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

TONYA HALFHILL, individually and on behalf
of other individuals similarly situated,

Plaintiff,

v.

KAISER FOUNDATION HOSPITALS., a
California Nonprofit Corporation; a California
corporation; and DOES 1 through 100, inclusive,

Defendants.

CASE NO. RG21096610

*Assigned for all purposes to the
Hon. Evelio Grillo, Dept. 21*

**STIPULATION AND SETTLEMENT OF
CLASS, COLLECTIVE, AND
REPRESENTATIVE ACTION**

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DANYELL SANDERS

1 Subject to final approval by the Court, which counsel and the Parties agree to diligently pursue
2 and recommend in good faith, Plaintiffs Tonya Halfhill, Mario Moreno, Susie Drennan, and Danyell
3 Sanders, individually and on behalf of all other similarly situated persons and aggrieved employees, on
4 the one hand, and Defendant Kaiser Foundation Hospitals (“Defendant” or “KFH”), on the other hand
5 (collectively, the “Parties” and individually, a “Party”), hereby agree to the following binding settlement
6 of the class and representative actions designated *Halfhill v. Kaiser Foundation Hospitals* (Alameda Co.
7 Sup. Ct. Case No. RG21096610, filed April 20, 2021), *Sanders v. Kaiser Foundation Hospitals* (San
8 Francisco Co. Sup. Ct. Case No. CGC-21-595263, filed September 16, 2021), and *Moreno and Drennan*
9 *v. Kaiser Foundation Hospitals* (San Diego Sup. Ct. Case No. 37-2021-00042468, filed October 5,
10 2021) (collectively, the “Action”), pursuant to the terms and conditions set forth below (the
11 “Settlement,” “Settlement Agreement” or “Agreement”). Upon the Effective Date, and the payment by
12 Defendant of all monies due under the Agreement, the Parties shall file a Satisfaction of Judgment with
13 the Court.

14 **I. DEFINITIONS.**

15 The following definitions are applicable to this Settlement Agreement. Definitions contained
16 elsewhere in this Settlement Agreement will also be effective:

17 **A. “Action.”**

18 The cases entitled *Halfhill v. Kaiser Foundation Hospitals* (Alameda Co. Sup. Ct. Case No.
19 RG21096610, filed April 20, 2021), *Sanders v. Kaiser Foundation Hospitals* (San Francisco Co. Sup.
20 Ct. Case No. CGC-21-595263, filed September 16, 2021), and *Moreno and Drennan v. Kaiser*
21 *Foundation Hospitals* (San Diego Sup. Ct. Case No. 37-2021-00042468, filed October 5, 2021).

22 **B. “Third Amended Complaint.”**

23 Prior to seeking Court approval of the Settlement, Plaintiff Tonya Halfhill will file a third
24 amended complaint to: (1) add Plaintiffs Mario Moreno, Susie Drennan, and Danyell Sanders as
25 additional named plaintiffs; (2) modify the class definition and PAGA group definition to encompass the
26 definitions of Class Members and PAGA Group Members as set forth in Sections I.F and I.W below,
27 and; (3) add the claims and theories alleged in the *Sanders* and *Moreno/Drennan* complaints, claims
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under the Fair Labor Standards Act, and other claims and theories encompassed by the settlement and release below to ensure that all included Class Members, claims and theories are clearly articulated and covered. Defendant will stipulate to the filing of an amended Complaint. Defendant will agree not to remove the matter to federal court. Within 14 days after Plaintiff Halfhill amends her Complaint as noted above, Plaintiffs Sanders, Moreno and Drennan will request to have their claims dismissed without prejudice. Plaintiff Halfhill will also submit an Amended PAGA Letter to the Labor and Workforce Development Agency (“LWDA”) to properly exhaust all claims and theories alleged in the Third Amended Complaint.

C. “Attorneys’ Fees and Costs.”

The attorneys’ fees agreed upon by the Parties and approved by the Court for Class Counsel’s litigation and resolution of the Action, and all costs incurred and to be incurred by Class Counsel in the Action, including, but not limited to, costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court’s Order, securing the Court’s approval of the Settlement, administering the Settlement, any expert expenses, and securing dismissal of the Action. Class Counsel will request attorneys’ fees not to exceed one-third (1/3) of the Gross Fund Value of \$10,000,000, which is a total of \$3,333,333, and actual documented costs not to exceed \$150,000. The attorneys’ fees and costs awarded are subject to the Court’s approval. Defendant has agreed not to oppose Class Counsel’s request for attorneys’ fees and reimbursement of costs and expenses as set forth above. Such Attorneys’ Fees and Costs shall be paid from the Class Settlement Amount. Defendant shall have no liability for any other attorneys’ fees or costs. To the extent that the Court approves less than the amount of Attorneys’ Fees and Costs that Class Counsel request, the difference between the requested and awarded amounts will be distributed to Class Members on a proportional basis relative to the size of their claims as set forth in Section VI below. Class Counsel will be issued an IRS Form 1099 for the Attorneys’ Fees and Costs detailed in this Section and shall be solely and legally responsible for paying all applicable taxes on the payment made pursuant to this Section. Apart from this award of Attorneys’ Fees and Costs, Plaintiffs and Defendant waive any and all claims for fees, costs, indemnity or contribution against Plaintiffs, any Class Member, Class Counsel, Defendant or their counsel.

D. “Class Counsel.”

Bradley/Grombacher, LLP, Sommers Schwartz, P.C., The Restis Law Firm, P.C., and Setareh Law Group shall be appointed Class Counsel upon approval by the Court.

E. “Class List.”

A complete list of all Class Members that Defendant will diligently and in good faith compile from their records and provide to the Settlement Administrator within twenty-one (21) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include each Class Member’s full name, most recent mailing address, telephone number, Social Security number, dates of employment (*i.e.*, hire date and termination date, if applicable), Qualified Class, FLSA, and PAGA Work Weeks/ Pay Periods (as defined below), and any other relevant information needed to calculate settlement payments. Defendant will also provide the Settlement Administrator and Class Counsel with the total workweeks as of April 5, 2023 within twenty one (21) calendar days after Preliminary Approval of this Settlement.

F. “Class Member(s)” or “Settlement Class.”

All non-exempt persons who were employed by Defendant in the State of California at any time during the Class Period. It shall be an opt-out class.

G. “Class Period.”

The period from April 20, 2017 through December 31, 2023.

H. “Class Representative Enhancement Payment.”

The amount to be paid to Plaintiffs in recognition of their effort and work in prosecuting the Action on behalf of Class Members and for their general release of claims. Subject to the Court granting Final Approval of this Settlement Agreement, Plaintiffs Tonya Halfhill, Danyell Sanders, Mario Moreno and Susie Drennan will request Court approval of a Class Representative Enhancement Payment in the amount of \$7,500 for Tonya Halfhill, \$7,500 for Danyell Sanders, \$7,500 for Mario Moreno, and \$7,500 for Susie Drennan. Plaintiffs will be issued an IRS Form 1099 in connection with any Class Representative Enhancement Payment awarded by the Court. Plaintiffs shall be solely and legally responsible for paying any and all applicable taxes on this payment and shall hold Defendant harmless

1 from any claim or liability for taxes, penalties or interest arising as a result of the payment. The Class
2 Representative Enhancement Payments will be paid from the Class Settlement Amount and will be in
3 addition to Plaintiffs' individual settlement amounts paid pursuant to the Settlement. Defendant makes
4 no representations as to the tax treatment or legal effect of the payment called for herein, and Plaintiffs
5 are not relying on any statement or representation by Defendant or its counsel in this regard. To the
6 extent that the Court approves less than the amount of Class Representative Enhancement Payments that
7 Plaintiffs request, the difference between the requested and awarded amounts will be distributed to Class
8 Members on a proportional basis relative to the size of their claims.

9 **I. "Class Settlement Amount."**

10 The sum of no more than a Gross Fund Value of Ten Million Dollars (\$10,000,000.00) to be
11 paid by Defendant in full satisfaction of all claims arising from the Action. The Settlement will be on a
12 common fund basis, there will be no claim form or claims process and there will be no reversion to
13 Defendant. The Class Settlement Amount includes all Individual Settlement Payments to Class
14 Members, the Class Representative Enhancement Payments to Plaintiffs, Settlement Administration
15 Costs to the Settlement Administrator, the FLSA Subclass Payment, the PAGA Settlement Amount
16 (including the LWDA Payment and PAGA Settlement Payment), and the Attorneys' Fees and Costs.
17 Defendant will be responsible for any employer payroll taxes required by law, separate and in addition
18 to the Class Settlement Amount, including the employer FICA, FUTA, and SDI contributions on the
19 wage portion of the Individual Settlement Payments.

20 Defendant estimates that as of April 5, 2023, there are 14,425,260 workweeks from the
21 beginning of the Settlement Period. If the workweeks as of April 5, 2023 are more than 10% greater
22 than 14,425,260, Defendant will pay an increased pro rata amount for each 1% over 10%, so that if the
23 additional workweeks are 11% Defendant will pay an additional 1%, if the additional workweeks are
24 12% Defendant will pay an additional 2%.

25 **J. "Effective Date."**

26 The date upon which both of the following have occurred: (i) final approval of the settlement
27 is granted by the Court and (ii) the Court's Judgment approving the settlement becomes Final. Final
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1 shall mean the latest of: (i) if there is an appeal of the Court’s Judgment, the date the Judgment is
2 affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file a petition
3 for review with the California Supreme Court or other court in California assuming jurisdiction of this
4 matter, or, (ii) if a petition for review is filed, the date of denial of the petition, or the date the Court’s
5 Judgment is affirmed pursuant to such petition; or (iii) if no appeal is filed, the expiration date of the
6 time for filing or noticing any appeal of the Court’s Judgment. If a timely objection to settlement is
7 filed (including an objection from the LWDA), “Effective Date” shall be the later of: (a) the date on
8 which the time for all appeals relating to objections to Settlement and the Final Approval Order has
9 expired; or (b) if an appeal, review or writ is sought, the date on which the highest reviewing court
10 renders its decision denying any petition (where the immediately lower court affirmed the judgment) or
11 affirming the judgment. Provided, however, if the California Labor & Workforce Development
12 Agency (“LWDA”) has commenced an investigation or issued a Citation prior to the Effective Date, as
13 determined under the forgoing definition, the Effective Date will be extended to the date that the
14 LWDA concludes its investigation or resolves the Citation (whichever is later), or if the LWDA objects
15 to the Settlement, the date when the LWDA’s objection to the Settlement is resolved and no longer
16 appealable.

17 **K. “Final Approval” or “Final Award.”**

18 The Court entering an Order Granting Final Approval of the Settlement Agreement.

19 **L. “FLSA Subclass.”**

20 The Parties agree that \$200,000 (“FLSA Subclass Payment”) will be allocated to the FLSA
21 Subclass, which will be composed of all Settlement Class Members who were employed by Defendant
22 in the State of California between April 20, 2018 through December 31, 2023 (“FLSA Subclass
23 Period”).

24 **M. “Individual Class Settlement Payment.”**

25 Each Class Member’s share of the Net Settlement Amount minus the FLSA Subclass Payment
26 and the PAGA Settlement Payment, which shall be distributed to the Class Members, less employee
27 portions of state and federal withholding taxes, including the employee FICA, FUTA and SDI
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contributions and any other applicable payroll deductions required by law as a result of the payment of the amount allocated to such Class Member as set forth herein.

N. “Individual FLSA Settlement Payment.”

Each FLSA Subclass Member’s share of the FLSA Subclass Payment, which shall be distributed to the FLSA Subclass Members.

O. “Individual PAGA Settlement Payment.”

Each PAGA Group Member’s share of the PAGA Settlement Payment (defined in Section I.R, below), which shall be distributed to the PAGA Group Members.

P. “Individual Settlement Payment.”

The payment to each Class Member that is the sum of the Class Member’s Individual Class, FLSA, and PAGA Settlement Payments.

Q. “LWDA Notice.”

The Parties agree that Plaintiffs will submit Notice to the Labor and Workforce Development Agency (“LWDA”) of this Settlement along with a copy of this Settlement Agreement within ten (10) calendar days of its execution by all Parties and Class Counsel, and will thereafter submit a copy of any judgment or any other order (*e.g.*, the Final Award) providing for an award of civil penalties in conformity with Labor Code Section 2699(l).

R. “LWDA Payment.”

The amount that the Parties have agreed to pay to the LWDA in connection with settlement of Plaintiffs’ PAGA claims. The Parties have agreed that \$300,000 of the Class Settlement Amount will be allocated to the resolution of any Class Members’ claims arising under the PAGA (“PAGA Settlement Amount”). Pursuant to the PAGA, \$225,000 (75%) of the PAGA Settlement Amount will be paid to the LWDA (“LWDA Payment”) and \$75,000 (25%) of the PAGA Settlement Amount will be included in the Net Settlement Amount. The \$75,000 included in the Net Settlement Amount will be referred to as the “PAGA Settlement Payment.” Any change in the requested PAGA Settlement Amount is not a material term of this Agreement. If the Court approves a lesser or greater amount than that requested, the other terms of this Agreement shall still remain in effect. However, some approval of a PAGA

Settlement Amount is a material term of the Settlement and this Agreement. If the Court does not approve any PAGA Settlement Amount, then the entire Agreement will be, at Defendant's sole discretion, void and unenforceable. In such a case, the Parties shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Settlement Agreement, and the Parties shall proceed in all respects as if this Settlement Agreement had not been executed, except that the costs of administration shall be borne by Defendant.

S. "Net Settlement Amount."

The portion of the Class Settlement Amount remaining after deduction of the approved Class Representative Enhancement Payment, Settlement Administration Costs, LWDA Payment, and the Attorneys' Fees and Costs. \$200,000 of the Net Settlement Amount will be attributed to the FLSA Subclass Payment. \$75,000 of the Net Settlement Amount will be attributed to the PAGA Settlement Payment.

T. "Notice of Class Action Settlement."

The document substantially in the form attached as **Exhibit 1** that will be mailed to Class Members' last known addresses and which will provide Class Members with information regarding the Action and information regarding the Settlement of the Action.

U. "Notice of Objection."

A Class Member's valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include the objector's full name, signature, address, telephone number and a written statement of all grounds for the objection accompanied by legal support, if any, for such objection. The Notice of Objection must be returned by mail or fax to the Settlement Administrator at the specified address or facsimile number and postmarked or faxed on or before the Response Deadline. The date of the postmark or fax receipt confirmation will be the exclusive means to determine whether a Notice of Objection has been timely submitted.

Class Members who fail to make objections in the manner specified above shall be deemed to have waived any objections and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement Agreement. Neither the Parties nor their counsel will solicit or otherwise

1 encourage Class Members to submit written objections to the Settlement Agreement or appeal from the
2 Order and Judgment. Class Counsel will not represent any Class Members with respect to any such
3 objections to this Settlement. The Settlement Administrator shall provide counsel for the Parties with
4 complete copies of all objections received, including the date of postmark or fax receipt confirmation for
5 each objection, within five (5) business days of receipt. Class Counsel will provide copies of any
6 objections and supporting documents to the Court at least sixteen (16) court days before the Preliminary
7 Approval Hearing. A Class Member who excludes himself or herself from the Settlement shall lose
8 standing to object.

9 **V. “Notice Packet.”**

10 The Notice of Class Action Settlement and Individual Settlement Payment calculations. The
11 packet will include Qualified Class, FLSA, and PAGA Pay Periods/ Work Weeks information.

12 **W. “PAGA Group.”**

13 The Parties agree that the PAGA Settlement Payment will be allocated to the PAGA Group,
14 which will be composed of all Settlement Class Members who were employed by Defendant in the State
15 of California between June 7, 2020 through December 31, 2023 (“PAGA Period”). Upon the final
16 approval by the Court of this settlement, named Plaintiffs Tonya Halfhill, Danyell Sanders, Mario
17 Moreno, and Susie Drennan will release Defendant and Releasees of all Released Claims under the
18 Private Attorneys General Act of 2004 (“PAGA”) on behalf of the Labor and Workforce Development
19 Agency.

20 **X. “Plaintiffs.”**

21 Plaintiffs Tonya Halfhill, Danyell Sanders, Mario Moreno, and Susie Drennan, on behalf of
22 themselves and all others similarly situated and the general public.

23 **Y. “Preliminary Approval.”**

24 The Court’s order granting preliminary approval of the Settlement Agreement.

25 **Z. “Qualified Class Workweeks”** means the weeks worked by an individual Class Member
26 as shown in Defendant’s records while the individual Class Member was employed by Defendant in
27 California in an hourly, non-exempt position during the Class Period.

1 **AA. “Qualified FLSA Workweeks”** means the weeks worked by an individual FLSA
2 Subclass Member as shown in Defendant’s records while the individual FLSA Subclass Member was
3 employed by Defendant in California in an hourly, non-exempt position during the FLSA Subclass
4 Period.

5 **BB. “Qualified PAGA Pay Periods”** means the pay periods by an individual PAGA Group
6 Member as shown in Defendant’s records while the individual PAGA Group Member was employed by
7 Defendant in California in an hourly, non-exempt position during the PAGA Period.

8 **CC. “Qualified Settlement Account.”**
9 The fund established by the Settlement Administrator pursuant to Internal Revenue Code Section
10 1.468B-1.

11 **DD. “Released Claims.”**
12 As of the date of the Order Granting Final Approval, Class Members who do not opt out shall
13 release Defendant and its present and former affiliates and all of their officers, directors, employees,
14 agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any other
15 persons acting by, through, under or in concert with any of them (“Releasees”), from any and all claims,
16 debts, liabilities, demands, obligations, penalties, premium pay, guarantees, costs, expenses, attorney’s
17 fees, damages, actions or causes of action of whatever kind or nature, whether known or unknown,
18 contingent or accrued, under any legal theory under federal and state law for any alleged failure to pay
19 all wages due (including minimum wage and overtime wages), claims regarding rounding, grace
20 periods, shift tolerance, failure to pay for all hours worked (including off-the clock work), failure to
21 provide meal and rest periods, short/late meal and rest periods, failure to relieve of all duties during meal
22 and rest periods, combining of meal and rest periods, that Defendant’s exemption permit from the DLSE
23 is not valid or does not apply to Class Members, failure to timely pay wages and final wages, failure to
24 properly calculate the regular rate of pay, failure to pay or properly calculate meal period premiums,
25 donning and doffing, pre or post-shift testing or inspections, COVID-19 related activities including
26 testing, reporting, and queuing for testing, reporting time pay, failure to furnish accurate wage
27 statements including claims derivative and/or related to these claims, liquidated damages, conversion of
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wages, that the Labor Code Section 514 exemption does not apply to Defendant's employees, pre and post-shift work and record-keeping violations, up to and including the date of preliminary approval by the Court. This Release shall include all claims and theories arising under the California Labor Code, wage orders, and applicable regulations, including Labor Code Sections 201, 202, 203, 204, 206, 218, 218.5, 226, 226.3, 226.7, 227, 510, 511, 512, 515, 517, 551, 552, 558, 1174, 1175, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, and 1199, all claims and theories arising under Labor Code Section 2802 (except that the release shall not include claims related solely to working from home under Labor Code Section 2802), as well as claims under Business and Professions Code section 17200 *et seq.* and/or Labor Code Section 2698 *et seq.* based on alleged violations of the above Labor Code provisions, as alleged in the lawsuits. The release shall run through December 31, 2023. For the post Preliminary Approval period of time, Defendant shall have the option to pay in an additional proportionate amount based on the number of additional pay periods.

FLSA Subclass Members who timely cash or otherwise negotiate their Settlement Payment Check will be deemed to have opted into the Action for purposes of the FLSA and, as to those Class Members, the Released Claims include any and all claims the Class Members may have under the FLSA arising under or related to the alleged claims during the FLSA Subclass Period. Only those FLSA Subclass Members who timely cash or otherwise negotiate their Settlement Payment Check will be deemed to have opted into the Action for purposes of the FLSA and thereby release and waive any of their claims under the FLSA arising under or relating to the alleged claims. This release excludes the release of claims not permitted by law. The following language will be printed on the reverse of each Settlement Payment Check, or words to this effect: "By endorsing or otherwise negotiating this check, I acknowledge that I read, understood, and agree to the terms set forth in the Notice of Class Action Settlement and I consent to join in the Fair Labor Standards Act ("FLSA") portion of the [Action], elect to participate in the settlement of the FLSA claims, and agree to release all of my FLSA claims that are covered by the Settlement."

This Agreement is contingent upon the release by the Class Members (including Class Representatives) as described herein, and the additional release of the Class Representatives as described

below, and upon covenants by the Class Representatives and Class Members that they will not participate in any actions, lawsuits, proceedings, complaints or charges in any court or before any administrative body related to any claims they have released under this Agreement. However, nothing in this agreement precludes Class Members or Class Representatives from responding to lawfully issued subpoenas, or participating in any government enforcement action.

EE. “Class Representatives’ Release”

Upon the Effective Date, and as a condition of receiving any portion of their Class Representative Enhancement Payments, Class Representatives Tonya Halfhill, Danyell Sanders, Mario Moreno, and Susie Drennan shall fully and finally release the Released Parties from any and all claims, known and unknown, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, including but not limited to claims arising from or related to their employment with Defendant and their compensation while an employee of Defendant which occurred before or during the Class Period.

The Class Representatives’ released claims include all claims against the Released Parties, whether known or unknown. Thus, Class Representatives Tonya Halfhill, Danyell Sanders, Mario Moreno, and Susie Drennan waive all rights provided by California Civil Code section 1542, which states:

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

Notwithstanding this release, Plaintiff Danyell Sanders is not releasing the claims asserted in *Sanders v. Kaiser Foundation Hospitals et al.*, Los Angeles Superior Court Case No. 21STCV40840, The general release is not applicable to or related to Workers’ Compensation claims.

FF. “Released Parties.”

Defendant and its present and former affiliates 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.

GG. “Request for Exclusion.”

A notice submitted by a Class Member requesting to be excluded from the Settlement. For the Request for Exclusion to be valid, it must include the Class Member’s full name, signature, address, telephone number and a written statement requesting to be excluded from this Settlement. The Request for Exclusion must be returned by mail or fax to the Settlement Administrator at the specified address or facsimile number and postmarked or faxed on or before the Response Deadline. The date of the postmark or fax receipt confirmation will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. A Class Member who does not submit a timely and valid Request for Exclusion from the Settlement will be deemed a Class Member and will be bound by all terms of the Settlement Agreement if the Settlement is granted Final Approval by the Court.

Any Class Member who opts out of this Agreement may not submit an Objection and shall not receive any Individual FLSA or Class Settlement Payment, and shall not be bound by the Class or FLSA releases set forth in this Agreement. However, a PAGA Group Member who submits a Request for Exclusion will still remain a member of the PAGA Group, will receive a PAGA Settlement Payment, and will release the PAGA claims in Section I.DD of this Agreement. If a Class Member submits both a Request for Exclusion and an Objection, then the Request for Exclusion will be valid and will invalidate the Objection. Plaintiffs, as Class Representatives, are not permitted to, and agree that they will not, opt out of this Agreement.

HH. “Response Deadline.”

The deadline by which Class Members must mail or fax to the Settlement Administrator valid Requests for Exclusion, Notices of Objection to the Settlement, or Qualified Class, FLSA, or PAGA Work Weeks/ Pay Periods disputes (“Qualified Work Weeks Disputes”). The Response Deadline will be forty-five (45) calendar days from the initial mailing of the Notice Packet by the Settlement

1 Administrator, unless the 45th day falls on a Sunday or Federal holiday, in which case the Response
2 Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response
3 Deadline for Requests for Exclusion, Notices of Objection, or Qualified Work Weeks Disputes will be
4 extended fifteen (15) calendar days for any Class Member who is re-mailed a Notice Packet by the
5 Settlement Administrator, unless the 15th day falls on a Sunday or Federal holiday, in which case the
6 Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The
7 Response Deadline may also be extended by express agreement between Class Counsel and Defendant.
8 Under no circumstances, however, will the Settlement Administrator have the authority to unilaterally
9 extend the deadline for Class Members to submit a Request for Exclusion, Notice of Objection to the
10 Settlement, or Qualified Work Weeks Disputes.

11 **II. “Settlement Administrator.”**

12 ILYM shall be the third-party class action settlement administrator as agreed to by the Parties
13 and approved by the Court for the purposes of administering this Settlement and will issue to class
14 members a form W-2 and 1099 for all amounts paid under this Settlement, making all deductions and
15 withholdings required under law. The Parties mutually selected ILYM after soliciting bids from three
16 class action settlement administrators. The Parties each represent that they do not have any financial
17 interest in the Settlement Administrator or otherwise have a relationship with the Settlement
18 Administrator that could create a conflict of interest.

19 **JJ. “Settlement Administration Costs.”**

20 The costs payable from the Class Settlement Amount to the Settlement Administrator are for
21 administering this Settlement, including, but not limited to, printing, distributing, and tracking
22 documents for this Settlement, calculating estimated amounts per Class Member, tax reporting,
23 distributing the Class Settlement Amount, and providing necessary reports and declarations, and other
24 duties and responsibilities set forth herein to process this Settlement Agreement, and as requested by the
25 Parties. The Settlement Administration Costs will be paid from the Class Settlement Amount, including,
26 if necessary, any such costs in excess of the amount represented by the Settlement Administrator as
27 being the maximum costs necessary to administer the Settlement. The Settlement Administration Costs
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are currently estimated to be approximately \$170,000. To the extent actual Settlement Administration Costs are greater than \$170,000 such excess amount will be deducted from the Class Settlement Amount, subject to the Court's approval. The Settlement Administration Costs will be paid no sooner than fifteen (15) calendar days following the Effective Date.

KK. "Settlement Payment Check."

The payment to Class Members. For FLSA Subclass members, the back of the Settlement Payment Check shall state, immediately below the space where the check is to be endorsed by the payee: "By endorsing or otherwise negotiating this check, I acknowledge that I read, understood, and agree to the terms set forth in the Notice of Class Action Settlement and I consent to join in the Fair Labor Standards Act ("FLSA") portion of the [Action], elect to participate in the settlement of the FLSA claims, and agree to release all of my FLSA claims that are covered by the Settlement."

LL. "Total Qualified Class Work Weeks" means the total aggregate amount of Qualified Class Work Weeks worked by all Class Members while employed by Defendant in California as an hourly paid, non-exempt position in California during the Class Period.

MM. "Total Qualified FLSA Work Weeks" means the total aggregate amount of Qualified FLSA Work Weeks worked by all FLSA Subclass Members while employed by Defendant in California as an hourly paid, non-exempt position in California during the FLSA Subclass Period.

NN. "Total Qualified PAGA Pay Periods" means the total aggregate amount of Qualified PAGA Pay Periods worked by all PAGA Group Members while employed by Defendant in California as an hourly paid, non-exempt position in California during the PAGA Period.

II. FUNDING OF THE CLASS SETTLEMENT AMOUNT.

Within fourteen (14) calendar days after the Effective Date of the Settlement, Defendant will make a one-time deposit of all approved and claimed amounts from the Class Settlement Amount into a Qualified Settlement Account to be established by the Settlement Administrator. Within fourteen (14) calendar days of the funding of the Settlement, the Settlement Administrator will issue payments to: (a) Class Members; (b) the Labor and Workforce Development Agency (LWDA); (c) Plaintiffs; and (d) Class Counsel. The Settlement Administrator will also issue a payment to itself for Court-approved

services performed in connection with the Settlement. Defendant has no obligation to deposit such funds prior to the deadline set forth herein.

III. ATTORNEYS' FEES AND COSTS.

Defendant agrees not to oppose any application by Class Counsel for attorneys' fees of not more than \$3,333,333, plus actual documented costs not to exceed \$150,000. Class Counsel shall not be entitled to attorneys' fees or costs for work performed in the Action other than as provided in this Settlement Agreement. The instant Settlement Agreement is the exclusive means for recovery of attorneys' fees and costs incurred in the Action by any attorney, law firm and/or other legal services provider.

IV. LABOR AND WORKFORCE DEVELOPMENT AGENCY PAYMENT.

Subject to Court approval, the Parties agree that \$300,000 of the Class Settlement Amount will be designated for satisfaction of Plaintiffs' and Class Members' PAGA claims (the "PAGA Settlement Amount"). Pursuant to the PAGA, \$225,000 (75%) of the PAGA Settlement Amount will be paid to the LWDA and \$75,000 (25%) of the PAGA Settlement Amount will be included in the Net Settlement Amount.

V. NET SETTLEMENT AMOUNT.

The Net Settlement Amount will be used to satisfy Individual Settlement Payments to Class Members from the Settlement Class in accordance with the terms of this Settlement.

VI. INDIVIDUAL SETTLEMENT PAYMENT CALCULATIONS.

A. Individual FLSA Subclass Settlement Payment

\$200,000 of the Net Settlement Amount will be apportioned among the FLSA Subclass. Specific calculations of Individual FLSA Subclass Settlement Payments will be made as follows:

Defendant will calculate the Qualified FLSA Work Weeks of each Class Member during the FLSA Subclass Period, and provide these calculations to Settlement Administrator. FLSA Subclass Members will receive a pro-rated share of the FLSA Subclass Payment, less applicable withholdings, based on their work weeks as a non-exempt hourly paid employee of Defendant during the FLSA Subclass

Period (“Qualified FLSA Work Weeks”). Each FLSA Subclass Member is entitled to receive an amount that is determined by multiplying the FLSA Subclass Payment by a ratio that is determined by dividing a FLSA Subclass Member’s Qualified FLSA Work Weeks during the FLSA Subclass Period in California by the Qualified FLSA Work Weeks of all FLSA Subclass Members employed by Defendant during the FLSA Subclass Period (“Total Qualified FLSA Work Weeks”) as expressed in the following formula: FLSA Subclass Member Payment = (FLSA Subclass Member’s Qualified FLSA Work Weeks divided by Total Qualified FLSA Work Weeks) x FLSA Subclass Payment.

B. Individual PAGA Settlement Payment

\$75,000 of the Net Settlement Amount will be apportioned among the PAGA Group. Specific calculations of Individual PAGA Settlement Payments will be made as follows:

Defendant will calculate the Qualified PAGA Pay Periods of each PAGA Group Member during the PAGA Period, and provide these calculations to Settlement Administrator. PAGA Group Members will receive a pro-rated share of the PAGA Settlement Payment, based on their Pay Periods as a non-exempt hourly paid employee of Defendant during the PAGA Period (“Qualified PAGA Pay Periods”). Each PAGA Group Member is entitled to receive an amount that is determined by multiplying the PAGA Settlement Payment by a ratio that is determined by dividing a PAGA Group Member’s Qualified PAGA Pay Periods during the PAGA Period in California by the Qualified PAGA Pay Periods of all PAGA Group Members employed by Defendant during the PAGA Period (“Total Qualified PAGA Pay Periods”) as expressed in the following formula: PAGA Group Member Payment = (PAGA Group Member’s Qualified PAGA Pay Periods divided by Total Qualified PAGA Pay Periods) x PAGA Settlement Payment.

C. Individual Class Settlement Payment

Separate and apart from PAGA Settlement Payment and FLSA Subclass Payments, Individual Class Settlement Payments will be calculated and apportioned from the Net Settlement Amount minus the FLSA Subclass Payment and the PAGA Settlement Payment based on the Qualified Class Work Weeks of each Class Member during the Class Period. Specific calculations of Individual Class Settlement Payments will be made as follows:

Defendant will calculate the Qualified Class Work Weeks of each Class Member during the Class Period, and provide these calculations to Settlement Administrator. Class Members will receive a pro-rated share of the Net Settlement Amount (“NSA”) minus the FLSA Subclass Payment of \$200,000 and the PAGA Settlement Payment of \$75,000 (the “Remaining NSA”), less applicable withholdings, based on their Work Weeks as a non-exempt hourly paid employee of Defendant during the Class Period (“Qualified Class Work Weeks”). Each Class Member is entitled to receive an amount that is determined by multiplying the Remaining NSA by a ratio that is determined by dividing a Class Member’s Qualified Class Work Weeks during the Class Period in California by the Qualified Class Work Weeks of all Class Members employed by Defendant during the Class Period (“Total Qualified Work Weeks”) as expressed in the following formula: Class Member Payment = (Class Member’s Qualified Class Work Weeks divided by Total Qualified Class Work Weeks) x Remaining NSA.

D. Individual Settlement Payment Calculation

Each Class Member’s Individual Settlement Payment will be the sum of the Class Member’s Individual FLSA Subclass Settlement Payment, Individual PAGA Settlement Payment, and Individual Class Settlement Payment. Each Class Member’s Individual Settlement Payment will be reduced by any required deductions for the Class Member as set forth herein, including employee-side tax withholdings or deductions.

1 The Individual Settlement Payments made to Class Members under this Settlement, and any
2 other payments made pursuant to this Settlement, will not be utilized to calculate any additional benefits
3 under any benefit plans to which any Class Members may be eligible, including, but not limited to,
4 profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans,
5 PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this settlement will not
6 affect any rights, contributions, or amounts to which any Class Members may be entitled under any
7 benefit plans.

8 **VII. SETTLEMENT ADMINISTRATION PROCESS.**

9 1. The Parties agree to cooperate in the administration of the Settlement and to make all
10 reasonable efforts to control and minimize the costs and expenses incurred in administration of the
11 Settlement. The Settlement Administrator will provide the following services:

- 12 a. Establish and maintain a Qualified Settlement Account.
- 13 b. Calculate the Individual Class, FLSA, and PAGA Settlement Payment each Class
14 Member is eligible to receive, and the sum of such payments.
- 15 c. Translate the Notice Packet into Spanish by request of Class Members.
- 16 d. Print and mail the Notice Packet.
- 17 e. Establish and maintain a toll-free information telephone support line to assist
18 Class Members who have questions regarding the Notice Packet.
- 19 f. Conduct additional address searches for mailed Notice Packets that are returned
20 as undeliverable.
- 21 g. Process Requests for Exclusion, calculate Class Members' Individual Class,
22 PAGA, and FLSA Settlement Payment and the sum of such payments, field
23 inquiries from Class Members, and administer any Requests for Exclusion. This
24 service will include settlement proceeds calculation, printing and issuance of
25 Settlement Payment Checks, and preparation of IRS W-2 and 1099 Tax Forms.
26 Basic accounting for and payment of employee tax withholdings and forwarding

all payroll taxes and penalties to the appropriate government authorities will also be included as part of this service.

h. Settling disputes from Class Members regarding Work Weeks and Pay Periods, with the involvement and assistance of Defendant's counsel and Class Counsel.

i. Issuing to Plaintiffs, Class Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement.

j. Provide declarations and/or other information to the Court as requested by the Parties and/or the Court.

k. Provide weekly status reports to counsel for the Parties.

2. Within twenty-one (21) calendar days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator.

3. Within thirty (30) calendar days after receiving the Class List from Defendant, the Settlement Administrator will mail a Notice Packet to all Class Members via regular First-Class U.S. Mail, using the last known mailing addresses identified in the Class List.

4. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct any known or identifiable address changes. Any Notice Packets returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Notice Packet. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address and/or Social Security number of the Class Member involved, and will then perform a single re-mailing. Those Class Members who receive a re-mailed Notice Packet, whether by skip-trace or by request, will have between the later of (a) an additional fifteen (15) calendar days or (b) the Response Deadline to postmark or fax a Request for Exclusion or Notice of Objection to the Settlement.

1 5. All Class Members will be mailed a Notice Packet containing the forms attached as
2 Exhibit 1 as approved by the Court.

3 6. Class Members will have an opportunity to dispute the information provided in their
4 Notice Packets. To the extent Class Members dispute the Qualified Class, FLSA, or PAGA Work
5 Weeks/ Pay Periods (“Qualified Work Weeks Dispute”) to which they have been credited or the amount
6 of their Individual Settlement Payment, Class Members may produce evidence to the Settlement
7 Administrator showing that such information is inaccurate. Absent evidence rebutting Defendant’s
8 records, Defendant’s records will be presumed determinative. However, if a Class Member produces
9 evidence to the contrary, the Settlement Administrator will evaluate the evidence submitted by the Class
10 Member and will make the final decision as to the amount of Qualified Class, PAGA, and/or FLSA
11 Work Weeks/ Pay Periods that should be applied and/or the Individual Settlement Payment to which the
12 Class Member may be entitled. The Qualified Work Weeks Dispute must be returned by mail or fax to
13 the Settlement Administrator at the specified address or facsimile number and postmarked or faxed on or
14 before the Response Deadline. The date of the postmark or fax receipt confirmation will be the
15 exclusive means to determine whether a Qualified Work Weeks Dispute has been timely submitted. All
16 such disputes are to be resolved not later than fourteen (14) calendar days after the Response Deadline.

17 7. Defective Submissions. If a Class Member’s Request for Exclusion is defective as to the
18 requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The
19 Settlement Administrator will mail the Class Member a cure letter within three (3) business days of
20 receiving the defective submission to advise the Class Member that his or her submission is defective
21 and that the defect must be cured to render the Request for Exclusion valid. The Class Member will
22 have until the later of (a) the Response Deadline or (b) fifteen (15) calendar days from the date of the
23 cure letter, whichever date is later, to postmark or fax a revised Request for Exclusion.

24 8. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
25 Settlement Agreement must sign and postmark or fax a written Request for Exclusion to the Settlement
26 Administrator within the Response Deadline. The date of the postmark on the return mailing envelope
27 or the fax receipt confirmation will be the exclusive means to determine whether a Request for
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1 Exclusion has been timely submitted. All Requests for Exclusion will be submitted to the Settlement
2 Administrator, who will certify jointly to Class Counsel and Defendant's Counsel the Requests for
3 Exclusion that were timely submitted. Any Class Member who does not timely seek exclusion will be
4 bound by the terms of this Settlement Agreement.

5 **VIII. NULLIFICATION OF THE SETTLEMENT AGREEMENT.**

6 1. Defendant's Option to Nullify the Settlement Agreement. If more than two percent (2%)
7 of the Class Members opt out of the Settlement, Defendant, in its sole discretion, shall have the option of
8 nullifying the Settlement Agreement. Defendant shall give written notice to Class Counsel within five
9 (5) calendar days after the Settlement Administrator informs the Parties that the opt out rate exceeds two
10 percent (2%). In such a case, the Parties and any funds to be awarded under this Settlement Agreement
11 shall be returned to their respective statuses as of the date and time immediately prior to the execution of
12 this Agreement, and the Parties shall proceed in all respects as if this Settlement Agreement had not
13 been executed, except that any fees already incurred by the Settlement Administrator shall be paid by
14 Defendant.

15 2. Nullification of the Settlement Agreement. In the event: (i) the Court does not enter the
16 Preliminary Approval Order and approve the Released Settlement specified herein; (ii) the Court does
17 not finally approve the Settlement as provided herein; (iii) Defendant exercises their option to nullify the
18 Settlement Agreement based on an excessive number of opt-outs, as described in the above Section; or
19 (iv) the Settlement does not become final for any other reason (*e.g.*, an objection by the LWDA), this
20 Settlement Agreement shall be null and void. Any order or judgment entered by the Court in
21 furtherance of this Settlement Agreement shall be treated as void from the beginning, and the
22 Stipulations and Recitals contained herein shall be of no force or effect, and shall not be treated as an
23 admission by the Parties or their counsel. In such a case, the Parties and any funds to be awarded under
24 this Settlement Agreement shall be returned to their respective statuses as of the date and time
25 immediately prior to the execution of this Settlement Agreement, and the Parties shall proceed in all
26 respects as if this Settlement Agreement had not been executed, except that, in the event of (i), (ii) or
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(iv) as set forth in this paragraph, any fees already incurred by the Settlement Administrator shall be shared equally.

3. Settlement Terms Bind All Class Members Who Do Not Opt Out. Any Class Member who does not affirmatively opt out of the Settlement Agreement by submitting a timely and valid Request for Exclusion will be bound by all its terms, including those pertaining to the Released Settlement.

IX. CERTIFICATION REPORTS REGARDING INDIVIDUAL SETTLEMENT PAYMENT CALCULATIONS.

1. The Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly report which certifies: (a) the number of Class Members who have submitted valid Requests for Exclusion; (b) any objections submitted to the Settlement along with a copy of any such objection; and (c) whether any Class Member has submitted a challenge to any information contained in his/her Notice Packet. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested.

2. Uncashed Settlement Checks. Any checks issued by the Settlement Administrator to Class Members will be negotiable for one-hundred eighty (180) calendar days. After one-hundred eighty (180) calendar days from the date of mailing, the checks shall become null and void, and any monies remaining in the distribution account shall be distributed to the *cy pres* recipient selected by the parties, California Rural Legal Assistance, consistent with California Code of Civil Procedure § 384, subject to Court approval and the Class Member remains bound by the Settlement. Pursuant to California Code of Civil Procedure § 384.4, the Parties and the attorneys signing this Agreement hereby notify the Court that they and their respective firms have no relationship with or connection to the *cy pres* recipient, California Rural Legal Assistance, that could create an appearance of impropriety.

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

1 **X. TAX TREATMENT OF INDIVIDUAL SETTLEMENT PAYMENTS.**

2 All Individual Settlement Payments will be allocated as follows: one-third (1/3) wages, one-third
3 (1/3) interest and one-third (1/3) penalties.

4 The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated
5 to non-wages will be reported on an IRS Form-1099 by the Settlement Administrator. The gross
6 Individual Settlement Payments will be reduced by any required legal deductions for each Class
7 Member. All standard employee payroll deductions will be made for state and federal withholding
8 taxes, including any other applicable payroll deductions owed by the Class Members as a result of the
9 Wage Component, resulting in a net wage component. The Settlement Administrator will issue a check
10 and W-2 Form to each Class Member for the wage component. No withholding shall be made on the
11 penalty portions of the gross Individual Settlement Payment. The Settlement Administrator will issue a
12 second check and IRS Form-1099 for the remaining penalty component. The Settlement Administrator
13 shall be responsible for issuing the payments and calculating and withholding all required state and
14 federal taxes. The Settlement Administrator shall determine the eligibility for, and the amounts of, any
15 Individual Settlement Payments under the terms of this Settlement Agreement. Any disputes not
16 resolved by the Settlement Administrator concerning the administration of the Settlement will be
17 resolved by the Court, under the laws of the State of California. Prior to any such involvement of the
18 Court, counsel for the Parties will confer in good faith to resolve the dispute without the necessity of
19 involving the Court.

20 **XI. ADMINISTRATION OF TAXES BY THE SETTLEMENT ADMINISTRATOR.**

21 1. Tax Liability. Defendant makes no representation as to the tax treatment or legal effect
22 of the payments called for hereunder, and Plaintiffs and Class Members are not relying on any
23 statement, representation, or calculation by Defendant or by the Settlement Administrator in this regard.
24 Plaintiffs and Class Members understand and agree they will be solely responsible for the payment of
25 their share of any taxes and penalties assessed on the payments described herein.

26 2. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT
27 (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY
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1 TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN
2 “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
3 SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE
4 BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS
5 OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE
6 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE
7 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10,
8 AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON
9 HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE
10 (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT,
11 (B) HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE
12 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY
13 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
14 DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY
15 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
16 ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT
17 PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX
18 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING)
19 UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX
20 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED
21 BY THIS SETTLEMENT AGREEMENT.

22 **XII. RELEASE BY CLASS MEMBERS.**

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

2. It is the desire of Plaintiffs, Class Members (except those who exclude themselves from the Settlement), and Defendant to fully, finally, and forever settle, compromise, and discharge the Released Claims. Upon the Final Approval by the Court of this Settlement Agreement, and except as to such rights or claims as may be created by this Settlement Agreement, the Class Members shall fully release and discharge the Released Parties from any and all Released Claims for the entire Class Period. This release shall be binding on all Class Members who have not timely submitted a valid and complete Request for Exclusion, including each of their respective attorneys, agents, spouses, executors, representatives, guardians ad litem, heirs, successors, and assigns, and shall inure to the benefit of the Released Parties, who shall have no further or other liability or obligation to any Class Member with respect to the Released Claims, except as expressly provided herein.

XIII. MATERIALITY OF TERMS.

1. The Court's approval of Class Representative Enhancement Payments, Attorneys' Fees and Costs, and the LWDA Payment are not material terms of this Agreement. However, some approval of a PAGA Settlement Amount is a material term of the Settlement and this Agreement. If the Court approves only a lesser amount of these payments, then the other terms of this Agreement shall still remain in effect and the difference will remain part of the Net Settlement Amount. This term is not a waiver of the right to appeal.

2. Except as otherwise stated herein, each substantive term of this Agreement is material and has been relied upon by the Parties in entering into this Agreement. Any failure by the Court to fully and completely approve the material terms of this Settlement Agreement will result in this Settlement Agreement entered into by the Parties, and all obligations under this Settlement Agreement, being nullified and voided. Upon such failure, any order or judgment entered by the Court in furtherance of this Settlement Agreement shall be treated as void from the beginning, and the Stipulations and Recitals contained herein shall be of no force or effect and shall not be treated as an admission by the Parties or their counsel. In such a case, the Parties and any funds to be awarded under this Settlement Agreement shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Settlement Agreement, and the Parties shall proceed in all

1 respects as if this Settlement Agreement had not been executed, except that any fees already incurred by
2 the Settlement Administrator shall be paid by the Parties as set forth in Section VIII herein.

3 **XIV. PRELIMINARY APPROVAL HEARING.**

4 1. Plaintiffs will obtain a hearing before the Court to request Preliminary Approval of the
5 Settlement Agreement and the entry of a Preliminary Approval Order for: (a) conditional certification of
6 the Settlement Class for settlement purposes only, (b) Preliminary Approval of the proposed Settlement
7 Agreement, and (c) setting a date for a Final Approval/Settlement Fairness Hearing.

8 2. The Preliminary Approval Order will provide for the Notice Packet to be sent to all Class
9 Members as specified herein. In conjunction with the Preliminary Approval Hearing, Plaintiffs will
10 submit this Settlement Agreement and will include the proposed Notice Packet.

11 3. Class Counsel will be responsible for drafting all documents necessary to obtain
12 Preliminary Approval.

13 **XV. FINAL SETTLEMENT APPROVAL HEARING AND ENTRY OF JUDGMENT.**

14 1. Upon expiration of the Response Deadline, and with the Court's permission, a Final
15 Approval/Settlement Fairness Hearing will be conducted to determine the Final Approval of the
16 Settlement Agreement along with the amounts properly payable for: (a) Individual Settlement Payments;
17 (b) the LWDA Payment; (c) the Attorneys' Fees and Costs; (d) the Class Representative Enhancement
18 Payment; and (e) all Settlement Administration Costs.

19 2. The Final Approval/Settlement Fairness Hearing will be held no later than forty-five (45)
20 calendar days after the Response Deadline, subject to the Court's calendar.

21 3. Class Counsel will be responsible for drafting all documents necessary to obtain Final
22 Approval. Class Counsel will also be responsible for drafting the Attorneys' Fees and Costs application
23 to be heard at the Final Approval/Settlement Fairness Hearing.

24 **XVI. JUDGMENT AND CONTINUED JURISDICTION.**

25 1. The Court shall retain jurisdiction with respect to the interpretation, implementation, and
26 enforcement of the terms of this Settlement Agreement and all orders and judgments entered in
27 connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for
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purposes of interpreting, implementing, and enforcing the Settlement embodied in this Settlement Agreement and all orders and judgments entered in connection therewith.

XVII. OTHER PROVISIONS.

1. Exhibits Incorporated by Reference. The terms of this Settlement 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 Settlement are an integral part of the Settlement.

2. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

3. Amendment or Modification. This Settlement Agreement may be amended or modified only by a written instrument and that said written instrument need only be signed by counsel for all Parties or their successors-in-interest and approved by the Court.

4. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of David Rotman to resolve such disagreement.

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

6. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto will be governed by and interpreted according to the laws of the State of California.

7. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All

executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument.

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

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

10. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class certification for purposes of this Settlement only; except, however, that either Party may appeal any Court order that materially alters the Settlement Agreement's terms.

11. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to class certification only for purposes of the Settlement. If, for any reason, the Settlement is not approved, the stipulation to certification will be void and the Parties shall return to status quo ante. The Parties further agree that certification for purposes of the Settlement is not an admission as to liability, the accuracy of any allegations made by Plaintiffs or Class Counsel, or that class action certification is proper under the standards applied to contested certification motions. This Settlement Agreement will not be admissible in this or any other proceeding as evidence that either: (a) a class action should be certified or (b) Defendant is liable to Plaintiffs or any Class Member, other than according to the Settlement's terms.

12. Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and specifically denies,

1 that it has violated any federal, state, or local law; violated any regulations or guidelines promulgated
2 pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any
3 contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in
4 any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any
5 of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an
6 admission or concession by Defendant of any such violations or failures to comply with any applicable
7 law. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this
8 Settlement Agreement and its terms and provisions shall not be offered or received as evidence in any
9 action or proceeding to establish any liability or admission on the part of Defendant or to establish the
10 existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or
11 other applicable law.

12 13. Good Faith Compromise. The Parties agree that this Settlement Agreement reflects their
13 good faith compromise of the claims raised in this action, based upon their assessment of the mutual
14 risks and costs of further litigation and the assessments of their respective counsel.

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

18 15. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement
19 or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or
20 constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

21 16. Enforcement Action. If one or more of the Parties institutes any legal action or other
22 proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare
23 rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover
24 from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees
25 incurred in connection with any enforcement actions.

26 17. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
27 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed
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more strictly against one Party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

18. Representation by Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement and that this Settlement Agreement has been executed with the consent and advice of counsel and reviewed in full. Further, Plaintiffs and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

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

20. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. The Parties further pledge their good faith and fair dealing in supporting the approval of this settlement by the Court

21. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law. Plaintiffs, and not their representative(s), must personally execute this Settlement Agreement.

22. No Prior Assignments or Undisclosed Liens. Plaintiffs and Class Counsel represent that they have not assigned, transferred, conveyed, or otherwise disposed of any Released Claim or claim to attorneys' fees and costs award to be paid under this Agreement. Plaintiffs and Class Counsel further represent and warrant that there are not any liens or claims against any amount that Defendant is to pay under this Agreement. Plaintiffs and Class Counsel agree to defend, to indemnify, and to hold Defendant harmless from any liability, losses, claims, damages, costs, or expenses, including reasonable attorneys' fees, resulting from a breach of these representations or from any lien or assignment.

23. Confidential Information. Class Counsel will destroy all confidential documents and information provided by Defendant within 60 calendar days after the completion of the administration of this Agreement. Class Counsel further agree that none of the information provided by Defendant shall be used for any purpose other than prosecution of this Action.

24. Publicity. Plaintiffs and Class Counsel shall not publicize the settlement on their websites, in advertising/marketing materials or on social media, other than filing documents with the Court. The Parties and their counsel agree that they will not issue any press releases or initiate any contact with the media about the fact, amount, or terms of the settlement. If counsel for any party receives an inquiry about the settlement from the media, counsel may respond only after the motion for approval of the settlement has been filed and only by confirming the accurate terms of the settlement. Nothing in this provision shall prevent Defendant from making any required disclosure. Nothing in this provision shall prevent Plaintiff's counsel from communicating with settlement class members about the settlement.

[SIGNATURES ON NEXT PAGE]

1 Dated: 11/6/2023

DocuSigned by:
Halfhill, Tonya
50EC8C827D7B484...
Plaintiff Tonya Halfhill

3 Dated: _____

Plaintiff Susie Drennan

5 Dated: _____

Plaintiff Mario Moreno

7 Dated: _____

Plaintiff Danyell Sanders

10 **KAISER FOUNDATION HOSPITALS**

12 Dated: _____

14 Please Print Name of Authorized Signatory

15 **APPROVED AS TO FORM**

16 **BRADLEY/GROMBACHER, LLP**

17 Dated: 11/8/2023

18 
Marcus Bradley
Kiley L. Grombacher
Lirit A. King
Attorneys for Plaintiffs Rob
TONYA HALFHILL

22 **SOMMERS SCHWARTZ, P.C.**

23 Dated: _____

24 Trenton R. Kashima
Kevin J. Stoops
Attorneys for Plaintiffs
MARIO MORENO and SUSIE DRENNAN

1 Dated: _____

Plaintiff Tonya Halfhill

2
3 Dated: 11/13/2023 _____


Plaintiff Susie Drennan

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5 Dated 11/10/2023 _____


Plaintiff Mario Moreno

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Plaintiff Danyell Sanders

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KAISER FOUNDATION HOSPITALS

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15 **APPROVED AS TO FORM**

Please Print Name of Authorized Signatory

BRADLEY/GROMBACHER, LLP

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18 Dated: _____

Marcus Bradley
Kiley L. Grombacher
Lirit A. King
Attorneys for Plaintiffs Rob
TONYA HALFHILL

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23 Dated: 11/13/2023 _____

SOMMERS SCHWARTZ, P.C.



Trenton R. Kashima
Kevin J. Stoops
Attorneys for Plaintiffs
MARIO MORENO and SUSIE DRENNAN

1 Dated: _____

Plaintiff Tonya Halfhill

3 Dated: _____

Plaintiff Susie Drennan

5 Dated: _____

Plaintiff Mario Moreno

8 Dated: 11/9/2023

Danyell Sanders
ID 5fyELhC7NmQWs7WdNGMEGRUa

Plaintiff Danyell Sanders

KAISER FOUNDATION HOSPITALS

12 Dated: _____

14 Please Print Name of Authorized Signatory

15 **APPROVED AS TO FORM**

BRADLEY/GROMBACHER, LLP

18 Dated: _____

Marcus Bradley
Kiley L. Grombacher
Lirit A. King
Attorneys for Plaintiffs Rob
TONYA HALFHILL

SOMMERS SCHWARTZ, P.C.

23 Dated: _____

Trenton R. Kashima
Kevin J. Stoops
Attorneys for Plaintiffs
MARIO MORENO and SUSIE DRENNAN

1 Dated: _____

Plaintiff Tonya Halfhill

3 Dated: _____

Plaintiff Susie Drennan

5 Dated: _____

Plaintiff Mario Moreno

7 Dated: _____

Plaintiff Danyell Sanders

10 **KAISER FOUNDATION HOSPITALS**

11 Dated: Nov 7, 2023

Janet Liang

13 
Janet Liang (Nov 7, 2023 18:41 PST)

Please Print Name of Authorized Signatory

15 **APPROVED AS TO FORM**

16 **BRADLEY/GROMBACHER, LLP**

17 Dated: _____

Marcus Bradley
Kiley L. Grombacher
Lirit A. King
Attorneys for Plaintiffs Rob
TONYA HALFHILL

22 **SOMMERS SCHWARTZ, P.C.**

23 Dated: _____

Trenton R. Kashima
Kevin J. Stoops
Attorneys for Plaintiffs
MARIO MORENO and SUSIE DRENNAN

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THE RESTIS LAW FIRM, P.C.

Dated: 11/10/2023



William Restis
Attorneys for Plaintiffs
MARIO MORENO and SUSIE DRENNAN

SETAREH LAW GROUP

Dated:

Shaun Setareh
Thomas Segal
Farrah Grant
Attorneys for Plaintiffs
DANYELL SANDERS

SEYFARTH SHAW LLP

Dated:

Christian J. Rowley
Kerry Friedrichs
Parnian Vafaeenia
Attorneys for Defendant
KAISER FOUNDATION HOSPITALS

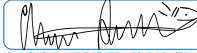
THE RESTIS LAW FIRM, P.C.

Dated: _____

William Restis
Attorneys for Plaintiffs
MARIO MORENO and SUSIE DRENNAN

SETAREH LAW GROUP

Dated: 11/22/2023 _____


ID: e1Uk7g4FS7bTPo6b842vj6z

Shaun Setareh
Thomas Segal
Farrah Grant
Attorneys for Plaintiffs
DANYELL SANDERS

SEYFARTH SHAW LLP

Dated: _____

Christian J. Rowley
Kerry Friedrichs
Parnian Vafaeenia
Attorneys for Defendant
KAISER FOUNDATION HOSPITALS

THE RESTIS LAW FIRM, P.C.

Dated: _____

William Restis
Attorneys for Plaintiffs
MARIO MORENO and SUSIE DRENNAN

SETAREH LAW GROUP

Dated: _____

Shaun Setareh
Thomas Segal
Farrah Grant
Attorneys for Plaintiffs
DANYELL SANDERS

SEYFARTH SHAW LLP

Dated: November 8, 2023



Christian J. Rowley
Kerry Friedrichs
Parnian Vafaeenia
Attorneys for Defendant
KAISER FOUNDATION HOSPITALS

EXHIBIT 1

[CLASS MEMBER NAME and ADDRESS]

If you worked for Kaiser Foundation Hospitals in California as a non-exempt employee between April 20, 2017 and December 31, 2023 (“Class Period”), you may be eligible to receive money from a class action settlement.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. The Alameda County Superior Court has authorized this notice in the matter of *Halfhill et al. v. Kaiser Foundation Hospitals*, Alameda County Superior Court Case No. RG21096610 (the “Lawsuit”). This is not a solicitation from a lawyer.

- You are receiving this Notice because Kaiser Foundation Hospitals’ (hereafter “KFH”) records show that you worked for KFH in California as a non-exempt employee during the Class Period. Your estimated net settlement share is **[INSERT ESTIMATED AWARD]**.
- The parties have negotiated a proposed settlement (the “Settlement”) of the Lawsuit in the amount of \$10,000,000.00. The Settlement resolves claims against KFH in the Lawsuit for unpaid wages, unpaid overtime, failure to pay overtime and meal and rest period premium pay at the proper rate, failure to provide meal and rest periods, itemized wage statement violations, failure to timely pay wages during employment, failure to pay all wages owed to former employees at the end of their employment, waiting time penalties, and civil penalties under the Private Attorneys’ General Act (“PAGA”).
- KFH denies all of the allegations in the Lawsuit and expressly and specifically denies violating any laws.
- Your legal rights may be affected by this Settlement whether you act, or do not act. Your options are explained in this notice. Thus, please read this notice carefully and in its entirety. To request to be excluded from, or object to, this Settlement, you must act before **[45 days from date notice is mailed]**.
- The Court still has to decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after appeals are resolved.

Your Legal Rights and Options in this Settlement	
Do Nothing	Stay in the Lawsuit. Receive a share in the Settlement amount.
Ask To Be Excluded	Exclude yourself from the Settlement. You will receive no benefits (except for your share of the PAGA award) from the Settlement. You will not give up your rights to claims alleged in the Lawsuit. If you ask in writing to be excluded from the Settlement, you will not share in the settlement amount, except for your share of the PAGA award, but you will not give up any rights you may have with respect to the claims at issue in this lawsuit.
Object	Write to the Court about why you don’t agree with the Settlement.

Go to a Hearing	Ask to speak in Court about the fairness of the Settlement.
------------------------	--

1. Why did I get this notice?

KFH's records show that you currently work or previously worked for KFH in California in a non-exempt position between April 20, 2017 and December 31, 2023 ("Class Period"). Employees who fall within this description are referred to as "Class Members."

The Court directed that you receive this notice because you have a right to know about the proposed Settlement, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves it, and after objections and appeals are resolved, an administrator appointed by the Court will make the payments that the Settlement provides.

This notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the California Superior Court for the County of Alameda, and the Lawsuit is known as *Halfhill et al. v. Kaiser Foundation Hospitals*, Alameda County Superior Court Case No. RG21096610.

2. What is the lawsuit about?

The Lawsuit is for unpaid wages, unpaid overtime, failure to pay overtime and meal and rest period premium pay at the proper rate, failure to provide meal and rest periods, itemized wage statement violations, failure to timely pay wages during employment, failure to pay all wages owed to former employees at the end of their employment, waiting time penalties, and civil penalties under the Private Attorneys' General Act.

KFH expressly and specifically denies any liability or wrongdoing of any kind associated with the claims alleged in the Lawsuit. However, it has concluded that any further defense of the Lawsuit would be protracted and expensive for all Parties. It has, therefore, agreed to settle in the manner and upon the terms set forth in the Settlement Agreement to put to rest the claims as set forth in the Lawsuit.

3. Who are the plaintiffs in the lawsuit?

Tonya Halfhill, Mario Moreno, Susie Drennan, and Danyell Sanders are the Plaintiffs and Class Representatives in the Lawsuit.

4. Why is there a settlement?

The Court did not decide in favor of the Class Representatives or KFH. Instead, both sides agreed to the Settlement with the assistance of a professional mediator. That way, they can avoid the cost of a trial, and the people affected will get compensation as part of a compromise between the sides. KFH did not admit any liability but settled the Lawsuit in order to avoid costly, disruptive, and time-consuming litigation. The Class Representatives and their attorneys think the Settlement is best for all Class Members.

5. What does the settlement provide?

KFH will pay a Class Settlement Amount of \$10,000,000.00 ("Class Settlement Amount") to cover: (1) Settlement payments to Settlement Class Members; (2) the costs of administering the Settlement; (3) Class Representative Enhancements to the Class Representatives; (4) payment to the California Labor and Workforce Development Agency ("LWDA"); and (5) the Class Counsel Award and costs. The Class Settlement Amount will be distributed in accordance with the terms of this Agreement. A description of how to "exclude" yourself is provided below, in **Question 12** on page **12**.

6. How much will my payment be?

Your share of the Settlement will depend on the number of Class Members who participate (i.e., the number of Class Members who do not “exclude” themselves), how many workweeks you worked for KFH as a non-exempt employee in California during the Class Period, how many pay periods you worked for KFH as a non-exempt employee in California between June 7, 2020 through December 31, 2023 (“PAGA Period”), and how many workweeks you worked for KFH as a non-exempt employee in California between April 20, 2018 through December 31, 2023 (“FLSA Period”). Each Class Member shall receive a pro rata portion of the Settlement subject to a distribution formula.

KFH’s records show that you worked [NUMBER] of workweeks for KFH in California as a non-exempt employee during the Class Period, that you worked [NUMBER] of pay periods for KFH in California as a non-exempt employee during the PAGA Period, and that you worked [NUMBER] of workweeks for KFH in California as a non-exempt employee during the FLSA Period. **Based on the preceding information, your estimated settlement payment is [REDACTED].**

If you feel that you were not credited with the correct number of workweeks or pay periods that you worked as a non-exempt KFH employee in California during the Class Period, PAGA Period, or FLSA Period, you may submit evidence to the Settlement Administrator on or before [INSERT DATE OF RESPONSE DEADLINE] with documentation to establish the number of workweeks and pay periods you claim to have actually worked during the relevant timeframes. DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED; DO NOT SEND ORIGINALS. The Settlement Administrator will promptly evaluate the evidence submitted and discuss in good faith with counsel for KFH how many workweeks and pay periods should be credited to you. The Settlement Administrator will make the final decision as to how many weeks and pay periods are credited, and report the outcome to you. If you are unsatisfied with the decision, you may submit an Objection, as discussed below, or you may opt out of the Settlement.

7. How can I get a payment?

You do not need to do anything to get your payment. If you are a Class Member (as defined above in Question #1), and received this notice, you are automatically included in the Settlement and do not need to take any further action to receive a payment.

8. What if my address changes?

If you move after receiving this notice or if it was misaddressed, please contact the Settlement Administrator:
[Insert Settlement Administrator address and phone number]

It is important that you advise the Settlement Administrator of any address changes so that future notices and/or the settlement payment can reach you.

9. When would I get my payment?

The Court will hold a hearing on [INSERT FINAL APPROVAL HEARING DATE] to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. You can contact the attorneys for the Class, also known as “Class Counsel,” whose contact information is included in Question 16 for an update at any time.

10. What am I giving up to get a payment and by staying in the Class?

If the proposed Settlement is approved by the Court, a Judgment will be entered by the Court. The Judgment following approval of the Settlement by the Court will bind all Class Members who do not request exclusion from

the Settlement. Any Class Member who does not request exclusion may, if they wish, enter an appearance, and may choose to be represented by the Class Member's own lawyer, at the Class Member's expense.

If the Settlement is approved and you choose not to exclude yourself from the Settlement, you will be forever barred from asserting any of the claims arising out of or relating to the Lawsuit against Defendant ("Released Claims") and each of its present and former affiliates 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 ("Released Parties").

The Released Claims include any and all claims, debts, liabilities, demands, obligations, penalties, premium pay, guarantees, costs, expenses, attorney's fees, damages, actions or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, under any legal theory under federal and state law for any alleged failure to pay all wages due (including minimum wage and overtime wages), claims regarding rounding, grace periods, shift tolerance, failure to pay for all hours worked (including off-the clock work), failure to provide meal and rest periods, short/late meal and rest periods, failure to relieve of all duties during meal and rest periods, combining of meal and rest periods, that Defendant's exemption permit from the DLSE is not valid or does not apply to Class Members, failure to timely pay wages and final wages, failure to properly calculate the regular rate of pay, failure to pay or properly calculate meal period premiums, donning and doffing, pre or post-shift testing or inspections, COVID-19 related activities including testing, reporting, and queuing for testing, reporting time pay, failure to furnish accurate wage statements including claims derivative and/or related to these claims, liquidated damages, conversion of wages, that the Labor Code Section 514 exemption does not apply to Defendant's employees, pre and post-shift work and record-keeping violations, up to and including the date of preliminary approval by the Court. This Release shall include all claims and theories arising under the California Labor Code, wage orders, and applicable regulations, including Labor Code Sections 201, 202, 203, 204, 206, 218, 218.5, 226, 226.3, 226.7, 227, 510, 511, 512, 515, 517, 551, 552, 558, 1174, 1175, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, and 1199, all claims and theories arising under Labor Code Section 2802 (except that the release shall not include claims related solely to working from home under Labor Code Section 2802), as well as claims under Business and Professions Code section 17200 *et seq.* and/or Labor Code Section 2698 *et seq.* based on alleged violations of the above Labor Code provisions, as alleged in the lawsuits. The release shall run through December 31, 2023.

If you currently work or previously worked for KFH in California in a non-exempt position during the FLSA Period ("FLSA Subclass Members"), and you timely cash or otherwise negotiate your Settlement Payment Check, you will be deemed to have opted into the Lawsuit for purposes of the FLSA and, as to you, the Released Claims include any and all claims you may have under the FLSA arising under or related to the alleged claims during the FLSA Period. Only those FLSA Subclass Members who timely cash or otherwise negotiate their Settlement Payment Check will be deemed to have opted into the Lawsuit for purposes of the FLSA and thereby release and waive any of their claims under the FLSA arising under or relating to the alleged claims. This release excludes the release of claims not permitted by law.

11. Can I get a settlement payment if I still work for KFH?

Yes. If you are still working for KFH, you will receive a settlement payment if you do not exclude yourself. The Settlement will not affect your employment and KFH will not retaliate against you in any manner for participating in the Settlement or choosing not to participate in the Settlement.

12. How do I get out of the Settlement?

If you **do not** want to take part in the Settlement, you can exclude yourself. To exclude yourself from the Settlement, you must send a letter or postcard postmarked no later than [insert response deadline] with your name, signature, and should state something to the effect of:

I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN HALFHILL V. KAISER FOUNDATION HOSPITALS.

Send the Request for Exclusion directly to the Settlement Administrator at the following address:

[Insert Settlement Administrator address]

The Request must be postmarked or faxed on or before [INSERT RESPONSE DEADLINE]. Any person who files a timely written request to be excluded from the Settlement will, upon receipt, no longer be a Class Member, will **not** receive any money from the Settlement, except for their share of the PAGA award because a Class Member who opts out is opting out of class relief only and is still an “aggrieved employee” under PAGA, and cannot object to the Settlement. You cannot both exclude yourself and object to the Settlement.

13. Who are the lawyers in this case?

CLASS COUNSEL:

BRADLEY/GROMBACHER, LLP

Marcus J. Bradley (SBN 174156)
Kiley L. Grombacher (SBN 245960)
Lirit A. King (SBN 252521)
31365 Oak Crest Drive, Suite 240
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SOMMERS SCHWARTZ, P.C.

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SETAREH LAW GROUP

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Facsimile: (310) 888-0109

THE RESTIS LAW FIRM, P.C.

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Telephone: (619) 270-8383

COUNSEL FOR KAISER FOUNDATION HOSPITALS:

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kfriedrichs@seyfarth.com
Parnian Vafaeenia (SBN 316736)
pvaefaeenia@seyfarth.com
560 Mission Street, 31st Floor
San Francisco, California 94105

14. How will Class Counsel be paid?

All attorneys’ fees and costs awarded by the Court to Class Counsel will be paid out of the Class Settlement Amount. Class Counsel are asking the Court to award one-third of the Class Settlement Amount (i.e., \$3,333,333) in attorneys’ fees, and litigation costs actually incurred in representing the interests of the Class, supported by adequate documentation, in an amount not to exceed \$150,000.00. The Class Representatives and Class Counsel support this amount because of the substantial benefits obtained by Class Counsel for Class Members. The Court may award less than these amounts.

15. What other expenses are taken out of the total settlement amount?

KFH has agreed to pay \$10,000,000.00 to resolve the claims that were brought in this lawsuit. Under the terms of the Settlement Agreement preliminarily approved by the Court, settlement administration costs will be paid from the Settlement amount to ILYM Group, Inc. to act as the Settlement Administrator. As the Settlement Administrator, ILYM Group, Inc. is sending this notice to you, and will perform all the administrative duties related to this Settlement. The settlement administration costs are estimated to not exceed \$170,000.00.

Class Counsel will also ask the Court to award Class Representatives Tonya Halfhill, Mario Moreno, Susie Drennan, and Danyell Sanders enhancement awards in the amount of \$7,500.00 each to compensate them for their service on behalf of the Class Members. The Class Representatives will also receive a share of the Settlement as class members.

Additionally, \$300,000.00 of the Settlement is allocated to the Private Attorneys General Act (“PAGA”) claims asserted in the Action (the “PAGA Settlement Amount”). Under PAGA, 75% of the PAGA penalties must be paid (here, \$225,000.00) to the California Labor and Workforce Development Agency. The remaining 25% (here, \$75,000.00) allocated to the PAGA claims will be included in the distribution to Settlement Class Members who worked for KFH in a non-exempt position in California during the PAGA Period.

Lastly, \$200,000.00 will be allocated to the FLSA Subclass Members, which will be composed of all Settlement Class Members who were employed by Defendant in the State of California between April 20, 2018 through December 31, 2023.

16. How do I tell the court that I do not agree with the Settlement?

If you are a Class Member, you can object to the Settlement if you do not agree with any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. You can submit a written objection to the Settlement Administrator no later than [INSERT RESPONSE DEADLINE]. However, even if you do not submit a written objection you may appear at the Final Fairness Hearing in-person and present any objection that you wish for the Court to consider. The Final Fairness Hearing is presently scheduled for [INSERT FINAL APPROVAL HEARING DATE] at [INSERT TIME] in [INSERT HEARING LOCATION INFORMATION].

If you wish to submit a written objection please mail it to the Settlement Administrator at:

[Insert Settlement Administrator address]

Written objections should **not** be filed with and/or mailed/served on Class Counsel.

17. What’s the difference between objecting and excluding?

Objecting is simply telling the Court that you don’t like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you don’t want to be part of the Class. If you exclude yourself, you have no basis to object to the Settlement because the case no longer affects you, except that you will receive your share of the PAGA Settlement Amount.

18. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Settlement Approval Hearing, which is presently scheduled for [INSERT FINAL APPROVAL HEARING DATE] at [INSERT TIME] in [INSERT HEARING LOCATION INFORMATION]. The date and time of the Final Settlement Approval Hearing is subject to change. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The

Court may also decide how much money to pay to Class Counsel. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

19. Do I have to come to the hearing?

No. Class Counsel will appear at the Final Settlement Approval Hearing. However, you are welcome to attend the hearing at your own expense. If you send an objection, you do not have to come to Court to talk about it. You may also pay your own lawyer to attend, but this is not required.

20. Are there more details about the Settlement and how do I get more information?

This notice summarizes the proposed Settlement. More details are in a Settlement Agreement and a website created by the Settlement Administrator accessible at: www.xxxxxxx.com. The Settlement Administrator can be reached at the toll free number: [ILYM PHONE NUMBER](tel:ILYMPHONENUMBER). The pleadings and other records in this litigation are also available on the Alameda County Superior Court's website, at [INSERT LINK](#).

PLEASE DO NOT TELEPHONE THE COURT, THE OFFICE OF THE CLERK, KFJ OR DEFENSE COUNSEL FOR INFORMATION REGARDING THIS PROPOSED SETTLEMENT.