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

MARY JANE HINKLE, as an individual
and on behalf of all others similarly situated,

Plaintiff,

vs.

ALAMEDA HEALTHCARE &
WELLNESS CENTER, LLC, a California
limited liability company; and DOES 1
through 50, inclusive,

Defendants.

Case No.: RG21090402

(Assigned to the Honorable Noël Wise, Dept. 21)

**DECLARATION OF MAX W. GAVRON IN
SUPPORT OF PLAINTIFF'S MOTION TO
APPROVE SETTLEMENT AGREEMENT
PURSUANT TO THE PRIVATE
ATTORNEYS GENERAL ACT OF 2004**

Date: September 10, 2024

Time: 1:30 P.M.

Dept.: 21

Reservation ID: 679065050734

Action Filed: March 2, 2021

Trial Date: Not Set

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I, Max W. Gavron, hereby declare and state as follows:

1. I am an attorney at law duly admitted to practice before all courts in the State of California and am a member of the law firm of the Diversity Law Group, P.C., one of the attorneys of record for Plaintiff Mary Jane Hinkle (“Plaintiff”) in the above-entitled action. I have personal knowledge of the matters set forth herein, and if called upon as a witness to testify thereto, I could and would competently do so.

PROCEDURAL HISTORY

2. On February 3, 2021, Plaintiff sent notice to the Labor and Workforce Development Agency (“LWDA”) giving notice of her intent to pursue a representative PAGA action, on behalf of herself and the State of California, as well as on behalf of other PAGA Members (the “PAGA Letter”). Plaintiff’s PAGA Letter alleged claims for violation of Labor Code §§ 201-203, 226(a), 226.7, 510, 512, 558, and 1194.

3. On March 2, 2021, Plaintiff filed a class and representative action complaint against Defendant asserting claims for violation of Labor Code §§ 201-203, 226, 226.7, 510, 512, 558, 1194, and 2698, *et seq.*, and Business and Professions Code § 17200, *et seq.* (the “Action”). Plaintiff subsequently amended the complaint on June 9, 2021, dismissing all causes of action, without prejudice, except for violation of Labor Code § 2698, *et seq.* because of an arbitration agreement that included a class action waiver.

4. After the filing of the initial complaint, the Parties engaged in formal and informal discovery and engaged in several meet and confer efforts. Plaintiff propounded discovery requests upon Defendant, including requests for production of documents and interrogatories.

5. Thereafter, the Parties agreed to engage in mediation before neutral Michael J. Loeb, Esq. In connection with the mediation, Defendant provided Plaintiff and her counsel with information and data to analyze Defendant's potential liability, including the number of aggrieved employees, number of pay periods at issue, relevant policies, and a sampling of time and pay records. Based on this information, the Parties conducted settlement negotiations.

6. The Parties engaged in mediation on May 16, 2022. Despite vigorous arm's

length negotiations, the Parties were unable to reach an agreement and resumed litigation of the Action.

7. Separately, on September 26, 2022, Plaintiff filed a demand for arbitration before the American Arbitration Association, alleging individual claims against Defendant for violation of Labor Code §§ 201-203, 226, 226.7, 510, 512, 558, and 1194. The Parties then conducted discovery in the arbitration.

8. In or about October 2023, the Parties agreed to reattempt mediation of Plaintiff's claims. In connection with the second mediation, Defendant provided updated information to Plaintiff and her counsel regarding the number of aggrieved employees, the number of pay periods at issue, and other data to analyze Defendant's potential liability.

9. The Parties engaged in a second mediation on January 11, 2024, before neutral Michael J. Loeb, Esq. After continued arm's length negotiations facilitated by Mr. Loeb following the mediation, with each Party having had the opportunity to consider all known facts and circumstances, the Parties agreed to terms for complete settlement of the Action. The Parties entered into the Joint Stipulation of Settlement ("Settlement Agreement" or "Agreement"). A true and correct copy of the Settlement Agreement is attached herewith as **Exhibit A**.

10. As a condition of the settlement, the Parties agreed to the filing of a second amended complaint, which includes a single cause of action under the PAGA premised on allegations that Defendant violated Labor Code §§ 204, 210, 218.5, 226(a), 551, 552, 1197, 1197.1, 1198, 2800, and 2802 to the Action.

11. On July 8, 2024, Plaintiff filed a supplemental notice with the LWDA, alleging claims for violation of Labor Code §§ 204, 210, 218.5, 226(a), 551, 552, 1197, 1197.1, 1198, 2800, and 2802 ("Amended LWDA Letter").

12. On July 11, 2024, the Court signed a stipulation and order allowing Plaintiff to file a Second Amended Complaint (the "Operative Complaint"). Plaintiff filed the Second Amended Complaint on July 12, 2024. The Second Amended Complaint alleges a single cause of action for violation of Labor Code § 2698, *et seq.*, predicated on underlying violations of Labor Code §§ 201-204, 210, 218.5, 226, 226(a), 226.7, 510, 512, 551, 552, 558, 1174, 1194,

1 1197, 1197.1, 1198, 2800, and 2802.

2 **POTENTIAL PENALTIES**

3 13. Here, Defendant produced data for the PAGA Group Members, which permitted
4 Plaintiff to analyze Defendant's potential exposure and liability. As detailed in the Settlement
5 Agreement, there are approximately 495 PAGA Group Members and approximately 12,000 pay
6 periods at issue during the time encompassed by this settlement.

7 14. The PAGA's default penalty structure provides \$100 for the initial violation and
8 \$200 for subsequent violations. Cal. Labor Code § 2699(f). Defendant's potential exposure
9 could be as high as \$1,200,000 (12,000 pay periods x \$100 per pay period) if the Court were to
10 award a \$100 penalty for each pay period encompassed by the proposed settlement. If the Court
11 opted to award the \$250 penalty for wage statement violations under the PAGA, then the
12 exposure could be even higher. *Compare Raines v. Coastal Pacific Food Distributors, Inc.*, 23
13 Cal. App. 5th 667 (2018) (holding that \$250 is the appropriate penalty under the PAGA for
14 violations of Labor Code § 226(a)) *with Gunther v. Alaska Airlines, Inc.*, 72 Cal. App. 5th 334,
15 355 (2021) (holding \$100 is the appropriate penalty). If the Court were to "stack" multiple
16 penalties for each distinct labor code violation proven during a pay period, the potential
17 maximum exposure could be even higher. However, courts have generally been reluctant to
18 stack penalties for multiple violations occurring during the same pay period, and even if it did,
19 the Court retains discretion to reduce the penalties, as discussed below. Accordingly, a more
20 realistic maximum exposure model is approximately \$1.2 million.

21 15. While the PAGA does provide for a potentially heightened penalty of \$200 for
22 "subsequent" violations, many courts do not award that penalty unless there has been a prior
23 citation by the LWDA or court ruling demonstrating that the employer previously violated the
24 Labor Code. *Amaral v. Cintas Corp. No. 2*, 163 Cal. App. 4th 1157, 1209 (2008); *accord*
25 *Amalgamated Transit Union Local 1309 v. Laidlaw Transit Service, Inc.*, 2009 WL 2448430,
26 at *9 (S.D. Cal. Aug. 10, 2009) ("[u]nder California law, courts have held that employers are
27 not subject to heightened penalties for subsequent violations unless and until a court or
28 commissioner notifies the employer that it is in violation of the Labor Code"); *see also*

1 *Bernstein v. Virgin Am., Inc.*, 3 F.4th 1127, 1144 (9th Cir. 2021) (holding no subsequent
2 penalty unless prior citation or court ruling). Thus, Defendant argued that even if Plaintiff was
3 able to establish any violation of the Labor Code, the PAGA penalties assessed for these
4 violations will be computed at the \$100 rate, as opposed to the \$200 per pay period rate at
5 maximum, and there is a likelihood that a further reduction of the penalty would be appropriate
6 given Defendant's good faith efforts to comply with the Labor Code and their contentions that
7 they complied with the Labor Code at all times.

8 16. For example, Defendant argued that it maintained facially compliant meal, rest,
9 and overtime policies and procedures. Defendant argued that it had legally compliant written
10 policies, which satisfied *Brinker* and that any failure to take a legally compliant meal or rest
11 period by employees was isolated and/or infrequent. *See Brinker Rest. Corp. v. Superior Ct.*,
12 53 Cal. 4th 1004, 1040, 273 P.3d 513, 537 (2012) ("On the other hand, the employer is not
13 obligated to police meal breaks and ensure no work thereafter is performed."). Defendant also
14 argued that Plaintiff's overtime claim was the result of a lawful and evenly applied rounding
15 policy that did not detriment the employees when viewed in the aggregate. Finally, with
16 respect to Plaintiff's reimbursement claim, Defendant argued that it maintained legally
17 compliant policies, and that any alleged failure to reimburse for business expenses was the
18 result of either: 1) employees not requesting reimbursement; or 2) the expenses not being a
19 necessary and reasonable business expense. *See Andersen v. United Parcel Serv., Inc.*, 2024
20 WL 2104496, at *11 (C.D. Cal. Apr. 11, 2024) (granting the defendant's motion for summary
21 judgment on the plaintiff's Section 2802 claim because "[the plaintiff] did not inform [the
22 defendant] that he had unreimbursed [mileage] expenses."). Plaintiff's failure to timely pay
23 wages and failure to provide one day of rest in seven claims suffered from similar difficulties.
24 For example, Defendant argued that only a small number of aggrieved employees, if any, ever
25 worked more than seven days in a row, which would limit the exposure on this theory of
26 liability significantly. Similarly, Plaintiff's failure to pay final wages and wage statement
27 claims would be subject to a good faith defense, which could potentially extinguish the
28 possibility of these penalties altogether. *Hill v. Walmart, Inc.*, 32 F. 4th 811 (9th Cir. 2022)

(upholding good faith defense because defendant reasonably believed wages were not due and owing at time of separation of employment); *Naranjo v. Spectrum Sec. Servs., Inc.*, 15 Cal. 5th 1056, 1087 (2024) (upholding good faith defense to imposition of Section 226 penalties).

17. Defendant also argued that even if Plaintiff prevailed, the recoverable penalties under PAGA are minimal. Indeed, courts often significantly reduce the penalties awarded. *See Carrington v. Starbucks Corporation*, 30 Cal. App. 5th 504, 517 (2018) (approving PAGA penalty reduction to \$5 per pay period); *accord Atempa v. Pedrazzani*, 27 Cal. App. 5th 809 (2018). If the Court in this case were to reduce penalties as was approved in *Carrington*, the potential exposure would be significantly less, falling somewhere close to \$60,000.00 (12,000 pay periods x \$5).

18. Under the circumstances of this case, the payment of \$237,500.00 in civil penalties is fair, adequate, and reasonable. The payment of \$237,500.00 in exchange for a release of only those claims for civil penalties that are pleaded or that could have been pleaded based on the facts alleged in the LWDA Letter, Amended LWDA Letter, and Operative Complaint will have a substantial deterrent effect on Defendant and other California employers and will confer benefits on the PAGA Group Members, who will each receive a portion of the settlement, and the LWDA. This is approximately 19% of the calculated maximum exposure ($\$237,500.00 \div \$1,200,000$), and a significantly higher percentage if the Court were to reduce the PAGA penalties, as done in *Carrington*. Based on a raw average, each aggrieved employee stands to receive approximately \$64.03 ($\$31,693.12 / 495$ aggrieved employees).

SUMMARY OF THE MONETARY TERMS OF THE SETTLEMENT

19. The Parties have agreed that Defendant will fund the Gross Fund Value of \$237,500.00. Agreement ¶ 7(k). The Settlement Agreement allocates approximately one-third of the Gross Fund Value for attorneys' fees, or \$79,166.67, up to \$23,500.00 in litigation costs incurred by Plaintiff's Counsel, \$5,000.00 to Plaintiff for an enhancement payment, and up to \$5,500.00 for settlement administration costs. *Id.* ¶¶ 11-13. The remainder (or "PAGA Fund") is allocated to the payment of civil penalties under PAGA, 75% of which is for distribution to the LWDA ("LWDA Payment") and 25% of which is for distribution to the PAGA Group Members

on whose behalf Plaintiff filed this action (“PAGA Settlement Fund”), as required by PAGA. *Id.* ¶ 15. Based on the foregoing amounts, Plaintiff estimates that the Labor and Workforce Development Agency (“LWDA”) will receive approximately \$93,250.00, and PAGA Group Members will receive approximately \$31,083.33. However, when using the actual costs requested (\$21,060.84), the LWDA will receive approximately \$95,079.37, and PAGA Group Members will receive approximately \$31,693.12.

20. Each PAGA Group Member will receive a payment proportionate to the number of pay periods worked during the PAGA Period (“Individual PAGA Payment”). *See* Agreement ¶ 16. Each Individual PAGA Payment will be considered the payment of penalties and treated as IRS Form 1099 income. *Id.* ¶ 10.

21. Any checks not cashed by PAGA Group Members will be voided and the unclaimed amount will be forwarded to the State of California Controller’s Unclaimed Property Division in the name of the respective PAGA Group Members. *Id.* ¶ 18.

22. In exchange for the monetary benefits of the settlement, the PAGA Group Members will provide the following release: “Upon the date Defendant fully funds the entire Gross Fund Value, Plaintiff, all PAGA Group Members and the State of California will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims during the PAGA Period, except as to the right to enforce the terms and conditions of this settlement.” *Agreement* ¶ 24. The Released PAGA Claims are as follows:

all claims under the California Private Attorneys General Act of 2004 (“PAGA”) alleged in the LWDA Letter, Amended LWDA Letter and the Operative Complaint or claims that could have been reasonably alleged based on the facts pertaining to Plaintiff and the PAGA Group Members, arising during the PAGA Period. This includes, but is not limited to PAGA claims for (1) failure to provide legally compliant meal periods or pay legally mandated premiums in lieu thereof; (2) failure to provide legally compliant rest periods or pay legally mandated premiums in lieu thereof; (3) failure to pay overtime wages and double time wages; (4) failure to furnish accurate itemized wage statements by failing to set forth all hours worked and corresponding rates of pay; (5) failure to pay all wages owed at time of termination of employment; (6) failure to timely pay

wages; (7) failure to provide one day of rest in seven; (8) failure to reimburse necessary business expenses; (9) failure to maintain timekeeping and payroll records; and (10) failure to pay minimum wages as well as all claims arising under the listed Labor Code statutes and Industrial Welfare Commission Wage Orders based on the primary rights of those statutes, irrespective of the theory of recovery alleged. (*See* California Labor Code sections 201-204, 210, 218.5, 226, 226(a) 226.7, 510, 512, 551, 552, 558, 1174, 1194, 1197, 1197.1, 1198, 2800, 2802, and the applicable IWC Wage Order(s)), as well as all claims arising under the listed Labor Code statutes based on the primary rights of those statutes, irrespective of the theory of recovery alleged.

Id. ¶ 7(x). The Released Parties are “Defendant and all of its present and former parent companies, subsidiaries, affiliates and joint ventures (including but not limited to Rockport Administrative Services), and all of their officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any other persons acting by through, under or in concert with any of them.” *Id.* ¶ 7(y).

23. The Parties recognize the risk, expense, and delay in continuing litigation with the PAGA claims, and believe the settlement to be fair, reasonable, and adequate.

24. Each side has apprised the other of their respective factual contentions, legal theories, and defenses, resulting in negotiations taking place between the Parties.

25. From the inception of the case, Plaintiff’s Counsel have zealously represented the interests of the PAGA Group Members. Plaintiff’s Counsel have engaged in written discovery and meet and confer discussions with opposing counsel to obtain informal data and to discuss the merits of the claims on behalf of the PAGA Group Members. The settlement was obtained for the benefit of the PAGA Group Members, as opposed to the individual Plaintiff.

26. Further, Plaintiff’s Counsel have significant experience in the area of employment and wage and hour class and representative actions. Plaintiff’s Counsel’s practice focuses on representing employees in employment matters, particularly wage and hour cases on a contingency basis.

ATTORNEY EXPERIENCE

27. My qualifications are as follows: I received a full-tuition scholarship, and

1 graduated from Southwestern Law School in 2013, magna cum laude. I was in the top 5% of my
2 class. During my time at Southwestern, I was a Notes and Comments Editor on the Southwestern
3 Law Review. I also received awards for achieving the highest grade in my class in several
4 courses. In 2012, I was a full-time extern, at the United States District Court for the Central
5 District. Immediately after law school, I taught several courses at Southwestern, including
6 Principles of Legal Analysis and Legal Methods. I taught those courses for approximately four
7 years.

8 28. I practiced civil litigation at Haight Brown & Bonesteel LLP from approximately
9 September 2013, through January 2016. I was third-chair in a federal court jury trial that resulted
10 in a defense verdict in our client's favor on a \$21 million commercial breach of contract dispute.
11 I also regularly litigated cases across the civil litigation spectrum, including employment matters.

12 29. From February 2016, through Fall 2017, I practiced at the international law firm
13 of Arnold & Porter, which had recently merged with Kaye Scholer, LLP. I defended Fortune 50
14 companies in Multi-District Litigation primarily in the product liability sphere. I also
15 successfully drafted an appellate brief in the Ninth Circuit resulting in the reversal of a summary
16 judgment decision regarding trade secret issues, in addition to working in several other practice
17 groups. *See Experian Info. Solutions v. Nationwide Marketing Servs. Inc.*, 893 F.3d 1176 (9th
18 Cir. 2018).

19 30. From September 2017, through September 2018, I served as a law clerk to a
20 Judge sitting on the United States District Court, Central District of California. I regularly
21 prepared bench memoranda, on cases involving all types of civil litigation, including regularly
22 working on wage and hour class actions.

23 31. I am currently an attorney at the law firm Diversity Law Group, P.C., an
24 employment law firm that has handled numerous wage and hour class and individual actions, on
25 both plaintiff and defense sides. My current practice focuses on employment matters involving
26 both class actions, and single plaintiffs. The firm currently has cases in the Los Angeles Superior
27 Courts, the Orange County Superior Courts, the San Diego County Superior Courts, and the
28 United States District Courts for the Central, Northern, and Eastern Districts of California. I am

1 currently handling, or have handled, numerous wage and hour class action lawsuits with the firm,
2 including, but not limited to: *Agar v. Sensient Natural Ingredients, LLC* (Case No. CV-19-
3 001906, Stanislaus County Superior Court); *Heredia v. Eddie Bauer LLC* (Case No.
4 16CV300475, United States District Court, Northern District of California); *Parsons v. Estenson*
5 *Logistics, LLC* (Case No. 34-2019-00252929, Sacramento County Superior Court); *Wood v.*
6 *Reeve Trucking Co., Inc.* (Case No. STK-CV-UOE-2018-0004414, San Joaquin County Superior
7 Court); *Coronel v. Pinnacle Agriculture* (Case No. 18CV004287, Monterey County Superior
8 Court), and *Tice v. Trader Joe's Company* (Case No. 20CV00892, Santa Barbara County
9 Superior Court), *Hyde v. Prime Now LLC*, Alameda County Superior Court Case No.
10 RG20068286, among others.

11 32. I have been certified as class counsel in a number of cases, including *Smith v.*
12 *Gold Country Health Center, Inc.* (Case No. PC20180491, El Dorado County Superior Court)
13 and *Pantoja v. RAMCO Enterprises, L.P.* (Case No. M126835, Monterey County Superior
14 Court). I have also assisted in numerous wage and hour class action mediations.

15 33. On June 14, 2019, I argued two related cases in front of the Ninth Circuit Court of
16 Appeals. One of them was *Rodriguez v Nike Retail Service Inc.*, Case No. 17-16866. On June 28,
17 2019, the Ninth Circuit issued a published decision, reversing and remanding in favor of our
18 clients. *Rodriguez v. Nike Retail Servs., Inc.*, 928 F.3d 810 (9th Cir. 2019). The related case
19 decision was *Chavez v. Converse, Inc.*, 772 Fed. Appx. 571 (June 28, 2019).

20 34. To date, I have incurred approximately 104.9 hours in connection with the
21 litigation of this lawsuit. I also anticipate spending approximately 5 hours after approval
22 responding to correspondence and phone calls from PAGA Group Members, the Settlement
23 Administrator, and Defendant's counsel. Attached hereto as **Exhibit B** is a summary of the hours
24 I have incurred to date.

25 35. The total lodestar for my hours will be approximately \$71,435.00 based on an
26 hourly rate of \$650.00 per hour [(104.9 hours + 5 anticipated hours) x \$650]. In January 2024, I
27 increased my hourly rate to \$650 per hour. I was approved at this rate in *Jaramillo v. USS-UPI,*
28 *LLC*, Contra Costa County Case No. C22-00641 (April 24, 2024) and *Conner v Red Wing*

1 *Brands of America, Inc.*, San Mateo County Case No. 22CIV03830 (August 12, 2024). Prior to
2 that, I have been approved at \$600.00 per hour in *Weybrew v. BEI Construction*, Solano County
3 Superior Court Case No. FCS055658 (January 14, 2022), *In re See's Candies Wage and Hour*
4 *Cases*, Case No. JCCP5004 (March 30, 2022), *Pevey v. Lumber City Corp*, San Bernardino
5 County Superior Court Case No. CIVDS2010240 (May 2, 2022), *Anguiano v. Mann Packing*
6 *Co., Inc.*, Monterey County Superior Court Case No. 19CV001178, and *Schneider v. Amazon*
7 *Retail LLC*, Los Angeles County Superior Court Case No. 21STCV26226 (December 1, 2022),
8 *Hyde v. Prime Now LLC*, Alameda County Superior Court Case No. RG20068286 (August 11,
9 2023), among others. Prior to that throughout 2020 and 2021, I was approved at an hourly rate
10 of at \$550.00 per hour in *James v RADC Enterprises, Inc.*, San Bernardino County Superior
11 Court, Case No. CIV-DS1933035 (September 29, 2020), *Hector Luna v. Triple Canopy, Inc.*,
12 Santa Clara County Superior Court, Case No. 19CV345169 (October 22, 2020), *Melbert*
13 *Magpugay v. Harbor Electronics, Inc.*, Santa Clara County Superior Court Case No.
14 19CV352547 (January 27, 2021), *Foster v. Schindler Elevator Corp.*, Alameda County Superior
15 Court Case no. RG19029640 (March 2, 2021), *Martin v. Streetplus Company, LLC, et al*, Los
16 Angeles Superior Court Case No. 19STCV15522 (July 13, 2021), *Morris v. Blue Mountain*
17 *Enterprises, LLC*, Solano County Superior Court, Case No. FCS05.858 (August 4, 2021).

18 36. Based on the hours and applicable rates of myself and my co-counsel, Larry Lee,
19 the lodestar amount through the finalization of this settlement – without a multiplier – will be
20 approximately \$91,750.00, which results in a negative multiplier of 0.86.

21 **COSTS**

22 37. To date, my firm has incurred costs in the amount of \$21,060.84. These costs
23 were directly incurred in the prosecution of this action, including, but not limited to, filing fees,
24 service of process fees, and mediation costs. Attached hereto as **Exhibit C** is a true and correct
25 copy of the firm's cost report.

26 **NOTICE TO THE LWDA AND AGGRIEVED EMPLOYEES**

27 38. On August 16, 2024, my office uploaded the instant motion, Settlement
28 Agreement, and proposed order to the LWDA's website. Attached hereto as **Exhibit D** is a true

1 and correct copy of the LWDA confirmation.

2 39. Attached to the Settlement Agreement as Exhibit A is a true and correct copy of
3 the proposed notice to accompany the settlement checks to the PAGA Group Members. The
4 Settlement Administrator will distribute this notice to the PAGA Group Members with their
5 settlement checks.

6 40. I obtained the attached bid from Phoenix Settlement Administrators to administer
7 the settlement, which I believe is reasonable given the scope of the settlement and my experience
8 in handling PAGA settlements. A true and correct copy of the bid is attached as **Exhibit E**.

9 I declare under penalty of perjury under the laws of the State of California that the
10 foregoing is true and correct.

11 Executed on this 16th day of August 2024, at Los Angeles, California.

12 
13 _____
14 Max W. Gavron

EXHIBIT A

JOINT STIPULATION OF SETTLEMENT

This Joint Stipulation of Settlement (“Agreement” or “Settlement”) is made and entered into by and between Mary Jane Hinkle (“Plaintiff”), on behalf of all other allegedly aggrieved Private Attorneys General Act (“PAGA”) Group Members and Defendant Alameda Healthcare & Wellness Center, LLC (“Defendant”) (collectively with Plaintiff, the “Parties”).

This Settlement shall be binding on Plaintiff, PAGA Group Members and on Defendant, subject to the terms and conditions hereof and the approval of the Court.

RECITALS

1. Allegations in the Charge and Complaints. On November 3, 2020, Plaintiff Mary Jane Hinkle filed a Charge of Discrimination with the Equal Employment Opportunity Commission alleging race and national origin discrimination (EEOC No. 2021-00259-C, the “EEOC Charge”). The EEOC Charge was dual filed the Department of Fair Employment & Housing (“DFEH”, now named the California Rights Division), Case No. 202004-10059530, the “DFEH Charge.” (The EEOC Charge and DFEH Charge are collectively referred to as the “Charge.”) On November 12, 2020, a Notice of Case Closure and Right to Sue was issued in the DFEH charge, and the DFEH was unable to conclude that the information obtained established a violation. On December 2, 2021, a Notice of Suit Rights was issued in the EEOC Charge.

2. On February 3, 2021, Plaintiff submitted a letter to the Labor Workforce Development Agency (“LWDA”) alleging failure to provide accurate wage statements, failure to correctly pay all overtime/double overtime, failing to provide meal and rest breaks and failure to pay all wages due at termination (“LWDA Letter”). On March 2, 2021, Plaintiff Mary Jane Hinkle filed a putative Class Action Complaint, individually and on behalf of all others similarly situated, in the Superior Court for the State of California, for the County of Alameda, alleging claims for: 1) Failure to Provide Meal Periods; 2) Failure to Provide Rest Periods; 3) Failure to Pay Overtime Wages; 4) Failure to Provide Accurate Itemized Wage Statements; 5) Failure to Timely Pay Final Wages at Termination; 6) Violation of the Unfair Competition Law; and 7) PAGA Penalties. Defendant denied all material allegations set forth in the Class Action Complaint and has asserted numerous affirmative defenses. On June 9, 2021, Plaintiff filed a First Amended Complaint (“FAC”) dismissing all causes of action filed in her original Class Action

1 Complaint without prejudice, with the exception of the seventh cause of action for PAGA penalties.

2 3. On September 26, 2022, Plaintiff filed a demand for arbitration of her individual claims for
3 the full statute of limitations under the Labor Code (up to four years, depending on the claim), before the
4 American Arbitration Association (“AAA”), alleging violations related to 1) Failure to Provide Meal
5 Periods or Premiums in Lieu Thereof; 2) Failure to Provide Rest Periods or Premiums in Lieu Thereof; 3)
6 Failure to Pay Overtime and Double-Time Wages; 4) Failure to Provide Accurate Itemized Wage
7 Statements; 5) Failure to Timely Pay Final Wages at Termination; 6) Violation of the Unfair Competition
8 Law; and 7) PAGA Penalties. This the action is titled *Mary Jane Hinkle v. Alameda Healthcare &*
9 *Wellness Center, LLC*, AAA No. 01-22-00004-0546 (“Arbitration”).

10 4. Plaintiff’s Counsel in the Action diligently investigated the claims of the proposed PAGA
11 Group Members against Defendant, including any and all applicable defenses and the applicable law.
12 The investigation included, *inter alia*, the exchange of information, data, and documents, and review of
13 numerous corporate policies and practices.

14 5. On May 16, 2022 and March 20, 2024, the Parties participated in mediation with Michael
15 Loeb (the “Mediator”), a respected mediator of complex wage and hour actions, and with the assistance
16 of the Mediator, reached the settlement that is memorialized herein. At all times, the settlement
17 discussions were conducted at arm’s-length. Based on the documents produced, as well as Plaintiff’s
18 Counsel’s own independent investigation and evaluation, Plaintiff’s Counsel believes that the settlement
19 with Defendant for the consideration and on the terms set forth in this Agreement is fair, reasonable,
20 and adequate, and is in the best interest of the PAGA Group Members in light of all known facts and
21 circumstances, including the risk of significant delay and uncertainty associated with litigation and
22 various defenses asserted by Defendant.

23 6. The Parties expressly acknowledge that this Agreement is entered into solely for the
24 purpose of compromising significantly disputed claims and that nothing herein is an admission of
25 liability or wrongdoing by Defendant. If for any reason the Agreement is not approved, it will be of no
26 force or effect, and the Parties shall be returned to their original respective positions.

27 DEFINITIONS

28 7. The following definitions are applicable to this Agreement. Definitions contained

elsewhere in this Agreement will also be effective:

a. “Action” refers, to the lawsuit entitled, *Mary Jane Hinkle, individually, on behalf of all others similarly situated, and on behalf of the State of California and other aggrieved persons v. Alameda Healthcare & Wellness Center LLC, a California limited liability company; and DOES 1 through 10, inclusive*, Case No. RG21090402, pending in the Superior Court for the State of California, County of Alameda (“State Court Action”) as well as the action titled *Mary Jane Hinkle v. Alameda Healthcare & Wellness Center, LLC*, AAA No. 01-22-00004-0546 (“Arbitration”) (collectively, the State Court Action and Arbitration shall be referred to as the “Action”).

b. “Agreement” or “Settlement” means the settlement and resolution of the Released PAGA Claims.

c. “Approval Order” means the approval order issued and entered by the Court following a Motion or Stipulation for approval of this Agreement.

d. “Attorneys’ Fees and Costs” means attorneys’ fees approved by the Court for Plaintiff’s Counsel’s litigation and resolution of the Action, and all actual costs incurred and to be incurred by Plaintiff’s Counsel in the Action, as set forth in Paragraph 9 below.

e. “Charge” collectively refers to the Charge of Discrimination filed with the Equal Employment Opportunity Commission alleging race and national origin discrimination (EEOC No. 37A-2021-00259-C, the “EEOC Charge”), which was dual filed the Department of Fair Employment & Housing (DFEH), Case No. 202004-10059530, the “DFEH Charge.” The EEOC Charge and DFEH Charge are collectively referred to as the “Charge.”

f. “Court” means the Superior Court of the State of California for the County of Alameda.

g. “Defendant” means Alameda Healthcare & Wellness Center, LLC.

h. “Defendant’s Counsel” means Coby Turner, Elizabeth Levy, and Kimberly Shen of Seyfarth Shaw LLP.

i. “Effective Date” means the date the Court enters an Approval Order and Judgment and the latest of: (i) if there is an appeal of the Court’s Judgment, the date the Judgment is affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file a petition for review with

1 the California Supreme Court or other court in California assuming jurisdiction of this matter, or, (ii) if a
2 petition for review filed, the date of denial of the petition, or the date the Court's Judgment is affirmed
3 pursuant to such petition; or (iii) if no appeal is filed, the expiration date of the time for filing or noticing
4 any appeal of the Court's Judgment. Provided, however, if the LWDA has commenced an investigation
5 or issued a Citation prior to the Effective Date, as determined under the foregoing definition, the Effective
6 Date will be extended to the date that the LWDA concludes its investigation or resolves the Citation
7 (whichever is later), or if the LWDA objects to the Settlement, the date when the LWDA's objection to
8 the Settlement is resolved and no longer appealable.

9 j. "Enhancement Payment" means the amount to be paid to Plaintiff in recognition
10 of her effort and work in prosecuting the Action on behalf of PAGA Group Members as set forth in
11 Paragraph 12 below.

12 k. "Gross Fund Value" means the amount of two hundred and thirty-seven thousand
13 and five hundred dollars and zero cents (\$237,500.00) that Defendant will pay under the Settlement
14 Agreement. The Gross Fund Value shall include all payments to PAGA Group Members, the LWDA,
15 Settlement Administrator Costs, Attorneys' Fees and Costs, and the Enhancement Payment for Plaintiff.
16 The PAGA Fund (defined below) shall all come out of the Gross Fund Value. In no event shall
17 Defendant have to contribute monies in excess of the Gross Fund Value and Plaintiff's Individual
18 Settlement Payment (defined below), except for the employer share of any payroll taxes and except as
19 pursuant to the Escalator Clause in Paragraph 31.

20 l. "Individual PAGA Payment" means the amount payable to each PAGA Group
21 Member from the 25% portion of the PAGA Fund that is allocated to PAGA Group Members as provided
22 in Paragraph 16.

23 m. "LWDA Payment" means the amount that the Parties have agreed to pay to the
24 California Labor and Workforce Development Agency ("LWDA") as set forth in Paragraph 15.

25 n. "Operative Complaint" means the First Amended Complaint in this Action filed
26 in the Superior Court of California for the County of Alameda. Plaintiff will file an amended complaint
27 in her State Court Action (Case No. RG21090402) alleging additional underlying predicate Labor Code
28 violations under Sections 204, 226(a), 551, 552, 1174, 1197, 1197.1, 1198, 2800 and 2802 on or before

the date of filing a Motion or Stipulation for an Approval Order and Judgment, at which time the Second Amended Complaint shall become the Operative Complaint.

o. “PAGA Fund” means the amount, as approved by the Court, after Attorneys’ Fees and Costs, Plaintiff’s Enhancement Payment, and Settlement Administration Fees are subtracted from the Gross Fund Value. Plaintiff’s Counsel shall request that the Court approve a payment to the LWDA of Seventy-Five percent (75%) of the PAGA Fund (“LWDA Payment”) and that the remaining Twenty-Five percent (25%) of the PAGA Fund be distributed to the PAGA Group Members (“PAGA Settlement Fund”); these amounts shall be taken from the PAGA Fund. The PAGA Fund shall be paid out of the Gross Fund Value.

p. “PAGA Group Members” or “PAGA Group” means all non-exempt California employees of Defendant at any time during the PAGA Period.

q. “PAGA Period” means the time period from February 9, 2020, through April 30, 2024.

r. “PAGA Settlement” means the settlement and resolution of the Released PAGA Claims.

s. “Parties” means Plaintiff and Defendant, collectively, and “Party” means the Plaintiff or Defendant.

t. “Plaintiff” means Mary Jane Hinkle.

u. “Plaintiff’s Counsel” means Diversity Law Group, P.C.

v. “Plaintiff’s Individual Settlement” means the amount of \$10,000 (ten thousand dollars and zero cents) Plaintiff shall be paid as consideration for the release of Plaintiff’s individual claims in the Arbitration and Charge and the execution of a general release. This sum shall be separate from and in addition to the Gross Fund Value.

w. “Qualifying Pay Periods” means any pay period worked during the PAGA Period by PAGA Group Members. Partial Pay Periods will be counted as full Qualifying Pay Periods.

x. “Released PAGA Claims” means all claims under the California Private Attorneys General Act of 2004 (“PAGA”) alleged in the LWDA Letter, Amended LWDA Letter and the Operative Complaint or claims that could have been reasonably alleged based on the facts pertaining to Plaintiff and

the PAGA Group Members, arising during the PAGA Period. This includes, but is not limited to PAGA claims for (1) failure to provide legally compliant meal periods or pay legally mandated premiums in lieu thereof; (2) failure to provide legally compliant rest periods or pay legally mandated premiums in lieu thereof; (3) failure to pay overtime wages and double time wages; (4) failure to furnish accurate itemized wage statements by failing to set forth all hours worked and corresponding rates of pay; (5) failure to pay all wages owed at time of termination of employment; (6) failure to timely pay wages; (7) failure to provide one day of rest in seven; (8) failure to reimburse necessary business expenses; (9) failure to maintain timekeeping and payroll records; and (10) failure to pay minimum wages as well as all claims arising under the listed Labor Code statutes and Industrial Welfare Commission Wage Orders based on the primary rights of those statutes, irrespective of the theory of recovery alleged. (See California Labor Code sections 201-204, 210, 218.5, 226, 226(a) 226.7, 510, 512, 551, 552, 558, 1174, 1194, 1197, 1197.1, 1198, 2800, 2802, and the applicable IWC Wage Order(s)), as well as all claims arising under the listed Labor Code statutes based on the primary rights of those statutes, irrespective of the theory of recovery alleged. It is understood that PAGA Group Members will not have the opportunity to opt out of, or object to, the Released PAGA Claims. Further, the PAGA Group Members are bound by the Released PAGA Claims regardless of whether they cash and/or otherwise negotiate their Individual PAGA Payments.

y. “Released Parties” means Defendant and all of its present and former parent companies, subsidiaries, affiliates and joint ventures (including but not limited to Rockport Administrative Services), and all of their officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any other persons acting by through, under or in concert with any of them.

z. “Settlement Administrator” means a Settlement Administrator mutually selected by the Parties that will administer this settlement, and will issue to Plaintiff forms W-2 (for any wage payments) and forms 1099 (for penalties and interest) for all other amounts paid under this settlement.

aa. “Settlement Administration Costs” means the costs payable from the Gross Fund Value, subject to Court approval, to the Settlement Administrator for administering this settlement, as set forth in Paragraph 11 below.

TERMS OF AGREEMENT

1 NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set
2 forth herein, the Parties agree, subject to the Court's approval, as follows:

3 8. Plaintiff's Responsibilities. Plaintiff's Counsel will:

4 a. After the execution of this Agreement, but before filing for approval of this
5 Settlement, Plaintiff will submit an amended letter to the LWDA, asserting claims for failure to provide
6 a day's rest in seven, failure to reimburse business expenses and derivative claims ("Amended LWDA
7 Letter"). Defendant will not object to the submission of the Amended LWDA letter, nor raise a defense
8 of failure to exhaust administrative remedies with respect to those amendments as they may be asserted
9 in an amended complaint, after review and confirmation that the new allegations in the amended LWDA
10 letter comply with this Agreement.

11 b. After the execution of this Agreement, but before filing for approval of this
12 Settlement, Plaintiff will file a Second Amended Complaint ("SAC"), amending her claims to seek PAGA
13 penalties based on additional theories alleging day of rest and failure to reimburse expenses, and derivative
14 claims, as addressed in the Amended LWDA letter. Defendant will stipulate to the filing of the SAC after
15 review and confirmation that the SAC complies with this Agreement. Defendant's obligation to file an
16 answer to the SAC is stayed pending the Approval Hearing and will be mooted by the Court's approval
17 of this Agreement.

18 c. Prepare and deliver to Defendant's Counsel documents necessary for obtaining
19 approval of this Settlement under Labor Code section 2699, subdivision (l)(2) including: (i) a draft
20 proposed Order Approving the Settlement; and (ii) a signed declaration from Plaintiff's Counsel's firm
21 attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial and amended
22 notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Lab. Code, §2699,
23 subd. (l)(1)), and this Agreement (Lab. Code, § 2699, subd. (l)(2)).

24 d. Finalize and file the application or motion for approval of this Settlement and
25 obtain a prompt hearing date for the motion and appear in Court to advocate in favor of the motion.
26 Plaintiff's Counsel is responsible for delivering the Court's Order approving the Settlement to the
27 Settlement Administrator.

28 9. Funding of the Gross Fund Value. Defendant shall fully fund the Gross Fund Value by

transmitting the funds to the Settlement Administrator no later than Fourteen (14) days after the Effective Date. The Settlement Administrator shall distribute the settlement payments, including the Individual PAGA Payments, the LWDA Payment, and all other Court-ordered distributions within Fourteen (14) days after Defendant funds the Gross Fund Value, or as otherwise directed by the Court.

10. Administration of the Settlement. Phoenix Settlement Administrators shall serve as the Settlement Administrator (herein referred to as "Settlement Administrator"). The Settlement Administrator will administer this Settlement, and will issue to PAGA Group Members forms 1099 (for penalties and interest) for all amounts paid under this Settlement consistent with the terms specified herein. The Settlement Administrator shall furnish its own Employer ID Number and calculate all settlement checks based on information that will be confidentially furnished by Defendant. The Settlement Administrator also will establish a Qualified Settlement Fund pursuant to Section 468B(g) of the Internal Revenue Code for the purpose of administering the Settlement. To the extent required by law, the Settlement Administrator will report payments made under Settlement Agreement to the appropriate tax authorities. The Settlement Administrator will also issue a Court-approved payment to itself for services performed in connection with the Settlement.

11. Attorneys' Fees and Costs. Plaintiff's Counsel will request, and Defendant will not oppose, that the Court approve an award of attorneys' fees in an amount not to exceed one-third of the Gross Fund Value (i.e., \$79,166.67), which will be paid from the Gross Fund Value subject to Court approval. Plaintiff's Counsel will also request, and Defendant will not oppose, that the Court approve an award of documented costs, not to exceed twenty-three thousand five hundred dollars (\$23,500.00). These amounts will cover any and all work performed and any and all costs incurred by Plaintiff's Counsel in connection with the litigation of the Action, including without limitation all work performed and costs incurred to date, and all work to be performed and all costs to be incurred in connection with obtaining the Court's approval of this Agreement, including any appeals. Plaintiff's Counsel shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. Any portion of the Attorneys' Fees and Costs not awarded to Plaintiff's Counsel shall be a part of the PAGA Fund.

The Court's approval of fees and costs requested by Plaintiff's Counsel is not a material term of

1 the Settlement. If the Court does not approve or approves only a lesser amount than that requested by
2 Plaintiff's Counsel for attorneys' fees or costs, the other terms of the Settlement shall still apply. The
3 Court's refusal to approve the attorneys' fees or costs award requested by Plaintiff's Counsel does not
4 give Plaintiff or Plaintiff's Counsel any basis to abrogate the Settlement.

5 12. Enhancement Payment. In recognition of her efforts and work in prosecuting the Action,
6 Defendant agrees not to oppose or impede any application or motion for Enhancement Payment in an
7 amount not to exceed five thousand dollars (\$5,000.00) to Plaintiff. The Enhancement Payment, which
8 will be paid from the Gross Fund Value, subject to Court approval, will be in addition to Plaintiff's
9 Individual PAGA Payment (if applicable) and Individual Settlement Payment that are to be paid pursuant
10 to the settlement. The Parties agree that, for purposes of this settlement, 100% of the Enhancement
11 Payment will be allocated to 1099 income. The Settlement Administrator will issue an IRS Form 1099 to
12 Plaintiff for their individual Enhancement Payments, and Plaintiff shall be solely and legally responsible
13 for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts
14 received. Plaintiff agrees to indemnify and hold Defendant harmless from any claim or liability for taxes,
15 penalties, or interest arising as a result of an Enhancement Payment. Should the Court approve an
16 Enhancement Payment to the Plaintiff in an amount that is less than that set forth above, the difference
17 between the lesser amounts approved by the Court and the amounts allocated toward the Enhancement
18 Payments will be part of the Net Settlement Fund for the benefit of the Plaintiff.

19 The Court's approval of an Enhancement Payment is not a material term of the Settlement. If the
20 Court does not approve or approves only a lesser amount than that requested by Plaintiff for Enhancement
21 Payments, the other terms of the Settlement shall still apply. The Court's refusal to approve the
22 Enhancement Payments requested by Plaintiff does not give any basis to abrogate the Settlement.

23 13. Settlement Administration Costs. Defendant shall give the Settlement Administrator the
24 PAGA Group Member list (including names, last known addresses, and social security numbers), along
25 with the number of Qualifying Pay Periods for each PAGA Group Member, within 7 days of the Court's
26 Order approving the Settlement. The Settlement Administrator shall not share this information with any
27 third party or Plaintiff's counsel, and shall take all necessary precautions to maintain the confidentiality
28 of this information. The Settlement Administrator will be paid for the reasonable costs of administration

1 of the Settlement and distribution of payments under the Settlement, which is currently estimated not to
2 exceed Five Thousand Five Hundred Dollars (\$5,500.00). These costs, which will be paid from the
3 Gross Fund Value, subject to Court approval, will include, *inter alia*, calculating and distributing
4 payments due under the Settlement, running skip traces on addresses of PAGA Group Members, mailing
5 of the explanatory letter in conjunction with the payments, issuing of 1099 Forms and all required tax
6 reporting, filings, withholdings, and remittances, providing necessary reports and declarations, and other
7 duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties. To
8 the extent actual Settlement Administration Costs are greater than the estimated amount stated herein,
9 such excess amount will be deducted from the Gross Fund Value, subject to approval by the Court. Any
10 portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in
11 fact required to fulfill payment to the Settlement Administrator to undertake the requirement settlement
12 administration duties will become part of the PAGA Fund.

13 14. Explanatory Letter. The Settlement Administrator will include copies of the explanatory
14 letter, which has been mutually approved by the Parties and is attached hereto as Exhibit A, in English,
15 along with Individual PAGA Payments to all PAGA Group Members via regular First Class U.S. Mail.

16 15. Labor and Workforce Development Agency Payment. Subject to approval by the Court,
17 the Parties agree that any funds remaining in the Gross Fund Value after subtracting amounts for
18 Attorneys' Fees and Costs, Plaintiff's Enhancement Payment, and Settlement Administration Fees will
19 constitute the PAGA Fund (the amount is estimated to be one hundred twenty-four thousand, three
20 hundred and thirty-three dollars and thirty-three cents (\$124,333.33)). Seventy-five percent (75%) of
21 the PAGA Fund, or an estimated \$93,250.00, will be paid to the LWDA (i.e., the LWDA Payment) and
22 twenty-five percent (25%), or an estimated \$31,083.33 ("PAGA Settlement Fund"), will be distributed
23 to PAGA Group Members.

24 16. Individual PAGA Payment Calculations. PAGA Group Members shall not be required to
25 submit a claim in order to receive a share of the PAGA Settlement Fund. Individual PAGA Payment
26 will be calculated and apportioned as follows:

27 a. Individual PAGA Payment: The *pro rata* portion of the PAGA Settlement Fund
28 shall be determined by dividing the total number of Qualifying Pay Periods worked during the PAGA

1 Settlement Period into the PAGA Settlement Fund to arrive at a value per Qualifying Pay Period for
2 each eligible PAGA Group Member. The value per Qualifying Pay Period shall be multiplied by the
3 number of Qualifying Pay Periods worked by each PAGA Group Member during the PAGA Settlement
4 Period. Partial Qualifying Pay Periods will be counted as full Qualifying Pay Periods.

5 17. Settlement Awards Do Not Trigger Additional Benefits. The payments made pursuant to
6 this settlement shall not have any effect on the eligibility or calculation of any employee benefits provided
7 by Defendant or any benefits plan. The Parties agree these payments do not represent any modification of
8 any employee's previously-credited hours of service or other eligibility criteria under any employee
9 pension benefit plan, employee welfare benefit plan, or other program or policy. These payments also will
10 not be considered wages, compensation, or annual earnings for benefits in any year for purposes of
11 determining eligibility for, or benefit accrual within, any employee pension benefit plan, employee welfare
12 benefit plan or other program or policy.

13 18. Distribution of the PAGA Fund. The Settlement Administrator will be responsible for
14 required tax reporting, and issuing the Individual PAGA Payments in accordance with this Agreement.
15 To effectuate the best notice possible, for any Individual PAGA Payments returned as undeliverable,
16 the Settlement Administrator shall be sent via First-Class U.S. Mail to the forwarding address affixed
17 thereto, if any. If no forwarding address is provided for an Individual Settlement Payment, the Settlement
18 Administrator shall conduct a National Change of Address Database ("NCOAD") as well as an Accurant®,
19 or substantially similar, skip trace, and will then mail the Individual Payment to the address identified. If
20 no current address is located, the Individual PAGA Payment for that individual will be deemed
21 undeliverable. If any PAGA Group Members cannot be located within two attempts at mailings by the
22 Settlement Administrator, the Individual PAGA Payment for that individual will be deemed undeliverable
23 and the Settlement Administrator need not take further steps to deliver checks to the PAGA Group
24 Member whose re-mailed checks are deemed undeliverable. The Settlement Administrator shall promptly
25 send a replacement check to any PAGA Group Member whose original check was lost or misplaced,
26 requested by the PAGA Group Member prior to the void date.

27 All settlement checks mailed out will expire after one hundred eighty (180) days.

28 The sum value of all expired checks will be tallied by the Settlement Administrator. All such

1 uncollected funds associated with PAGA Group Members' checks will escheat to the State of California's
2 Controller, to be held in the name of each expired check payee, pursuant to applicable unclaimed property
3 laws. The Settlement Administrator shall undertake amended and/or supplemental tax filings and
4 reporting, required under applicable local, state, and federal tax laws, that are necessitated due to the
5 cancellation of any Individual PAGA Payment checks. The Parties agree that this disposition results in no
6 "unpaid residue" under California Civil Procedure Code section 384.

7 19. Certification of Completion. Upon completion of administration of the Settlement, the
8 Settlement Administrator will provide a written declaration under oath to certify such completion to the
9 Court and counsel for all Parties.

10 20. Administration of Taxes by the Settlement Administrator. The Settlement Administrator
11 will be responsible for issuing to Plaintiff, PAGA Group Members, and Plaintiff's Counsel any W-2,
12 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Agreement.
13 The Settlement Administrator will also be responsible for forwarding all payroll taxes, contributions,
14 and withholdings to the appropriate government authorities.

15 21. Tax Liability. No opinion regarding the tax consequences of this Settlement to Plaintiff or
16 PAGA Group Members is being given, or will be given, by Defendant, counsel for Defendant, or any
17 other Releasee. These individuals must consult their own tax advisors regarding the tax consequences of
18 this Settlement, including but not limited to any payments provided or tax reporting obligations.
19 Defendant, the Releasees, counsel for Defendant, and Plaintiff's Counsel shall have no liability or
20 responsibility whatsoever for any tax consequences resulting from payments made pursuant to the
21 Settlement.

22 22. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF
23 THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT
24 OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND
25 AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN
26 COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR
27 ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH
28 COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON

1 AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT
2 CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS
3 RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX
4 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
5 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
6 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY
7 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
8 DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY
9 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
10 ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT
11 PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX
12 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON
13 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX
14 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED
15 BY THIS AGREEMENT.

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

20 24. Release of Claims by PAGA Group Members. Upon the date Defendant fully funds the
21 entire Gross Fund Value, Plaintiff, all PAGA Group Members and the State of California will be deemed
22 to have fully, finally and forever released, settled, compromised, relinquished, and discharged the
23 Released Parties of all Released PAGA Claims during the PAGA Period, except as to the right to enforce
24 the terms and conditions of this settlement.

25 25. General Release of Claims by Plaintiff. In addition, upon the Effective Date and in
26 exchange for receiving and accepting Plaintiff's Individual Settlement, Plaintiff will be deemed to have
27 fully released and discharged the Released Parties of and from any and all claims arising from her
28 employment with Defendant, separation of employment from Defendant, and any acts that have or could

1 have been asserted in any legal action or proceeding against the Released Parties, whether known or
2 unknown, arising under any federal, state, or local law, or statute, including, *inter alia*, those arising under
3 the California Labor Code, Fair Labor Standards Act, the Age Discrimination in Employment Act
4 (“ADEA”), the Older Workers Benefits Protection Act (“OWBPA”), Americans with Disabilities Act,
5 Title VII of the Civil Rights Act of 1964, Employee Retirement Income Security Act, National Labor
6 Relations Act, California Corporations Code, California Business and Professions Code, California Fair
7 Employment and Housing Act, California Constitution (all as amended), and law of contract and tort, as
8 well as for discrimination, harassment, retaliation, wrongful termination, lost wages, benefits, other
9 employment compensation, emotional distress, medical expenses, other economic and non-economic
10 damages, attorney fees, and costs, arising on or before the date on which the Settlement is executed. With
11 respect to those claims released by Plaintiff in an individual capacity, Plaintiff acknowledges and waives
12 any and all rights and benefits available under California Civil Code Section 1542, which provides:

13
14 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR
15 OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR
16 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.

17 Plaintiff understands and agrees that claims or facts in addition to or different from those which are now
18 known or believed by her to exist may hereafter be discovered. It is Plaintiff’s intention to settle fully
19 and release all claims she now has against the Released Parties, whether known or unknown, suspected
20 or unsuspected. Plaintiff’s Individual Settlement Payment will be paid to Plaintiff specifically in
21 exchange for the general release of the Released Parties from all claims, including those specified in this
22 paragraph and a covenant not to sue the Released Parties with respect to the claims released herein.
23 Notwithstanding the above, the general release by Plaintiff shall not extend to claims for workers’
24 compensation benefits, claims for unemployment benefits, or other claims that may not be released by
25 law. Plaintiff’s Individual Settlement Payment shall be issued from Defendant as follows: (a) two
26 thousand dollars and zero cents (\$2,000) minus applicable deductions and withholdings, for alleged
27 lost wages and other economic damages and injuries of whatever type or description, and (b) eight
28 thousand dollars and zero cents (\$8,000) in full satisfaction for any claims for alleged emotional

distress, personal injuries, penalties, liquidated damages, attorneys' fees in connection with the Charge and Arbitration, and any other non-economic damages and injuries of whatever type or description, (c) Plaintiff's Individual Settlement Payment shall be issued by Defendant within fourteen (14) days of the Effective Date. Plaintiff will provide current tax documentation prior to the Effective Date, and Defendant will have all appropriate tax forms issued to Plaintiff as required by law.

26. Right of Revocation of Age Discrimination Claims. In order to effect a binding release of any of Plaintiff's claims of age discrimination in compliance with the Older Workers Benefit Protection Act (P.L. 101433), Plaintiff does hereby acknowledge and agree as follows: (a) that this Agreement does not purport to waive rights or claims that may arise from acts or events occurring after the date that this Agreement is executed by the parties; (b) that this Agreement specifically applies to any rights or claims Plaintiff may have against the Released Parties under the federal Age Discrimination in Employment Act of 1967, as amended; (c) that the consideration provided for in this Agreement is in addition to that to which Plaintiff is already entitled; (d) that this Agreement shall be revocable by Plaintiff for a seven (7)-day period following execution of this Agreement by Plaintiff by providing notice to Coby Turner and Elizabeth Levy at cturner@seyfarth.com and ellevy@seyfarth.com, respectively; and (e) that Plaintiff, having carefully read this Agreement and knowing the contents hereof, freely and voluntarily consents to all the terms and conditions herein, understands the final and binding effect of this Agreement, has been advised of her right to and has been given a chance to consult with and review this Agreement with an attorney of her choice prior to signing this Agreement, and has been given a period of twenty-one (21) days within which to consider whether to sign this Agreement. In the event that Plaintiff chooses to waive this twenty-one (21) day period, she acknowledges that she was given a reasonable period of time within which to consider this Agreement and that his waiver was made freely and voluntarily and without duress or any coercion by any other person, including anyone at the Defendant or the Released Parties. Plaintiff and Defendant stipulate that the value of any and all age-related claims, including ADEA claims, if any, is valued at the total amount of \$500.00, including attorney's fees and costs (which is included in Plaintiff's Individual Settlement Payment). Any revocation rights under the law only apply to the age/ADEA claims, if any. If Plaintiff revokes this Agreement as to any age/ADEA claims, the remainder of this Agreement will remain effective and enforceable, and Defendant will provide Plaintiff with the

1 Individual Settlement Payment, minus \$500.00.

2 27. Duties of the Parties with Respect to Obtaining Approval of the Settlement. Upon
3 execution of this Agreement, Plaintiff shall promptly obtain a hearing date for Plaintiff's Motion for
4 Approval of the Settlement, which Plaintiff and Plaintiff's Counsel will be responsible for drafting, and
5 Plaintiff will submit this Agreement to the Court in support of said motion. Plaintiff's Counsel will
6 provide Defendant's Counsel a draft of the Approval Motion at least five (5) business days before the
7 filing deadline. Defendant agrees not to oppose the Motion for Approval of the Settlement consistent
8 with this Agreement. Said motion shall apply to the Court for the entry of an order ("Approval Order")
9 and Judgment, which shall be mutually agreed upon by the Parties., which will provide for, in substantial
10 part, the following:

- 11 a. Approval of the Settlement and directing consummation of its terms and
12 provisions;
- 13 b. Approval of the application for Attorneys' Fees and Costs to Plaintiff's Counsel;
- 14 c. Approval of the application for Enhancement Payment to Plaintiff;
- 15 d. Directing Defendant to fund all amounts due under the Agreement and ordered by
16 the Court; and
- 17 e. Entering judgment in the Action barring and enjoining Plaintiff from prosecuting
18 the Released PAGA Claims against any of the Released Parties, while maintaining continuing
19 jurisdiction to ensure the continuing implementation of the provisions of this Settlement.

20 28. Termination or Revocation of Settlement.

21 a. If the Court finds the Gross Fund Value to be insufficient to warrant Approval of
22 the Settlement, Defendant may, at its election, rescind the Agreement and all actions taken in furtherance
23 of it will thereby be null and void. However, Defendant agrees to meet and confer in good faith with
24 Plaintiff to determine whether additional negotiations and/or mediation would assist in addressing the
25 concerns of the Court.

26 29. Dismissal of Arbitration. Within 14 days of the receipt of her Individual Settlement
27 Payment, Plaintiff shall submit a request for dismissal with prejudice to AAA for the dismissal of her
28 Arbitration.

1 30. Effect of Termination of the Settlement. Termination of the Agreement shall have the
2 following effects:

3 a. The Agreement shall be void and shall have no force or effect, and no Party shall
4 be bound by any of its terms except as set forth below in paragraph 30(c);

5 b. In the event the Agreement is terminated, Defendant shall have no obligation to
6 make any payments to any Party, PAGA Group Member, or attorney, except that the terminating Party
7 shall pay the Settlement Administrator for services rendered up to the date the Settlement Administrator
8 is notified that the Settlement has been terminated except as set forth below in paragraph 30(c);

9 c. In the event the Agreement is terminated, Defendant shall have the discretion to
10 enforce the General Release of Claims by the Plaintiff by effectuating the payment of the Individual
11 Settlement Payment within ten (10) business days of the termination of this Agreement. Should Defendant
12 elect to use its discretion to enforce the General Release, Defendant stipulates that the General Release
13 does not include any individual PAGA claims that Plaintiff may have. Without waiving its current right
14 to arbitrate Plaintiff's claims, in the event Defendant elects to use its discretion to enforce the General
15 Release, the Parties agree that they will stipulate to have Plaintiff's individual PAGA claim (if any)
16 proceed in court concurrently with any representative PAGA claims.

17 d. The Agreement and all negotiations, statements and proceedings relating thereto
18 shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective
19 positions in the Actions prior to the execution of the Agreement, except as may pertain to the General
20 Release of Claims by the Plaintiff;

21 e. Neither this Agreement, nor any ancillary documents, actions, statements or filings
22 in furtherance of the Settlement (including all matters associated with the mediation) shall be admissible
23 or offered into evidence in the Actions or any other action for any purpose whatsoever, except as may
24 pertain to the General Release of Claims by the Plaintiff; and

25 f. Any documents generated to bring the Settlement into effect, will be null and
26 void, and any order or judgment entered by the Court in furtherance of this Agreement will likewise be
27 treated as void from the beginning, except as may pertain to the General Release of Claims by the
28 Plaintiff.

31. Escalator Clause. Defendant represents that from February 9, 2020 through February 29, 2024, PAGA Group Members worked approximately 11,531 pay periods. Therefore, it is estimated that through April 30, 2024, there will be approximately 12,000 pay periods. If the number of pay periods at issue for the PAGA Group Members as of April 30, 2024, exceeds the estimated 12,000 total pay periods by an additional ten percent (10%), the amount of the settlement shall increase proportionately for the pay periods over 13,200.

32. Continued Jurisdiction. After entry of judgment pursuant to the Settlement, the Court will have continuing jurisdiction pursuant to Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters, and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this Agreement. Should any Party be required to enforce the terms of this Settlement, the prevailing Party shall be entitled to reasonable attorneys' fees and costs.

33. Exhibits Incorporated by Reference. The terms of this Agreement include the terms set forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement.

34. No Undue Publicity. None of the Parties nor their counsel shall publicize, or cause to be publicized, directly or indirectly, the discussions resulting in or the existence of this Settlement or its terms, in any type of mass media, including, but not limited to, speeches, press conferences, press releases, interviews, television or radio broadcasts, newspapers, messages on the Internet, Facebook, Twitter, TikTok, or any other social media, the Parties' counsels' or any other website. Breach of this provision by Plaintiff or Plaintiff's Counsel shall entitle Defendant, in the exercise of its sole discretion, to nullify the Settlement at any time before approval by the Court. Should Plaintiff at any time breach this provision, she shall forfeit to Defendant the full amount of her personal Enhancement Payment, and she shall be obligated to return all but \$500 of her Individual Settlement Payment. Without limitation by the foregoing, Defendant also may enforce this provision through an action for injunctive relief. Plaintiff waives any obligation by Defendant to file a bond in connection with any such action. Breach of this provision by Defendant or its counsel shall sever this Paragraph rendering this Paragraph null and void, while the rest of this Settlement shall survive and remain in full force and effect. Nothing in this Paragraph shall prohibit

1 Plaintiff's Counsel from referring to this litigation and this Settlement in court filings. Likewise, nothing
2 in this Paragraph shall prohibit Plaintiff's Counsel from speaking with Plaintiff and PAGA Group
3 Members about this Settlement to the fullest extent necessary to meet their ethical obligations as Plaintiff's
4 Counsel.

5 35. Neutral Reference. Defendant agrees that in response to any request for a reference as to
6 Plaintiff, it will only confirm her dates of employment, role, and if requested in writing by Plaintiff, her,
7 last rate of pay.

8 36. Non-Disparagement: Plaintiff promises not to do or say anything, verbally or in writing,
9 directly or indirectly, including on any social media, that disparages Defendant.

10 37. Disputes. Any disputes arising out of or relating to this Settlement will be submitted first
11 to the Mediator for mediation. The Parties will split the costs of the mediator and all Parties will bear their
12 own attorneys' fees and other costs incurred. However, to the extent the Parties are unable to resolve their
13 disputes via mediation, the aggrieved party may seek Court intervention. In such an event, the prevailing
14 party shall be entitled to an award of their reasonable attorneys' fees and costs from the non-prevailing
15 party.

16 38. Entire Agreement. This Agreement and any attached exhibits constitute the entirety of
17 the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be
18 deemed binding on the Parties. The Parties expressly recognize California Civil Code § 1625 and
19 California Code of Civil Procedure § 1856(a), which provide that a written agreement is to be construed
20 according to its terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree
21 that no such extrinsic oral or written representations or terms will modify, vary or contradict the terms
22 of this Agreement.

23 39. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the
24 Action (including with respect to California Code of Civil Procedure section 583.310), except such
25 proceedings necessary to implement and complete the Agreement, pending the Approval Hearing to be
26 conducted by the Court.

27 40. Waiver and Amendment. The Parties may not waive, amend, or modify any provision of
28 this Agreement except by written agreement signed by counsel for all Parties, and subject to any

1 necessary Court approval. A waiver or amendment of any provision of this Agreement will not constitute
2 a waiver of any other provision.

3 41. Authorization to Enter into Agreement. Counsel for all Parties warrant and represent they
4 are expressly authorized by the Parties whom they represent to negotiate this Agreement and to take all
5 appropriate actions required or permitted to be taken by such Parties pursuant to this Agreement to
6 effectuate its terms and to execute any other documents required to effectuate the terms of this
7 Agreement. The Parties warrant that they understand and have full authority to enter into this
8 Agreement, and further intend that this Agreement will be fully enforceable and binding on all Parties,
9 and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms,
10 notwithstanding any mediation confidentiality provisions that otherwise might apply under state or
11 federal law.

12 42. Binding on Successors and Assigns. This Agreement will be binding upon, and inure to
13 the benefit of, the successors or assigns of the Parties hereto, as previously defined.

14 43. California Law Governs. All terms of this Agreement and attached exhibits hereto will
15 be governed by and interpreted according to the laws of the State of California.

16 44. Execution and Counterparts. This Agreement is subject only to the execution of all
17 Parties. However, the Agreement may be executed in one or more counterparts, including via electronic
18 means. All executed counterparts and each of them, including facsimile, electronic, and scanned copies
19 of the signature page, will be deemed to be one and the same instrument.

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

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

1 47. Non-Admission of Liability. The Parties enter into this Agreement to resolve the dispute
2 that has arisen between them and to avoid the burden, expense and risk of continued litigation. In
3 entering into this Agreement, Defendant does not admit, and specifically denies, that it has violated any
4 state, federal, or local law; violated any regulations or guidelines promulgated pursuant to any statute
5 or any other applicable laws, regulations or legal requirements; breached any contract; violated or
6 breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful
7 conduct with respect to its employees. Neither this Agreement, nor any of its terms or provisions, nor
8 any of the negotiations connected with it, shall be construed as an admission or concession by Defendant
9 of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding
10 to enforce the terms of this Agreement, this Agreement and its terms and provisions shall not be offered
11 or received as evidence in any action or proceeding to establish any liability or admission on the part of
12 Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance
13 with state, federal, local or other applicable law.

14 48. Captions. The captions and paragraph numbers in this Agreement are inserted for the
15 reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
16 provisions of this Agreement.

17 49. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
18 conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly against
19 one party than another merely by virtue of the fact that it may have been prepared by counsel for one of
20 the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all
21 Parties have contributed equally to the preparation of this Agreement.

22 50. Representation by Counsel. The Parties acknowledge that they have been represented by
23 counsel throughout all negotiations that preceded the execution of this Agreement, and that this
24 Agreement has been executed with the consent and advice of counsel, and reviewed in full.

25 51. All Terms Subject to Final Court Approval. All amounts and procedures described in this
26 Agreement herein will be subject to final Court approval.

27 52. Notices. All notices, demands, and other communications to be provided concerning this
28 Agreement shall be in writing and delivered by overnight mail at the addresses set for below, or such

other addresses as either Party may designate in writing from time to time:

To Plaintiff and Plaintiff's Counsel:

Larry Lee
Max Gavron
Diversity Law Group, P.C.
515 South Figueroa Street, Suite 1250
Los Angeles, CA 90071

To Defendant:

Coby M. Turner
SEYFARTH SHAW LLP
400 Capitol Mall, Suite 2300
Sacramento, California 95814

Elizabeth Levy
SEYFARTH SHAW LLP
2029 Century Park East, Suite 3500
Los Angeles, California 90067

53. Judgment. The Parties shall provide the Settlement Administrator with a copy of the Judgment once it is entered by the Court.

54. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

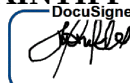
55. Integration Clause. This Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. Upon execution and entry of the Final Approval Order and Judgment, all prior writings are null and void. No rights hereunder may be waived except in writing.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Settlement between Plaintiff and Defendant:

1 **IT IS SO AGREED.**

2
3 Dated: July 8,, 2024

PLAINTIFF MARY JANE HINKLE

DocuSigned by:

726154380DEE4D2...

Mary Jane Hinkle

7
8 **DEFENDANT ALAMEDA HEALTHCARE &
WELLNESS CENTER LLC**

9 Dated: _____, 2024

Full Name: Mary Goldhoff

11 Title: Administrator
12 On behalf of Alameda Healthcare & Wellness Center LLC
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1 **IT IS SO AGREED.**

2 **PLAINTIFF MARY JANE HINKLE**

3 Dated: _____, 2024

Mary Jane Hinkle

7 **DEFENDANT ALAMEDA HEALTHCARE &
8 WELLNESS CENTER LLC**

9 Dated: 7/9/2024, 2024

Mary Goldhoff

10 Full Name: Mary Goldhoff

11 Title: Administrator

12 On behalf of Alameda Healthcare & Wellness Center LLC

1 **APPROVED AS TO FORM**

2

3

4 Dated: July 8, 2024

DIVERSITY LAW GROUP, P.C.

DocuSigned by:
Max Gavron
5758B43F1DCE4BB...
Larry Lee
Max Gavron
Attorneys for Plaintiff Mary Jane Hinkle

SEYFARTH SHAW LLP

5

6

7

8

9 Dated: July 8, 2024

Coby M. Turner
Coby M. Turner
Elizabeth Levy
Kimberly Shen
Attorneys for Defendant Alameda Healthcare & Wellness Center LLC

EXHIBIT A

To: <<First Name>><<Last Name>> <<Mailing Date>>
<<Street Address>>
<<City>> <<State>> <<Zip>>

Re: Settlement Payment from *Mary Jane Hinkle v. Alameda Healthcare & Wellness Center, LLC*,
Alameda County Superior Court Case No. RG21090402

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of <<amount of payment>> (“Individual Settlement Share”). This check is your payment from the settlement in the lawsuit entitled *Mary Jane Hinkle v. Alameda Healthcare & Wellness Center, LLC*, Alameda County Superior Court Case No. RG21090402 (“Action”).

A settlement was reached between Plaintiff and Alameda Healthcare & Wellness Center, LLC (“Defendant”).

On February 3, 2021, Plaintiff submitted a letter to the Labor Workforce Development Agency (“LWDA”) alleging failure to provide accurate wage statements, failure to correctly pay all overtime/double overtime, failing to provide meal and rest breaks and failure to pay all wages due at termination (“LWDA Letter”).

Plaintiff filed a complaint in the Superior Court, which was later amended (“Operative Complaint”). The operative complaint asserts claims under the Private Attorneys’ General Act (“PAGA”) premised on Defendant’s alleges (1) failure to provide meal periods or pay premiums in lieu thereof; (2) failure to provide rest periods or pay premiums in lieu thereof; (3) failure to pay overtime wages and double time wages; (4) failure to furnish accurate itemized wage statements; (5) failure to pay all wages owed at time of termination of employment; (6) failure to timely pay wages; (7) failure to provide one day of rest in seven; (8) failure to reimburse necessary business expenses; (9) failure to maintain timekeeping and payroll records; and (10) failure to pay minimum wages. Plaintiff based these claims on alleged violations of California Labor Code sections 201-204, 210, 218.5, 226, 226(a) 226.7, 510, 512, 551, 552, 558, 1174, 1194, 1197, 1197.1, 1198, 2800, 2802, and the applicable IWC Wage Order(s).

Defendant denies all of Plaintiff’s allegations and denies any wrongdoing of any kind associated with Plaintiff’s allegations. There was no finding of wrongdoing in connection with the lawsuit.

On << Date>>, the settlement was approved by the Court. You are receiving a portion of the settlement in the enclosed check (the enclosed Individual Settlement Share) because you have been identified as a PAGA Group Member. Your Individual Settlement Share is based on the total number of pay periods that you worked for Defendant in California during the PAGA Period (February 9, 2020 through April 30, 2024). The Individual Settlement Share is considered to be 100% penalties, which will be reported on an IRS Form 1099. You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

“Released Parties” means Defendant and all of its present and former parent companies, subsidiaries, affiliates and joint ventures (including but not limited to Rockport Administrative Services), and all of their officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any other persons acting by through, under or in concert with any of them. Under the settlement, as of <<date of entry of order by the Court approving the Settlement>>, the Released Parties were fully released and forever discharged from any and all Released PAGA Claims.

“Released PAGA Claims” means all claims under the PAGA alleged in the LWDA Letter, Amended LWDA Letter and the Operative Complaint or claims that could have been reasonably alleged based on the facts pertaining to Plaintiff and the PAGA Group Members, arising during the PAGA Period. This includes, but is not limited to PAGA claims for (1) failure to provide legally compliant meal periods or

1 pay legally mandated premiums in lieu thereof; (2) failure to provide legally compliant rest periods or
2 pay legally mandated premiums in lieu thereof; (3) failure to pay overtime wages and double time wages;
3 (4) failure to furnish accurate itemized wage statements by failing to set forth all hours worked and
4 corresponding rates of pay; (5) failure to pay all wages owed at time of termination of employment; (6)
5 failure to timely pay wages; (7) failure to provide one day of rest in seven; (8) failure to reimburse
6 necessary business expenses; (9) failure to maintain timekeeping and payroll records; and (10) failure to
7 pay minimum wages as well as all claims arising under the listed Labor Code statutes and Industrial
Welfare Commission Wage Orders based on the primary rights of those statutes, irrespective of the theory
of recovery alleged. (See California Labor Code sections 201-204, 210, 218.5, 226, 226(a), 226.7, 510, 512,
551, 552, 558, 1174, 1194, 1197, 1197.1, 1198, 2800, 2802, and the applicable IWC Wage Order(s)), as well
as all claims arising under the listed Labor Code statutes based on the primary rights of those statutes,
irrespective of the theory of recovery alleged. It is understood that PAGA Group Members will not have
the opportunity to opt out of, or object to, the Released PAGA Claims. Further, the PAGA Group
Members are bound by the Released PAGA Claims regardless of whether they cash and/or otherwise
negotiate their Individual PAGA Payments.

8 The enclosed check is valid for 180 days from the original date of issuance and mailing, and if it is not
9 cashed, deposited, or otherwise negotiated within the 180-day timeframe, it will be cancelled, and the
funds associated with the cancelled check will be transmitted to the State Controller's Office Unclaimed
Property Division in your name and in the amount of your respective Individual Settlement Share.

10 **Do not call or write the Court, Office of the Clerk of the Court, Defendant, or Defendant's counsel**
11 **to ask questions about the settlement or to ask tax-related questions.** If you have any such questions,
you may contact [PAGA Settlement Administrator] at [toll-free phone number] or you may contact
Plaintiff's counsel at Diversity Law Group, P.C. 213-488-6555.

EXHIBIT B

Hinkle v. Alameda Healthcare
Max W. Gavron Time and Task Chart

Hours	Description of Work
14.5	Initial research and review of background facts in preparation for filing of claims; draft PAGA letter; confer with co-counsel re theories of liability and conduct research re same; analysis and research re defendant
1.1	Draft and revise complaint.
.9	Analysis, research, and strategy re assignment to Judge and evaluation re initial court notices; analyze and review Defendant's answer.
5.1	Analyze and review arbitration agreement; conduct legal research re same to evaluate viability of putative class claims; confer with client and co-counsel re same.
1.1	Meet and confer with defendant's counsel re CMC; draft and revise statement re same.
1.9	Draft and revise stipulation and proposed order to file first amended complaint; draft and revise FAC; confer with defense counsel re same; analyze and review court order granting same.
.2	Analyze and review answer to FAC.
2.5	Prepare drafts of initial written discovery requests; analyze and review client docs to prepare same.
6.9	Conduct legal research re impact of <i>Viking River Cruises</i> ; confer with co-counsel and client re same; meet and confer with defense counsel re stipulation to send individual PAGA claim to arbitration considering same; draft and revise stipulation re same.
1.8	Draft and revise demand for arbitration of individual claims; confer with client and co-counsel re same.
1.4	Prepare for and participate initial arbitration management conference; meet and confer with defense counsel re same.
3.5	Meet and confer with defense counsel re potential mediation; draft and revise request for data to prepare for mediation; confer with defense counsel re same; review documents to prepare request for information; analyze and research potential mediators.
7.6	Analyze and review data and documents produced by Defendant in advance of first mediation; confer with consultant to analyze same; draft and revise mediation brief considering same; confer with co-counsel.
9.9	Prepare for and participate in first mediation; confer with client re same.
1.5	Follow up conversations with client, mediator, and defense counsel following failed mediation attempt.

Hours	Description of Work
3.4	Draft and revise notice of deposition of person most qualified; analyze and review documents to prepare same; confer with client and co-counsel re same.
1.8	Meet and confer with defense counsel re PMQ deposition topics and designation of appropriate witness; confer with co-counsel re same.
1.1	Communications with witnesses identified by client and further investigation re claims and defenses.
1.9	Analysis, strategy, and research re information required from defendant to participate in second mediation; draft and revise data requests for defense counsel in advance of mediation; confer with co-counsel re the same
5.4	Draft and revise second mediation brief; conduct legal research for same; review of case law; analyze and review data provided by Defendants to calculate damages exposure in advance of mediation; confer with co-counsel
1.1	Research re settlements of similar claims to prepare for mediation; confer with co-counsel re same.
10.1	Prepare for, and attend, second mediation; confer with and co-counsel client re same.
7.9	Review and revise settlement agreement; conversations with opposing counsel re same; confer with co-counsel re terms of settlement agreement and make revisions considering same
1.8	Draft and revise amended PAGA letter and Second Amended Complaint; confer with defense counsel and co-counsel re same.
10.5	Draft and revise motion for approval and supporting documents; confer with co-counsel re the same; confer with client re same; confer with settlement administrator re distribution process; conduct legal research re same.
104.9	TOTAL HOURS

EXHIBIT C

8/12/2024
1:33 PM

DIVERSITY LAW GROUP
Slip Listing

Page 1

Selection Criteria

Slip Classification Open
Client (hand select) Include: Hinkle, Mary Jane v. Alameda
Slip.Transaction Ty 2 - 2

Rate Info - identifies rate source and level

Slip ID		Timekeeper	Units	Rate	Slip Value
Dates and Time		Activity	DNB Time	Rate Info	
Posting Status		Client	Est. Time	Bill Status	
Description		Reference	Variance		
66046	EXP	Olympia	1	75.00	75.00
2/9/2021		Court fees			
WIP		Hinkle, Mary Jane v. Alamed			
LWDA					
66508	EXP	Olympia	1	6.90	6.90
2/28/2021		Postage			
WIP		Hinkle, Mary Jane v. Alamed			
Postage					
66320	EXP	Olympia	1	1457.00	1457.00
3/2/2021		Court fees			
WIP		Hinkle, Mary Jane v. Alamed			
Alameda Fax Filing - Complaint					
66789	EXP	Olympia	1	85.49	85.49
3/17/2021		Atty Service			
WIP		Hinkle, Mary Jane v. Alamed			
Attorney Service - Complaint Service					
66978	EXP	Erika Mejia	1	3.00	3.00
4/20/2021		Court fees			
WIP		Hinkle, Mary Jane v. Alamed			
Alameda Fax Filing - POS of Summons					
67583	EXP	Erika Mejia	1	40.00	40.00
6/11/2021		Court fees			
WIP		Hinkle, Mary Jane v. Alamed			
Alameda Fax Filing - Stip to File FAC					
68059	EXP	Erika Mejia	1	11.50	11.50
7/12/2021		Court fees			
WIP		Hinkle, Mary Jane v. Alamed			
Alameda Online Order					
68642	EXP	Christine S. Lee	1	10.00	10.00
8/24/2021		Court fees			
WIP		Hinkle, Mary Jane v. Alamed			
Alameda Fax Filing - Notice of Reassignment					

8/12/2024
1:33 PM

DIVERSITY LAW GROUP
Slip Listing

Page 2

Slip ID Dates and Time Posting Status Description	Timekeeper Activity Client Reference	Units DNB Time Est. Time Variance	Rate Rate Info Bill Status	Slip Value
68748 EXP 9/8/2021 WIP Alameda Fax Filing - Joint CMS	Erika Mejia Court fees Hinkle, Mary Jane v. Alamed	1	4.00	4.00
70499 EXP 1/27/2022 WIP ACE E Filing - CMS	Olympia Court fees Hinkle, Mary Jane v. Alamed	1	9.05	9.05
70766 EXP 2/17/2022 WIP JAMS Mediation	Olympia Arbitrators Hinkle, Mary Jane v. Alamed	1	7450.00	7450.00
71878 EXP 5/23/2022 WIP ACE E Filing - CMS	Erika Mejia Court fees Hinkle, Mary Jane v. Alamed	1	9.05	9.05
73145 EXP 10/3/2022 WIP AAA Filing Fee	Olympia Arbitrators Hinkle, Mary Jane v. Alamed	1	300.00	300.00
73884 EXP 12/15/2022 WIP JAMS Mediation	Olympia Arbitrators Hinkle, Mary Jane v. Alamed	1	2630.00	2630.00
75097 EXP 5/9/2023 WIP ACE E Filing _ CMS	Erika Mejia Court fees Hinkle, Mary Jane v. Alamed	1	17.85	17.85
75727 EXP 7/21/2023 WIP ACE E Filing - CMS	Erika Mejia Court fees Hinkle, Mary Jane v. Alamed	1	17.85	17.85
77045 EXP 12/21/2023 WIP JAMS Mediation	Olympia Arbitrators Hinkle, Mary Jane v. Alamed	1	6475.00	6475.00
78146 EXP 4/24/2024 WIP JAMS Mediation	Olympia Arbitrators Hinkle, Mary Jane v. Alamed	1	585.00	585.00

8/12/2024
1:33 PM

DIVERSITY LAW GROUP
Slip Listing

Page 3

Slip ID		Timekeeper	Units	Rate	Slip Value
Dates and Time		Activity	DNB Time	Rate Info	
Posting Status		Client	Est. Time	Bill Status	
Description		Reference	Variance		
78220	EXP	Olympia	1	1550.00	1550.00
5/3/2024		Experts			
WIP		Hinkle, Mary Jane v. Alamed			
JTC Corporation					
78727	EXP	Erika Mejia	1	38.45	38.45
7/10/2024		Court fees			
WIP		Hinkle, Mary Jane v. Alamed			
ACE E Filing - Stip to file SAC					
78773	EXP	Erika Mejia	1	17.85	17.85
7/12/2024		Court fees			
WIP		Hinkle, Mary Jane v. Alamed			
ACE E Filing - NOE					
78779	EXP	Erika Mejia	1	17.85	17.85
7/12/2024		Court fees			
WIP		Hinkle, Mary Jane v. Alamed			
ACE E Filing - SAC					
79019	EXP	Max Gavron	1	250.00	250.00
8/12/2024		Court fees			
WIP		Hinkle, Mary Jane v. Alamed			
MFA Filing Costs					
Grand Total					
			Billable	0.00	21060.84
			Unbillable	0.00	0.00
			Total	0.00	21060.84

EXHIBIT D

EXHIBIT E



CLASS ACTION ADMINISTRATION SOLUTIONS

CASE ASSUMPTIONS

Aggrieved Members	495
Opt Out Rate	N/A
Opt Outs Received	
Total Aggrieved Claimants	495
Subtotal Admin Only	\$5,500.00

Not-to-Exceed Total \$5,500.00

For 495 Aggrieved Members

Pricing Good for Scope of Estimate Only

June 18, 2024

Case: Hinkle v Alameda Healthcare PAGA Administration

Phoenix Contact: Jodey Lawrence

Contact Number: 949.566.1455

Email: Jodey@phoenixclassaction.com

Requesting Attorney: Max W. Gavron

Firm: Diversity Law Group, APC

Contact Number: (213) 488-6555

Email: mgavron@diversitylaw.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly.
Estimate is based on 495 Aggrieved Members. Class data Must be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of \$150 per hour will be charged for any additional analysis or programming. Pricing good for 90 days.

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)			
Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	\$125.00	2	\$250.00
Programming Database & Setup	\$125.00	2	\$250.00
Toll Free Setup*	\$49.07	1	\$49.07
Call Center & Long Distance	\$1.75	50	\$86.63
Static Website	\$200.00	1	\$200.00
		Total	\$835.70

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Check & Postage			
Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$100.00	2	\$200.00
Data Merge & Duplication Scrub	\$0.25	495	\$123.75
Notice and Check Packet	\$1.50	495	\$742.50
Estimated Postage (up to 1 oz.)*	\$0.64	495	\$316.80
		Total	\$1,383.05

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

Project Action:	Rate	Hours/Units	Line Item Estimate
Case Associate	\$50.00	3	\$150.00
Skip Tracing Undeliverables	\$1.50	50	\$74.25
Remail Notice Packets	\$1.50	50	\$74.25
Estimated Postage	\$0.64	50	\$31.68
Programming Undeliverables	\$50.00	3	\$150.00
Total			\$480.18

Database Programming

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Claims Database	\$125.00	2	\$250.00
Case Manager	\$125.00	2	\$250.00
Total			\$500.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Calculations	\$125.00	2	\$250.00
Disbursement Review	\$125.00	2	\$250.00
Programming Manager	\$100.00	2	\$200.00
QSF Bank Account & EIN	\$50.00	1	\$50.00
Check Run Setup & Printing	\$100.00	3	\$300.00
Total			\$1,050.00

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing



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CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations

Project Action:	Rate	Hours/Units	Line Item Estimate
Case Supervisor	\$100.00	3	\$300.00
Remail Undeliverable Checks (Postage Included)	\$1.50	94	\$141.08
Case Associate	\$65.00	1	\$65.00
Reconcile Uncashed Checks	\$85.00	2	\$170.00
Conclusion Reports	\$75.00	1	\$75.00
Case Manager Conclusion	\$75.00	1	\$75.00
Final Reporting & Declarations	\$125.00	1	\$125.00
QSF Annual Tax Reporting * (State Tax Reporting Included)	\$300.00	1	\$300.00
Total			\$1,251.08

* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibility.

Estimate Total: \$5,500.00



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CLASS ACTION ADMINISTRATION SOLUTIONS

TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.
2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.
3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.
4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.
5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.