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PSL ASSOCIATES, LLC

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

ALEXIS AGAR-VALENCIA, individually and
on behalf of all others similarly situated,

Plaintiffs,

v.

PSL ASSOCIATES, LLC; and DOES 1 through
20, inclusive,

Defendants.

Case No. CIVSB2121606

*Assigned for all purposes to:
Hon. David Cohn
Dept. S-26*

JOINT STIPULATION OF SETTLEMENT

1 It is stipulated and agreed by and among the undersigned Parties, subject to the approval of
2 the Court pursuant to the California Rules of Court, that the Settlement of this Action shall be
3 effectuated upon and subject to the following terms and conditions. Capitalized terms used herein
4 shall have the meanings set forth in Article I or as defined elsewhere in this Joint Stipulation of
5 Settlement (“Agreement” or “Settlement”).

6 This Agreement is made by and between Named Plaintiffs Alexis Agar-Valencia (“Named
7 Plaintiff”) and the Class Members, on the one hand, and Defendant PSL Associates, LLC (“PSL” or
8 “Defendant”), on the other hand. Named Plaintiffs and Defendant collectively are referred to in this
9 Agreement as “the Parties.”

10 The Parties agree that the Action shall be, and hereby is, ended, settled, resolved, and
11 concluded by agreement of Defendant to pay the settlement amount of One Million Five Hundred
12 Thousand Dollars (\$1,500,000.00) as provided in Section 3.06(a) below (“Gross Settlement
13 Amount”) pursuant to the terms and conditions of this Agreement and for the consideration set forth
14 herein, including but not limited to, a release of all claims by Named Plaintiffs and the Class Members
15 as set forth herein.

16 **ARTICLE I**

17 **DEFINITIONS**

18 Unless otherwise defined herein, the following terms used in this Agreement shall have the
19 meanings ascribed to them as set forth below:

20 a. “Action” means the action described as follows: *Alexis Agar-Valencia, individually*
21 *and on behalf of all others similarly situated v. PSL Associates, LLC; and DOES 1 through 20,*
22 *inclusive,”* Case No. CIVSB2121606 commenced on July 28, 2021, in the Superior Court of the
23 State of California for the County of San Bernardino.

24 b. “Agreement” means this Joint Stipulation of Settlement, including the attached
25 Exhibit(s).

26 c. “Class” means all current and former non-exempt employees who are or were
27 employed by Defendant in California at any time during the Class Period.

28 d. “Class Counsel” means the attorneys for the Class and the Class Members, who are:

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Jessica L. Campbell
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e. “Class List” means a list based on Defendant’s business records that identifies each Class Member’s name, last known home or mailing address, Social Security number or, as applicable, other taxpayer identification number, dates of employment, and the number of Qualifying Workweeks worked during the Class Period.

f. “Class Member(s)” means all members of the Class.

g. “Class Period” means September 28, 2016 through June 17, 2022.

h. “Court” means the California Superior Court for the County of San Bernardino, where the Action is currently pending.

i. “Defendant” means Defendant PSL Associates, LLC.

j. “Defense Counsel” means counsel for Defendant:

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k. “Disposition” means the method by which the Court approves the terms of the Settlement and retains jurisdiction over its enforcement, implementation, construction, administration, and interpretation.

l. “Effective Date” means the later of the following: (i) sixty-one (61) calendar days following the date the Court enters an order granting final approval, assuming no appeal is filed; or (ii) if a timely appeal is filed, then the date of final resolution of that appeal (including any requests for rehearing and/or petitions for certiorari), resulting in final judicial approval of the Settlement.

1 m. "Federal Court Action" means the action described as follows: *Alexis Agar-Valencia,*
2 *individually and on behalf of all others similarly situated v. PSL Associates, LLC; and DOES 1*
3 *through 20, inclusive*, Case No. 2:21-cv-04306-GW (PVCx), which was filed in Los Angeles
4 Superior Court and was removed to Federal Court on May 24, 2021. The Federal Court Action is
5 currently stayed pending the approval of this Agreement.

6 n. "Final Order Approving Settlement of Class Action" or "Final Order" means the final
7 formal court order signed by the Court following the Final Fairness and Approval Hearing in
8 accordance with the terms herein, approving this Agreement.

9 o. "Gross Settlement Amount" means One Million Five Hundred Thousand Dollars and
10 Zero Cents (\$1,500,000.00) to be paid by Defendant as provided by this Agreement to settle this
11 Action. The Gross Settlement Amount includes all Individual Settlement Amounts to Participating
12 Class Members, Individual PAGA Settlement Payments, all Settlement Administration Costs, Class
13 Counsel's attorney's fees and costs, PAGA Settlement Amount, the Incentive Payments, and
14 employer's share of payroll taxes. The Gross Settlement Amount is subject to a pro rata increase
15 pursuant to Section 3.04(e) below. No part of the Gross Settlement Amount shall revert to Defendant.

16 p. "Incentive Awards" means a monetary amount of up to Ten Thousand Dollars
17 (\$10,000.00) for each of the Named Plaintiffs, subject to Court approval, in recognition of their effort
18 and work in prosecuting the Action on behalf of Class Members, and for their general release of
19 claims.

20 q. "Individual PAGA Settlement Payment(s)" means each PAGA Group Member's
21 respective share of the 25% of the \$50,000 allocated to the settlement of PAGA claims which, subject
22 to Court approval, will be paid to PAGA Group Members pursuant to Section 3.06(f) of this
23 Agreement.

24 r. "Individual Settlement Payment(s)" means each Participating Class Member's
25 respective share of the Net Settlement Amount. Individual Settlement Payments will be determined
26 by the calculations provided in this Agreement.

27 s. "LWDA" means The State of California Labor and Workforce Development Agency.
28

1 t. "LWDA Payment" means 75% of the \$50,000 allocated to the settlement of PAGA
2 claims which, subject to Court approval, will be paid to the LWDA pursuant to Section 3.06(e) of
3 this Agreement, as provided for below.

4 u. "Motion for Final Approval" means Plaintiffs' submission of a written motion,
5 including any evidence as may be required for the Court to conduct an inquiry into the fairness of
6 the Settlement as set forth in this Agreement, to conduct a Final Fairness and Approval Hearing, and
7 to enter a Final Order in this Action.

8 v. "Motion for Preliminary Approval" means Plaintiffs' submission of a written motion,
9 including any evidence as may be required for the Court to grant preliminary approval of the
10 Settlement as required by Rule 3.769 of the California Rules of Court.

11 w. "Named Plaintiffs" means Alexis Agar-Valencia and Katrina Correale.

12 x. "Net Settlement Amount" means the Gross Settlement Amount less Court-approved
13 administration costs, Class Counsels' attorney's fees and costs, Incentive Awards, employers' share
14 of payroll taxes, LWDA Payment, pursuant to Section 3.06(a)-(f) below.

15 y. "Non-Participating Class Member(s)" means any Class Member(s) who submit to the
16 Settlement Administrator a valid and timely written request to be excluded from the Class pursuant
17 to Section 3.04(b) below.

18 z. "Notice Packet" means the Notice of Proposed Class Action Settlement in a form
19 substantially similar to the Notice Packet attached hereto as **Exhibit A**, subject to Court approval.

20 aa. "PAGA" means the California Private Attorneys General Act of 2004, which is
21 codified in California Labor Code §§ 2698 *et seq.*

22 bb. "PAGA Settlement Amount" means the portion of the Gross Settlement Amount
23 allocated to the resolution of PAGA Group Members' claims arising under PAGA. The Parties have
24 agreed that the PAGA Settlement Amount is Fifty Thousand Dollars (\$50,000), subject to Court
25 approval. Of the PAGA Settlement Amount, 75% will be considered the LWDA Payment, and the
26 remaining 25% will be distributed to PAGA Group Members.

27 cc. "PAGA Group Members" means all Class Members employed by Defendant at any
28 time during the PAGA Period.

dd. “PAGA Period” means March 25, 2020 through June 17, 2022.

ee. “Participating Class Member(s)” is defined as a Class Member who does not timely exclude himself or herself from the Settlement and will therefore receive his or her share of the Net Settlement Amount automatically without the need to return a claim form. Each Participating Class Member will be paid his/her Individual Settlement Payment.

ff. “Preliminary Approval Date” means the date the Court preliminarily approves the Settlement embodied in this Agreement.

gg. “Qualified Settlement Fund” or “QSF” means a fund within the meaning of Treasury Regulation § 1.468B-1, 26 CFR § 1.468B-1 *et seq.*, that is established by the Settlement Administrator for the benefit of Participating Class Members.

hh. “Qualifying Workweeks” means the number of weeks that Class Members worked for Defendant as non-exempt employees during the Class Period.

ii. “Released Parties” means Welltower Pegasus Landlord, LLC, Welltower Pegasus Tenant, LLC, Welltower, Inc., Welltower OP LLC, Pegasus Senior Living, LLC, Defendant and any of its past, present and future direct or indirect parents, subsidiaries, and affiliates (including the past, present and future direct or indirect parents, subsidiaries, etc. of same), as well as each of its past, present and future officers, directors, employees, partners, members, shareholders and agents, attorneys, insurers, reinsurers, and any individual or entity which could be jointly liable with Defendant

jj. “Response Deadline” means the deadline by which Class Members must postmark or fax to the Settlement Administrator requests for exclusion or written notices of objection. The Response Deadline will be forty-five (45) calendar days after the initial mailing of the Notice Packet by the Settlement Administrator, unless the forty-fifth (45th) calendar day falls on a Sunday or federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline will be extended as set forth herein if there is a re-mailing.

kk. “Settlement Administration Costs” means all costs incurred by the Settlement Administrator in administration of the Settlement, including, but not limited to, mailing of notice to

1 the class, calculation of Individual Settlement Payments, generation of Individual Settlement
2 Payment checks and related tax reporting forms, administration of unclaimed checks, and generation
3 of checks to Class Counsel for attorneys' fees and costs, to Named Plaintiffs for their Incentive
4 Awards, and to the LWDA. The Settlement Administration Costs shall be paid from the Gross
5 Settlement Amount.

6 ll. "Settlement Administrator" means ILYM Group, Inc. which the Parties have agreed
7 will be responsible for the administration of the Individual Settlement Payments to be made by
8 Defendant from the Gross Settlement Amount and related matters under this Agreement.

9 **ARTICLE II**

10 **CONTINGENT NATURE OF THE AGREEMENT**

11 **Section 2.01: Stipulation of Class Certification for Settlement Purposes**

12 Because the Parties have stipulated to the certification of the Class with respect to all causes
13 of action alleged in the Action for settlement purposes only, this Agreement requires preliminary and
14 final approval by the Court. Accordingly, the Parties enter into this Agreement on a conditional basis.
15 This Agreement is contingent upon the approval and certification by the Court. If the Date of Finality
16 does not occur, the fact that the Parties were willing to stipulate for the purposes of this Agreement
17 to a Class shall have no bearing on, nor be admissible in connection with, the issue of certification
18 of the Class with respect to all causes of action alleged in the Action. Defendant does not consent to
19 certification of the Class for any purpose other than to effectuate settlement of the Action. If the Date
20 of Finality does not occur, or if Disposition of this Action is not effectuated, any certification of the
21 Class as to Defendant will be vacated and Named Plaintiffs, Defendant, and the Class will be returned
22 to their positions with respect to the Action as if the Agreement had not been entered into. In the
23 event that the Date of Finality does not occur: (a) any Court orders preliminarily or finally approving
24 certification of any class contemplated by this Agreement shall be null, void, and vacated, and shall
25 not be used or cited thereafter by any person or entity; and (b) the fact of the settlement reflected in
26 this Agreement, the fact that Defendant did not oppose the certification of a Class under this
27 Agreement, or that the Court preliminarily approved the certification of the Class, shall not be used
28 or cited thereafter by any person or entity, including in any manner whatsoever, including without

1 limitation any contested proceeding relating to the certification of any class. If the Date of Finality
2 does not occur, this Agreement shall be deemed null and void, shall be of no force or effect
3 whatsoever, and shall not be referred to or used for any purpose whatsoever. Defendant expressly
4 reserves the right to challenge the propriety of class certification in the Action for any purpose, if the
5 Date of Finality does not occur. Additionally, the First Amended Complaint in the Action shall be
6 null and void and of no force or effect, and the initial complaint filed in the Action shall thereafter
7 become the operative complaint. The Parties will then take the appropriate steps to lift the stay
8 currently in place in the Federal Court Action.

9 The Parties and their respective counsel shall take all steps that may be requested by the Court
10 relating to the approval and implementation of this Agreement and shall otherwise use their
11 respective best efforts to obtain Court approval and implement this Agreement. If the Court does not
12 grant the Motion for Preliminary Approval and/or the Motion for Final Approval, the Parties agree
13 to meet and confer to address the Court's concerns. If the Parties are unable to agree upon a
14 resolution, the Parties agree to seek the assistance of mediator David Rotman to resolve the dispute.

15 **ARTICLE III**

16 **PROCEDURE FOR APPROVAL AND IMPLEMENTATION OF THE SETTLEMENT**

17 The procedure for obtaining Court approval of and implementing this Agreement shall be as
18 follows:

19 **Section 3.01: Motion for Conditional Class Certification and Preliminary Approval**

20 Named Plaintiffs will bring a motion before the Court for an order conditionally certifying
21 the Class to include all claims pled in the Action based on the preliminary approval of this
22 Agreement. The date that the Court grants preliminary approval of this Agreement will be the
23 "Preliminary Approval Date."

24 **Section 3.02: The Settlement Administrator**

25 The Parties have chosen ILYM Group, Inc. to administer this Settlement and to act as the
26 Settlement Administrator, including but not limited to distributing and responding to inquiries about
27 the Notice Packet, determining the validity of exclusions/opt-outs, calculating the Net Settlement
28 Amount and the Individual Settlement Payments (including Individual PAGA Settlement Payments),

1 issuing the Individual Settlement Payment checks and distributing them to Participating Class
2 Members, issuing the Individual PAGA Settlement Payments and distributing them to PAGA Group
3 Members, establishing and maintaining the QSF, and issuing the payment to Class Counsel for
4 attorneys' fees and costs, the Incentive Award checks to Named Plaintiffs, and the employer payroll
5 taxes to the appropriate taxing authorities. The Settlement Administrator shall expressly agree to all
6 of the terms and conditions of this Agreement.

7 All costs of administering the Settlement, including but not limited to all costs and fees
8 associated with preparing, issuing and mailing any and all notices to Class Members and/or
9 Participating Class Members, all costs and fees associated with computing, processing, reviewing,
10 and mailing the Individual Settlement Payments, all costs and fees associated with preparing any tax
11 returns and any other filings required by any governmental taxing authority or agency, all costs and
12 fees associated with preparing any other checks, notices, reports, or filings to be prepared in the
13 course of administering disbursements from the Net Settlement Amount, and any other costs and fees
14 incurred and/or charged by the Settlement Administrator in connection with the execution of its
15 duties under this Agreement ("Settlement Administration Costs"), shall be paid to the Settlement
16 Administrator from the Gross Settlement Amount.

17 **Section 3.03: Notice to Class Members**

18 No later than ten (10) calendar days after the Preliminary Approval Date, Defendant will
19 provide the Settlement Administrator with a "Class List" in electronic format based on its business
20 records, identifying the names of the Class Members, their last known home addresses, Social
21 Security numbers or, as applicable, other taxpayer identification number, their dates of employment
22 and weeks worked during the Class Period.

23 Within ten (10) business days of receiving a Class List from Defendant, the Settlement
24 Administrator will send Class Members, by first-class mail, at their last known address, the Court
25 approved Notice Packet, including notice of this Settlement and of the opportunity to opt out of the
26 Settlement Class. The Notice Packet will include a calculation of the Class Member's approximate
27 share of the Net Settlement Amount. Class Members will have forty-five (45) days from the date of
28 mailing in which to postmark objections or requests for exclusion. Prior to the initial mailing, the

1 Settlement Administrator will check all Class Member addresses against the National Change of
2 Address database and shall update any addresses before mailing. The Settlement Administrator will
3 skip trace and re-mail all returned, undelivered mail within five (5) calendar days of receiving notice
4 that a Notice Packet was undeliverable. If a Class Member's notice is re-mailed, the Class Member
5 shall have fifteen (15) calendar days from the re-mailing, or forty-five (45) calendar days from the
6 date of the initial mailing, whichever is later, in which to postmark objections or requests for
7 exclusion. Class Members shall not be required to submit claim forms in order to receive a
8 proportional share of the Net Settlement Amount.

9 If the Notice Packet is returned with a forwarding address, the Settlement Administrator shall
10 re-mail the Notice Packet to the forwarding address. It is the intent of the parties that reasonable
11 means be used to locate Class Members and that the Settlement Administrator be given discretion to
12 take steps in order to facilitate notice of the Settlement and delivery of the Individual Settlement
13 Payments to all Participating Class Members.

14 If the Notice Packet is re-mailed, the Settlement Administrator will note for its own records
15 and notify Class Counsel and Defense Counsel of the date of each such re-mailing as part of a weekly
16 status report provided to the Parties.

17 In the event a Class Member's Notice Packet remains undeliverable forty-five (45) calendar
18 days after the Notice Packet was initially mailed, the Settlement Administrator will not mail the Class
19 Member's Individual Settlement Payment. The Settlement Administrator will hold the Class
20 Member's Individual Settlement Payment during the check cashing period on behalf of the Class
21 Member. If at the conclusion of the check cashing period the Class Member's Notice Packet and
22 Individual Settlement Payment remain undeliverable and/or unclaimed and uncashed, the Settlement
23 Administrator will distribute the funds from unclaimed/uncashed checks in accordance with the
24 procedures set forth in Section 3.06(g) below.

25 No later than twenty (20) court days prior to the Final Fairness and Approval Hearing, the
26 Settlement Administrator shall provide Defense Counsel and Class Counsel with a declaration
27 attesting to completion of the notice process, including any attempts to obtain valid mailing addresses
28

for and re-sending of any returned Notice Packets, as well as the number of valid requests for exclusion and objections that the Settlement Administrator received.

Section 3.04: Responses to Notice

a. Class Member Disputes

If any Class Member disagrees with Defendant's records as to his or her Qualifying Workweeks during the Class Period and/or number of pay periods worked during the PAGA Period as reflected in the Notice Packet, the Class Member shall set forth in writing the Qualifying Workweeks and/or pay periods he/she claims to have worked during the Class Period and/or PAGA Period and submit such writing to the Settlement Administrator by the Response Deadline, along with any supporting documentation. The Notice will also provide a method for the Class Member to challenge the employment data on which his or her Individual Settlement Payment and Individual PAGA Settlement Payment is based. The Settlement Administrator shall contact the Parties regarding the dispute and the Parties will work in good faith to resolve it. The Parties agree that if any member of the Settlement Class objects to the settlement of Released Claims or disputes the basis for determining their share of the Net Settlement Amount, Defendant's records shall presumptively control. The Parties further agree that any dispute that cannot be resolved by Class Counsel and Defendant's counsel may be brought before the Court before final approval of the Settlement.

b. Requests for Exclusion from Class

In order for any Class Member to validly exclude himself or herself from the Class and this Settlement (*i.e.*, to validly opt out), a written request for exclusion must be signed by the Class Member or his or her authorized representative, and must be sent to the Settlement Administrator, postmarked no later than the Response Deadline (or fifteen (15) days after the Settlement Administrator re-mails the Notice to the Class Member, whichever is later). The Notice Packet shall contain instructions on how to validly exclude himself or herself from the Class and this Settlement (*i.e.*, opt out), including the language to be used in a request for exclusion. The date of the initial mailing of the Notice Packet, and the date the signed request for exclusion was postmarked, shall be conclusively determined according to the records of the Settlement Administrator. Any Class Member who timely and validly requests exclusion from the Class and this Settlement will not be

entitled to any Individual Settlement Payment, will not be bound by the terms and conditions of this Agreement, and will not have any right to object, appeal, or comment thereon. There shall be no right to request exclusion from the PAGA Settlement.

Any Class Member who fails to timely submit a request for exclusion shall automatically be deemed a Class Member whose rights and claims with respect to the issues raised in the Action are determined by the Court's Final Order Approving Settlement of Class Action, and by the other rulings in the Action. Thus, said Class Member's rights to pursue any claims covered by the Action and/or released in this Agreement will be extinguished.

c. Objections to Settlement

For any Class Member to object to this Agreement, or any term of it, the person making the objection must not submit a request for exclusion (*i.e.*, must not opt out), and should send to the Settlement Administrator, postmarked or faxed no later than the Response Deadline (or fifteen (15) days after the Settlement Administrator re-mails the Notice to the Class Member, whichever is later), a written statement of the grounds of objection, signed by the objecting Class Member or his or her attorney, along with all supporting papers. The date of the initial mailing of the Notice Packet, and the date the signed objection was postmarked, shall be conclusively determined according to the records of the Settlement Administrator. The Settlement Administrator shall send any objections it receives to Defense Counsel and Class Counsel within three (3) business days of receipt. Class Members may also appear at the final approval hearing to object. The Court retains final authority with respect to the consideration and admissibility of any Class Member objections. There shall be no right to object to the PAGA Settlement.

d. Encouragement of Class Members

The Parties to this Agreement and the counsel representing such Parties shall not, directly or indirectly, through any person, encourage or solicit any Class Member to exclude him or herself from this Settlement (opt out), or to object to it. However, Class Counsel may respond to inquiries from Class Members.

e. Right of Plaintiff to Adjust Gross Settlement Amount

Defendant has estimated the number of Class Members as 1,129 and the number of Workweeks as 59,540. If the number of Class Members or the Workweeks increases by more than 10% (which is more than 1241 Class Members or more than 65,494 Workweeks) as of the end of the Class Period, there will be a pro rata adjustment to the Gross Settlement Amount equal to \$1,328.61 per additional class member or \$25.19 per additional Workweek, which is greater.

f. Termination for Lack of Sufficient Participation

If ten percent (10%) or more of the Class Members makes a valid request to be excluded from the Class, Defendant will have the right, but not the obligation, to void the Agreement within ten (10) calendar days after receiving from the Settlement Administrator the final list of opt-outs. Defendant agrees to meet and confer in good faith with Class Counsel before rescinding or voiding the Settlement Agreement and shall notify Class Counsel, in writing via USPS and email, and the Court whether it is exercising its right to void the Agreement. Such rescission shall have the same effect as a termination of the Settlement Agreement for failure to satisfy a condition of settlement, and this Settlement Agreement shall become null and void and have no further force or effect, and the Settlement Class certified pursuant to the Settlement Agreement will be decertified for all purposes, except where the approving Court has approved the PAGA settlement set forth in the Settlement Agreement and Defendant has issued the payment of the PAGA amount, the release of the PAGA claims shall be binding. If Defendant exercises the right to void the Agreement, Defendant will pay the Settlement Administrator's reasonable fees and expenses incurred as of the date that Defendant exercises the right to void the Agreement.

Section 3.05: Final Fairness and Approval Hearing

On the date set forth in the Order for Preliminary Approval and Notice Packet, a Final Fairness and Approval Hearing shall be held before the Court in order to (1) review this Agreement and determine whether the Court should give it final approval, and (2) consider any objections made and all responses by the Parties to such objections. At the Final Fairness and Approval Hearing, the Parties shall ask the Court to grant final approval to this Agreement and shall submit to the Court a Proposed Final Order Approving Settlement of Class Action.

Section 3.06: Settlement Payment Procedures

a. Settlement Amount

In exchange for the Released Claims set forth in this Agreement, Defendant agrees to pay the Gross Settlement Amount in the amount of One Million Five Hundred Thousand Dollars (\$1,500,000.00), subject to a pro rata increase under the condition set forth in Section 3.04(e). The Gross Settlement Amount includes all Individual Settlement Amounts to Participating Class Members, Individual PAGA Settlement Payments, all Settlement Administration Costs, Class Counsel's attorney's fees and costs, PAGA Settlement Amount, the Incentive Payments, and employer's share of payroll taxes.

Defendant shall transfer the Gross Settlement Amount into a QSF established by the Settlement Administrator either directly or by sending the funds to the Settlement Administrator to be deposited and distributed on the Effective Date. The Settlement Administrator will use these funds to fund payment of the Individual Settlement Payments to Participating Class Members, Individual PAGA Settlement Payments to PAGA Group Members, Class Counsel's attorneys' fees and costs, the Incentive Awards, the LWDA Payment, the Settlement Administration Costs, and the employer's share of payroll taxes.

Within ten (10) court days after receiving Defendant's payment, funding the Gross Settlement Amount in full, the Settlement Administrator will pay the Individual Settlement Payments to Participating Class Members, Individual PAGA Settlement Payments to PAGA Group Members, Class Counsel's attorneys' fees and costs, LWDA Payment, the Incentive Awards, and employer and employee tax withholdings applicable to the Net Settlement Amount allocated to wages. Prior to this distribution, the Settlement Administrator will perform a search based on the National Change of Address Database to update and correct for any known or identifiable address changes.

b. Payment of Attorneys' Fees and Costs

Class Counsel shall submit an application for an award of attorneys' fees of up to one-third of the Gross Settlement Amount, which, based on the current Gross Settlement Amount, is Five Hundred Thousand and Zero Cents (\$500,000.00). Class Counsel shall submit an application for an award of costs not to exceed Forty Thousand Dollars (\$40,000.00). Such application for attorneys'

1 fees and costs shall be heard by the Court at the Final Fairness and Approval Hearing. Defendant
2 shall not object to or oppose any such application in these amounts. Class Counsel shall serve
3 Defendant with copies of all documents submitted in support of their application for an award of
4 attorneys' fees and costs.

5 Any attorneys' fees and costs awarded to Class Counsel by the Court shall be paid from the
6 Gross Settlement Amount and shall not constitute payment to any Class Member(s). The attorneys'
7 fees and costs for Class Counsel approved by the Court shall encompass all work performed, costs,
8 and expenses related to the investigation, prosecution, and settlement of the Action incurred through
9 the Date of Finality. To the extent that the Court approves less than the amount of attorney's fees
10 and/or costs that Class Counsel requests, the difference between the requested and awarded amounts
11 will be reallocated to the Net Settlement Amount.

12 **c. Payment of Settlement Administration Costs**

13 The Settlement Administration Costs shall be paid out of the Gross Settlement Amount and
14 shall not constitute payment to any Participating Class Member(s). The amount shall not exceed
15 Eleven Thousand Five Hundred Dollars (\$11,500.00).

16 **d. Payment of Incentive Award to Named Plaintiffs**

17 Subject to Court approval, the Named Plaintiffs shall each receive an Incentive Award of up
18 to Ten Thousand Dollars (\$10,000.00), the request for which Defendant will not object to or oppose.
19 The Incentive Awards shall be paid out of the Gross Settlement Amount and shall not constitute
20 payment to any Participating Class Member(s) other than Named Plaintiffs. To the extent that the
21 Court approves less than the amount of incentive award that Class Counsel request, the difference
22 between the requested and awarded amounts will be reallocated to the Net Settlement Amount.

23 Because it is the intent of the Parties that the Incentive Awards represent payment to Named
24 Plaintiffs for their service to the Class Members, and not wages, the Settlement Administrator will
25 not withhold any taxes from the Incentive Awards. The Incentive Awards will be reported on a Form
26 1099, which the Settlement Administrator will provide to Named Plaintiffs and to the pertinent taxing
27 authorities as required by law.
28

e. Payment to the Labor and Workforce Development Agency

In consideration of claims made under PAGA, Class Counsel will request that the Court approve allocation of Fifty Thousand Dollars (\$50,000) of the Gross Settlement Amount to these claims. Seventy-five percent (75%) of this payment will be paid to the California Labor and Workforce Development Agency ("LWDA Payment"), and twenty-five percent (25%) will be paid to the Net Settlement Amount for distribution to PAGA Group Members. Defendant will not oppose this request. The entire PAGA Settlement Amount will be paid out of the Gross Settlement Amount. The Court's adjustment, if any, of the amount allocated to Named Plaintiffs' PAGA claim in the Action, will not invalidate this Agreement.

**f. Payment of Individual Settlement Payments to Participating Class Members
and Individual PAGA Settlement Payments to PAGA Group Members**

The Parties agree that the Net Settlement Amount shall be used to fund Individual Settlement Payments. The Parties agree that the Net Settlement Amount shall be divided between all Participating Class Members in proportion to the number of individual Qualifying Workweeks for each Class Member. To calculate the minimum amount each Class Member will receive based on their individual Qualifying Workweeks, the Net Settlement Amount will be divided by the total number of Qualifying Workweeks by all Class Members during the Class Period and then allocated on a pro rata basis. Qualifying Workweeks will be rounded up to the next whole integer. Each Class Member's approximate Individual Settlement Payment amount will be included in his or her Notice Packet. After final approval by the Court, the Net Settlement Amount will be dispersed to Participating Class Members (those who did not exclude themselves) on a pro rata basis based on the individual Qualifying Workweeks worked during the Class Period by each Participating Class Member.

The PAGA Settlement Amount to be distributed to PAGA Group Members shall be divided between all PAGA Group Members in proportion to the number of pay periods that each PAGA Group Member worked during the PAGA Period. To calculate the minimum amount each PAGA Group Member will receive based on their individual pay periods, 25% of the PAGA Settlement Amount (or \$12,500) will be divided by the total number of pay periods worked by all PAGA Group

Members during the PAGA Period and then allocated on a pro rata basis. Pay periods will be rounded up to the next whole integer. Each PAGA Group Member's approximate Individual PAGA Settlement Payment amount will be included in his or her Notice Packet. After final approval by the Court, the PAGA Settlement Amount will be dispersed to all PAGA Group Members on a pro rata basis based on the number of pay periods worked during the PAGA Period by each PAGA Group Member.

Each Individual Settlement Payment will represent wages and penalties allocated using the following formula: 20% allocated to wages; 80% allocated to penalties and interest. The Individual PAGA Settlement Payments are to be considered 100% penalties. The amounts paid as wages shall be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and shall be reported by W-2 forms. The amounts paid as penalties and interest shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and shall be reported by IRS 1099 forms.

No later than ten (10) business days after receiving the Gross Settlement Amount from Defendant, the Settlement Administrator shall prepare and mail the checks for the Individual Settlement Payments to Participating Class Members. Individual Settlement Payments paid from the Net Settlement Amount allocated to wages will be reduced by applicable employer and employee tax withholdings, and the Settlement Administrator will issue a Form W-2 for the wage portion of the Individual Settlement Payments. The Settlement Administrator will issue a Form 1099 to the extent required by law for the interest and penalty portions of the Individual Settlement Payments. Participating Class Members shall have 180 days from the date their Individual Settlement Payment checks are dated to cash their Settlement checks. Any checks that are not cashed upon the expiration of that 180-day time period will be void, and the uncashed funds shall be paid to the State Controller Unclaimed Property Fund in the name of the Class Member for whom the funds are designated.

If a check is returned to the Settlement Administrator as undeliverable, the Settlement Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace or a mass search on LexisNexis or a comparable databases based on set criteria and, if another address is identified, the Settlement Administrator shall mail the check to the newly identified address. If the

1 Settlement Administrator is unable to obtain a valid mailing address through this process, the
2 Settlement Administrator will tender the funds from the undeliverable checks to the State Controller
3 Unclaimed Property Fund in the name of the Class Member for whom the funds are designated.

4 **g. Default on Payment.**

5 Defendant's failure to fund the Gross Settlement Amount within ten (10) calendar days after
6 the date that the Court grants final approval of the Settlement shall be considered a default. In the
7 event Defendant fails to timely fund the Gross Settlement Amount, the Settlement Administrator will
8 provide notice to Class Counsel and Defendant's counsel within three (3) business days of the missed
9 payment. Thereafter, Defendant will have seven (7) days to cure the default and tender payment to
10 the Settlement Administrator. In the event Defendant fails to cure the default within the times set
11 forth herein, Named Plaintiffs may elect to enter judgment against Defendant, on an ex parte basis,
12 for the balance of the unpaid Gross Settlement Amount to date, and Named Plaintiffs will be entitled
13 to recover interest at ten percent (10%) per year from the due date for such payment and reasonable
14 attorneys' fees and costs.

15 **h. No Credit Toward Benefit Plans.**

16 The Individual Settlement Payments made to Participating Class Members under this
17 Agreement, as well as any other payments made pursuant to this Agreement, will not be utilized to
18 calculate any additional benefits under any benefit plans to which any Class Members may be
19 eligible, including, but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase
20 plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties'
21 intention that this Agreement will not affect any rights, contributions, or amounts to which any Class
22 Members may be entitled under any benefit plans.

23 **ARTICLE IV**

24 **LIMITATIONS ON USE OF THIS SETTLEMENT**

25 **Section 4.01: No Admission**

26 Defendant disputes the allegations in the Action and disputes that, but for this Settlement, a
27 Class should not have been certified in the Action. This Agreement is entered into solely for the
28

purpose of settling highly disputed claims. Nothing in this Agreement is intended nor will be construed as an admission of liability or wrongdoing by Defendant.

Section 4.02: Non-Evidentiary Use

Whether or not the Date of Finality occurs, neither this Agreement, nor any of its terms, nor the Settlement itself, will be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Defendant or any other of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage, or (b) disclosed, referred to, or offered in evidence against any of the Released Parties in any further proceeding in the Action, except for the purposes of effectuating the Settlement pursuant to this Agreement or for Defendant to establish that a Class Member has resolved any of his or her claims released through this Agreement.

Section 4.03: Nullification

The Parties have agreed to the certification of the Class encompassing all claims alleged in the Action for the sole purpose of effectuating this Agreement. If (a) the Court should for any reason fail to certify this Class for settlement, or (b) the Court should for any reason fail to approve this Settlement, or (c) the Court should for any reason fail to enter the Final Order, or (d) the Final Order is reversed, or declared or rendered void, (e) the Court should for any reason fail to dispose of the Action in its entirety, then (i) this Agreement shall be considered null and void; (ii) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect; (iii) all Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had not been entered into nor filed with the Court; (iv) the fact that the Parties were willing to stipulate to class certification of all causes of action pled in the Action as part of the Settlement will have no bearing on, and will not be admissible in connection with, the issue of whether the Class should be certified by the Court in a non-settlement context in this Action or any other action, and in any of those events, Defendant expressly reserves the right to oppose certification of the Class; and (v) the First Amended Complaint in the Action shall be null and void and of no force or effect, and the initial complaint filed in the Action shall thereafter become the operative complaint. The Parties will then

1 take the appropriate steps to lift the stay currently in place in the Federal Court Action. The
2 terminating Party shall give to the other Party written notice of its decision to terminate no later than
3 fourteen (14) calendar days after receiving notice that one of the enumerated events has occurred.
4 The Parties shall split the Settlement Administrator's costs incurred up to the point of termination.

5 In the event of a timely appeal from the Final Order, the Final Order shall be stayed and the
6 Gross Settlement Amount shall not be distributed pending the completion of the appeal.

7 **ARTICLE V**

8 **RELEASES**

9 **Section 5.01: Released Claims by Class Members**

10 Upon final approval by the Court, the claims released by the Settlement Class Members will
11 include all claims contained in the Federal Court Action and State Court Action and the proposed
12 Amended Complaint against the Released Parties, for work performed during the Class Period,
13 including the following:

14 A. Any claims for unpaid wages (including, but not limited to, minimum, regular and
15 overtime wages), untimely wage payments both during and at the end of employment,
16 non-compliant meal periods, non-compliant rest periods, non-compliant wage
17 statements, unpaid expense reimbursements, and claims for interest, penalties
18 (including but not limited to wait time penalties), or premiums in connection
19 therewith, as well as any claims under the Fair Labor Standards Act, the California
20 Labor Code and California Industrial Welfare Commission Wage Orders, alleged or
21 which could have been alleged under the facts, allegations and/or claims pleaded in
22 the Federal and State Lawsuits;

23 B. Any claims for injunctive relief, declaratory relief, restitution, fraudulent business
24 practices or punitive damages alleged or which could have been alleged under the
25 facts, allegations and/or claims pleaded in the complaints filed as part of the Federal
26 and State Lawsuits; and

27 C. Any and all other claims under California common law, the California Labor Code
28 including but not limited to the Fair Labor Standards Act, California Industrial

Welfare Commission Wage Orders, and the California Business and Professions Code alleged in or that could have been alleged under the facts, allegations and/or claims pleaded in the Lawsuit.

Section 5.02: Released Claims by PAGA Group Members

Upon final approval by the Court, the State of California and PAGA Group Members release the Released Parties from all claims exhausted in Plaintiffs' notice(s) sent to the LWDA and alleged in the operative complaint, which arose during the PAGA Period, regardless of whether PAGA Group Members opt out of the Class Settlement.

Section 5.03: Named Plaintiffs' Release of Unknown Claims

Upon final approval by the Court, Named Plaintiffs shall release any and all claims whatsoever regarding Named Plaintiffs' employment and/or the termination of their employment including, but not limited to, any claims for wages, bonuses, severance pay, penalties, employment benefits, stock options, violation of any personnel policy, any claims based on discrimination, harassment, unlawful retaliation, violation of public policy, or damages of any kind whatsoever, arising out of any common law torts, contracts, express or implied, any covenant of good faith and fair dealing, any theory of wrongful discharge, any theory of negligence, any theory of retaliation, or any federal, state, or other governmental statute, executive order, regulation or ordinance, or common law, or any other basis whatsoever, to the fullest extent provided by law. Named Plaintiffs shall be deemed to have, and by operation of the Judgment shall have, expressly waived and relinquished to the fullest extent permitted by law the provisions, rights, and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law that purports to limit the scope of a general release. Named Plaintiffs, for themselves, have read Section 1542 of the Civil Code of the State of California, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH 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

1 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE
2 DEBTOR OR RELEASED PARTY.

3 Named Plaintiffs understand that Section 1542 gives the right not to release existing claims
4 of which they are not now aware, unless Named Plaintiffs voluntarily choose to waive this right.
5 Having been so apprised, Named Plaintiffs nevertheless voluntarily waive the rights described in
6 Section 1542, and elect to assume all risks for claims that now exist in their favor, known or unknown.
7 The release of the claims of Named Plaintiffs as set forth in this Paragraph 11 is a condition precedent
8 to enforcement of this MOU and the Settlement Agreement.

9 **ARTICLE VI**

10 **MISCELLANEOUS PROVISIONS**

11 **Section 6.01: Amendments or Modification**

12 The terms and provisions of this Agreement may be amended or modified only by an express
13 written agreement that is signed by all the Parties (or their successors-in-interest) and their counsel,
14 and approved by the Court.

15 **Section 6.02: Assignment**

16 None of the rights, commitments, or obligations recognized under this Agreement may be
17 assigned by any Party, Class Member, Class Counsel, or Defense Counsel without the express written
18 consent of each other Party and their respective counsel. The representations, warranties, covenants,
19 and agreements contained in this Agreement are for the sole benefit of the Parties under this
20 Agreement and shall not be construed to confer any right or to avail any remedy to any other person.

21 **Section 6.03: Governing Law**

22 This Agreement shall be governed, construed, and interpreted, and the rights of the Parties
23 shall be determined, in accordance with the laws of the State of California, without regard to conflicts
24 of laws.

25 **Section 6.04: Entire Agreement**

26 This Agreement, including the Exhibits referred to herein, which form an integral part hereof,
27 contains the entire understanding of the Parties with respect to the subject matter contained herein.
28 In case of any conflict between text contained in Articles I through VI of this Agreement and text

1 contained in the Exhibits to this Agreement, the former (*i.e.*, Articles I through VI) shall be
2 controlling, unless the Exhibits are changed by or in response to a Court order. There are no
3 restrictions, promises, representations, warranties, covenants, or undertakings governing the subject
4 matter of this Agreement other than those expressly set forth or referred to herein. This Agreement
5 supersedes all prior agreements and understandings among the Parties with respect to the settlement
6 of the Action, including correspondence between Class Counsel and Defense Counsel and drafts of
7 prior agreements or proposals.

8 **Section 6.05: Waiver of Compliance**

9 Any failure of any Party, Defense Counsel, or Class Counsel hereto to comply with any
10 obligation, covenant, agreement, or condition set forth in this Agreement may be expressly waived
11 in writing, to the extent permitted under applicable law, by the Party or Parties and their respective
12 counsel entitled to the benefit of such obligation, covenant, agreement, or condition. A waiver or
13 failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or
14 condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

15 **Section 6.06: Counterparts and Fax/PDF Signatures**

16 This Agreement, and any amendments hereto, may be executed in any number of counterparts
17 and any Party and/or their respective counsel may execute any such counterpart, each of which when
18 executed and delivered shall be deemed to be an original. All counterparts taken together shall
19 constitute one instrument. A fax or PDF signature on this Agreement shall be as valid as an original
20 signature.

21 **Section 6.07: Meet and Confer Regarding Disputes**

22 Should any dispute arise among the Parties or their respective counsel regarding the
23 implementation or interpretation of this Agreement, a representative of Class Counsel and a
24 representative of Defense Counsel shall meet and confer in an attempt to resolve such disputes prior
25 to submitting such disputes to the Court.

26 **Section 6.08: Agreement Binding on Successors**

27 This Agreement will be binding upon, and inure to the benefit of, the successors in interest
28 of each of the Parties.

1 **Section 6.09: Cooperation in Drafting**

2 The Parties have cooperated in the negotiation and preparation of this Agreement. This
3 Agreement will not be construed against any Party on the basis that the Party, or the Party's counsel,
4 was the drafter or participated in the drafting of this Agreement.

5 **Section 6.10: Fair and Reasonable Settlement**

6 The Parties believe that this Agreement reflects a fair, reasonable, and adequate settlement of
7 the Action and have arrived at this Agreement through arm's-length negotiation and in the context
8 of adversarial litigation, taking into account all relevant factors, current and potential. The Parties
9 further believe that the Settlement is and is consistent with public policy, and fully complies with
10 applicable law.

11 **Section 6.11: Headings**

12 The descriptive heading of any section or paragraph of this Agreement is inserted for
13 convenience of reference only and does not constitute a part of this Agreement and shall not be
14 considered in interpreting this Agreement.

15 **Section 6.12: Notice**

16 Except as otherwise expressly provided in the Agreement, all notices, demands, and other
17 communications under this Agreement must be in writing and addressed as follows:

18 *To Named Plaintiffs and the Class:*

19 Kashif Haque
20 Samuel A. Wong
21 Jessica L. Campbell
22 Kristy R. Connolly
23 AEGIS LAW FIRM, PC
24 9811 Irvine Center Drive, Suite 100
25 Irvine, California 92618
26 Telephone: (949) 379-6250
27 Facsimile: (949) 379-6251

28 And

To Defendant:

 Shannon R. Boyce
 Devon Mills
 LITTLER MENDLESON P.C.

2049 Century Park East 5th Floor
Los Angeles, CA 90067-3107
Telephone: (310) 553-.0308
Facsimile: (310) 553-5583

Section 6.13: Enforcement of Settlement and Continuing Court Jurisdiction

To the extent consistent with class action procedure, this Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6 and California Rule of Court 3.769(h). The Final Order entered by the Court will not adjudicate the merits of the Action or the liability of the Parties resulting from the allegations of the Action. Its sole purpose is to adopt the terms of the Settlement and to retain jurisdiction over its enforcement. To that end, the Court shall retain continuing jurisdiction over this Action and over all Parties and Class Members, to the fullest extent to enforce and effectuate the terms and intent of this Agreement. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

Section 6.14: Mutual Full Cooperation

The Parties agree fully to cooperate with each other to accomplish the terms of this Agreement, including but not limited to the execution of such documents, and the taking of such other action, as may reasonably be necessary to implement the terms of this Agreement. The Parties to this Agreement shall use their best efforts, to effectuate and implement this Agreement and its terms. In the event 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 the Settlement, the Parties agree to seek the assistance of the Court.

Section 6.15: Authorization to Act

Class Counsel warrants and represents that they are authorized by Named Plaintiffs, and Defense Counsel warrants that they are authorized by Defendant, to take all appropriate action required to effectuate the terms of this Agreement, except for signing documents, including but not limited to this Agreement, that are required to be signed by the Parties themselves. Defendant

represents and warrants that the individual executing this Agreement on its behalf has the full right, power, and authority to enter into this Agreement and to carry out the transactions contemplated herein.

Section 6.16: No Reliance on Representations

The Parties have made such investigation of the facts and the law pertaining to the matters described herein and to this Agreement as they deem necessary, and have not relied, and do not rely, on any statement, promise, or representation of fact or law, made by any of the other parties, or any of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of entering into and executing this Agreement, or with respect to any other matters. No representations, warranties, or inducements, except as expressly set forth herein, have been made to any party concerning this Agreement.

EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: 10/6/2022 | 9:29 AM PDT

ALEXIS AGAR-VALENCIA

Bv:

Named Plaintiff

Dated: 9/30/2022 | 7:12 AM PDT

KATRINA CORREALE

Bv:

Named Plaintiff

Dated:

PSL ASSOCIATES, LLC

Bv:

(Signature)

Katheryn Pigott

(Printed Name)

VP P&C

(Title)

1 **APPROVED AS TO FORM ONLY:**

2

3

4 Dated: October 7, 2022

AEGIS LAW FIRM, PC

5

6 By: 

Kashif Haque

Samuel A. Wong

Jessica L. Campbell

Kristy R. Connolly

7

8

9 Attorneys for Named Plaintiffs Alexis Agar-

10 Valencia and Katrina Correale

11

12 Dated: _____

LITTLER MENDELSON, P.C.

13

14 By: 

Shannon R. Boyce

Devon Mills

15

16

17 Attorneys for Defendant PSL Associates, LLC

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EXHIBIT A

THIS IS AN IMPORTANT COURT APPROVED NOTICE. READ CAREFULLY.

Agar-Valencia v. PSL Associates, LLC
San Bernardino County Superior Court, Case No. CIVSB2121606

If you worked for PSL Associates, LLC as a non-exempt employee, in California at any time from September 28, 2016 through June 17, 2022, the settlement of this class action lawsuit may affect your rights.

This is a court-authorized notice. It is not a solicitation from a lawyer.

- A proposed settlement (the “Settlement”) has been reached in a class action lawsuit entitled *Agar-Valencia v. PSL Associates, LLC*, Case No. IVSB2121606 (San Bernardino County Superior Court) (the “Lawsuit”). The purpose of this Notice of Class Action Settlement (“Notice”) is to briefly describe the Lawsuit, and to inform you of your rights and options in connection with the Lawsuit and the Settlement.
- The Court has preliminarily approved a class action settlement with Defendant PSL Associates, LLC (“PSL” or “Defendant”), which will affect all non-exempt employees who worked for PSL in California at any time from September 28, 2016 through June 17, 2022.
- If the Court grants final approval of the Settlement, there may be money available to you.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
PARTICIPATE IN THE SETTLEMENT – <u>NO ACTION REQUIRED</u>	Stay in this Lawsuit. Receive a payment. Give up certain rights. By doing nothing, you become part of the Class and will be entitled to a settlement award as detailed below. But, you will not be able to bring your own lawsuit against PSL for violations that relate to the claims brought in this Lawsuit.
OBJECT TO THE SETTLEMENT	Stay in this Lawsuit. Object. Receive a payment. Give up certain rights. If you object to the settlement, you will remain a member of the Class. If the Court approves the settlement, you will be entitled to collect a settlement award and be bound by the terms of the settlement in the same way as Class Members who do not object.
ASK TO BE EXCLUDED	Get out of this Lawsuit. Receive no payment from the class settlement. Keep your rights. If you ask to be excluded from the Settlement, you will not receive any payment from the settlement award. But, you keep your right to sue PSL separately for the legal claims raised in this Lawsuit.

- **Regardless of the option you choose, you will not be retaliated against.**

- Your options are explained in this notice. To object to the settlement or to ask to be excluded, you must act before [REDACTED].
- **Any questions?** Read on or contact Class Counsel or the Settlement Administrator listed below.

BASIC INFORMATION

1. Why did I get this notice?

PSL records show that you worked for PSL as a non-exempt employee in California at some point between September 28, 2016 through June 17, 2022.

The Court has determined only that there is sufficient evidence to suggest that the proposed Settlement may be fair, adequate, and reasonable. Any final determination of those issues will be made at the final hearing. You have legal rights and options that you may exercise as part of this Settlement. Judge David Cohn of the Superior Court of the State of California, County of San Bernardino, is overseeing this lawsuit.

2. What is this lawsuit about?

In this Lawsuit, Plaintiffs Alexis Agar-Valencia and Katrina Correale (“Plaintiffs”) claim that PSL (1) failed to pay minimum wages; (2) failed to pay overtime wages; (3) failed to provide meal periods; (4) failed to permit rest breaks; (5) failed to reimbursement business expenses; (6) failed to provide accurate itemized wage statements; (7) failed to pay all wages due upon separation of employment and within the required time; (8) failed to reimburse necessary business expenses; (9) violated California’s Unfair Competition laws; and (9) that these violations entitle Plaintiffs to recover civil penalties on behalf of the State of California under Labor Code § 2698 et. seq (“PAGA”).

Throughout the litigation, PSL has denied—and continues to deny—the factual and legal allegations in the Lawsuit. PSL denies any wrongdoing and asserts that its conduct at all times complied with the law. However, PSL has voluntarily agreed to the terms of a negotiated settlement in order to avoid the burden and expense of continued litigation.

3. What is a class action and who is involved?

In a class action lawsuit such as this, a person called the “Class Representative” sues on behalf of other people who may have similar claims. The people together are referred to as a “Class” or “Class Members.” The person who is the Class Representative is also called the plaintiff. The company being sued is called the defendant. In class action litigation, a Court resolves the issues for everyone in the Class in one lawsuit, except for those people who choose to exclude themselves from the Class.

This class action also includes a “Private Attorneys General Act” (“PAGA”) claim, where the Plaintiff is attempting to recover civil penalties on behalf of the State of California. In a PAGA action, the State receives 75% of any recovered civil penalties, and the employees receive 25%. This Settlement will resolve all claims by the State for civil penalties arising from the claims made by Plaintiff in the Lawsuit during the period of March 25, 2020 through June 17, 2022 (“PAGA Period”).

4. Why is this Lawsuit a class action?

For settlement purposes, Plaintiff and PSL agreed that this case can proceed as a class action and have agreed to ask the Court to approve the class action Settlement. The Court has not ruled on the merits of the claims in the Lawsuit.

5. What are the terms of the proposed Settlement?

The major terms of the settlement are as follows:

1. Defendant has agreed to pay \$1,500,000.00 to settle the claims in this Lawsuit. This amount is also known as the “Gross Settlement Amount.”
2. Plaintiffs have agreed to release all of their claims in this this Lawsuit against Defendant.
3. Plaintiffs seek the following deductions from the \$1,500,000.00 Gross Settlement Amount:
 - a. Up to one-third (1/3) of the Gross Settlement Amount (which is currently equal to \$500,000.00) for Class Counsel’s attorneys’ fees.
 - b. Up to \$40,000.00 for reimbursement of Class Counsel’s litigation costs.
 - c. An Incentive Award of up to \$10,000.00 to each of the Plaintiffs for filing the Lawsuit, performing work in connection with the Lawsuit, and the risks associated with filing the Lawsuit.
 - d. Up to \$11,500.00 to cover the costs of the Settlement Administrator.
 - e. A PAGA Settlement Amount of up to \$50,000.00 for the release of PAGA claims. The PAGA Settlement Amount shall be allocated 75% (\$37,500.00) to the California Labor and Workforce Development Agency and 25% (\$12,500.00) to the non-exempt employees that worked for Defendant in California at any time during the PAGA Period (“PAGA Group Members”).

If the Court approves these requested deductions, there will be approximately \$878,500.00 remaining. The remaining funds will be referred to as the “Net Settlement Amount.” The Net Settlement Amount will be distributed to Class Members who do not request exclusion according to the number of weeks they worked for Defendant in California during the Class Period.

PAGA Settlement Payments. 25% of the PAGA Settlement Amount (or \$12,500.00) (“PAGA Group Payment”) will be paid to PAGA Group Members based on the number of pay periods they work for Defendant in California during the PAGA Period. If you are a PAGA Group Member, you will receive a pro rata share of the PAGA Group Payment regardless of whether you opt-out of the class settlement.

Check Cashing Period. If a settlement check remains uncashed after 180 days from the date it is issued, the check will become void and the amount of the uncashed check will be sent to the California State Controller’s Unclaimed Property Fund, to be held in your name.

WHO IS IN THE CLASS?

6. Am I part of this Class?

The “Class” includes: All non-exempt employees who are or were employed by PSL in California at any time from September 28, 2016 through June 17, 2022 (the “Class Period”).

7. I’m still not sure if I am included.

If you still are not sure whether you are included in the Class, you can get free help by contacting ILYM Group, Inc., the “Settlement Administrator”, at the designated phone number for this matter at [REDACTED] or by calling or writing the lawyers representing the Class in this case (“Class Counsel”), at the phone number or address listed in Section 19.

8. What is my approximate Individual Settlement Payment?

According to payroll records maintained by PSL, the total number of weeks you worked in California for PSL as a non-exempt employee during the Class Period is [REDACTED]. The total number of pay periods you worked in California for PSL as a non-exempt employee during the PAGA Period is [REDACTED].

Based on information provided above, anticipated court-approved deductions, and preliminary calculations Qualified Workweeks, it is estimated your share of the settlement will be \$ [REDACTED], less applicable taxes and withholdings. This amount includes your share of the PAGA Group Payment, which is estimated to be \$ [REDACTED],

You do not need to do anything further to receive your Individual Settlement Payment, other than to ensure that the Settlement Administrator has an accurate mailing address for you. It is important that you contact and inform the Settlement Administrator listed in Section 16, below, of any changes to your mailing address for timely payment.

Disputing Your Payment Amount

If you believe your total weeks worked during the Class Period and/or PAGA Period shown above is not correct, you may contact the Settlement Administrator indicating what you believe is correct no later than [REDACTED]. You should send any documents or other information that supports your belief that the number of weeks set forth above is incorrect. The Settlement Administrator will attempt to resolve any dispute based upon PSL’s records and any information you provide. Any dispute not resolved by the Settlement Administrator will be resolved by the Court.

9. What rights am I releasing if I participate in the Settlement?

If the Court grants final approval of the Settlement and you do not exclude yourself from the Settlement, you will be deemed to have released Welltower Pegasus Landlord, LLC, Welltower Pegasus Tenant, LLC, Welltower, Inc., Welltower OP LLC, Pegasus Senior Living, LLC, Defendant and any of its past, present and future direct or indirect parents, subsidiaries, and affiliates (including the past, present and

future direct or indirect parents, subsidiaries, etc. of same), as well as each of its past, present and future officers, directors, employees, partners, members, shareholders and agents, attorneys, insurers, reinsurers, and any individual or entity which could be jointly liable with Defendant (collectively, “Released Parties”) from any claims for unpaid wages (including, but not limited to, minimum, regular and overtime wages), untimely wage payments both during and at the end of employment, non-compliant meal periods, non-compliant rest periods, non-compliant wage statements, unpaid expense reimbursements, and claims for interest, penalties (including but not limited to wait time penalties), or premiums in connection therewith, as well as any claims under the Fair Labor Standards Act, the California Labor Code and California Industrial Welfare Commission Wage Orders, alleged or which could have been alleged under the facts, allegations and/or claims pleaded in the Federal and State Lawsuits.

Additionally, if you are a PAGA Group Member, you will have released the right to bring a claim for civil penalties under PAGA that arose during the PAGA Period, on behalf of the State based on the facts alleged in the operative Complaint in this Lawsuit and the PAGA letters submitted to the LWDA by Plaintiffs collectively, “Released PAGA Claims”). You will release these Released PAGA Claims even if you opt-out of the class action settlement.

10. How do I object to the Settlement?

If you are a Class Member and would like to object to the Settlement, you must not submit a request for exclusion (*i.e.*, you must not opt-out). To object, you may mail a written objection to the Settlement Administrator at the address in Section 16 below. Your written objection must set forth the grounds for your objection and be signed and dated, along with any supporting documents. Any written objection must be mailed to the Settlement Administrator no later than [REDACTED]. You can also appear at the final approval hearing. The information for the hearing is included in Section 17 of this notice.

11. Why would I ask to be excluded?

You have the right to exclude yourself from the Class (and the class settlement). If you exclude yourself from the Class—sometimes called “opting-out” of the Class – you will not receive any money or benefits from the class settlement. However, if you opt out, you may then be able to sue or continue to sue PSL for your own claims if permitted by law. If you exclude yourself, you will not be legally bound by the Court's ruling in this Lawsuit except for the release by PAGA Group Members. Whether or not you submit a Request for Exclusion, if you are a PAGA Group Member, you will still be entitled to your portion of the PAGA Group Payment.

12. How do I ask to be excluded from the Class?

If you are a Class Member and would like to exclude yourself from the Class (“opt-out”), you, or your authorized representative, need to submit a written statement requesting exclusion from the Class to the Settlement Administrator at the address in Section 16 below. The statement must contain your name, address, telephone number, and your signature or the signature of your legally authorized representative and must be postmarked on or before [REDACTED]. The date of the postmark on the mailing envelope shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any class member who fails to submit a valid and timely request for exclusion will be bound by all terms of the settlement and any final disposition entered in this Class Action if the Settlement is approved by the Court.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

Class Counsel:

Kashif Haque
Samuel A. Wong
Jessica L. Campbell
Kristy R. Connolly
AEGIS LAW FIRM, PC
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
Telephone: (949) 379-6250
Facsimile: (949) 379-6251
kconnolly@aegislawfirm.com

The Court has preliminarily decided that Aegis Law Firm, PC is qualified to represent you and all Class Members. The law firm's attorneys are experienced in handling similar cases against other employers. More information about this law firm, their practice, and their lawyers' experience is available at www.aegislawfirm.com.

14. How will the lawyers be paid?

As part of the Settlement, Class Counsel has requested one-third of the Gross Settlement Amount (currently equal to \$500,000.00) in attorneys' fees, plus costs not to exceed \$40,000.00, to be paid from the Gross Settlement Amount to compensate Class Counsel for their work on this matter. You will not have to pay Class Counsel's fees and costs from your Individual Settlement Payment.

15. How will the Plaintiff be paid?

As part of the Settlement, Class Counsel has requested an incentive award of up to \$10,000 to be paid to each of the Plaintiffs for their efforts in this matter, while serving as Class Representatives and taking on the burden and risks of litigation.

THE SETTLEMENT, APPROVAL, AND PAYMENT PROCESS

16. Who is handling the Settlement Administration process?

ILYM Group, Inc.

[address]

[address]

[Telephone]

17. When is the Final Fairness and Approval Hearing and do I have to attend?

The Final Fairness and Approval Hearing has been set for [REDACTED], at [REDACTED], in Department S26 of the Superior Court of California, County of San Bernardino, located at 247 West

Third Street, San Bernardino, California 92415. You do not need to attend the hearing to be a part of the Settlement. However, if you wish to object to the Settlement, you may appear at the hearing. Please note that the hearing may be continued without further notice to the Class.

18. When will I get money after the hearing?

The Court will hold a hearing on [REDACTED], at [REDACTED], to decide whether to approve the settlement. If the Court approves the settlement, then there may be appeals if anyone objects. It is always uncertain when these objections and appeals can be resolved, and resolving them can take time. If the Court approves the settlement and if you do not opt out, your individual payment set forth in Section 8 above is expected to be distributed after PSL makes payment to the Settlement Administrator. To check on the progress of the settlement, contact the Settlement Administrator or Class Counsel at the phone number or address listed in Section 19.

GETTING MORE INFORMATION

19. Are more details available?

For more information, the pleadings and other records in this litigation, including copies of the Settlement Agreement, may be examined at any time during regular business hours at the office of the Clerk of the Superior Court of the State of California, for San Bernardino, at the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, California 92415. You can also view the case records online at the court's website: <https://cap.sb-court.org/> Click "Case Search" and type in the Case Number: CIVSB2121606

Any questions regarding this Class Notice or the Lawsuit may be directed to the Settlement Administrator at the below address and telephone number. Alternatively, you may contact your own attorney, at your own expense, to advise you, or you may contact Class Counsel at the address, telephone number or email address set forth above. If your address changes, or is different from the address on the envelope enclosing this Notice, please promptly notify the Settlement Administrator.

PLEASE DO NOT CALL OR WRITE TO THE COURT, OR TO ANY OF DEFENDANT'S MANAGERS, SUPERVISORS, OR DEFENDANT'S ATTORNEYS WITH QUESTIONS ABOUT THIS NOTICE.