distribution Amount by a fraction, the numerator of which is the total of an Aggrieved
26 Employee's number of pay periods worked during the PAGA Period (defined as January 27, 2020
27 through May 2, 2020), and the denominator of which is the total of all Aggrieved Employees' pay
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periods worked during the Class Period. Pay periods worked shall be calculated from Defendants' records, and any partial pay periods worked shall be counted as a full pay period.

1.10. Calculation of Participating Settlement Class Members' Shares of the Net

Settlement Fund. Each Participating Settlement Class Member's share of the Net Settlement Fund shall be calculated by multiplying the Net Settlement Fund, minus the PAGA Distribution Amount, by a fraction, the numerator of which is the total of a Participating Settlement Class Member's number of weeks worked during the Class Period (defined as April 9, 2018 through September 29, 2019), and the denominator of which is the total of all Participating Settlement Class Members' weeks worked during the Class Period. Weeks worked shall be calculated from Defendants' records, and any partial weeks worked shall be counted as a full week worked.

1.11. Objections to Settlement. The Notice of Proposed Class Action Settlement to be sent to all Settlement Class Members will advise each of their right to object to the Settlement Agreement. To object to the Settlement, a Settlement Class Member must send a written objection to the Court, either by mailing it to the Class Action Clerk for the San Francisco division of the United States District Court for the Northern District of California or by filing it in person at any location of the United States District Court for the Northern District of California and be filed or postmarked within 45 calendar days from the date that the Notice of Proposed Class Action Settlement is mailed to the Settlement Class Member. The Notice of Proposed Class Action Settlement shall advise that an objection should: (1) be in writing; (2) include the objector's full name and address; (3) include the last four digits of the objector's Social Security number; (4) state the basis for the objection and include any supporting documents; (5) state the case name and case number for this Litigation which shall be set forth in the Notice of Proposed Class Action Settlement; and (6) be filed or postmarked within 45 days of the mailing of the Notice of Proposed Class Action Settlement.

1.12. Challenges to Calculations. A Participating Settlement Class Member or Aggrieved Employee may dispute the dates of employment and number of pay periods or weeks worked used to calculate his or her settlement payment by timely sending a written notice to the Settlement Administrator informing the Settlement Administrator of the nature of the dispute and providing any records or documentation supporting his or her position. In response to such a dispute, Defendants will

1 first review their records to verify the dates of employment and number of pay periods or weeks worked
 2 by the Participating Settlement Class Member or Aggrieved Employee that were used to calculate his or
 3 her settlement payment, to determine if an error was made. Unless the Participating Settlement Class
 4 Member or Aggrieved Employee can establish, through documentary evidence, that different dates of
 5 employment, pay periods and/or weeks works should apply, then Defendants' records will control.
 6 Otherwise, Class Counsel and Defendants' Counsel will then make a good faith effort to resolve the
 7 dispute informally. If counsel cannot agree, the dispute shall be resolved by the Settlement
 8 Administrator, who shall examine the records provided by the Defendants and the Participating
 9 Settlement Class Member or Aggrieved Employee. The Settlement Administrator's determination
 10 regarding any such dispute shall be final. A dispute of this type shall be considered timely only if
 11 received by the Settlement Administrator within 45 days of notice of this settlement being mailed.

12 **1.13. Funding.** Within 10 business days after the settlement is Final, Defendants shall deposit
 13 the full amount of the Settlement Fund, plus the amount of the employer's share of payroll taxes on
 14 those portions of the settlement payments characterized as wages, with the Settlement Administrator.

15 **1.14. Payment Procedures.** Within 10 business days after Defendants' deposit of the
 16 Settlement Fund into the account created by the Settlement Administrator, the Settlement Administrator
 17 shall resolve any disputes as to the settlement payment owed to each Participating Settlement Class
 18 Member or Aggrieved Employee (as provided in Paragraph 1.12 above) and shall pay the PAGA
 19 payment to the LWDA, the settlement shares to the Participating Settlement Class Members and
 20 Aggrieved Employees, Court-approved Class Counsel attorneys' fees and costs, and any Service Award
 21 to the Class Representative.

22 **1.15. Tax Treatment of Settlement Payments.** The Parties shall comply with all tax
 23 reporting and withholding requirements regarding the payments made to Participating Settlement Class
 24 Members, Aggrieved Employees and the Settlement Class Representative. Each recipient of any monies
 25 paid in accordance with this Settlement Agreement is responsible for any taxes associated with the
 26 monies received by each recipient.

27 a. All payments to Aggrieved Employees from the PAGA Distribution Amount will be
 28 reported as non-wage income. The Settlement Administrator will prepare a Form 1099 for each

1 Aggrieved Employee in connection with such payments. The Settlement Administrator will be
2 responsible for preparing these forms correctly. Aggrieved Employees will be responsible for correctly
3 characterizing the monies that they receive pursuant to the Forms 1099 and for payment of any taxes
4 owing on said amount.

5 b. All payments to Participating Settlement Class Members from the NSF will be reported
6 as follows: 40% will be reported on a Form 1099, reflecting non-wage income, and the other 60% on a
7 Form W-2, reflecting wage income. The Settlement Administrator will prepare a Form 1099 and a Form
8 W-2 for each Participating Settlement Class Member. The Settlement Administrator will be responsible
9 for preparing these forms correctly. Participating Settlement Class Members will be responsible for
10 correctly characterizing the monies that they receive pursuant to the Forms 1099 and W-2 and for
11 payment of any taxes owing on said amount.

12 c. Any enhancement award to the Class Representative will be reported as non-wage
13 income. The Settlement Administrator will prepare a Form 1099 for the Class Representative in
14 connection with this payment. The Settlement Administrator will be responsible for preparing the form
15 correctly. The Class Representative will be responsible for correctly characterizing the monies that are
16 received pursuant to the Form 1099 and for payment of any taxes owing on said amount.

17 d. The Parties acknowledge and agree that neither Defendants nor their attorneys have made
18 any representations regarding the tax consequences, or not, of the settlement payments made under this
19 Settlement Agreement. Participating Settlement Class Members, Aggrieved Employees and the Class
20 Representative agree to pay all federal, state or local taxes, if any, which are required by law to be paid
21 with respect to the settlement payments, except for the employer's share of payroll taxes on those
22 portions of payments characterized as wage income, which shall be paid by Defendants. The Parties
23 further agree that Defendants shall have no legal obligation to pay, on behalf of Participating Settlement
24 Class Members, Aggrieved Employees and the Class Representative, any taxes, deficiencies, levies,
25 assessments, fines, penalties, interests or costs, which may be required to be paid with respect to the
26 settlement payments, except for the employer's share of payroll taxes on those portions of payments
27 characterized as wage income.
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1 **1.16. Undistributed Funds.** In the event that any settlement checks are uncashed for 180
 2 days, any remaining funds shall be deposited with the Northern District of California's Unclaimed
 3 Funds Registry in the name of each expired check payee.

4 **2. NOTICE OF SETTLEMENT AND OPT-OUT PROCEDURE**

5 **2.1. Compilation of Class and Aggrieved Employee Data.** The Parties agree that within ten
 6 (10) business days after preliminary approval of this Settlement Agreement by the Court, Defendants
 7 will provide the Settlement Administrator the following most up-to-date information available about
 8 each Settlement Class Member and Aggrieved Employee in an electronic format: (1) name; (2) last
 9 known home address and telephone number; (3) Social Security Number; (4) dates of employment as an
 10 exempt-classified Community Sales Director during the Class Period and/or PAGA Period (excluding
 11 any periods of time that the Settlement Class Member or Aggrieved Employee was on an unpaid leave
 12 of absence); (5) number of weeks worked by each Settlement Class Member while employed as an
 13 exempt-classified Community Sales Director during the Class Period; and (5) number of pay periods
 14 worked by each Aggrieved Employee while employed as an exempt-classified Community Sales
 15 Director during the PAGA Period. The Settlement Administrator will perform address updates and
 16 verifications as necessary prior to the first mailing. This information shall be referred to as the
 17 Settlement Data List.

18 **2.2. Dissemination of Notice of Settlement.** Within ten (10) business days of its receipt of
 19 the Settlement Data List, the Settlement Administrator will send to the Settlement Class Members, by
 20 first-class mail, at their last known address, the court-approved Notice of Proposed Class Action
 21 Settlement in the form attached hereto as Exhibit "A," which will provide an estimate of each Settlement
 22 Class Member's estimated payment, and Opt-Out Form, attached hereto as Exhibit "B." At the same
 23 time, the Settlement Administrator will send to each Aggrieved Employee who is not also a Settlement
 24 Class Member, by first-class mail, at their last known address, the court-approved Notice of PAGA
 25 Settlement in the form attached hereto as Exhibit "C", which will provide an estimate of each Aggrieved
 26 Employee's estimated payment.

27 **2.3. Opt-Out Procedure.** The Notice of Proposed Class Action Settlement will instruct
 28 Settlement Class Members on how to exclude themselves from the settlement of the class claims if they

so desire. The Notice will state that Settlement Class Members who wish to exclude themselves from the settlement of the class claims will need to sign the enclosed Opt-Out Form, and postmark the Form for mailing to the Settlement Administrator by the deadline indicated in the Notice, which will be 45 days after the initial mailing of the Notice. Aggrieved Employees may not opt out of the settlement of the PAGA representative action. Settlement Class Members who are also Aggrieved Employees may only opt out of the settlement of the class action claims, and may not opt out of the settlement of the PAGA representative action.

2.4. Report by Settlement Administrator. Within 14 days following the expiration of the 45 day deadline to return the Opt-Out Form, the Settlement Administrator will provide a written report to all Parties' counsel noting the number of Notices sent, the number which were returned as undeliverable (after performing skip traces), and the number of valid opt-outs by Settlement Class Members. Prior to the due date for this report, the Settlement Administrator will reasonably respond to requests from any party's counsel for an update on the current status regarding any opt-outs.

3. RELEASE BY PLAINTIFF GEORGE STICKLES. Upon final approval by the Court, Plaintiff George Stickles will release Defendants Atria Senior Living Inc. and Atria Management Company LLC, and any other entity related to them, including but not limited to Ventas, Inc. and Holiday Retirement, along with all of their affiliates, parent companies, subsidiaries, shareholders, officers, partners, directors, members, servants, employees, agents, attorneys, insurers, predecessors, representatives, accountants, past, present, and future, successors and assigns, and each and all of their respective officers, partners, directors, members, servants, agents, shareholders, employees, representatives, accountants, insurers, and attorneys, past, present, and future, and all persons acting under, by, through, or in concert with any of them (collectively, "Releasees"), from all claims of any type to date, known or unknown, suspected or unsuspected, to the fullest extent allowed by law. This release includes, without limitation, any and all claims for:

- pay/compensation/benefits including backpay, frontpay, bonuses, commissions, equity, expenses, incentives, insurance, paid/unpaid leave/time off, meal and rest period premiums profit sharing, salary, or separation pay/benefits;
- compensatory, emotional or mental distress damages, punitive or liquidated damages, attorney fees, costs, interest or penalties;

- violation of express or implied employment contracts, covenants, promises or duties, intellectual property or other proprietary rights;
- unlawful or tortious conduct such as assault or battery; background check violations; defamation; detrimental reliance; fiduciary breach; fraud; indemnification; intentional or negligent infliction of emotional distress; interference with contractual or other legal rights; invasion of privacy; loss of consortium; misrepresentation; negligence (including negligent hiring, retention or supervision); personal injury; promissory estoppel; public policy violation; retaliatory discharge; safety violations; posting or records-related violations; wrongful discharge; or other federal, state or local statutory or common law matters;
- discrimination, harassment or retaliation based on age (including Age Discrimination in Employment Act or "ADEA" claims), benefit entitlement, citizenship, color, concerted activity, disability, ethnicity, gender, gender identity and expression, genetic information, immigration status, income source, jury duty, leave rights, military status, national origin, parental status, protected off-duty conduct, race, religion, retaliation, sexual orientation, union activity, veteran status, whistleblower activity (including Sarbanes-Oxley, Dodd-Frank and False Claims Act claims), other legally protected status or activity; or any allegation that payment under this Agreement was affected by any such discrimination, harassment or retaliation; and
- participation in any class, collective, or representative action against any Releasee.

Plaintiff George Stickles waives all rights under California Civil Code § 1542 which provides:

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

4. RELEASE BY THE SETTLEMENT CLASS AND AGGRIEVED EMPLOYEES

4.1. Upon final approval by the Court, each Participating Settlement Class Member will release, for the entirety of the Class Period, Defendants Atria Senior Living, Inc. and Atria Management Company, LLC, of and from any and all class claims alleged in the First Amended Complaint in the Litigation, including, without limitation, (1) failure to pay overtime wages in violation of Labor Code section 510, (2) failure to provide meal periods and/or missed meal period premiums in violation of Labor Code sections 226.7 and 512, (3) failure to authorize and permit rest breaks and/or pay missed break premiums in violation of Labor Code section 226.7 and Wage Order 5-2001, (4) failure to furnish accurate itemized wage statements in violation of Labor Code section 226, (5) unfair business practices

1 in violation of Business & Professions Code 17200 et seq., and (6) waiting time penalties under Labor
2 Code section 203.

3 **4.2.** Upon approval by the Court, the LWDA and Aggrieved Employees will release, for the
4 entirety of the PAGA Period, Defendants Atria Senior Living, Inc. and Atria Management Company,
5 LLC, of and from any and all claims for civil penalties alleged in the First Amended Complaint in the
6 Litigation pursuant to the Private Attorneys General Act, Labor Code section 2698 *et seq.*

7 **5. PARTIES' AUTHORITY**

8 **5.1.** The signatories hereto hereby represent that they are fully authorized to enter into this
9 Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.

10 **6. MUTUAL FULL COOPERATION**

11 **6.1.** The Parties agree to fully cooperate with each other to accomplish the terms of this
12 Settlement Agreement, including but not limited to, execution of such documents and to take such other
13 action as may reasonably be necessary to implement the terms of this Settlement Agreement. The
14 Parties shall use their best efforts, including all efforts contemplated by this Settlement Agreement and
15 any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this
16 Settlement Agreement and the terms set forth herein. As soon as practicable after execution of this
17 Settlement Agreement, Class Counsel shall, with the assistance and cooperation of Defendants and their
18 counsel, take all necessary steps to secure the Court's preliminary and final approval of this Settlement
19 Agreement.

20 **7. NO PRIOR ASSIGNMENTS**

21 **7.1.** The Parties hereto represent, covenant, and warrant that they have not directly or
22 indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person
23 or entity any portion of any liability, claim, demand, action, cause of action, or rights herein released and
24 discharged except as set forth herein.

25 **8. NO ADMISSION OF LIABILITY**

26 **8.1.** Defendants have denied and continue to deny liability for the claims asserted. Neither
27 this Settlement Agreement, nor any exhibit thereto, nor any other item pertaining to the settlement
28 contemplated herein, shall be offered in any other case or proceeding as evidence of any admission by

Defendants of any liability on any claims for damages or other relief. Any stipulation or admission by Defendants contained herein is made for settlement purposes only. In the event this settlement is not finally approved, the Parties shall be restored to their respective positions as of February 7, 2023.

Nothing contained herein, nor the consummation of this Settlement Agreement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendants.

Defendants specifically deny any liability. Each of the Parties hereto has entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience and expenses.

9. CONSTRUCTION

9.1. The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of informed, intensive arms-length negotiations between the Parties, with the assistance of the Hon. Donna Ryu and mediator Barbara Reeves. The Parties further agree that this Settlement Agreement shall not be construed in favor of, or against, any party by reason of the extent to which any party or his, her or its counsel participated in the drafting of this Settlement Agreement.

10. CAPTIONS AND INTERPRETATIONS

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

11. MODIFICATION

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

12. INTEGRATION CLAUSE

12.1. This Settlement Agreement contains the entire agreement between the Parties relating to the settlement of this Litigation, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a party or such party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

1 **13. BINDING ON ASSIGNS**

2 **13.1.** This Settlement Agreement shall be binding upon and inure to the benefit of the Parties
3 hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

4 **14. COUNTERPARTS**

5 **14.1.** This Settlement Agreement may be executed in counterparts, and when each party has
6 signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and,
7 when taken together with other signed counterparts, shall constitute one Settlement Agreement, which
8 shall be binding upon and effective as to all Parties.

9 **15. GOVERNING LAW**

10 **15.1.** The Parties agree that California law governs the interpretation and application of this
11 Settlement Agreement.

12
13 Dated: 2/23, 2023


George Stickles (Feb 23, 2023 16:31 PST)

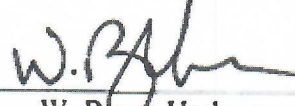
George Stickles
Plaintiff and Class Representative

14
15
16 Dated: _____, 2023

17
18 Michele Rhodes
Plaintiff

19 Dated: February 22, 2023

20 ATRIA MANAGEMENT COMPANY, LLC
ATRIA SENIOR LIVING, INC.

21
22 By: 
W. Bryan Hudson
23 Sr. Executive Vice President, General Counsel &
24 Secretary
25
26
27
28

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13 Dated: _____, 2023

14 _____
15 George Stickles
Plaintiff and Class Representative

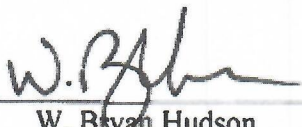
16 Dated: 2./23, 2023

17 
18 Michele Rhodes (Feb 23, 2023 16:45 PST)

19 Michele Rhodes
20 Plaintiff

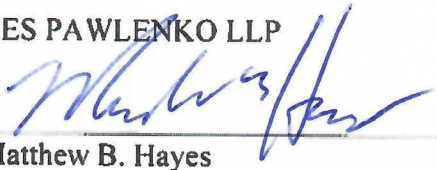
21 Dated: February 22, 2023

22 ATRIA MANAGEMENT COMPANY, LLC
23 ATRIA SENIOR LIVING, INC.

24 By: 
25 W. Bryan Hudson
26 Sr. Executive Vice President, General Counsel &
27 Secretary
28

APPROVED AS TO FORM AND CONTENT

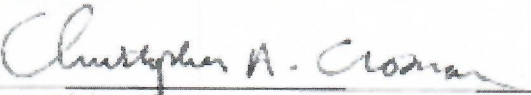
HAYES PAWLENKO LLP

By: 

Matthew B. Hayes

Attorneys for Plaintiffs and the Class

SEYFARTH SHAW LLP

By: 

Richard B. Lapp

Christopher A. Crosman

Attorneys for Defendants ATRIA

MANAGEMENT COMPANY, LLC and

ATRIA SENIOR LIVING, INC.

84072133\ 4

EXHIBIT A

U.S. DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

George Stickles, et al. v. Atria Senior Living, Inc., et al.
Case No. 3:20-cv-09220-WHA

A court has authorized this notice. This is not a solicitation.

NOTICE OF CLASS ACTION SETTLEMENT

TO: ALL PERSONS EMPLOYED BY ATRIA SENIOR LIVING, INC. AND/OR ATRIA MANAGEMENT COMPANY, LLC IN THE POSITION OF COMMUNITY SALES DIRECTOR IN CALIFORNIA FROM APRIL 9, 2018 THROUGH SEPTEMBER 29, 2019 WHO WERE CLASSIFIED AS EXEMPT OUTSIDE SALESPERSONS AND DID NOT SIGN AN ARBITRATION AGREEMENT

READ THIS NOTICE CAREFULLY AS IT AFFECTS YOUR LEGAL RIGHTS

The purpose of this notice (“Notice”) is to inform you of the proposed settlement (“Settlement”) in the above-entitled lawsuit and your rights under it. You have received this Notice because the records of Atria Senior Living, Inc. and Atria Management Company, LLC (together “Atria”) indicate that you are a class member and included in the Settlement described in this Notice.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	You will be mailed a settlement payment based on the calculations set forth in this Notice if the Court grants final approval of the Settlement, and you will be bound by the terms of the Settlement.
OPT-OUT BY [REDACTED], 2023	You may exclude yourself (opt out) of the Settlement, if you do not want to participate in the Settlement. If you timely exclude yourself, you will not receive a Class Member Payment and will not release the Class Claims described in this Notice. You will, instead, preserve the right to file your own lawsuit, at your own expense, for such claims.
OBJECT BY [REDACTED], 2023	You may file an objection to the Settlement explaining why you do not agree with the Settlement and asking the Court to deny approval of the Settlement.

THESE RIGHTS AND OPTIONS – AND THE DEADLINES TO EXERCISE THEM – ARE EXPLAINED IN THIS NOTICE

WHY AM I RECEIVING THIS NOTICE?

You received this Notice because the records of Atria identify you as a member of a class who will be affected by the proposed Settlement. The purpose of this Notice is to explain the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the U.S. District Court for the Northern District of California. The case is titled *Stickles, et al. v. Atria Senior Living, Inc., et al.*, Case No. 3:20-cv-09220-WHA (hereafter, “Lawsuit”). The Lawsuit is pending in the U.S. District Court for the Northern District of California. The court has not made rulings regarding whether the claims alleged in the Lawsuit have any merit.

On _____, 2023, the Court entered an order granting preliminary approval of the Settlement and directing that this Notice be sent to all class members because they have a right to know about the proposed Settlement, and about all of their options, before the Court decides whether to grant final approval of the Settlement.

WHO IS INCLUDED IN THE SETTLEMENT?

The Settlement includes anyone who is a member of the following class that was certified by the Court and who did not previously opt out of the Lawsuit:

All persons employed by Atria Senior Living, Inc. and/or Atria Management Company, LLC in the position of Community Sales Director in California from April 9, 2018 through September 29, 2019 who were classified as exempt outside salespersons and did not sign an arbitration agreement (hereafter “Class”).

Atria’s records identify you as one of the individuals who falls within the Class.

WHAT IS THE LAWSUIT ABOUT?

The Lawsuit is brought by George Stickles and Michele Rhodes (“Plaintiffs”) and alleges that Atria misclassified Community Sales Directors employed in California as exempt outside salespersons. As a result of this alleged misclassification, the Lawsuit asserts that the Community Sales Directors in the Class were unlawfully denied overtime pay, meal and rest breaks, and wage statements showing the hours they worked. The Lawsuit seeks to recover unpaid overtime, missed meal and rest break premium pay, interest, and Labor Code penalties.

Atria disputes all claims that have been asserted in the Lawsuit and denies any wrongdoing or liability whatsoever. Atria maintains that the Community Sales Directors were properly classified as exempt and were properly compensated and afforded all rights required by applicable law.

On December 27, 2021, the Court entered an Order certifying the Class as to the issue of whether the outside salesperson exemption applies to Community Sales Directors and appointing George Stickles as the Class Representative. Notice of that certification order and an opportunity to opt out of the Class was sent in early March 2022.

WHAT ATTORNEYS REPRESENT THE CLASS?

The law firm representing the Class is Hayes Pawlenko LLP (“Class Counsel”), and the attorneys at that firm handling the case can be reached as follows:

Matthew B. Hayes (mhayes@helpcounsel.com)
Kye D. Pawlenko (kpawlenko@helpcounsel.com)
Hayes Pawlenko LLP
1414 Fair Oaks Ave., Unit 2B
South Pasadena, CA 91030
Tel. 626.808.4357

WHY IS THERE A SETTLEMENT?

The Court has not decided whether any of the claims alleged in the Lawsuit have merit. There was no trial. The Class Representative has agreed to the proposed Settlement because he believes it will provide prompt and substantial benefits to the Class. These benefits were compared with the risk of no recovery after a contested trial and likely appeals, possibly years into the future. Atria vigorously denies all allegations of wrongdoing whatsoever, and has agreed to the proposed Settlement to eliminate the burden, expense, uncertainty, and distraction of further litigation.

WHAT DOES THE SETTLEMENT PROVIDE?

Settlement Amount

Atria has agreed to pay a total of One Million Three Hundred Thousand Dollars (\$1,300,000) (“Gross Settlement Amount”) to resolve the Lawsuit. As described further below, the Gross Settlement Amount includes payments to members of the Class to resolve the Class Claims (defined below) alleged in the Lawsuit, a payment of civil penalties to the California Labor & Workforce Development Agency (“LWDA”) and Aggrieved Employees (defined below) to resolve a Labor Code Private Attorney General Act (“PAGA”) claim for civil penalties alleged in the Lawsuit, Class Counsel’s fees and costs, the Class Representative service award, and settlement administration costs to the Court-appointed settlement administrator, Phoenix Class Action (“Settlement Administrator”).

Distribution of the Gross Settlement Amount

Subject to the terms and conditions of the Settlement and Court approval, the Settlement Administrator will make the following payments from the Gross Settlement Amount as follows:

Class Representative Service Award: Class Counsel will apply to the Court for a service award to George Stickles, in an amount not to exceed Five Thousand Dollars (\$5,000), in recognition of his efforts and risks taken in pursuing the Lawsuit and representing the Class. The Court will determine whether a service award is warranted and the amount of such an award.

Class Counsel's Attorneys' Fees and Litigation Costs: Class Counsel will apply to the Court for attorneys' fees of up to 25% of the Gross Settlement Amount, up to Three Hundred Twenty Five Thousand Dollars (\$325,000), and reimbursement of actual litigation costs of up to Forty Thousand Dollars (\$40,000). The Court will determine the amount of fees and costs awarded.

Settlement Administration Costs: The Settlement Administrator's fees and costs for administering the Settlement will be deducted from the Gross Settlement Amount. The estimated fees and costs for settlement administration are Seven Thousand Dollars (\$7,000).

PAGA Payment: Forty Thousand Two Hundred Dollars (\$40,200) will be deducted from the Gross Settlement amount to resolve a representative PAGA claim for civil penalties asserted in the Lawsuit. The amount of the PAGA Payment represents \$100 for each pay period worked by "Aggrieved Employees" from January 27, 2020 through May 2, 2020. As required by the applicable statute, 75% of the PAGA Payment (\$30,150) will be sent to the LWDA and the remaining 25% (\$10,050) will be distributed among individuals qualifying as Aggrieved Employees as described below.

Class Member Settlement Pool: After deducting the Class Representative Service Award, Class Counsel's fees and costs, settlement administration costs, and the PAGA Payment, the remaining amount will be distributed among members of the Class as described below. The Class Member Settlement Pool is projected to contain approximately Eight Hundred Eighty Two Thousand Eight Hundred Dollars (\$882,800).

HOW WILL PAYMENTS FROM THE CLASS MEMBER SETTLEMENT POOL BE CALCULATED?

The Class Member Settlement Pool will be allocated pro rata among members of the Class based on the number of weeks worked for Atria in California from April 9, 2018 through September 29, 2019 ("Class Period"). Each class member's settlement share ("Class Member Payment") will be calculated by multiplying the total Class Member Settlement Pool by a fraction, with the numerator consisting of the total number qualifying workweeks worked by the class member and the denominator consisting of the aggregate number of qualifying workweeks worked by all member of the Class.

Each Class Member Payment will be allocated 60% to wages and 40% to penalties. The portion of the Class Member Payment allocated to wages will be subject to regular and/or applicable payroll and income tax withholdings and will be reported on an IRS Form W-2. The portions of the settlement payment allocated to penalties will be reported on an IRS Form 1099. Each Class member will be responsible for correctly characterizing their Class Member Payment for tax purposes and paying taxes due, if any.

HOW WILL PAGA PAYMENTS TO AGGRIEVED EMPLOYEES BE CALCULATED?

The 25% portion of the PAGA Payment payable to Aggrieved Employees (“Aggrieved Employee Payment”) will be shared among individuals who fall within the following definition for “Aggrieved Employees”:

All persons employed by Atria in the position of Community Sales Director in California from January 27, 2020 through May 2, 2020, who were classified as exempt outside salespersons.

The Aggrieved Employee Payment will be allocated pro rata among the Aggrieved Employees based on the number of pay periods worked for Atria in California from January 27, 2020 through May 2, 2020 (“PAGA Period”). Each Aggrieved Employee’s share (“Individual PAGA Payment”) will be calculated by multiplying the total Aggrieved Employee Payment by a fraction, with the numerator consisting of the number of qualifying pay periods worked by the individual employee and the denominator consisting of the aggregate number of qualifying pay periods worked by all Aggrieved Employees.

Each Individual PAGA Payment will be classified as penalties and be reported on an IRS Form 1099. Each Aggrieved Employee will be responsible for correctly characterizing their Individual PAGA Payment for tax purposes and paying taxes due, if any.

HOW MUCH WILL MY PAYMENT BE?

The amount of money available to be distributed to the Class (the Class Member Settlement Pool) is projected to be approximately Eight Hundred Eighty Two Thousand Eight Hundred Dollars (\$882,800). The Class Member Settlement Pool is calculated by deducting from the Gross Settlement Amount (\$1,300,000) the Class Representative Service Award (\$5,000), Class Counsel’s fees (\$325,000), Class Counsel’s actual litigation costs (approximately \$40,000), settlement administration costs (approximately \$7,000), and the PAGA Payment (\$40,200). The remaining amount will be distributed among members of the Class as described below.

The total amount of your Class Member Payment is estimated to be \$ [REDACTED]. That amount is based on Atria’s records that show that you worked [REDACTED] workweeks in California as an exempt Community Sales Director from April 9, 2018 through September 29, 2019.

The total amount of your Individual PAGA Payment is estimated to be \$ [REDACTED]. That amount is based on Atria’s records that show that you worked [REDACTED] pay periods in California as an exempt Community Sales Director from January 27, 2020 through May 2, 2020.

WHAT SHOULD I DO IF MY WORKWEEK OR PAY PERIOD INFORMATION IS INCORRECT?

If you believe your number of qualifying workweeks and/or pay periods as stated above is incorrect, you may send a letter to the Settlement Administrator indicating what you believe to be the correct information. You should include any documents or other information that supports what

you believe to be the correct number of workweeks and/or pay periods. The Settlement Administrator will resolve any dispute regarding this issue based on Atria's records and any information that you provide. The estimated payment amounts and number of qualifying workweeks and pay periods stated in this Notice will be presumed correct unless you supply company records from Atria or other competent records showing different information. Your letter must be postmarked on or before [REDACTED], 2023. *[within 45 days from mailing of Notice]* and sent to the following address:

[Settlement Administrator Line 1]
 [Settlement Administrator Line 2]
 [Settlement Administrator Line 3]

DO I HAVE TO TAKE ANY ACTION TO RECEIVE A PAYMENT?

No. In order to receive a payment under the Settlement you do not have to do anything. If you do nothing and the Court approves the Settlement, you will be bound by the terms of the Settlement and you will receive payment under the Settlement in the form of a check mailed by the Settlement Administrator. The check will be mailed to the last address the Settlement Administrator has on file for you (which will be the same address to which this notice was sent). If you have changed or will have changed your address, you may write a letter to the Settlement Administrator explaining the circumstances and providing your new address. Checks should be deposited soon after receipt. Checks uncashed for 180 days will be voided and the funds deposited with the Court's Unclaimed Funds Registry in the class member's name.

WHEN WILL I GET MY PAYMENT?

The settlement payments will be distributed only after the Court grants final approval to the Settlement. The Court will hold a Final Approval Hearing on [REDACTED], 2023 to decide whether to finally approve the Settlement. If the Court grants final approval and there is no appeal of that order, settlement payments will be distributed approximately two months after the Court enters a Judgment approving the Settlement. If there is an appeal of the Court's Judgment granting final approval, however, the approval process will take additional time to resolve and could last for more than a year.

WHAT CLAIMS AM I RELEASING?

Release of Class Claims

If the proposed Settlement is finally approved by the Court, all members of the Class who have not timely requested exclusion from the Settlement will release, for the entirety of the Class Period, Defendants Atria Senior Living, Inc. and Atria Management Company, LLC (collectively "Released Parties"), of and from any and all class claims alleged in the First Amended Complaint in the Lawsuit, including, without limitation, (1) failure to pay overtime wages in violation of Labor Code section 510, (2) failure to provide meal periods and/or missed meal period premiums in violation of Labor Code sections 226.7 and 512, (3) failure to authorize and permit rest breaks and/or pay missed break premiums in violation of Labor Code section 226.7 and Wage Order 5-

2001, (4) failure to furnish accurate itemized wage statements in violation of Labor Code section 226, (5) unfair business practices in violation of Business & Professions Code 17200 et seq., and (6) waiting time penalties under Labor Code section 203 (collectively “Class Claims”).

PAGA Release

If the proposed Settlement is finally approved by the Court, all members of the Class who fall within the definition of “Aggrieved Employees” will additionally release throughout the PAGA Period, *regardless of whether they timely request exclusion from the Settlement*, the Released Parties of and from any and all claims for civil penalties alleged in the First Amended Complaint in the Lawsuit pursuant to the Private Attorneys General Act, Labor Code section 2698 *et seq.*

HOW DO I EXCLUDE MYSELF (i.e., OPT OUT)?

If you wish to opt out and exclude yourself from the Settlement, you must fill out, sign, and return the enclosed Request for Exclusion Form. The Request for Exclusion Form must include your full name, current address, and last four digits of your social security number, must be signed by you, and must be postmarked and mailed to the Settlement Administrator at the below address on or before [REDACTED], 2023. [*within 45 days from mailing of Notice Packet.*] Request for Exclusion Forms postmarked after this date may be disregarded.

[Settlement Administrator Line 1]
[Settlement Administrator Line 2]
[Settlement Administrator Line 3]

All individuals who timely return a properly filled out Request for Exclusion Form will be deemed to have opted out and will not participate in or be bound by the Settlement, will not receive a Class Member Payment, and will not release the Class Claims, *except that* those individuals falling within the definition of “Aggrieved Employees” will still receive an Individual PAGA Payment and will remain bound by the PAGA Release.

HOW DO I OBJECT TO THE SETTLEMENT?

You can ask the Court to deny approval of the proposed settlement by filing an objection. You can’t ask the Court to order a different settlement; the Court can only approve or reject the Settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object. If you object to the Settlement, and the Court ultimately approves the Settlement, you will still receive a Class Member Payment.

Any objection to the proposed settlement must be in writing. If you file a timely written objection, you may, but are not required to, appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney. All written objections and supporting papers must (a) clearly identify the case name and number (*Stickles, et al v. Atria Senior Living, Inc. et al*, Case No. 3:20-cv-09220-WHA), (b) be submitted to the Court either by mailing them to: Judge William Alsup, United

States District Court for the Northern District of California, 450 Golden Gate Ave., Courtroom 12, 19th Floor, San Francisco, CA 94102, or by filing them in person at any location of the United States District Court for the Northern District of California, and (c) be filed or postmarked on or before [REDACTED], 2023 [45 days from mailing Notice Packet].

WHAT'S THE DIFFERENCE BETWEEN OBJECTING AND OPTING OUT?

Objecting is telling the Court that you don't like something about the Settlement. You may object only if you remain in the settlement Class (and you are still eligible for a Class Member Payment even if you object). By contrast, requesting to be excluded or opting out is telling the Court that you don't want to participate in the Settlement (and you will no longer be eligible for a Class Member Payment if you opt out). Therefore, you can either object to the Settlement *or* opt out of the Settlement; you cannot do both.

WHEN AND WHERE IS THE FINAL APPROVAL HEARING?

The Court will hold a Final Approval Hearing concerning the proposed settlement on [REDACTED], 2023 at [REDACTED], in the San Francisco Courthouse, Courtroom 12 (19th floor), of the U.S. District Court for the Northern District of California, located at 450 Golden Gate Avenue, San Francisco, CA 94102. At this hearing the Court will determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class Counsel's request for attorneys' fees and costs, the Class Representative's service award, and the Settlement Administrator's fees and expenses.

The Court may reschedule the final approval/fairness hearing without further notice to the Class members. However, any Class member who has submitted a timely objection to the settlement will be notified by Class Counsel of any rescheduling of the date and time of the Final Approval Hearing.

You are **not** required to come to the Final Approval Hearing. Class Counsel will represent the interests of Class members at the hearing. But you are welcome to come at your own expense and you may ask the Court for permission to speak at the hearing. If you send an objection, you don't have to come to Court to talk about it. As long as you timely mailed your written objection, the Court will consider it. You may also hire and pay your own lawyer to attend if you so desire.

HOW CAN I OBTAIN ADDITIONAL INFORMATION ABOUT THE SETTLEMENT?

This Notice summarizes the proposed settlement. For the precise terms and conditions of the settlement, please see the settlement agreement available at [www.\[REDACTED\].com](http://www.[REDACTED].com), by contacting class counsel at 626.808.4357, by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court of the United States District Court for the Northern District of California, 450 Golden Gate Ave., San Francisco, CA, 94102, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

PLEASE DO NOT TELEPHONE THE COURT OR THE CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS.

EXHIBIT B

REQUEST FOR EXCLUSION FORM

Stickles, et al. v. Atria Senior Living, Inc., et al., Case No. 3:20-cv-09220-WHA

To exclude yourself or “opt out” from the Settlement of Class Claims, complete, sign, and date this form, and then mail it on or before -----, 2023 to the Settlement Administrator at the following address:

Phoenix Class Action _____ _____, _____

INSTRUCTIONS

A. Only complete and return this form if you do **NOT** want to be included in the Settlement of Class Claims. You will **NOT** receive a Class Member Payment if you return this form.

B. To exclude yourself or “opt out” of the Settlement, complete, sign, date and return this form. To be effective, this form must be filled out completely and postmarked on or before -----, 2023.

C. You are responsible for maintaining a copy of the fully completed form and proof of mailing.

I want to **OPT-OUT** of the Settlement of Class Claims in the lawsuit entitled *Stickles, et al. v. Atria Senior Living Inc. et al.*, Case No. 3:20-cv-09220-WHA. I understand that by requesting to be excluded, I will receive no Class Member Payment from the Settlement described in this Notice.

Printed Name: _____

Address: _____

Last 4 Digits of SSN: _____

(Sign your name here)

Date

EXHIBIT C

U.S. DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

George Stickles, et al. v. Atria Senior Living, Inc., et al.
Case No. 3:20-cv-09220-WHA

A court has authorized this notice. This is not a solicitation.

NOTICE OF PRIVATE ATTORNEY GENERAL ACTION (PAGA) SETTLEMENT

TO: ALL PERSONS EMPLOYED BY ATRIA SENIOR LIVING, INC. AND/OR ATRIA MANAGEMENT COMPANY, LLC IN THE POSITION OF COMMUNITY SALES DIRECTOR IN CALIFORNIA FROM JANUARY 27, 2020 THROUGH MAY 2, 2020, WHO WERE CLASSIFIED AS EXEMPT OUTSIDE SALESPERSONS

There has been a settlement of a Labor Code Private Attorney General Act (“PAGA”) claim in the case *Stickles, et al. v. Atria Senior Living, Inc., et. al*, Case No. 3:20-cv-09220-WHA, pending in the United States District Court for the Northern District of California. You are receiving this notice because you are an “Aggrieved Employee” entitled to receive a payment pursuant to the settlement.

WHAT IS THE PAGA CLAIM ABOUT?

Plaintiff Michele Rhodes (“Plaintiff”) filed a PAGA claim against Atria Senior Living Inc. and Atria Management Company, LLC (together “Atria”) alleging that Atria misclassified Community Sales Directors employed in California as exempt outside salespersons. As a result of this alleged misclassification, the PAGA claim asserts that the Community Sales Directors were unlawfully denied overtime pay, meal and rest breaks, and wage statements showing the hours they worked. The PAGA Claim seeks to recover civil penalties on behalf of the California Labor & Workforce Development Agency, Plaintiff, and other “Aggrieved Employees.”

Atria disputes the PAGA claim and denies any wrongdoing or liability whatsoever. Atria maintains that the Community Sales Directors were properly classified as exempt and were properly compensated and afforded all rights required by applicable law. Atria has agreed to the proposed settlement to eliminate the burden, expense, uncertainty, and distraction of further litigation.

The Court has not rendered any opinion as to the merits of the PAGA claim. Instead, the parties have agreed to settle the PAGA claim.

WHAT DOES THE PAGA SETTLEMENT PROVIDE?

To resolve the PAGA claim, Atria has agreed to pay a total of Forty Thousand Two Hundred Dollars (\$40,200) in civil penalties (hereafter “PAGA Payment”). The amount of the PAGA Payment represents \$100 for each pay period worked by “Aggrieved Employees” from January 27, 2020 through May 2, 2020. As required by the applicable statute, 75% of the PAGA Payment (\$30,150) will be sent to the California Labor & Workforce Development Agency (“LWDA”) and

the remaining 25% of the PAGA Payment (\$10,050) will be distributed among individuals qualifying as “Aggrieved Employees.” The settlement defines “Aggrieved Employees” as “all persons employed by Atria Senior Living, Inc. and/or Atria Management Company, LLC, in the position of Community Sales Director in California from January 27, 2020 through May 2, 2020, who were classified as exempt outside salespersons.”

HOW WILL PAGA PAYMENTS TO AGGRIEVED EMPLOYEES BE CALCULATED?

The 25% portion of the PAGA Payment payable to Aggrieved Employees (\$10,050) will be allocated pro rata among the Aggrieved Employees based on the number of pay periods worked for Atria in California from January 27, 2020 through May 2, 2020 (“PAGA Period”). Each Aggrieved Employee’s share (“Individual PAGA Payment”) will be calculated by multiplying the total amount payable to Aggrieved Employees (\$10,050) by a fraction, with the numerator consisting of the number of qualifying pay periods worked by the individual employee and the denominator consisting of the aggregate number of qualifying pay periods worked by all Aggrieved Employees.

Each Individual PAGA Payment will be classified as penalties and reported on an IRS Form 1099. Each Aggrieved Employee will be responsible for correctly characterizing their Individual PAGA Payment for tax purposes and paying taxes due, if any.

HOW MUCH WILL MY PAYMENT BE?

The total amount of your Individual PAGA Payment is estimated to be \$ _____. That amount is based on Atria’s records that show that you worked _____ pay periods in California as an exempt Community Sales Director from January 27, 2020 through May 2, 2020.

WHAT SHOULD I DO IF MY PAY PERIOD INFORMATION IS INCORRECT?

If you believe your number of qualifying pay periods as stated above is incorrect, you may send a letter to the settlement administrator, Phoenix Class Action, indicating what you believe to be the correct information. You should include any documents or other information that supports what you believe to be the correct number of pay periods. The settlement administrator will resolve any dispute regarding this issue based on Atria’s records and any information that you provide. The estimated payment amounts and number of qualifying pay periods stated in this notice will be presumed correct unless you supply company records from Atria or other competent records showing different information. Your letter must be postmarked on or before _____, 2023. *[within 45 days from mailing of Notice]* and sent to the following address:

[Settlement Administrator Line 1]
[Settlement Administrator Line 2]
[Settlement Administrator Line 3]

DO I HAVE TO TAKE ANY ACTION TO RECEIVE A PAYMENT?

No. In order to receive a payment, you do not have to do anything. If the Court approves the settlement, you will automatically be sent a payment in the form of a check mailed by the settlement administrator. The check will be mailed to the last address the settlement administrator has on file for you (which will be the same address to which this notice was sent). If you have changed or will have changed your address, you may write a letter to the Settlement Administrator explaining the circumstances and providing your new address. Checks should be deposited soon after receipt. Checks uncashed for 180 days will be voided and the funds deposited with the Court's Unclaimed Funds Registry in the payee's name.

WHEN WILL I GET MY PAYMENT?

The settlement payments will be distributed only if the Court approves the settlement. The Court will hold a hearing on [REDACTED], 2023 to decide whether to approve the settlement. If the Court grants approval and there is no appeal of that order, Individual PAGA Payments will be distributed approximately two months after the Court enters a Judgment approving the settlement. If there is an appeal of the Court's Judgment granting final approval, however, the approval process will take additional time to resolve and could last for more than a year.

WHAT CLAIMS ARE BEING RELEASED BY THE PAGA SETTLEMENT?

The settlement of the PAGA claim does not release any individual claims you might have against Atria. It only releases representative claims for civil penalties brought under the California Labor Code Private Attorneys General Act. If the proposed settlement is finally approved by the Court, all individuals falling within the definition of "Aggrieved Employees" will release throughout the PAGA Period any and all claims for civil penalties alleged in the First Amended Complaint in the lawsuit pursuant to the Private Attorneys General Act, Labor Code section 2698 *et seq.*

WHO CAN I CONTACT FOR MORE INFORMATION ABOUT THE PAGA SETTLEMENT?

If you have any questions, you may contact the settlement administrator, Phoenix Class Action, at [telephone number]. You may also contact counsel for Plaintiff listed below:

Matthew B. Hayes (mhayes@helpcounsel.com)
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PLEASE DO NOT TELEPHONE THE COURT OR THE CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS.