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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO

LESLIE MCGARY, as an aggrieved employee
pursuant to the Private Attorneys General Act
("PAGA"), on behalf of the State of California
and other non-party Aggrieved Employees,

Plaintiff,

vs.

SHIELD-CALIFORNIA HEALTH CARE
CENTER, INC., a California corporation; and
DOES 1 through 10, inclusive,

Defendants.

Case No.: CIVSB2116302

**JOINT STIPULATION OF PAGA
REPRESENTATIVE ACTION
SETTLEMENT AND RELEASE**

This Joint Stipulation of PAGA Representative Action Settlement and Release (hereinafter “Settlement Agreement”) is made and entered into by and between the following parties: Plaintiff Leslie McGary (“Plaintiff”), individually and as a proxy of the State of California and the California Labor and Workforce Development Agency (“LWDA”) on behalf of all other allegedly aggrieved employees, Defendant Shield California HealthCare Center, Inc. (“Defendant”) (collectively, the “Parties”), and their respective counsel of record. This Settlement Agreement is subject to the terms and conditions set forth below and to the approval of the Court. This Settlement Agreement accurately sets forth the Parties’ PAGA representative action settlement in the total amount of Four Hundred Thirty-Nine Thousand Dollars (\$439,000) to resolve all claims, as detailed below.

I. DEFINITIONS

1. “Action” means the action entitled “*McGary v. Shield California HealthCare Center, Inc.*,” Case No. CIVSB2116302, filed in the Superior Court of California in and for the County of San Bernardino (the “Action”).
2. “Applicable Pay Periods” will mean, as reflected on Defendant’s internal records, any pay periods worked for Defendant by a Representative Action Member in a non-exempt position at any California location during the Covered Period. Any pay period during which the Representative Action Member worked any amount of time in a non-exempt position (e.g., when not on a leave of absence) will be counted as an Applicable Pay Period.
3. “Approval Hearing” means the hearing on the Motion for Settlement Approval and Judgment.
4. “Court” means the Superior Court of California in and for the County of San Bernardino, which presides over the Action.
5. “Covered Period” means the period between March 26, 2020 and April 1, 2024 or the Date of Court Approval, whichever is earlier.
6. “Cy Pres Recipient” means Alliance for Children’s Rights of Los Angeles (a nonprofit organization).
7. “Date of Court Approval” means the date the Court approves this Settlement Agreement, and enters the Order Granting Settlement Approval and Judgment to that effect.

8. “Defendant” means Shield California HealthCare Center, Inc.

9. “Defendant’s Counsel” means Morgan, Lewis & Bockius LLP.

10. “Individual Settlement Amount” means the final gross amount sent and paid to any Representative Action Member under this Settlement Agreement.

11. “LWDA” means the California Labor and Workforce Development Agency.

12. “Maximum Settlement Amount” is the sum of Four Hundred Thirty-Nine Thousand Dollars (\$439,000), which represents the maximum amount payable in this Settlement by Defendant, and includes all attorneys’ fees, litigation costs, settlement administration fees, Service Enhancement to the Plaintiff, and all settlement payments to the LWDA and the Representative Action Members.

13. “Motion for Settlement Approval and Judgment” means the motion and supporting papers, including this Settlement Agreement and a proposed Order Granting Settlement Approval and Judgment consistent with the terms of this Settlement, prepared by Plaintiff’s Counsel and reviewed and approved by Defendant. Concurrently with this motion, Plaintiff’s Counsel may also seek court approval for payment of a Service Enhancement to the Plaintiff and apply for an award of attorneys’ fees and reimbursement of out-of-pocket litigation costs, over which, so long as they are consistent with the terms of this Settlement Agreement, Defendant will take no position.

14. “Net Settlement Amount” is the portion of the Maximum Settlement Amount eligible for distribution to Representative Action Members which equals the Maximum Settlement Amount less Representative Counsel’s attorneys’ fees and actual litigation costs as ordered to be paid by this Court, Settlement Administration Expenses, the Service Enhancement to the Plaintiff, and LWDA PAGA Amount.

15. “Order Granting Settlement Approval and Judgment” means the Order entered by the Court in the Action following the filing of the Motion for Settlement Approval and Judgment, *inter alia*: (1) approving the terms and conditions of this Settlement Agreement, including the payments and the release of claims as set forth herein; (2) approving the amount of attorneys’ fees and litigation costs to be awarded to Representative Counsel, the Settlement Administration Expenses, and the Service Enhancement to be awarded from the Maximum Settlement Amount; and (3) dismissing the Action with prejudice and entering judgment in the Action pursuant to and consistent with the terms and conditions

1 of this Settlement Agreement.

2 16. "PAGA" will mean the California Labor Code Private Attorneys General Act of 2004,
3 California Labor Code §§ 2698 *et seq.*

4 17. "Parties" means collectively Plaintiff and Defendant, as defined herein.

5 18. "Plaintiff" means Leslie McGary.

6 19. "Representative Action Member(s)" means all individuals employed by Shield
7 California HealthCare Center, Inc. as non-exempt employees in California between March 26, 2020 and
8 April 1, 2024 or the Date of Court Approval, whichever is earlier.

9 20. "Representative Counsel" or "Plaintiff's Counsel" means Capstone Law APC.

10 21. "Service Enhancement" means the incentive payment paid to Plaintiff in an amount not
11 to exceed \$10,000 for her efforts and work in prosecuting the Action and for a general release of all
12 claims against Defendant.

13 22. "Settlement Administration Expenses" are those expenses and costs incurred by the
14 Settlement Administrator in effectuating the Settlement and approved by the Court in an amount not to
15 exceed \$10,000.

16 23. "Settlement Administrator" means CPT Group, Inc., or any other third-party settlement
17 administrator that the Parties jointly select.

18 24. "Settlement Agreement" or "Settlement" will mean this Joint Stipulation of PAGA
19 Representative Action Settlement and Release.

20 25. "Settlement Effective Date" means, after the Order Granting Settlement Approval and
21 Judgment has been entered by the Court in the Action, the latter of the following dates: (a) if an appeal,
22 review, or writ is not sought from the Order Granting Settlement Approval and Judgment, the 61st day
23 after service of notice of entry of the Order Granting Settlement Approval and Judgment; or (b) if an
24 appeal, writ, or review is sought from the Order Granting Settlement Approval and Judgment, the day
25 after the Order Granting Settlement Approval and Judgment is affirmed or the appeal, review, or writ is
26 dismiss or denied, and the Order Granting Settlement Approval and Judgment is no longer subject to
27 further judicial review.

28 26. "Settling Defendants" means Defendant Shield California HealthCare Center, Inc., its

1 affiliates, divisions, subsidiaries, parents, predecessors, any merged entity or merged entities and/or its or
2 their present and former officers, partners, directors, employees, agents, shareholders and/or successors,
3 assigns, trustees, heirs, administrators, executors, representatives and/or principals thereof.

4 **II. LITIGATION BACKGROUND**

5 27. On or about March 26, 2021, Plaintiff McGary served the LWDA by mail with a PAGA
6 notice letter which stated that McGary intended to seek civil penalties against Defendant for alleged
7 violations of the California Labor Code.

8 28. On March 17, 2011, Plaintiff McGary filed a PAGA action against Defendant in the
9 Superior Court of California for the County of San Bernardino (i.e., the “McGary Action”).

10 29. In the operative First Amended Complaint, McGary alleges that Defendant is liable for
11 PAGA civil penalties for violations of: (a) Labor Code §§ 510 and 1198, and the applicable IWC Wage
12 Order for Defendant’s alleged failure to compensate Representative Action Members with all required
13 overtime pay, and alleged failure to properly calculate the overtime rates paid to Representative Action
14 Members; (b) Labor Code §§ 1182.12, 1194, 1197, and 1198, and the applicable IWC Wage Order for
15 Defendant’s alleged failure to compensate Representative Action Members with at least minimum
16 wages for all hours worked; (c) Labor Code §§ 226.7, 512(a), 516, and 1198, and the applicable IWC
17 Wage Order for Defendant’s alleged failure to provide Representative Action Members with meal
18 periods; (d) Labor Code §§ 226.7, 516, and 1198, and the applicable IWC Wage Order for Defendant’s
19 alleged failure to authorize and permit Representative Action Members to take rest periods; (e) Labor
20 Code §§ 226(a) and 1198, and the applicable IWC Wage Order for Defendant’s alleged failure to
21 provide accurate and complete wage statements to Representative Action Members; (f) Labor Code §§
22 1174(d), 1198, and the applicable IWC Wage Order for Defendant’s alleged failure to maintain payroll
23 records; (g) Labor Code § 204 for Defendant’s alleged failure to pay all earned wages during
24 employment; (h) Labor Code §§ 201 and 202 for Defendant’s alleged failure to pay all earned wages
25 upon termination; (i) Labor Code § 227.3 for Defendant’s alleged failure to pay Representative Action
26 Members all vested vacation time upon termination; (j) Labor Code § 246 for Defendant’s alleged failure
27 to properly calculate the sick leave paid to Representative Action Members; (k) Labor Code § 2802 for
28 Defendant’s alleged failure to reimburse Representative Action Members for all business expenses

1 necessarily incurred; and (l) Labor Code § 2810.5(a)(1)(A)-(C) for Defendant's alleged failure to provide
2 written notice of information material to Representative Action Members' employment.

3 30. Defendant denies Plaintiff's claims, and asserts that it has complied with California's
4 labor laws. Consequently, Defendant does not believe that any liability to Plaintiff, the State of California
5 or the LWDA, or to any other Representative Action Member exists, or that Plaintiff, the State of
6 California or the LWDA, or any other Representative Action Member are entitled to any recovery in
7 either of the Action.

8 31. On December 12, 2023, counsel for the Parties participated in a mediation with Jeffrey
9 Ross. At the conclusion of the mediation, the Parties and their counsel had agreed to a proposed
10 settlement of all claims alleged by Plaintiff in the Action which is memorialized in a Memorandum of
11 Understanding signed by the parties and their counsel.

12 32. Neither this Settlement, nor any final judgment pursuant to this Settlement, will
13 constitute an admission of any form of wrongdoing or liability on the part of Defendant or the accuracy
14 of any allegation raised in the Action. This Settlement is entered into in compromise of disputed claims.
15 Plaintiff and Defendant intend, by their actions pursuant to this Settlement, merely to avoid the expense,
16 delay, uncertainty, and burden of litigation. This Settlement and any related court documents or orders
17 may not be cited or otherwise admitted as evidence of liability. There has been no final determination by
18 any Court as to the merits of the Action.

19 33. It is the desire of the Parties to fully, finally, and forever settle, compromise, and
20 discharge all disputes and claims against Defendant arising from or related to the Action.

21 34. It is the intention of the Parties that this Settlement Agreement will constitute a full and
22 complete settlement and release of the claims averred in the Action by the Plaintiff, both individually and
23 as a proxy of the State of California and the LWDA on behalf of all Representative Action Members
24 pursuant to PAGA. This release includes in its effect a release of all the Settling Defendants.

25 **III. JURISDICTION AND VENUE**

26 35. This Court has jurisdiction over the Parties and the subject matter of this Settlement.
27 This Court will have continuing jurisdiction over the terms and conditions of this Settlement Agreement,
28 until all payments and obligations provided for herein have been fully executed.

1 **IV. TERMS OF SETTLEMENT**

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

4 **A. Non-Admission of Liability**

5 37. Nothing in this Settlement Agreement, or any communications, papers, or orders related
6 to this Settlement Agreement, will be construed to be or deemed an admission by Settling Defendants of
7 any liability, culpability, negligence, or wrongdoing toward the Plaintiff, the Representative Action
8 Members, or any other person, and the Settling Defendants specifically disclaims any liability,
9 culpability, negligence, or wrongdoing toward the Plaintiff, the Representative Action Members, or any
10 other person. Each of the Parties has entered into this Settlement Agreement with the intention to avoid
11 further disputes and litigation with the attendant inconvenience, expenses, and contingencies, including
12 in the Action. This Settlement Agreement and any communications, papers, or orders related to the
13 Settlement Agreement may not be cited or otherwise admitted as evidence of liability, whether in the
14 Action or elsewhere. There has been no final determination by any Court as to the merits of the claims
15 asserted by Plaintiff against Defendant. Furthermore, nothing in this Settlement Agreement will be
16 considered any form of waiver of any of Defendant's alternative dispute resolution provisions or any
17 other applicable alternative dispute resolution policy, and Defendant expressly does not waive any right
18 to enforce arbitration agreements and class, collective, and representative action waivers in any other
19 circumstance.

20 **B. Non-Approval By The Court**

21 38. In the event that this Settlement Agreement is not approved by the Court, fails to become
22 effective, is reversed, withdrawn or modified by the Court:

23 38(a) The Parties will meet and confer or may attend mediation again in an effort
24 to reach a settlement approved by the Court.

25 38(b) The Settlement Agreement will have no force or effect, other than the
26 confidentiality and non-disclosure provisions in Section XI, the non-
27 admission provisions in Paragraph 37, and the litigation restoration
28 provisions in Paragraph 38 below and in Section X;

- 1 38(c) The Settlement Agreement will not be admissible in any judicial,
2 administrative or arbitral proceeding for any purpose or with respect to any
3 issue, substantive or procedural;
- 4 38(d) None of the parties to this Settlement Agreement will be deemed to have
5 waived any claims, objections, defenses or arguments with respect to the
6 merits of Plaintiff's claims;
- 7 38(e) Defendant does not waive, and instead expressly reserves its rights to
8 challenge the propriety of the Action proceeding as a representative action;
9 and
- 10 38(f) The Action will be restored to its status quo ante as of December 12, 2023,
11 and the Parties will cooperate to the fullest extent possible to restore the
12 Action to its status quo ante.

13 **C. Settlement Payments**

14 39. Defendant agrees to pay a Maximum Settlement Amount of Four Hundred Thirty-Nine
15 Thousand Dollars (\$439,000), inclusive of (a) all PAGA penalty settlement payments to the LWDA and
16 Representative Action Members; (b) any award of attorneys' fees and out-of-pocket litigation costs and
17 expenses to Representative Counsel; (c) any award of a Service Enhancement; and (d) Settlement
18 Administration Expenses. The Parties specifically agree, subject to Court approval, to the following
19 allocations to be paid from the Maximum Settlement Amount:

- 20 39(a) From the Maximum Settlement Amount, Representative Counsel may seek
21 from the Court attorneys' fees (\$146,333) and actual litigation costs (up to
22 \$20,000, including costs not otherwise provided by CCP 1033.5) for serving
23 as Representative Counsel. Defendant takes no position on Plaintiff's
24 request for fees and costs.
- 25 39(b) From the Maximum Settlement Amount, Representative Counsel may seek
26 from the Court a Service Enhancement to Plaintiff not to exceed \$10,000,
27 which Defendant will not oppose.
- 28 39(c) From the Maximum Settlement Amount, Settlement Administration

Expenses in a reasonable amount currently estimated at \$6,000 and not to exceed \$10,000.

39(d) From the Net Settlement Amount (i.e., the remainder of the Maximum Settlement Amount, including interest accruing to it, after payments have been made for attorneys' fees and litigation expenses, the Service Enhancement, and Settlement Administration Expenses), settlement payments attributable to PAGA penalties will be allocated and paid to the LWDA and the Representative Action Members.

39(d)(i) Seventy-five percent (75%) of the Net Settlement Amount will be paid to the LWDA as its share of the Settlement attributable to PAGA penalties.

39(d)(ii) The remaining twenty-five percent (25%) of the Net Settlement Amount will be distributed as Individual Settlement Amounts to the Representative Action Members.

39(d)(iii) The Individual Settlement Amount for each Representative Action Member will be determined by multiplying the individual percentage of total Applicable Pay Periods worked by that Representative Action Member by the 25% of the Net Settlement Amount allocated to all Representative Action Members. The number of Applicable Pay Periods worked by Representative Action Members in non-exempt positions during the Covered Period will be provided to the Settlement Administrator by Defendant based on its employment records.

39(e) If the Court approves a lesser amount of attorney's fees and litigation costs and expenses, the Service Enhancement, and Settlement Administrator Expenses than those sought by Plaintiff and Representative Counsel, any amount disallowed by the Court will be added to the Net Settlement Amount, except that in the event Representative Counsel appeals a

reduction in the award of fees or costs by the Court, any appellate reduction of attorney fees and costs will be allocated cy pres to the Alliance for Children's Rights of Los Angeles. The amount of reduction at issue in the appeal shall be held by the Settlement Administrator in trust pending the outcome of the appeal. The Parties agree that the Settlement Agreement will remain binding with such modification(s) as ordered by the Court, and its terms will be otherwise unchanged.

39(f) The Settlement Administrator will disburse monies from the Net Settlement Amount as and when authorized in this Settlement Agreement and by order of the Court, will file and issue any necessary tax reporting documents, and will inform the Parties and the Court of its fulfillment of the duties imposed by this Settlement Agreement.

39(g) The Settlement Administrator will issue settlement checks to the LWDA and Representative Action Members under this Settlement Agreement, as well as the Service Enhancement to the Plaintiff and attorneys' fees and expenses awarded to Representative Counsel, by sending such payments by mail, wire, or other reliable means to the respective recipients as specified below.

D. Released Claims

40. Upon the Settlement Effective Date, Plaintiff individually, and the State of California, the LWDA, and all Representative Action Members, through Plaintiff acting as a proxy for the State of California and the LWDA and as a Private Attorney General acting on behalf of all other Representative Action Members, will be deemed to have fully, finally, and forever released the Settling Defendants from all Released Claims as set forth in Section VII during the Covered Period. Plaintiff, in conjunction with her requesting a Service Enhancement, will also enter into a General Release as set forth in Section VII.

E. Motion for Settlement Approval and Entry of Judgment

41. Plaintiff will file a Motion for Settlement Approval and Judgment with the Court. At the

1 Approval Hearing, Plaintiff will request that the Court, among other things, enter an Order Granting
2 Settlement Approval and Judgment in accordance with the terms of this Settlement Agreement.
3 Concurrent with filing the Motion for Settlement Approval and Judgment, Plaintiff will submit that
4 Motion and any supporting papers, including a copy of this Settlement Agreement, to the LWDA
5 pursuant to Labor Code § 2699(l)(2).

6 **F. Waiver of Appeal**

7 42. The Parties expressly acknowledge and agree that approval of this Settlement
8 Agreement, through the Order Granting Settlement Approval and Judgment, effectuates the Releases set
9 forth in Section VII, and dismisses the Action with prejudice. Upon the Settlement Effective Date,
10 Plaintiff, Defendant, and their counsel expressly agree to hereby waive and extinguish their right to
11 appeal any order or judgment in the Action, and the judgment entered in the Action will be final, except
12 however that Representative Counsel may appeal an order reducing their requested attorneys' fees and
13 costs.

14 **G. No Right to Exclusion or Objections by Representative Action Members**

15 43. Because this Settlement resolves claims and actions brought pursuant to PAGA by
16 Plaintiff acting as a proxy and as a Private Attorney General of and for the State of California and the
17 LWDA, the Parties agree that no Representative Action Member has the right to exclude himself or
18 herself from the Settlement. Representative Action Members will be bound by the terms of the
19 Settlement Agreement, upon its approval by the Court, regardless of whether he or she cashes any
20 Individual Settlement Amount payment received as a result of this Settlement. The Parties also agree that
21 no Representative Action Member, including Plaintiff, has the right to object to the terms of the
22 Settlement Agreement and Plaintiff agrees not to object to the Settlement.

23 **V. SETTLEMENT ADMINISTRATION**

24 **A. Settlement Administrator Duties**

25 44. Pursuant to the terms of this Settlement Agreement, the Settlement Administrator will be
26 responsible for and the Settlement Administration Expenses will cover: (a) calculating and determining
27 the LWDA's 75% share of the Net Settlement Amount, and preparing and mailing that payment to the
28 LWDA; (b) preparing a list of all Representative Action Members, calculating the Individual Settlement

1 Amounts due to each Representative Action Member from the remaining 25% share of the Net
2 Settlement Amount, and issuing and mailing checks payable to said Representative Action Members,
3 including taking appropriate steps to trace, update and locate any Representative Action Members whose
4 address or contact information as provided to the Settlement Administrator is inaccurate or outdated; (c)
5 issuing to Plaintiff, Plaintiff's Counsel, and Representative Action Members any tax forms as may be
6 required by applicable law for all amounts paid pursuant to this Settlement Agreement; (d) forwarding all
7 taxes and penalties to the appropriate government authorities; (e) maintaining the Maximum Settlement
8 Amount account in an interest-bearing account at a federally insured banking institution, as discussed
9 below; (f) preparing and mailing the amount of attorneys' fees and litigation costs awarded to
10 Representative Counsel from the Gross Settlement Amount; (g) preparing and mailing the Service
11 Enhancement awarded to Plaintiff from the Gross Settlement Amount; (h) reporting to the Parties'
12 Defendant's Counsel, Representative Counsel, and, if necessary, the Court regarding the completion of
13 the tasks identified in this paragraph; and (i) carrying out other related tasks including the proper
14 maintenance of undisbursed Net Settlement Amounts or uncashed checks in an interest bearing account
15 and reporting required for that account, in accordance with the terms of this Settlement Agreement.

16 45. All disputes relating to the Settlement Administrator's ability and need to perform its
17 duties will be referred to the Court, if necessary, which will have continuing jurisdiction over the terms
18 and conditions of this Settlement Agreement, until all payments and obligations contemplated by the
19 Settlement Agreement have been fully executed.

20 **B. Qualified Settlement Fund**

21 46. The Settlement Administrator will create a Qualified Settlement Fund ("QSF"), to be
22 funded by the Maximum Settlement Amount paid by Defendant and administered by the Settlement
23 Administrator. Should the Settlement Effective Date never occur for any reason whatsoever, the entire
24 amount of the Maximum Settlement Amount will revert to Defendant along with any accrued interest.
25 Should the Settlement Effective Date occur, all interest earned on the Maximum Settlement Amount will
26 inure to the benefit of the LWDA and the Representative Action Members, and will be treated as part of
27 the Net Settlement Amount.

28 47. The Settlement Administrator will not distribute any money from the QSF until the

Settlement Effective Date has occurred, and each condition in this Settlement Agreement has been satisfied.

C. Calculating and Issuing Payments

48. When and if the Court enters the Order Granting Settlement Approval and Judgment, and the Settlement Effective Date as defined herein has passed, the Settlement Administrator will be responsible for (a) preparing a list of all Representative Action Members, calculating the Individual Settlement Amounts due to each Representative Action Member, and issuing and mailing checks payable to said Representative Action Members; (b) issuing and mailing a check to the LWDA for its 75% share of the Net Settlement Amount as penalties pursuant to PAGA; (c) issuing and mailing a check to Plaintiff for the Service Enhancement awarded by the Court; (d) issuing a check or wire to Representative Counsel for any attorneys' fees and out-of-pocket litigation expenses awarded by the Court.

49. Prior to mailing the Individual Settlement Amount payments to Representative Action Members, the Settlement Administrator will update the addresses for the Representative Action Members using the National Change of Address database and other available resources deemed suitable by the Settlement Administrator. Any returned envelopes from the initial mailing with forwarding addresses will be used by the Settlement Administrator to locate Representative Action Members and re-mail the Individual Settlement Amount payments to the correct or updated address. The Settlement Administrator will use appropriate tracing methods, including skip tracing, to ensure that the Individual Settlement Amount payments are received by Representative Action Members. The Settlement Administrator will also take reasonable steps, including skip tracing, to locate any Representative Action Member whose Individual Settlement Amount payments are returned as undeliverable.

50. The Individual Settlement Amount payments mailed to each Representative Action Member will include the notice letter attached to this Settlement Agreement as **Exhibit A** and will provide a payment of each Representative Action Member's pro rata share from the 25% of the Net Settlement Amount allocated to Representative Action Members.

51. All settlement payments, including any payment to the LWDA, any Individual Settlement Amount payments, and any Service Enhancement approved by the Court, will be treated as

civil penalties under PAGA, and will be reported on an IRS 1099 without withholdings. The Plaintiff and Representative Action Members will be exclusively liable for any and all tax liability, if any. All Parties represent that they have not received, and will not rely on, advice or representations from other Parties or their agents or attorneys regarding the tax treatment of payments under federal, state, or local law.

D. Settlement Administration Expenses

52. All Settlement Administration Expenses will come out of the Maximum Settlement Amount. If the actual Settlement Administration Expenses are less than the amount approved by the Court, those funds will be added to the Net Settlement Amount.

VI. DISTRIBUTION OF NET SETTLEMENT AMOUNT

A. Process and Deadlines

53. Within thirty (30) days after the Settlement Effective Date, Defendant will provide information in an electronic format regarding all Representative Action Members, including name(s), last known residence addresses, Social Security numbers, and all Applicable Pay Periods worked, to the Settlement Administrator only, contingent upon the Settlement Administrator's execution of a confidentiality agreement. Representative Action Member data will only be used by the Settlement Administrator for the purpose of calculating settlement shares and finding and paying Representative Action Members their portion of the Net Settlement Amount. Data for Representative Action Members will be kept confidential by the Settlement Administrator, and will not be disclosed to Plaintiff, Plaintiff's Counsel, the LWDA, or any other Representative Action Member without the written consent of Defendant.

54. Within thirty (30) days after the Settlement Effective Date, Defendant will also provide payment of the Maximum Settlement Amount to the Settlement Administrator to fund the QSF to be created by the Settlement Administrator ("Funding Date").

55. Within ten (10) days after the Date of Court Approval, the Settlement Administrator will calculate the Net Settlement Amount and will make the calculation of payments from the Net Settlement Amount to be distributed to the LWDA (representing its 75% share under PAGA of the Net Settlement Amount) and to each of the Representative Action Members (representing, in the aggregate, their 25%

share under PAGA of the Net Settlement Amount). Upon completion of its calculation of payments, and at least five (5) days prior to the distribution of payments to the LWDA and Representative Action Members from the Net Settlement Amount, the Settlement Administrator will provide Defendant's Counsel with a report listing the amount of all payments to be made to the LWDA and to each Representative Action Member from the Net Settlement Amount. The Settlement Administrator will also provide Representative Counsel with a redacted report listing the amount of all payments to be made to the LWDA and to each Representative Action Member from the Net Settlement Amount.

56. Within thirty (30) days after the Funding Date, the Settlement Administrator will distribute and pay Individual Settlement Amount checks to all Representative Action Members, issue a Settlement check to the LWDA for its payment of PAGA penalties, pay Plaintiff the Service Enhancement, and pay Representative Counsel any awarded attorney's fees and costs. The Settlement Administrator will then also issue a payment to itself in the amount approved by the Court for services performed in administering this Settlement.

B. Uncashed Settlement Checks

57. Representative Action Members who are sent Individual Settlement Amount payments will have one hundred eighty (180) calendar days after mailing by the Settlement Administrator to cash their settlement checks and will be so advised of such deadline. If Representative Action Members do not cash their checks within that period, those checks will become void and the settlement payment amounts will be paid out to the Cy Pres Recipient designated by the Parties.

VII. RELEASE OF CLAIMS

A. Release of Claims by Plaintiff, the LWDA, and All Representative Action Members

58. Upon the Date of Court Approval, Plaintiff, on behalf of herself, the State of California and the LWDA, and all Representative Action Members, fully and forever releases and discharges the Releasees (as defined in subsection (B) below) from any and all claims, obligations, demands, rights, allegations, causes of action, and liabilities against the Settling Defendants under PAGA that have been asserted in the Complaint and/or the First Amended Complaint and/or Plaintiff's PAGA letter to the LWDA, and any amendments thereto; or that could have been asserted in the Complaint, the First

1 Amended Complaint, the PAGA letter to the LWDA, and any amendments thereto, based on the facts
2 and matters pled therein, including but not limited to claims for failure to pay sick pay wages, failure to
3 pay overtime wages, failure to pay minimum wages, failure to provide accurate or otherwise compliant
4 wage statements, failure to provide meal periods, failure to provide rest periods, failure to pay all vested
5 vacation time and paid time off, failure to timely pay wages during employment, failure to timely pay
6 wages upon separation of employment, failure to provide personnel records, failure to provide written
7 notice of material terms of employment, and failure to reimburse business expenses during the Covered
8 Period (the "Released Claims"). The Parties agree that this Settlement Agreement is conditioned upon
9 this release of all Released Claims, both by Plaintiff individually, and by the LWDA and all
10 Representative Action Members through Plaintiff acting on behalf of, and as Private Attorneys General
11 for, the State of California, the LWDA, and all current and former employees of Defendant. Upon the
12 Settlement Effective Date, Plaintiff, the LWDA, and each and every Representative Action Member will
13 be bound by the terms of this Settlement Agreement and will have recourse exclusively to the benefits,
14 rights, and remedies provided hereunder.

15 59. The Parties further understand and agree that this Settlement Agreement, in conjunction
16 with the Order Granting Settlement Approval and Judgment, prohibits and enjoins any Representative
17 Action Member (including Plaintiff), from bringing against the Releasees any of the Released Claims
18 (including unknown Released Claims) during the Covered Period. Upon the Settlement Effective Date,
19 Plaintiff, on behalf of herself and on behalf of the LWDA and each and every Representative Action
20 Member, will be deemed to have, and by operation of the Order Approving Settlement Agreement and
21 Judgment entered by the Court will have fully, finally, and forever released, relinquished, and discharged
22 each and all of the Releasees from any and all Released Claims (including unknown Released Claims)
23 during the Covered Period.

24 60. With respect to the Released Claims only, the Parties stipulate and agree that, upon the
25 Settlement Effective Date, Plaintiff will be deemed to have, and by operation of the Order Approving
26 Settlement Agreement and Judgment entered by the Court will have waived and relinquished, to the
27 fullest extent permitted by law, the provisions, rights, and benefits of California Civil Code § 1542,
28 which provides:

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

7 Plaintiff, the LWDA, and all Representative Action Members will be deemed to have acknowledged that
8 this Settlement Agreement is intended to include in its effect all Released Claims that they do not know
9 or suspect to exist in their favor up through the Date of Court Approval.

10 61. Plaintiff agrees that this Settlement Agreement is further conditioned upon her
11 individual covenant not to participate in any further proceedings seeking damages, penalties, or other
12 remedies for any Released Claims.

13 **B. General Release by Plaintiff**

14 62. For and in accepting the consideration of the Service Enhancement awarded, Plaintiff
15 will further make a general release (the "General Release") on behalf of herself and her heirs, executors,
16 administrators, representatives, successors and assigns, of Settling Defendant, and Settling Defendant's
17 parents, affiliates, divisions, subsidiaries, predecessors, any merged entity or merged entities, insurers,
18 successors or assigns, and/or any of the above entities' present and former officers, partners, directors,
19 employees, attorneys, agents, shareholders and/or successors, assigns, trustees, heirs, administrators,
20 executors, representatives and/or principals thereof, both individually and in their business capacities,
21 and the above entities' employee benefit plans and programs, as well as their administrators and
22 fiduciaries (referred to collectively as "Releasees" herein), to the full extent permitted by law, of and
23 from any and all claims, actions, causes of action, lawsuits, attorneys' fees, costs, debts, dues, sums of
24 money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, bonuses, controversies,
25 agreements, promises, claims, charges, complaints and demands whatsoever, whether in law or equity,
26 known and unknown, asserted and unasserted, which against the Releasees, Plaintiff (and her heirs,
27 executors, administrators, representatives, successors and assigns) may now have or hereafter later
28 determines that she has or had upon or as of the Date of Court Approval, including, but not limited to,

1 claims arising under the Americans With Disabilities Act, the National Labor Relations Act, the Fair
2 Labor Standards Act, the Equal Pay Act, the Employee Retirement Income Security Act of 1974, 29
3 U.S.C. § 1001 *et seq.*, as amended, including, but not limited to, breach of fiduciary duty and equitable
4 claims arising under § 1132(a)(3) (“ERISA”), the Worker Adjustment and Retraining Notification Act,
5 as amended, Title VII of the Civil Rights Act of 1964, the Vocational Rehabilitation Act of 1973, The
6 Age Discrimination in Employment Act of 1967, as amended by the Older Workers Benefit Protection
7 Act of 1990, the Civil Rights Acts of 1866, 1871 and 1991, including Section 1981 of the Civil Rights
8 Act, the Family and Medical Leave Act (to the extent permitted by law), the Fair Credit Reporting Act or
9 other federal, state or local laws relating to background checks, the Sarbanes-Oxley Act, the Dodd-Frank
10 Wall Street and Consumer Protection Act, the California Family Rights Act (“CFRA”), California’s
11 PAGA, Cal. Bus. and Prof. Code § 17200 *et seq.* (“UCL”), the California Labor Code and the Industrial
12 Welfare Commission Wage Orders, the California Fair Employment and Housing Act, and/or any other
13 federal, state or local human rights, civil rights, wage-hour, pension or labor law, rule, statute, regulation,
14 constitution or ordinance and/or public policy, contract or tort law, or any claim related to whistleblowers
15 or retaliation under such laws, or any claim of breach of any contract (whether express, oral, written or
16 implied from any source), or any claim of intentional or negligent infliction of emotional distress,
17 tortious interference with contractual relations, wrongful or abusive or constructive discharge,
18 defamation, prima facie tort, fraud, negligence, loss of consortium, malpractice, breach of duty of care,
19 breach of fiduciary duty or any action similar thereto against Releasees, including any claim for
20 attorneys’ fees, expenses or costs based upon any conduct from the beginning of the world up to and
21 including the date of this General Release; provided, however, that Plaintiff does not waive any right to
22 file an administrative charge with the Equal Employment Opportunity Commission (“EEOC”) or the
23 National Labor Relations Board (“NLRB”), subject to the confidentiality provisions of the Settlement
24 Agreement, and subject to the condition that Plaintiff not seek, or in any way obtain or accept, any
25 monetary award, recovery or settlement therefrom and understand that such limitation does not in any
26 way restrict her ability to file and pursue such charge consistent with the confidentiality obligations set
27 forth in this Settlement Agreement; and further provided, however, that Plaintiff does not waive any
28 rights with respect to, or release Releasees from, any claims for California Workers’ Compensation

benefits, unemployment insurance or indemnification provided by state law (except that Plaintiff hereby releases and waives any claims that her termination was to avoid payment of such benefits or payments or that, as a result of her termination, she is entitled to additional benefits or payments); and further provided, however, that Plaintiff does not release any claim that cannot be released by private contract or for breach of the terms of the Settlement Agreement, subject to the confidentiality obligations in Section XI below; and further provided that, if any claim is not subject to release, to the extent permitted by law, Plaintiff waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective, or multiparty action or proceeding based on such a claim in which Defendant or any of the other Releasees is a party.

63. Thus, for the purpose of implementing a full and complete release and discharge of the Releasees, Plaintiff expressly acknowledges that this General Release is intended to include in its effect, without limitation, all claims which Plaintiff does not know or suspect to exist in Plaintiff's favor at the time of execution hereof, and that this General Release contemplates the extinguishment of any such claim or claims.

64. In connection with such waiver and relinquishment, Plaintiff hereby acknowledges that Plaintiff or her attorneys may hereafter discover claims or facts in addition to, or different from, those which she now knows or believes to exist, but that she expressly agrees to fully, finally and forever settle and release any and all claims, known or unknown, suspected or unsuspected, which exist or may exist on her behalf against Releasees at the time of execution of the Settlement Agreement, including, but not limited to, any and all claims relating to or arising from Plaintiff's employment with Releasees or the cessation of that employment. Plaintiff and Defendant further acknowledge, understand and agree that this representation and commitment is essential to each Party and that this Settlement Agreement would not have been entered into were it not for this representation and commitment.

65. It is further understood and agreed that as a condition of this General Release, and to effect a full and complete general release as described above, Plaintiff hereby expressly waives and relinquishes any and all claims, rights or benefits that they may have under California Civil Code Section 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR

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

5 Plaintiff warrants that she has read this Settlement Agreement, including the waiver of California Civil
6 Code section 1542, and that she has consulted with or had the opportunity to consult with counsel of her
7 choosing and specifically about the waiver of section 1542, that she understands this Agreement and the
8 section 1542 waiver, and that she freely and knowingly enters into this Agreement, this general release,
9 and the section 1542 waiver.

10 66. Plaintiff further agrees that, unless required to do so by law, she will not testify, provide
11 documents, or otherwise participate, or request others to participate on her behalf, in any proceeding or
12 litigation that is related to any conduct by any Releasee as of the date of this Settlement Agreement.
13 Notwithstanding the foregoing, nothing in this General Release will prohibit or restrict Plaintiff from: (i)
14 providing information to, or otherwise assisting in, an investigation by Congress, the Equal Employment
15 Opportunity Commission or the NLRB, the Securities and Exchange Commission ("SEC") or any other
16 federal regulatory or law enforcement agency or self-regulatory organization ("SRO"); (ii) testifying,
17 participating, or otherwise assisting in a proceeding relating to an alleged violation of any federal law
18 relating to fraud or any rule or regulation of the SEC or any SRO; or (iii) complying with a lawful
19 subpoena or other legal process, subject to the terms of the Settlement Agreement.

20 67. If any of the provisions, terms, clauses, waivers or releases of claims and rights
21 contained in this General Release are declared illegal, unenforceable, or ineffective in a legal forum of
22 competent jurisdiction, such provisions, terms, clauses, waivers or releases of claims or rights will be
23 modified, if possible, in order to achieve, to the extent possible, the intentions of the Parties and, if
24 necessary, such provisions, terms clauses, waivers and releases of claims and rights will be deemed
25 severable, such that all other provisions, terms, clauses and waivers and releases of claims and rights
26 contained in this General Release will remain valid and binding upon the Parties, provided, however,
27 that, notwithstanding any other provision of this General Release, if any portion of the waiver or release
28 of claims or rights is held to be unenforceable, Defendant may, at its option, seek modification or

1 severance of such portion, or terminate the Settlement Agreement pursuant to Section X.

2 68. Plaintiff further covenants that she will not participate in any other legal actions against
3 Releasees, and will opt-out of those actions if she becomes aware of such actions. Plaintiff further agrees
4 that any other dispute relating to her employment with Releasees will be subject to alternative dispute
5 resolution under Defendant's Binding Arbitration Agreement.

6 69. Plaintiff will certify that she has returned all of Defendant's property in her or her
7 attorney(s)' possession, custody or control, including without limitation, proprietary or confidential
8 information, equipment, telephones, credit cards, keys, pagers, tangible proprietary information,
9 documents, computers and computer discs, personal data assistants, files and data, which she prepared or
10 obtained during the course of her employment.

11 **VIII. DUTIES OF THE PARTIES**

12 70. Plaintiff's Counsel, subject to Defendant's approval, will submit this Settlement
13 Agreement to the Court together with the Motion for Settlement Approval and Judgment and a proposed
14 Order Granting Settlement Approval and Judgment. At least seven (7) days before submission to the
15 Court, Plaintiff will provide a draft of the Motion for Settlement Approval and Judgment and supporting
16 papers to Defendant for their review, comment, and approval. Concurrent with filing the Motion for
17 Settlement Approval and Judgment with the Court, Plaintiff will submit the Motion and any supporting
18 papers, including a copy of this Settlement Agreement, to the LWDA pursuant to Labor Code §
19 2699(l)(2).

20 71. Following entry of the Court's Order Granting Settlement Approval and Judgment, the
21 Parties will each act to assure its timely execution and the fulfillment of all provisions in that Order and
22 in this Settlement Agreement, including but not limited to the following:

23 71(a) Within thirty (30) days after the Settlement Effective Date, Defendant will
24 provide to the Settlement Administrator: (1) payment of the Maximum
25 Settlement Amount to fund the QSF, and (2) the Representative Action
26 Member list and identification and contact information specified in Section
27 V above. Defendant will submit this information in electronic format as
28 specified by the Settlement Administrator and will thereafter assist the

Settlement Administrator as necessary or as requested to use, correct, or update this information in order to enable the Settlement Administrator to locate and contact Representative Action Members, and to provide information needed or requested by the Settlement Administrator in order to make determinations on Representative Action Members' challenges.

71(b) Within ten (10) days after the Date of Court Approval, Representative Counsel will submit a copy of the Order Granting Settlement Approval and Judgment to the LWDA pursuant to Labor Code § 2699(l)(3).

71(c) Upon entry of each of the Order Granting Settlement Approval and Judgment, all Parties will waive their right to appeal the judgment and all other court orders in the Action, except that Representative Counsel reserve the right to appeal any reduction by the Court of the amounts requested for their attorneys' fees and costs.

71(d) Representative Counsel and Defendant's Counsel will assist the Settlement Administrator as needed or requested in the process of identifying and locating Representative Action Members entitled to payments from the Net Settlement Amount and assuring delivery of such payments.

71(e) Representative Counsel and Defendant's Counsel will cooperate with each other and assist the Settlement Administrator as needed or requested in completing the distribution of any residual amount of the Net Settlement Amount for any uncashed checks to the Cy Pres Recipient.

IX. SETTLEMENT APPROVAL PROCEDURES AND TIMELINE FOR COMPLETION OF SETTLEMENT

72. This Settlement Agreement will become final and effective only upon the occurrence of all of the following events:

72(a) Execution of this Settlement Agreement by the Parties and their respective counsel of record.

72(b) Submission of the Settlement Agreement to the Court for approval by

1 Plaintiff's filing of the Motion for Settlement Approval and Judgment.

2 72(c) Concurrent with the filing of the Motion for Settlement Approval and
3 Judgment, Plaintiff's submission of that Motion and supporting papers,
4 including the Settlement Agreement, to the LWDA.

5 72(d) Entry by the Court of an Order Approving Settlement Approval and
6 Judgment, which, among other things, must:

7 72(d)(i) approve the Settlement and the release of claims set forth
8 herein, adjudging the terms thereof to be fair, adequate,
9 reasonable, and binding on Plaintiff, the LWDA, and all
10 Representative Action Members through Plaintiff acting on
11 behalf of, and as a private attorney general for, the State of
12 California, the LWDA, and all Representative Action Members,
13 and directing that its terms and provisions be carried out;

14 72(d)(ii) approve Plaintiff as a representative for all Representative
15 Action Members and Representative Counsel as counsel for the
16 Representative Action Members;

17 72(d)(iii) approve settlement administration services to be provided by the
18 Settlement Administrator;

19 72(d)(iv) permanently enjoin and prohibit Plaintiff, the LWDA, and all
20 other Representative Action Members from pursuing and/or
21 seeking to reopen claims that have been released by this
22 Agreement;

23 72(d)(v) provide that the Court will retain jurisdiction to oversee
24 administration and enforcement of the terms of the Settlement
25 and the Court's orders;

26 72(d)(vi) otherwise incorporate the terms of this Settlement Agreement;
27 and

28 72(d)(vii) Occurrence of the Settlement Effective Date.

73. The schedule for approval and payment procedures carrying out this Settlement is as follows. The schedule may be modified depending on whether and when the Court grants necessary approvals. In the event of such modification, the Parties will cooperate in order to complete the settlement procedures as expeditiously as reasonably practicable.

By no later than [Date]	Plaintiff prepares and files in the Action, subject to Defendant's prior review, comment, and approval, the Motion for Settlement Approval and Judgment and supporting papers, including this Settlement Agreement and the proposed Order Granting Settlement Approval and Judgment. Concurrently with filing the Motion for Settlement Approval and Judgment, Plaintiff will submit the Motion and supporting papers, including Settlement Agreement, to the LWDA.
Settlement Effective Date	Following entry of the Order Granting Settlement Approval and Judgment, the latter of the following dates: (a) if an appeal, review, or writ is not sought from the Order Granting Settlement Approval and Judgment, the 61st day after service of notice of entry of the Order Granting Settlement Approval and Judgment; or (b) if an appeal, writ, or review is sought from the Order Granting Settlement Approval and Judgment, the day after the Order Granting Settlement Approval and Judgment is affirmed or the appeal, review, or writ is dismissed or denied, and the Order Granting Settlement Approval and Judgment is no longer subject to further judicial review.
Within 30 days after the Settlement Effective Date	Defendant to (1) transfer the Maximum Settlement Amount to the Settlement Administrator who will deposit in a Settlement Administrator-established interest-bearing account at a federally insured banking institution; and (2) provide the Settlement Administrator the most recent names, last known residence addresses and telephone numbers, social security numbers for all Representative Action Members, as well as the number of Applicable Pay Periods for Representative Action Members during the Covered Period.

Within 30 days after the Funding Date	Settlement Administrator to distribute and pay Settlement checks to the LWDA and to all Representative Action Members from the Net Settlement Amount, pay the Plaintiff her Service Enhancement, and pay Representative Counsel the attorney's fees and costs approved and awarded by the Court. Representative Counsel to submit a copy of the Order Granting Settlement Approval and Judgment to the LWDA.
180 days after distribution of settlement checks	Expiration of Representative Action Members' settlement checks
Within 210 days after distribution	Settlement Administrator to calculate and pay any remaining amount from the Net Settlement Amount (due to expired settlement checks) to the Cy Pres Recipient.

X. VOIDING OR MODIFYING THE SETTLEMENT AGREEMENT

74. Defendant has the right to withdraw from the Settlement at any time prior to the Settlement Effective Date if: (a) the Court denies approval of the Settlement or any material terms thereof (excluding any downward adjustment of Representative Counsel's requests for attorneys' fees, litigation costs and expenses, and the Service Enhancement); or (b) the Settlement is construed by the Court in such a fashion that Defendant is required to pay more than the Maximum Settlement Amount; or (c) the Court makes an order inconsistent with any of the terms of this Settlement Agreement; or (d) Plaintiff or her counsel breach this Settlement Agreement; or (e) the LWDA or any other state or government agency seeks to intervene in the Action and/or commence an enforcement action against Defendant or any of the Releasees. In the event of Defendant's withdrawal, Defendant will pay the costs already incurred by the Settlement Administrator, unless the withdrawal is the result of Plaintiff's or her counsel's breach of the Settlement Agreement.

75. If for any reason the Settlement Agreement is not approved, or the Court fails to enter the Order Granting Settlement Approval and Judgment, or Defendant or Plaintiff withdraw from the Settlement, this Settlement Agreement and any related settlement documents (including the Parties' memorandum of understanding) will be null and void, other than the confidentiality and non-disclosure provisions in Section XI, the non-admission provisions in Paragraph 37, and the litigation restoration

provisions in this Paragraph and in Paragraph 38. In such an event, neither this Settlement Agreement, nor the parties' memorandum of understanding, nor the settlement documents, nor the negotiations leading to the Settlement, may be used as evidence for any purpose, and Defendant will retain the right to challenge all claims and allegations in the Action and to assert all applicable defenses on all applicable grounds. The Parties will further cooperate to restore the Action to the status quo ante as of December 12, 2023, just prior to the parties' agreeing to settle those actions, and litigation in the Action will revert to the status quo ante as of December 12, 2023.

76. Other than as specified above, this Settlement Agreement may not be changed, altered, or modified, except in writing and signed by counsel for the Parties hereto, and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

XI. CONFIDENTIALITY AND PUBLICITY

77. Names of Representative Action Members and their allocation amounts will be kept strictly confidential by the Settlement Administrator, who will not release such information to Plaintiff or Representative Counsel and will only file such information under seal if necessary. Representative Counsel agrees that any information they receive or have received in connection with this Settlement, may be used for the purposes of settling the Action only, and may not be used for any purpose or in any other action or proceeding.

78. Plaintiff and Representative Counsel agree to keep this settlement confidential before the Motion for Settlement Approval and Judgment is filed with the Court, and after filing not to disclose the terms of this settlement, except in court papers, or if required by legal process, as necessary to effectuate and administer the terms of this Settlement, or for accounting or tax reporting purposes. Neither Plaintiff nor Representative Counsel, directly or indirectly, will issue a press release, hold a press conference, respond to any press inquiries, publish the settlement on any website (other than used by the Settlement Administrator for claims administration purposes), or on social media, or otherwise publicize the settlement, except that this provision will not apply to any reporting requirements by Defendant to its outside auditors or Board of Directors or as otherwise required by law.

79. Named Plaintiff and Class Counsel agree to destroy and confirm the destruction of all

confidential documents produced to them for settlement purposes in this action after the Settlement Administrator submits the final declaration of distributions and within fourteen (14) days of written request by Defendant.

XII. PARTIES' AUTHORITY

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

XIII. MUTUAL FULL COOPERATION

81. The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to, executing such documents and taking such other action as may reasonably be necessary to implement the terms of this Settlement Agreement including but not limited to, working cooperatively to address any questions raised by the Court, executing documents or amending documents as required by the Court, and taking such other action as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties to this Settlement Agreement will use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court or otherwise to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement Agreement, Representative Counsel will, with the assistance and cooperation of Defendant and its counsel, take all necessary steps to secure the Court's approval of this Settlement Agreement. In the event that after working cooperatively, for any reason, Court approval of the settlement is denied or Defendant withdraws from the Settlement pursuant to Section X, the Parties agree to fully cooperate with each other to restore the Action to the status quo ante as of December 12, 2023, the date of the Parties' memorandum of understanding.

XIV. NOTICES

82. Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder will be in writing and will be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed as follows:

To Representative Counsel: Raul Perez

CAPSTONE LAW APC
1875 Century Park East, Suite 1000
Los Angeles, California 90067
Telephone: (310) 556-4811
Facsimile: (310) 943-0396
raul.perez@capstonelawyers.com

To Defendant's Counsel: Kathryn T. McGuigan
MORGAN, LEWIS & BOCKIUS LLP
300 South Grand Ave., 22nd Floor
Los Angeles, CA 90071-3132
Telephone: (213) 612-7390
Facsimile: (213) 612-2501
kathryn.mcguigan@morganlewis.com

If the identity of the persons to be notified for any Party changes, or their address changes, that Party will notify all other Parties of said change in writing.

XV. MISCELLANEOUS PROVISIONS

A. Captions and Titles

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

B. Drafting

84. The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arms-length negotiations between the Parties. Neither Party will be considered the "drafter" of the Settlement Agreement for purposes of having terms construed against that Party, and this Settlement Agreement will not be construed in favor of or against any Party by reason of the extent to which any Party or his, her or its counsel participated in the drafting of this Settlement Agreement.

C. Extensions of Time

85. If a Party cannot reasonably comply with an obligation under this Settlement Agreement by the deadline set forth herein applicable to that obligation, that Party may apply to the Court for a reasonable extension of time to fulfill that obligation. Consent to such a request for an extension will not be unreasonably withheld by the other Party. The parties agree to cooperate so that the matter will be

resolved with appropriate dispatch and the settlement terms carried out without unnecessary delay.

D. Governing Law

86. The rights and obligations of the Parties hereunder will be construed and enforced in accordance with, and will be governed by, the laws of the State of California, without regard to principles of conflict of laws.

E. No Impact on Benefit Plans

87. Neither the Settlement Agreement nor any amounts paid under the Settlement Agreement will modify any previously credited hours or service under any employee benefit plan, policy, or bonus program sponsored by Defendant. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendant's sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Settlement will not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of Defendant's benefit plan, policy, or bonus program. Defendant retains the right to modify the language of its benefit plans, policies and bonus programs to effect this intent, and to make clear that any amounts paid pursuant to this Settlement Agreement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement Agreement.

F. Integration

88. This Settlement 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. No rights hereunder may be waived except in writing.

G. No Prior Assignments

89. This Settlement Agreement will be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators and successors. The Parties hereto represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any

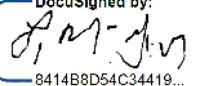
liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein.

H. Counterparts

90. This Settlement Agreement may be executed in counterparts with signatures transmitted by facsimile or as an electronic image of the original signature. When each Party has signed and delivered at least one such counterpart, each counterpart will be deemed an original, and, when taken together with other signed counterparts, will constitute one Settlement Agreement, which will be binding upon and effective as to all Parties. A facsimile signature or electronic image will have the same force and effect as the original signature.

READ CAREFULLY BEFORE SIGNING

Dated: 1/29/2024

PLAINTIFF
DocuSigned by:

8414B8D54C34419...y

DEFENDANT

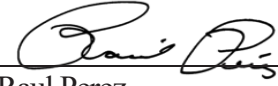
Dated: _____

Jennifer Puleo
Shield California Healthcare Center, Inc.

APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: January 29, 2024

By: 
Raul Perez

Attorneys for Plaintiff Leslie McGary

MORGAN, LEWIS & BOCKIUS LLP

Dated: _____

By: _____
Kathryn T. McGuigan

Attorneys for Defendant Shield California
HealthCare Center, Inc.

liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein.

H. Counterparts

90. This Settlement Agreement may be executed in counterparts with signatures transmitted by facsimile or as an electronic image of the original signature. When each Party has signed and delivered at least one such counterpart, each counterpart will be deemed an original, and, when taken together with other signed counterparts, will constitute one Settlement Agreement, which will be binding upon and effective as to all Parties. A facsimile signature or electronic image will have the same force and effect as the original signature.

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: _____

Leslie McGary

DEFENDANT

January 22, 2024
Dated: _____

Jennifer Puleo

28FE4C62A8BE412...

Jennifer Puleo

Shield California Healthcare Center, Inc.

APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: _____

By: _____

Raul Perez

Attorneys for Plaintiff Leslie McGary

MORGAN, LEWIS & BOCKIUS LLP

Dated: **January 23, 2024**

By: _____

Kathryn T. McGuigan

Attorneys for Defendant Shield California
HealthCare Center, Inc.

Exhibit A

EXHIBIT A

<<FIRST_NAME>><<LAST_NAME>>

<<ADDRESS1>>

<<ADDRESS2>>

Re: Notice of Settlement of Private Attorneys General Act Lawsuit -- *McGary v. Shield California HealthCare Center, Inc.*, Superior Court of California, County of San Bernardino, Case No. CIVSB2116302

1. WHAT IS THE LAWSUIT ABOUT?

Plaintiff Leslie McGary ("Plaintiff"), filed a representative action for civil penalties on behalf of the State of California against Defendant, Shield California HealthCare Center, Inc. ("Shield" or "Defendant").

Plaintiff claimed that she and certain other employees were not paid all wages owed, were not provided with compliant meal periods and rest periods, were not reimbursed for business expenses, were not paid sick leave, were not provided notice of material terms, were not timely paid wages, and were not provided with accurate itemized wage statements. Shield denies that it did anything unlawful and believes that it fully complied with all applicable laws.

Plaintiff brought this lawsuit under California's Labor Code Private Attorneys General Act ("PAGA"), which allows employees to step into the shoes of the State of California to claim civil penalties for the State based on alleged violations of the California Labor Code as to a defined group of "PAGA Members." In this case, the PAGA Members are Shield's non-exempt employees in California during the period from March 26, 2020 and [April 1, 2024 or the Date of Court Approval, whichever is earlier]. (the "PAGA Period").

2. WHY AM I RECEIVING THIS NOTICE AND CHECK?

Because of uncertainty and the expense of lawsuits, Plaintiff and Defendant reached an agreement to settle all alleged PAGA penalty claims which includes payments for attorney fees and costs, administration expenses, and a penalty payment to the State. The Judge in charge of the case has approved the settlement, and has approved issuance of payments including the enclosed check to you.

Under the Settlement, all PAGA Members are entitled to receive a portion of the total settlement amount; the State is entitled to most of the penalties. Under State law, seventy five percent (75%) of the civil penalties must be paid to a State agency called the Labor and Workforce Development Agency (LWDA). The remaining twenty-five percent (25%) of the penalties are paid to PAGA Members based on the number of pay periods that PAGA Members worked in a covered position during the PAGA Period.

You are receiving this notice and the enclosed check because you are entitled to a portion of the penalties that Defendant paid to settle the lawsuit. A check for your portion of penalties is enclosed.

3. DO I HAVE OPTIONS?

You do not have any options and do not need to take any actions. The enclosed check belongs to you. The check will remain valid for one hundred-eighty (180) days. If you do not cash your check within

180 days, the check will cancel. If your check is not cashed, the funds from your check will be sent to the Cy Pres Recipient, Alliance for Children's Rights of Los Angeles. The Settlement has already been approved by the Judge in this case.

4. WHAT CLAIMS ARE BEING RELEASED BY THE SETTLEMENT?

In exchange for the enclosed payment, you will release Defendant Shield California HealthCare Center, Inc., its affiliates, divisions, subsidiaries, parents, predecessors, any merged entity or merged entities and/or its or their present and former officers, partners, directors, employees, agents, shareholders and/or successors, assigns, trustees, heirs, administrators, executors, representatives and/or principals thereof, from the "Released Claims" defined as:

Any and all claims, obligations, demands, rights, allegations, causes of action, and liabilities against the Settling Defendants under PAGA that have been asserted in the Complaint and/or the First Amended Complaint and/or Plaintiff's PAGA letter to the LWDA, and any amendments thereto; or that could have been asserted in the Complaint, the First Amended Complaint, the PAGA letter to the LWDA, and any amendments thereto, based on the facts and matters pled therein, including but not limited to claims for failure to pay sick pay wages, failure to pay overtime wages, failure to pay minimum wages, failure to provide accurate or otherwise compliant wage statements, failure to provide meal periods, failure to provide rest periods, failure to pay all vested vacation time and paid time off, failure to timely pay wages during employment, failure to timely pay wages upon separation of employment, failure to provide personnel records, failure to provide written notice of material terms of employment, and failure to reimburse business expenses during the period from March 26, 2020 and [April 1, 2024 or the Date of Court Approval, whichever is earlier].

This release of the Released Claims is valid and effective regardless of whether you cash or deposit your check.

4. WHAT IF YOU NEED ADDITIONAL INFORMATION?

If you have any questions, you can contact the settlement administration (whose contact information is at the top of this letter), or visit the Court's website at the address below, where you can type in the case number "CIVSB2116302":

<https://cap.sb-court.org/search>

Sincerely,

[Administrator]