

James R. Hawkins (SBN 192925)
Christina M. Lucio (SBN 253677)
Mitchell J. Murray (SBN 285691)
JAMES HAWKINS APLC
9880 Research Drive, Suite 200
Irvine, California 92618
Telephone: (949) 387-7200
Facsimile: (949) 387-6676
James@Jameshawkinsaplc.com
Christina@Jameshawkinsaplc.com
Mitchell@Jameshawkinsaplc.com

Attorneys for Plaintiff GEORGE MICHAILIDIS,
on behalf of himself and all others similarly situated

GBG LLP
THOMAS E. GEIDT (SBN 080955)
TERESA W. GHALI (SBN 252961)
RACHEL E. DAVEY (SBN 316096)
tomgeidt@gbgllp.com
teresaghali@gbgllp.com
racheldavey@gbgllp.com
601 Montgomery Street, Suite 840
San Francisco, CA 94111
Telephone: (415) 603-5000
Facsimile: (415) 840-7210

Attorneys for Defendant
SUTTER BAY HOSPITALS

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF ALAMEDA

GEORGE MICHAILIDIS, individually and
on behalf of himself and all others similarly
situated,

Plaintiff,

vs.

SUTTER BAY HOSPITALS, a California
Domestic Nonprofit, and DOES 1-50,
inclusive,

Defendants.

Case No. RG21091283 (consolidated with
RG21099373)

**AMENDED JOINT STIPULATION OF
CLASS ACTION AND PAGA
SETTLEMENT AND RELEASE**

Judge: Hon. Frank Roesch
Dept.: 17

Complaint Filed: March 9, 2021

1. This Joint Stipulation of Class Action and PAGA Settlement and Release (“**Agreement**” or “**Stipulation**”) is made by and between Plaintiffs George Michailidis and Anahi Vasquez (“Plaintiffs”) on behalf of themselves and all members of the Settlement Class, as defined below, and as proxy for the State of California, on the one hand, and Defendant Sutter Bay Hospitals (“Defendant”), on the other hand (collectively, “the Parties”), in the above-captioned matter.

DEFINITIONS

2. In addition to the terms defined above, the terms below shall have the following meanings:

A. **“Action”** means Plaintiffs’ lawsuits captioned (1) *George Michailidis, individually and on behalf of himself and all others similarly situated, v. Sutter Bay Hospitals, a California Domestic Nonprofit, and DOES 1 - 50 inclusive*, filed on March 9, 2021, in Alameda County Superior Court, Case No. RG21091283 (“the Class Complaint”) ; and (2) *George Michailidis, on behalf of himself and all others similarly situated v. Sutter Bay Hospitals, a California Domestic Nonprofit, and DOES 1 to 50, inclusive*, filed on May 24, 2021, in Alameda County Superior Court, Case No. RG21099373 (“the PAGA Complaint”), as these complaints will be amended and consolidated in accordance with the settlement terms set forth below.

B. **“Class” or “Settlement Class”** means all current and former non-exempt employees of Sutter Bay Hospitals (“SBH”) employed from March 9, 2017 through November 20, 2023. For purposes of this Settlement, SBH includes Alta Bates Summit Medical Center, California Pacific Medical Center, Eden Medical Center, Sutter Delta Medical Center, Sutter Santa Rosa Regional Hospital, Sutter Lakeside Hospital, and Novato Community Hospital. This definition **excludes** the members of the Settlement Classes in the following actions:

- *Cristy Hurtubise v. Sutter East Bay Hospitals*, Alameda County Superior Court No. RG17868819 for the time period covered by the *Hurtubise* settlement (through April 5, 2021); and
- *Lisa Skerl, an individual; Victoria Kropp, an individual; and Lori Roark, an individual, on behalf of themselves and all others similarly situated and the*

1 *general public v. Sutter Bay Hospitals; and DOES 1-100 inclusive*, San Mateo
2 Superior Court No. 21-CIV-02057 Superior Court No. CGC-20-585671 (as to the
3 members of the “CPMC Settlement Class” and the “MPMC Settlement Class”
4 only).

5 C. **“Class Counsel”** means James R. Hawkins, Christina M. Lucio, and Mitchell J.
6 Murray of James Hawkins APLC. The term “Class Counsel” shall be used synonymously with
7 the term “Plaintiffs’ Counsel.”

8 D. **“Class Counsel Fees” and “Class Counsel Costs”** means the amount to be paid
9 to Class Counsel for fees and expenses, respectively, as approved by the Court, to compensate
10 Class Counsel for their legal work in connection with the Action and their related litigation
11 expenses incurred in connection with the Action.

12 E. **“Class Data”** means information regarding Class Members that Defendant shall
13 compile from its records, as authorized by the Court, and transmit securely to the Settlement
14 Administrator, including each Class Member’s name, last known mailing address; Social Security
15 number; last known telephone number; dates of employment, and other information necessary for
16 the Settlement Administrator to calculate the number of Compensable Workweeks worked during
17 the Class and PAGA Periods.

18 F. **“Class Member” or “Settlement Class Member”** means a member of the Class,
19 as either a Participating Class Member or Non-Participating Class Member (including a Non-
20 Participating Class Member who qualifies as a PAGA-Eligible Employee.)

21 G. **“Class Members’ Released Claims”** means the claims being released by the
22 Participating Class Members, as described in Paragraph 23 below.

23 H. **“Class Notice”** means the Court-Approved Notice of Pendency of Class Action
24 Settlement and Final Hearing, to be mailed to Class Members in the form, without material
25 variation, attached as Exhibit 1 and incorporated by reference into this Agreement.

26 I. **“Class Period”** means the period from March 9, 2017 through November 20,
27 2023.

28 J. **“Class Representatives”** mean George Michailidis and Anahi Vasquez, the

1 named Plaintiffs in the operative complaint in the Action, as that Complaint is being amended,
2 who are seeking Court approval to serve as the Class Representatives.

3 K. **“Class Representatives’ Service Award”** means the amount to be paid to the
4 Class Representatives for initiating the Action and providing services in support of the Action, as
5 approved by the Court.

6 L. **“Compensable Workweeks”** means the number of workweeks that a Class
7 Member worked for Defendant as a non-exempt employee in California at any time during the
8 Class Period, including the PAGA Period.

9 M. **“Compensable PAGA Workweeks”** means the number of workweeks that a
10 PAGA-Eligible Employee worked for Defendant as a non-exempt employee in California at any
11 time during the PAGA Period.

12 N. **“Court”** means the Alameda County Superior Court presiding over the settlement
13 approval process in the Action.

14 O. **“Defense Counsel”** means Thomas E. Geidt, Teresa W. Ghali and Rachel E.
15 Davey of GBG LLP.

16 P. **“Effective Date”** is the date on which the Settlement becomes “Final,” which
17 means the latest date on which the following events have occurred: (i) the Superior Court has
18 granted Final Approval and entered its Final Judgment approving the Settlement, without material
19 modification, if there are no objections to the Settlement or if any and all objections have been
20 withdrawn in writing by the time of the Final Approval order; or (ii) if there are any objections,
21 the day after the deadline for filing a notice of appeal from the Final Judgment has passed without
22 a timely appeal having been filed; or (iii) if a timely appeal from the Final Judgment is filed, the
23 day after the appellate court affirms the Judgment and issues a remittitur.

24 Q. **“Final Approval”** means the Court’s order granting final approval of the
25 Settlement.

26 R. **“Final Approval Hearing”** means the Court’s hearing on the motion for Final
27 Approval of the Settlement.

28 S. **“Final Judgment”** means the Judgment entered by the Court upon granting Final

1 Approval of the Settlement.

2 T. **“Individual Class Payment”** means the Participating Class Member’s pro rata
3 share of the Net Settlement Amount calculated according to the number of Compensable
4 Workweeks worked during the Class Period, as explained below in Paragraph 19.

5 U. **“Individual PAGA Payment”** means the pro rata share of 25% of the PAGA
6 Payment, calculated according to the number of Compensable Workweeks worked during the
7 PAGA Period by the PAGA-Eligible Employees, whether or not they requested to be excluded
8 from the Settlement, as explained below in Paragraph 20.

9 V. **“LWDA”** means the California Labor and Workforce Development Agency.

10 W. **“LWDA PAGA Payment”** means the 75% share of the PAGA Payment paid to
11 the LWDA under Labor Code section 2699(i).

12 X. **“Maximum Settlement Amount”** means Nine Million Two Hundred and Fifty
13 Thousand Dollars and Zero Cents (\$9,250,000.00), which is the total amount Defendant shall
14 have to pay under the Settlement, except as provided in Paragraph 22 below regarding employer
15 payroll taxes on the wage payments being made under the Settlement. The Maximum Settlement
16 Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA
17 PAGA Payment, the Class Counsel Award for fees and costs, the Class Representatives’ Service
18 Awards, and the Settlement Administration Costs. This excludes the employer’s contribution of
19 payroll taxes due on the settlement payments apportioned as wages, which Defendant will pay
20 outside of the Maximum Settlement Amount.

21 Y. **“Net Settlement Amount”** means the Maximum Settlement Amount, less the
22 Class Counsel Fees, the Class Counsel Costs, the Class Representatives’ Service Awards, the
23 PAGA Payment, and the Settlement Administration Costs.

24 Z. **“Non-Participating Class Member”** means any Class Member who opts out of
25 the Settlement by sending the Settlement Administrator a valid and timely Request for Exclusion.

26 AA. **“Objection”** means a Class Member’s valid and timely submission of a written
27 objection to the Settlement to the Settlement Administrator within the Response Deadline,
28 provided that the Class Member did not submit a Request for Exclusion.

1 BB. **“PAGA”** means the California Private Attorneys General Act of 2004, Labor
2 Code §§ 2698. *et seq.*

3 CC. **“PAGA-Eligible Employees”** means Class Members who were employed in non-
4 exempt positions during the PAGA Period.

5 DD. **“PAGA Payment”** means Four Hundred Sixty-Two Thousand Five Hundred
6 Dollars and No Cents (\$462,500.00), which is the total amount of PAGA civil penalties to be paid
7 from the Maximum Settlement Amount, subject to the Court’s approval, in settlement of the
8 PAGA claims in this Action. Of this amount, 75% (\$346,875.00) will be paid to the LWDA and
9 25% (\$115,625.00) will be distributed as the Individual PAGA Payments to the PAGA-Eligible
10 Employees, whether or not they opt out of the Class Settlement.

11 EE. **“PAGA Period”** means the period from March 9, 2020 through November 20,
12 2023.

13 FF. **“PAGA-Released Claims”** means the PAGA claims being released as described
14 in Paragraph 24 below.

15 GG. **“Participating Class Member”** means a Class Member who does not submit a
16 valid and timely Request for Exclusion from the Settlement.

17 HH. **“Preliminary Approval Order”** means the Court’s Order granting preliminary
18 approval of the Settlement.

19 II. **“Released Parties”** means Defendant and all of its former and present parents,
20 corporate members, subsidiaries, divisions, and affiliated companies, and their respective officers,
21 directors, employees, partners, shareholders, agents, insurers, successors, assigns, and legal
22 representatives.

23 JJ. **“Request for Exclusion”** means a Class Member’s valid and timely submission of
24 a written request to the Settlement Administrator to be excluded from the Class Settlement,
25 signed by the Class Member.

26 KK. **“Response Deadline”** means 45 days after the Settlement Administrator mails the
27 Class Notice to the Class Members, and shall be the last date on which Class Members may mail
28 or fax (1) Requests for Exclusion from the Settlement, (2) an Objection to the Settlement, or (3) a

1 dispute over the number of Compensable Workweeks attributed to them in the Class Notice,
2 unless the Response Deadline is extended by up to seven days as the result of a re-mailing of the
3 Class Notice, as explained below in Paragraph 33.

4 LL. **“Settlement”** means the final and complete disposition of the Actions effected by
5 this Agreement and the Judgment.

6 MM. **“Settlement Administrator”** or **“Administrator”** means Phoenix Class Action
7 Administration Solutions (“Phoenix”) the neutral entity the Parties have agreed to appoint to
8 administer the Settlement, subject to approval by the Court.

9 NN. **“Settlement Administration Costs”** means the Court-approved fees and
10 reasonable costs incurred by the Settlement Administrator to administer the Settlement, to be
11 reimbursed to the Settlement Administrator from the Maximum Settlement Amount.

12 **RECITALS**

13 3. **Class Complaint.** On March 9, 2021, Plaintiff Michailidis filed his Class
14 Complaint (Case No. RG21091283) in Alameda County Superior Court in this Action, alleging
15 causes of action against Defendant for (1) Failure to Pay Minimum Wages; (2) Failure to Pay
16 Overtime Owed; (3) Failure to Provide Lawful Meal Periods; (4) Failure to Authorize and Permit
17 Rest Periods; (5) Failure to Timely Pay Wages During Employment; (6) Failure to Timely Pay
18 Wages Owed Upon Separation From Employment; (7) Failure to Reimburse Necessary Expenses;
19 (8) Knowing and Intentional Failure to Comply with Itemized Wage Statement Provisions; and
20 (9) Violation of the Unfair Competition Law (“UCL”).

21 4. **PAGA Complaint.** On May 14, 2021 Plaintiff separately filed his PAGA
22 Complaint (Case No. RG21099373), seeking penalties under PAGA for various alleged wage and
23 hour violations.

24 5. **Consolidation.** On June 17, 2022, the Court consolidated the Class and PAGA
25 Actions designating the Class case, Case No. RG21091283, as the lead case.

26 6. **First Mediation.** On August 18, 2023, the Parties participated in a full-day, arms-
27 length mediation before Mediator Paul Grossman. With the assistance of the mediator, the Parties
28 were able to come to a partial settlement of the claims in the Action, subject to the Court’s

1 approval. The terms of settlement as of August 18, 2023 were memorialized in a Mediator's
2 Proposal, which the Parties accepted.

3 7. **Second Mediation.** On March 19, 2024, the Parties participated in another full-
4 day, arms-length mediation before Mediator Paul Grossman. With the assistance of the mediator,
5 the Parties were able to come to a settlement of the remaining outstanding claims in the Action,
6 subject to the Court's approval. The terms of the settlement were memorialized in a Revised
7 Mediator's Proposal, which the Parties accepted, subject to completion of this long-form
8 Settlement Agreement and approval by the Court. The Parties have filed a Notice of Settlement
9 with the Alameda Superior Court, and the Parties intend that further active litigation in this
10 Action shall be stayed and suspended pending the approval of this Settlement.

11 8. **Benefits of Settlement to Plaintiffs and the Class Members.** Plaintiffs and
12 Class Counsel recognize the expense and length of continued proceedings necessary to litigate
13 Plaintiffs' disputes in this Action through trial and through any possible appeals. Plaintiffs have
14 also taken into account the uncertainty and risks of the outcome of further litigation, and the
15 difficulties and delays inherent in such litigation. Plaintiffs and Class Counsel also are aware of
16 the burdens of proof necessary to establish liability for the claims asserted in the Action, both
17 generally and in response to Defendant's defenses thereto, and the difficulties in establishing
18 damages, penalties, restitution and other relief sought in the Action. Plaintiffs and Class Counsel
19 also have taken into account Defendant's agreement to enter into a settlement that confers
20 substantial benefits upon the Class Members. Based on the foregoing, Plaintiffs and Class
21 Counsel have determined that the Settlement set forth in this Agreement is fair, adequate, and
22 reasonable and is in the best interests of all Class Members.

23 9. **Defendant's Reasons for Settlement.** Defendant has concluded that further
24 defense of the Action would be protracted and expensive. Substantial amounts of Defendant's
25 time, energy, and resources have been, and unless this Settlement is completed, shall continue to
26 be, devoted to the defense of the claims asserted by Plaintiffs. Defendant also has taken into
27 account the risks of further litigation in reaching its decision to enter into this Settlement. Even
28 though Defendant contends that it is not liable for any of the claims alleged by Plaintiffs in the

1 Action and denies any liability whatsoever, Defendant, nonetheless, has agreed to settle in the
2 manner and upon the terms set forth in this Stipulation and to fully and finally put to rest the
3 claims alleged in the Action.

4 **CLASS CERTIFICATION**

5 10. **Amendment of Complaints.** Upon execution of this Agreement, the Parties will
6 file a stipulation and order requesting approval for Plaintiffs to file an amended consolidated
7 complaint, combining the separate class and PAGA complaints, adding Anahi Vasquez as a
8 named Plaintiff, and incorporating all class and PAGA allegations contained in Plaintiff
9 Vasquez's July 20, 2023 notice to the LWDA. Defendant need not submit a responsive pleading
10 to this amended complaint.

11 11. **Stipulated Settlement Class.** Solely for purposes of settling the Action, the
12 Parties have agreed to the certification of a Settlement Class as defined herein.

13 12. **Certification Is for Settlement Only.** For purposes of this Settlement, the Parties
14 stipulate and agree that the requisites for establishing class certification with respect to the Class
15 have been met and are met. More specifically, for purposes of settlement only, the Parties
16 stipulate and agree that the Settlement Class is ascertainable and so numerous as to make it
17 impracticable to join all Class Members; and that there are common questions of law and fact
18 including, but not limited to, whether Defendant failed to provide meal periods and/or to pay meal
19 premiums in lieu thereof at the correct regular rate of compensation as required under Labor Code
20 section 226.7, including whether defendant failed to authorize and permit rest breaks and/or to
21 pay rest break premiums in lieu thereof as required under Labor Code section 226.7; whether
22 Defendant failed to accurately pay overtime, minimum, or regular wages by failing to pay for off
23 the clock work, including time spent undergoing pre-shift COVID-19 screenings; whether
24 Defendant failed to reimburse employees for business expenses under Labor Code section 2802;
25 whether Defendant failed to furnish accurate, itemized wage statements to all Class Members in
26 accordance with Labor Code section 226; and whether Defendant is liable to the Class Members
27 for derivative waiting time penalties pursuant to Labor Code section 203, among other common
28 issues.

1 13. **Certification Stipulation Nullified if Settlement Not Approved.** Should this
2 Settlement not become final, for whatever reason, the fact that the Parties were willing to stipulate
3 provisionally to class certification as part of the Settlement shall have no bearing on, and shall not
4 be admissible in connection with, the issue of whether a class should be certified in a non-
5 settlement context in the Action. Defendant expressly reserves its right to oppose class
6 certification should this Settlement not become final.

7 **MONETARY TERMS OF THE SETTLEMENT**

8 14. **Maximum Settlement Amount.** The claims of all members of the Settlement
9 Class and the PAGA-Eligible Employees, collectively, are settled for a maximum sum of Nine
10 Million Two Hundred and Fifty Thousand Dollars and No Cents (\$9,250,000.00) (“the Maximum
11 Settlement Amount”). This Maximum Settlement Amount is inclusive of the Individual Class
12 Payments; Class Counsel Fees and Class Counsel Costs; the Class Representatives’ Service
13 Awards to Plaintiffs Michailidis and Vasquez; the Settlement Administration Costs; and the
14 PAGA Payments to the LWDA and the PAGA-Eligible Employees, all as approved by the Court.
15 This excludes the employer’s contribution of payroll taxes due on the settlement payments
16 apportioned as wages, which Defendant will pay outside of (in addition to) the Maximum
17 Settlement Amount.

18 15. **Class Counsel Fees and Class Counsel Costs.** Class Counsel shall be entitled to
19 request attorneys’ fees in an amount not to exceed Thirty-Five Percent (35%) of the Maximum
20 Settlement Amount – that is, Three Million Two Hundred Thirty-Seven Thousand Five Hundred
21 Dollars and No Cents (\$3,237,500.00), plus reasonable costs not to exceed Sixty Thousand
22 Dollars (\$60,000.00). Class Counsel’s request for such attorneys’ fees and costs shall be subject
23 to approval by the Court. Defendant agrees not to oppose or object to Class Counsel’s requests
24 for attorneys’ fees or reasonable costs up to these amounts. In the event the Court awards Class
25 Counsel less than these (or any other) requested amounts, the difference shall become part of the
26 Net Settlement Amount and shall be distributed to Participating Class Members as part of their
27 Individual Class Payments. Class Counsel shall be solely and legally responsible to pay all
28 applicable taxes due on the Class Counsel Award. Class Counsel shall provide the Settlement

1 Administrator with properly completed and signed copies of IRS Form W-9 in order for the
2 Settlement Administrator to process the Class Counsel Award approved by the Court. The
3 Settlement Administrator shall issue an IRS Form 1099 to Class Counsel for the amount of the
4 Class Counsel Award.

5 16. **Class Representatives' Service Awards.** For purposes of this Settlement only,
6 the Parties agree to the designation of Plaintiffs George Michailidis and Anahi Vasquez as the
7 Class Representatives. In recognition of their time and effort in bringing and presenting the
8 Action and for releasing the Plaintiffs' Released Claims, Plaintiffs shall request a Class
9 Representatives' Service Award not to exceed Twenty Thousand Dollars (\$20,000.00) per
10 Plaintiff. Plaintiffs' request for such awards shall be subject to approval by the Court and subject
11 to Plaintiffs' execution of full individual release agreements. Defendant agrees not to oppose or
12 object to Plaintiffs' request for Class Representatives' Service Awards that do not exceed this
13 amount. The Class Representatives' Service Awards will be in addition to Plaintiffs' Individual
14 Class Payments paid pursuant to the Settlement. The Settlement Administrator shall issue an IRS
15 Form 1099 to Plaintiffs for their Class Representatives' Service Awards. Plaintiffs shall be solely
16 and legally responsible to pay any and all applicable taxes due on their Class Representatives'
17 Service Awards. Any amount requested by Plaintiffs for the Class Representatives' Service
18 Awards and not awarded by the Court shall become part of the Net Settlement Amount and shall
19 be distributed to Participating Class Members as part of their Individual Class Payments.

20 17. **Settlement Administration Costs.** Subject to the Court's approval, Defendant
21 shall reimburse the Settlement Administration Costs, which are estimated not to exceed Sixty
22 Thousand Five Hundred Dollars (\$60,500.00), to be paid from the Maximum Settlement Amount.
23 Prior to the filing of Plaintiffs' Motion for Final Approval of the Settlement, the Settlement
24 Administrator shall provide the Parties with a statement detailing the Settlement Administration
25 Costs to date.

26 18. **PAGA Payments.** Defendant shall pay a total of Four Hundred Sixty-Two
27 Thousand Five Hundred Dollars and No Cents (\$462,500.00), which is the total amount of PAGA
28 civil penalties to be paid from the Maximum Settlement Amount, subject to the Court's approval,

1 in settlement of the PAGA claims in this Action. Of this amount, 75% (\$346,875.00) will be paid
2 to the LWDA and 25% (\$115,625.00) will be distributed as the Individual PAGA Payments to the
3 PAGA-Eligible Employees, whether or not they opt out of the Class Settlement.

4 **19. Individual Class Payments.** The Settlement Administrator will determine the
5 Net Settlement Amount by deducting the Class Counsel Fees and Costs, the Class
6 Representatives' Service Awards, the PAGA Payment, and the Settlement Administration Costs
7 from the Maximum Settlement Amount. The Settlement Administrator will distribute the
8 Individual Class Payments to the Participating Class Members from the Net Settlement Amount.
9 The Administrator will calculate each Participating Class Member's Individual Class Payment by
10 determining the total number of Compensable Workweeks worked by all Participating Class
11 Members during the Class Period, dividing that number into the Net Settlement Amount to
12 determine the per-workweek value of each Compensable Workweek, and then multiplying that
13 sum by the number of Compensable Workweeks worked by each Participating Class Member
14 during the Class Period.

15 **20. Individual PAGA Payments.** The Settlement Administrator will calculate each
16 PAGA-Eligible Employee's Individual PAGA Payment by dividing the 25% portion of the
17 PAGA Payment to be distributed to those individuals, i.e. \$115,625.00, by the total number of
18 Compensable Workweeks worked by all of the PAGA-Eligible Employees during the PAGA
19 Period to derive the per-workweek value of each Compensable PAGA Workweek, and then
20 multiplying that sum by the number of Compensable PAGA Workweeks worked by each PAGA-
21 Eligible Employee during the PAGA Period.

22 **21. Tax Treatment of Individual Class and PAGA Payments.** Individual Class
23 Payments shall be allocated as follows: 20% as alleged unpaid wages subject to all applicable tax
24 withholdings and 80% as alleged unpaid interest and penalties. The Settlement Administrator
25 shall issue an IRS Form W-2 to each Participating Class Member for the portion of each
26 Individual Class Payment allocated as unpaid wages. These payments shall be subject to all
27 applicable tax withholdings. The Settlement Administrator shall issue an IRS Form 1099 to each
28 Participating Class Member for the remaining portion of each Individual Class Payment. The

Settlement Administrator shall also issue an IRS Form 1099 for the Individual PAGA Payments. The non-wage portions of the Individual Class Payments and the entirety of the Individual PAGA Payments will be allocated as non-wage penalties and interest and shall not be subject to payroll tax withholdings.

22. **Employer Payroll Taxes.** The Maximum Settlement Amount shall resolve, satisfy and completely extinguish all of Defendant's liability with respect to the Class Members's Released Claims and PAGA-Released Claims, except that Defendant shall be responsible for paying the employer's share of payroll taxes on the portion of the Individual Class Payments that constitute wages. Defendant will pay these taxes, as calculated by the Settlement Administrator, in addition to the Maximum Settlement Amount. Upon Defendant's funding of the Maximum Settlement Amount and the employer portion of payroll taxes on the portion of the Individual Class Payments that constitute wages, Defendant shall have no further payment or defense obligation whatsoever with respect to any claims covered by this Settlement made or asserted by any person or entity anywhere in the world in connection with the Class Members.

RELEASES

23. **Class Members' Released Claims.** Effective on the date when Defendant fully funds the Maximum Settlement Amount and its share of employer-side payroll taxes owed on the wage portion of the Individual Class Payments, Plaintiffs and all Participating Class Members will fully, finally and forever release, settle, compromise, relinquish, and discharge Defendant and all of the Released Parties from any and all claims, rights, demands, liabilities, and causes of action of every nature and description, arising during the Class Period, including statutory, contractual, or common law claims for wages, damages, penalties, liquidated damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief – whether asserted under the California Labor Code, Business and Professions Code §§ 17200 *et seq.*, the applicable wage orders at California Code of Regulations, Title 8, Section 11000 *et seq.*, or otherwise – that were or reasonably could have been alleged based on the factual allegations in Plaintiffs' operative Complaint herein, as amended, and Plaintiffs' notices to the LWDA, including but not limited to any and all claims for: (a) failure to provide meal periods and/or to pay meal premiums in lieu

1 thereof as required under Labor Code section 226.7; (b) failure to authorize and permit rest breaks
2 and/or to pay rest break premiums in lieu thereof as required under Labor Code section 226.7; (c)
3 failure to timely pay all overtime, minimum wages and/or regular wages due, including but not
4 limited to failure to pay for pre-shift, post-shift or other “off the clock” work or to pay overtime at
5 the correct regular rate of pay; (d) failure to pay all wages due to an unlawful pay rounding
6 policy; (e) failure to pay for Covid-19 screening time; (f) failure to provide paid sick leave at the
7 correct regular rate of pay; (g) failure to reimburse employees for business expenses under Labor
8 Code section 2802, including but not limited to cell phone, remote home work, and/or training
9 expenses; (h) failure to furnish accurate itemized wage statements in accordance with Labor Code
10 section 226, including any associated claims for penalties under Labor Code section 226(e) and
11 failure to maintain complete and accurate payroll records; (i) failure to provide all wages due
12 upon separation of employment under Labor Code sections 201-203; (j) any and all derivative
13 claims arising from the claims listed above in subparagraphs (a) through (i); and (k) any and all
14 claims for attorneys’ fees and costs.

15 **24. PAGA-Released Claims by Plaintiffs and the State of California.** Effective on
16 the date when Defendant fully funds the Maximum Settlement Amount and its share of employer-
17 side payroll taxes owed on the wage portion of the Individual Class Payments, Plaintiffs, as
18 agents and proxies of the State of California, and the State of California (including the LWDA),
19 acting on behalf of the PAGA-Eligible Employees, shall release Defendant and all the Released
20 Parties from any and all claims for PAGA civil penalties arising during the PAGA Period, based
21 on any of the underlying claims that were alleged, or reasonably could have been alleged, based
22 on the factual allegations contained in Plaintiffs’ operative Complaint, as amended, and/or in
23 Plaintiffs’ notices provided to the LWDA in connection with this Action, and included all the
24 claims enumerated in the preceding Paragraph 23. It is understood and agreed that PAGA-
25 Eligible Employees will not have the opportunity to opt out of this PAGA Release even if they
26 have requested to be excluded from the Class Settlement. It is the intent of the Parties that, to the
27 fullest extent permitted by law, the PAGA-Eligible Employees will be deemed to have released
28 all such PAGA claims arising during the PAGA Period.

1 25. **Plaintiffs' Additional Release.** In addition to the Class Members' Released
2 Claims, Plaintiffs, in their individual capacities, agree to release the Released Parties from any
3 and all claims they may have, known and unknown, under federal, state and/or local law, statute,
4 ordinance, regulation, common law, or other source of law, arising as of the date of execution of
5 this Agreement, including but not limited to claims arising from or related to their employment
6 with Defendant, their termination, their compensation while in Defendant's employ, and all other
7 dealings they may have had with the Released Parties. Plaintiffs expressly waive and relinquish
8 all rights and benefits of section 1542 of the Civil Code of the State of California, and do so
9 understanding and acknowledging the significance and consequence of specifically waiving their
10 rights under section 1542 not to otherwise release unknown claims. Section 1542 of the Civil
11 Code of the State of California states as follows:

12 A general release does not extend to claims that the creditor or
13 releasing party does not know or suspect to exist in his or her favor
14 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.

15 Notwithstanding the provisions of section 1542, and to implement a full and complete
16 release and discharge of the Released Parties, Plaintiffs expressly acknowledge that this
17 Agreement is intended to include in its effect, without limitation, all claims that Plaintiffs do not
18 know or suspect to exist in their favor at the time of signing this Agreement, and that this
19 Agreement contemplates the extinguishment of any such claims.

20 **MOTION FOR PRELIMINARY APPROVAL**

21 26. **Mutual Duty of Cooperation to Seek Approval.** The Parties agree to work
22 diligently and cooperatively to have this Settlement expeditiously presented to the Court for
23 preliminary approval. Class Counsel shall prepare a draft motion for preliminary approval,
24 including a proposed Preliminary Approval Order, and will circulate the draft to Defense Counsel
25 at least five (5) business days in advance of its filing. Upon filing the motion for preliminary
26 approval, Class Counsel shall also timely submit any required notices of this Agreement to the
27 LWDA as may be required by Labor Code sections 2699(1)(2) and (3) or other provisions of
28 PAGA.

1 27. **Contents of Preliminary Approval Order.** As part of the motion for preliminary
2 approval, the Parties shall apply to the Court for the entry of an Order as follows:

- 3 a. Certifying the Settlement Class for settlement purposes only;
- 4 b. Approving, as to form and content, the proposed Class Notice (**Exhibit 1**
5 attached hereto);
- 6 c. Approving the manner and method for Class Members to object to or
7 request exclusion from the Settlement, as contained herein and within the Class Notice;
- 8 d. Directing the mailing of the Class Notices to Class Members, by first class
9 mail;
- 10 e. Preliminarily approving the Settlement, subject only to the objections of
11 Class Members and final review by the Court; and
- 12 f. Setting a date and time for the Final Approval Hearing.

13 28. **Resolution of Court Concerns.** If the Court does not initially grant preliminary
14 approval or conditions preliminary approval on any material change to this Agreement, Class
15 Counsel and Defense Counsel will expeditiously work together in good faith to modify the
16 Agreement and/or otherwise satisfy the Court's concerns.

17 **SETTLEMENT ADMINISTRATION**

18 29. **Selection of Settlement Administrator.** The Parties have jointly selected
19 Phoenix to serve as the Settlement Administrator and verified that, as a condition of appointment,
20 Phoenix agrees to perform, as a fiduciary, all duties specified in this Agreement in exchange for
21 payment of the Settlement Administration Costs.

22 30. **Qualified Settlement Fund.** The Settlement Administrator shall establish a
23 settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under U.S.
24 Treasury Regulation section 468B-1. The Administrator shall have and use its own Employer
25 Identification Number for purposes of calculating payroll tax withholdings and providing reports
26 to state and federal tax authorities, except as otherwise required or permitted by law.

27 31. **Transmission of Class Data to Administrator.** Within 45 calendar days after the
28 Court grants preliminary approval of the Settlement, to the extent practicable, Defendant will

1 securely provide the Settlement Administrator with the necessary Class Data, including the
2 names, last known addresses and telephone numbers, and social security numbers of the Class
3 Members. In addition, Defendant will provide the Settlement Administrator with data indicating
4 the number of Compensable Workweeks worked by each Class Member during the Class Period
5 and PAGA Period, as reflected in Defendant's records. The Settlement Administrator will retain
6 the Class Data and will not share it with Class Counsel except as otherwise permitted herein.

7 **32. Mailing of Class Notices.** Within twenty-one (21) calendar days after receiving
8 the Class Data from Defendant, the Settlement Administrator shall mail copies of the Court-
9 approved Class Notice to all Class Members via regular First-Class U.S. Mail. The Settlement
10 Administrator shall exercise its best judgment to determine the current mailing address for each
11 Class Member as informed by the parties' input. The address identified by the Settlement
12 Administrator as the current mailing address shall be presumed to be the most current mailing
13 address for each Class Member. The Settlement Administrator shall perform a search based on
14 the National Change of Address Database maintained by the United States Postal Service to
15 update and correct any known or identifiable address changes. The Parties agree that this
16 procedure for notice provides the best notice practicable to Class Members and fully complies
17 with due process.

18 **33. Undeliverable Class Notices.** Any Settlement Notice returned to the Settlement
19 Administrator as non-deliverable on or before the Response Deadline shall be re-mailed to the
20 forwarding address affixed thereto within five (5) calendar days of receipt of the returned Class
21 Notice by the Settlement Administrator. If no forwarding address is provided, the Administrator
22 shall attempt to determine a correct address by the use of skip-tracing, or other type of automated
23 search, using the name, address and/or Social Security number of the Class Member involved,
24 and shall then perform a re-mailing to the Class Member whose Class Notice was returned as
25 non-deliverable within five (5) calendar days of receipt of the returned Notice by the
26 Administrator, assuming another mailing address is identified by the Administrator. The
27 deadlines for Class Members to submit written Objections, Requests for Exclusion, or challenges
28 to Compensable Workweeks will be extended an additional seven (7) calendar days from the date

1 of the re-mailing, even if this results in an extension of the otherwise-applicable 45-day Response
2 Deadline. If these procedures are followed, notice to Class Members shall be deemed to have
3 been fully satisfied, and if the intended recipient of the Settlement Notice does not receive the
4 Class Notice, the intended recipient shall nevertheless remain a Class Member and shall be bound
5 by all terms of the Settlement and the Final Order and Judgment.

6 **34. Determination of Individual Class Payments and Individual PAGA Payments.**

7 The Settlement Administrator shall determine the eligibility for, and the amounts of, each
8 Individual Class Payment and Individual PAGA Payment under the terms of this Agreement
9 based on the number of Compensable Workweeks worked by each Class Member in the
10 applicable Class and/or PAGA Periods. The Administrator will then include the estimated
11 number of Compensable Workweeks and the individual payment amounts in each Class
12 Member's Class Notice.

13 **35. Workweek Disputes.** Class Members who wish to dispute the number of eligible
14 Compensable Workweeks set forth in the Notice, or assert that they should have been included as
15 a member of the Class, may submit a written statement to the Settlement Administrator within the
16 Response Deadline setting forth the number of Compensable Workweeks they believe should be
17 credited to them within the applicable Class or PAGA Period, accompanied by any supporting
18 documentation of their claim. The Settlement Administrator, in consultation with Class Counsel
19 and Defense Counsel, will review the pertinent payroll records, which Defendant agrees to make
20 available to the Settlement Administrator as needed. Defendant's payroll records will be
21 presumed to be correct unless a Class Member proves otherwise by credible evidence. The
22 Settlement Administrator's decision as to the total number of eligible Compensable Workweeks
23 shall be final and non-appealable, subject to the ultimate oversight and approval of the Court if
24 necessary.

25 **36. Objections to the Settlement.** Any Participating Class Member may object to the
26 Settlement by submitting a written objection to the Settlement Administrator within the 45-day
27 Response Deadline, or as that deadline has been extended by a re-mailing of the Class Notice. An
28 objection should include: (a) the objector's full name, signature, address, and telephone number;

1 (b) a written statement of the grounds for the objection accompanied by any legal support for
2 such objection; and (c) copies of any papers, briefs, or other documents upon which the objection
3 is based. Objecting Class Members may appear at the Final Approval Hearing either in person, or
4 through counsel retained at Class Member's own expense, to have their objection heard, whether
5 or not they had submitted a prior written objection as specified in this section. The Court will
6 rule on any objections to the settlement at the Final Approval Hearing. An objection may be
7 withdrawn at any time. The Settlement Administrator shall provide objections, if any, to Class
8 Counsel and Defense Counsel via email within three (3) calendar days of receipt, and the
9 Settlement Administrator shall attach any objections to its declaration of due diligence, which is
10 to be filed with the Court prior to the Final Approval Hearing. Any Participating Class Member
11 who files an objection remains eligible to receive monetary compensation from the Settlement.
12 At no time shall any of the Parties, Class Counsel, or Defense Counsel solicit or otherwise
13 encourage or discourage Class Members from submitting a Notice of Objection or filing an
14 appeal from the Final Order and Judgment. Class Members who submit a Request for Exclusion
15 are ineligible to object to the Settlement.

16 **37. Requests for Exclusion.** Any Class Member may request to be excluded from
17 ("opt out of") the Settlement by submitting a signed, written request to the Settlement
18 Administrator, clearly communicating that the Class Member wishes to be excluded from the
19 Settlement. To be timely and valid, the Request for Exclusion must be mailed (postmarked) by
20 the Response Deadline, 45 days from the Settlement Administrator's mailing of the Class Notice,
21 or as that deadline has been extended by a re-mailing of the Class Notice. The Request for
22 Exclusion should contain the Class Member's name, address, signature, date, telephone number
23 or email address, and the name of the case. Persons who submit a timely Request for Exclusion
24 will be referred to as Non-Participating Class Members. The Settlement Administrator will
25 accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the
26 identity of the person as a Class Member and the Class Member's desire to be excluded. Non-
27 Participating Class Members will not be entitled to receive an Individual Class Payment under the
28 Settlement, will not be bound by the terms and conditions of the Class Settlement and will not be

1 releasing any of the Class Members' Released Claims. However, Non-Participating Class
2 Members who are PAGA-Eligible Employees will still receive Individual PAGA Payments and
3 are precluded from bringing PAGA-Released Claims that are released by Plaintiffs and the State
4 of California, as described in Paragraph 24. Any Class Member who does not submit a timely
5 Request for Exclusion will be deemed to be a Participating Class Member and will be bound by
6 the terms and conditions of the Settlement.

7 **38. Revocation of Settlement by Defendant.** If five percent (5%) or more of the
8 Class Members request to be excluded from the Class, Defendant shall have the sole and absolute
9 discretion to revoke the Settlement Agreement. The Settlement Administrator shall provide a list
10 of the Requests for Exclusion within seven (7) days after the Response Date. If Defendant elects
11 to revoke/rescind the Settlement Agreement, it shall provide written notice of such revocation to
12 Class Counsel within seven (7) days after receiving the final list of Requests for Exclusion from
13 the Settlement Administrator. Defendant agrees to meet and confer in good faith with Class
14 Counsel before rescinding or voiding the Settlement Agreement. Such rescission shall have the
15 same effect as a termination of this Settlement Agreement for failure to satisfy a condition of
16 settlement, and the Settlement Agreement shall become null and void and have no further force or
17 effect. No Party will encourage any class member to opt out of the Settlement. If Defendant
18 revokes the Settlement under this provision, it shall be responsible to pay the Settlement
19 Administrator's costs incurred to that point.

20 **39. Workweek Count.** Defendant's best estimate to Plaintiffs' counsel is that the
21 total number of class member workweeks from March 9, 2017 through November 20, 2023 is
22 approximately 2,950,944 workweeks. Defendant has also estimated that as of November 20,
23 2023, it has paid at least \$22,280,478 in meal and rest break premiums to the proposed Settlement
24 Class Members during the Class Period. If Defendant's estimate as to the number of class
25 member workweeks as of November 20, 2023 is materially incorrect (i.e., the workweeks are
26 understated by more than 10%), and/or if Defendant's estimate as to the total premiums paid is
27 overstated by more than 10%, Plaintiffs shall have the option of canceling this Agreement.
28

1 40. **Weekly Status Reports.** Following the mailing of the Class Notice, the
2 Settlement Administrator will provide Class Counsel and Defense Counsel with weekly reports
3 of, among other things, the number of Class Notices mailed or re-mailed, Class Notices returned
4 undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, and
5 challenges to the number of Compensable Workweeks received and/or resolved. The
6 Administrator will promptly provide counsel for the Parties with copies of any objections
7 received. Additionally, the Settlement Administrator will provide to counsel for the Parties any
8 other updated reports regarding the administration of the Settlement as may be needed or
9 requested from time to time, including any declarations required by the Court.

10 41. **Other Duties of the Settlement Administrator.** The Settlement Administrator
11 shall perform such other duties as may be necessary from time to time, as directed by Counsel or
12 the Court. This shall include, among other things, (1) maintaining and monitoring an email
13 address and toll-free telephone number to receive Class Member calls, faxes and emails; (2)
14 establishing and maintaining an internet website to post necessary information for Class Members
15 regarding this Agreement and the Final Approval Hearing, among other things; (3) providing
16 Counsel for the Parties with a declaration suitable for filing in Court at least 14 days before
17 Plaintiffs are required to file their motion for Final Approval of the Settlement, attesting to the
18 Administrator's compliance with all of its obligations under the Agreement and other necessary
19 information regarding the Class Notices, Requests for Exclusion, and objections; and (4)
20 providing a final report and compliance declaration suitable for filing with the Court following
21 the Administrator's disbursement of all the payments required by this Agreement, in accordance
22 with any deadlines set by the Court.

23 **MOTION FOR FINAL APPROVAL**

24 42. **Final Settlement Approval Hearing and Entry of Final Order and Judgment.**
25 Following expiration of the Response Deadline, Plaintiffs shall prepare and file a motion on
26 behalf of all Parties seeking final approval of the Settlement, including a request for approval of
27 the PAGA settlement under Labor Code section 2699(1)(2), a proposed Final Approval Order, and
28 a proposed Judgment. Plaintiffs shall provide drafts of the motion for final approval and

1 proposed Final Order and Judgment to Defense Counsel not later than five (5) business days prior
2 to filing the motion. Plaintiffs' motion for Final Approval shall be accompanied by a declaration
3 from the Settlement Administrator, as referenced above, describing the process and results of the
4 administration of the Settlement to date. Plaintiffs will prepare and include with the Final
5 Approval motion a request seeking approval of Plaintiffs' request for reimbursement of Class
6 Counsel's attorneys' fees and costs incurred in this matter and Plaintiffs' request for Class
7 Representative Service Awards. Plaintiffs' motion will specify how they wish the total award of
8 attorneys' fees and costs to be apportioned among Plaintiffs' counsel in the Action.

9 43. **Contents of Proposed Final Order and Judgment.** The proposed Final Order
10 and Judgment will include, among other things:

11 a. Final Approval of the Settlement, adjudging the terms thereof to be fair,
12 reasonable and adequate, and directing consummation of its terms and provisions;

13 b. Approval of Class Counsel's application for an award of attorneys' fees
14 and costs;

15 c. Approval of the Class Representatives' Service Award payments to
16 Plaintiffs;

17 d. Approval of the Settlement Administration Costs;

18 e. Approval of the PAGA Payment;

19 f. The setting of a date when the Parties shall submit the Final Report
20 regarding the distribution of the Maximum Settlement Amount pursuant to California Code of
21 Civil Procedure section 384, and, if necessary, a date for a final accounting hearing following its
22 receipt of the Final Report;

23 g. The entering of a judgment in the Action that is intended to preclude any
24 Class Members from pursuing any individual, class or representative claims against any of the
25 Released Parties that have been released herein pursuant to the Settlement Agreement, upon
26 satisfaction of all payments and obligations hereunder, excluding the Class claims of those
27 persons who submitted valid and timely Requests for Exclusion.

28 44. **Duty to Cooperate.** If the Court does not grant Final Approval or conditions

1 Final Approval on any material change to the Settlement, the Parties will expeditiously work
2 together in good faith to address the Court's concerns, including, if necessary, by revising the
3 Agreement to obtain Final Approval. The Court's decision to award less than the amounts
4 requested for the Class Representatives' Service Payments, Class Counsel Award of fees and
5 costs, PAGA amounts, and/or Settlement Administration Costs shall not constitute a material
6 modification of the Agreement within the meaning of this Paragraph.

7 **45. Jurisdiction of the Court Following Judgment.** Following entry of the Final
8 Order and Judgment, the Court shall retain jurisdiction solely with respect to the interpretation,
9 implementation, and enforcement of the terms of this Agreement and all orders and judgments
10 entered in connection therewith; and addressing any other settlement administration and
11 compliance matters that may require its attention. If any Party brings an action to enforce the
12 terms of this Agreement, the prevailing Party shall be entitled to its/their reasonable attorneys'
13 fees and costs.

14 **SETTLEMENT FUNDING AND PAYMENTS**

15 **46. Information from Settlement Administrator Regarding Funding.** Not later
16 than fourteen (14) calendar days after the Court's grant of Final Approval of the Settlement, the
17 Settlement Administrator will provide Defense Counsel with an accounting of all anticipated
18 payments from the QSF as specified in this Agreement and approved by the Court, including all
19 necessary routing and payment instructions to the QSF, and including the amount due for the
20 employer's share of payroll taxes on the wage payments to be made outside the Maximum
21 Settlement Amount. The Settlement Administrator will also provide counsel for the Parties with
22 at least fourteen (14) calendar days, whether before or after the funding date but before the
23 scheduled distribution date, in which to review the Administrator's proposed payment
24 calculations.

25 **47. Funding of Settlement.** Defendants shall pay the Maximum Settlement Amount,
26 together with the amount the Settlement Administrator has determined or estimated to be
27 Defendant's share of employer taxes due on the wages being paid under the Settlement, in one
28 lump sum payment within forty-five (45) calendar days after the Effective Date. Defendant shall

1 provide the Maximum Settlement Amount to the Settlement Administrator in any feasible
2 manner, including, but not limited to, a wire transfer or a check.

3 **48. Timing of Settlement Disbursements.** Within fifteen (15) calendar days after
4 Defendant has provided the Settlement Administrator with the Maximum Settlement Amount, the
5 Settlement Administrator will distribute the payments to Plaintiffs for their Class Representatives'
6 Service Award payments, to Class Counsel for their awarded attorneys' fees and costs, to the
7 LWDA, to the Participating Class Members for their Individual Class Payments, to all PAGA-
8 Eligible Employees for their Individual PAGA Payments, and to itself for the Settlement
9 Administration Costs.

10 **49. Method of Individual Payments.** The Settlement Administrator shall mail the
11 Individual Class Payment and Individual PAGA Payments by regular First-Class U.S. Mail to
12 each person's last known mailing address. Prior to mailing the payments, the Settlement
13 Administrator shall perform a search based on the National Change of Address Database
14 maintained by the United States Postal Service to update and correct any known or identifiable
15 address changes.

16 **50. Non-Reversionary Settlement; No Claim Necessary.** Participating Class
17 Members shall not be required to submit a claim in order to receive a share of the Net Settlement
18 Amount, and no portion of the Maximum Settlement Amount shall revert to Defendant. To the
19 extent the Court does not approve the full requested attorneys' fees, litigation costs, Class
20 Representatives' Service Award or Settlement Administration Costs, the Net Settlement Amount
21 will increase accordingly by the difference between the requested amounts and the amounts
22 awarded by the Court. If this Settlement is not finally approved by the Court in full, or is
23 terminated, rescinded, canceled or fails to become effective for any reason, or if the Effective
24 Date does not occur, then no portion of the Maximum Settlement Amount shall be paid.

25 **51. Disposition of Uncashed Checks.** All Individual Settlement Payment checks
26 and/or Individual PAGA Payment checks issued by the Settlement Administrator must be cashed
27 within one hundred eighty (180) days after issuance. After the expiration of the 180-day period,
28 the Settlement Administrator will void any uncashed checks, and, subject to the Court's approval,

1 the total amount of any uncashed settlement checks will be paid to the State Controller's
2 Unclaimed Property Fund to permit the affected Participating Class Members and/or PAGA-
3 Eligible Employees to claim the funds in the future.

4 **52. Settlement Binding Even If Checks Not Cashed.** In the event a Participating
5 Class Member or Participating PAGA Member fails to cash/deposit his or her Individual Class
6 Payment check and/or Individual PAGA Payment check, for whatever reason, that person shall
7 nevertheless remain bound by the Class Settlement and, if applicable, the PAGA Release.

8 **ADDITIONAL PROVISIONS**

9 **53. Nullification of Settlement for Other Reasons.** In the event: (i) the Court does
10 not enter the Preliminary Approval Order; (ii) the Court does not grant Final Approval of the
11 Settlement; (iii) the Court does not enter the Final Order and Judgment; or (iv) the Settlement
12 does not become final for any other reason, this Agreement shall be rendered null and void, and
13 any order or judgment entered by the Court in furtherance of this Agreement shall be treated as
14 void from the beginning. In such a case, this Agreement and any documents related to it shall not
15 be used by any Class Member or Class Counsel to support any claim or request for class
16 certification in the Action, and shall not be used in any other civil or administrative action against
17 Defendant or any of the other Released Parties.

18 **54. Plaintiffs' Waiver of Right to Be Excluded.** Plaintiffs agree that by signing this
19 Agreement, they will be bound by the terms herein. Plaintiffs further agree that, upon signing this
20 Agreement, they will not request to be excluded from this Settlement, and that any such request
21 for exclusion by Plaintiffs will be void and of no force or effect.

22 **55. Waiver of Right to Appeal.** Provided the Judgment is consistent with the terms
23 and conditions of this Agreement, the Parties, their respective counsel, and all Participating Class
24 Members who did not object to the Settlement as provided in this Agreement waive all rights to
25 appeal from the Judgment. If an objector appeals the Judgment, the Parties' obligations to
26 perform under this Agreement will be suspended until the appeal is finally resolved and the
27 Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement
28 Amount. However, nothing in this Agreement shall preclude Plaintiffs from appealing a court

1 order denying or failing to grant in full their requests for attorneys' fees, costs, or service awards.
2 Any order reducing the Class Counsel Award or the Class Representatives' Service Awards will
3 not be grounds on Plaintiffs' part to nullify or void this Settlement.

4 **56. No Credit Towards Defendant's Benefit Plans.** Neither the terms of this
5 Settlement nor any of the amounts paid to Plaintiffs or any Class Member shall have any effect on
6 the eligibility or calculation of any employee benefits under Defendant's benefit plans. Any
7 Individual Class Payments or Individual PAGA Payments paid under the Settlement do not
8 represent any modification of a recipient's previously-credited hours of service or other eligibility
9 criteria, and will not be utilized to calculate any additional benefits, vesting or credit under any
10 bonus or compensation plan, collective bargaining agreement, employee pension benefit plan,
11 employee welfare benefit plan, or any other program or policy sponsored by Defendant or any
12 Sutter Health affiliates. It is the intent of the Parties that the Individual Settlement Awards and
13 Individual PAGA Payments provided for in this Agreement are the sole payments to be made by
14 Defendant to Class Members and others in connection with this Settlement, and that the Class
15 Members are not entitled to any new or additional compensation or benefits as a result of having
16 received the Individual Settlement Awards and/or Individual PAGA Payments.

17 **57. No Admission of Liability, Class Certification or Representative**
18 **Manageability for Other Purposes.** Defendant denies all claims alleged in the Action and
19 denies all wrongdoing whatsoever by Defendant. Defendant further denies that any of its
20 employees has been "aggrieved" by a violation of the Labor Code. Neither this Agreement, nor
21 any of its terms and conditions, nor any of the negotiations connected with it, is a concession or
22 admission, and none shall be used against Defendant as an admission or indication with respect to
23 any claim of any fault, concession, or omission by Defendant or that class certification is proper
24 under the standard applied to contested certification motions. The Parties agree that certification
25 of the proposed class and representative treatment under PAGA is for purposes of this Settlement
26 only. This Agreement will not be admissible in this or any other proceeding as evidence that
27 either a class action should be certified, that Plaintiffs' PAGA claims are manageable for trial, or
28

1 that Defendant is liable to Plaintiffs or any Class Member, other than according to the terms of
2 this Agreement.

3 **58. Publicity and Confidentiality.** The Parties and their counsel will treat the terms
4 of this Settlement as strictly confidential prior to the filing of the preliminary approval motion.
5 Both before and after the filing of the preliminary approval motion, the Parties and their counsel
6 will not issue any press releases or initiate any contact with the media about this case and/or the
7 fact, amount, or terms of the Settlement. If, after the filing of the preliminary approval motion,
8 counsel for either Party receives an inquiry about the Settlement from the media, counsel may
9 respond but must limit such response to the terms of the Settlement as those terms are set forth in
10 the public record. After the filing of the preliminary approval motion, Plaintiffs' counsel shall be
11 permitted to discuss the terms of the Settlement with any Settlement Class members who inquire
12 about the terms.

13 **59. Tax Liability.** The Parties and their counsel make no representations as to the tax
14 treatment or legal effect of the payments specified herein, and Class Members are not relying on
15 any statement or representation by the Parties, Class Counsel or Defense Counsel in this regard.
16 Participating Class Members, PAGA-Eligible Employees, Class Counsel, and Plaintiffs shall be
17 solely and legally responsible for the payment of all applicable taxes and penalties assessed on the
18 payments specified herein other than the employer's share of the payroll taxes due on the
19 payments designated as wages.

20 **60. Circular 230 Disclaimer.** The Parties acknowledge and agree that (i) no
21 provision of this Agreement, and no written communication or disclosure between or among the
22 Parties, Class Counsel or Defense Counsel and other advisors, is or was intended to be, nor shall
23 any such communication or disclosure constitute or be construed or be relied upon as, tax advice
24 within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as
25 amended); (ii) the acknowledging party (a) has relied exclusively upon his, her, or its own,
26 independent legal and tax counsel for advice (including tax advice) in connection with this
27 Agreement, (b) has not entered into this Agreement based upon the recommendation of any other
28 party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any

1 communication or disclosure by any attorney or advisor to any other party to avoid any tax
2 penalty that may be imposed on the acknowledging party; and (iii) no attorney or advisor to any
3 other party has imposed any limitation that protects the confidentiality of any such attorney's or
4 advisor's tax strategies (regardless of whether such limitation is legally binding) upon disclosure
5 by the acknowledging party of the tax treatment or tax structure of any transaction, including any
6 transaction contemplated by this Settlement.

7 **61. Authorization to Enter into Agreement.** Class Counsel and Defense Counsel
8 warrant and represent that they are expressly authorized by the Parties whom they represent to
9 negotiate this Agreement and to take all appropriate actions required or permitted to be taken by
10 the Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents
11 required to effectuate its terms. The person signing this Agreement on behalf of Defendant
12 represents and warrants that he/she is authorized to sign this Agreement on behalf of Defendant.
13 Plaintiffs represent and warrant that they are authorized to sign this Agreement on behalf of
14 themselves and the Class, and as proxies for the State of California, and that they have not
15 assigned any claim or part of a claim covered by this Agreement to a third party.

16 **62. Cooperation to Effectuate Settlement.** The Parties, Class Counsel and Defense
17 Counsel shall cooperate with each other and use their best efforts to effect the implementation of
18 this Settlement. In the event the Parties are unable to reach agreement on the form or content of
19 any document needed to implement the Settlement, or on any supplemental provisions that may
20 become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of
21 the Court to resolve such disagreement.

22 **63. Invalidity of Any Provision.** In the event the Court declares any material
23 provision of this Agreement invalid, the Agreement will be void and its terms will be of no force
24 and effect, except as otherwise agreed to by the Parties in writing, subject to the Court's approval.
25 Before the Court concludes that any term or provision of this Agreement is invalid, the Parties
26 will request that the Court first attempt to construe the terms or provisions valid to the fullest
27 extent possible consistent with applicable precedents so as to define all provisions of this
28 Agreement as valid and enforceable. The Parties further agree to meet and confer in an attempt to

1 resolve any issues or concerns the Court may have as to the validity of any provision in an effort
2 to effectuate the essential terms of this Settlement, and to discuss any possible amendments to this
3 Agreement or its Exhibit 1 needed to obtain the Court's approval of the Settlement.

4 **64. Binding Nature of Notice of Class Action Settlement.** It is agreed that, because
5 the Class Members are so numerous, it is impossible or impractical to have each Class Member
6 execute the Agreement. The Class Notice shall advise all Class Members of the binding nature of
7 the Settlement, and the release of the Class Members' Released Claims as described above in
8 Paragraph 23 shall have the same force and effect as if this Agreement were executed by each
9 Participating Class Member.

10 **65. Entire Agreement.** This Agreement and its attached Exhibit 1 constitute the
11 entire agreement between the Parties, and no oral or written representations, warranties, or
12 inducements have been made to Plaintiffs or Defendant concerning this Agreement or Exhibit 1
13 other than the representations, warranties, and covenants contained and memorialized in this
14 Agreement and Exhibit 1. No other prior or contemporaneous written or oral agreements may be
15 deemed binding on the Parties.

16 **66. Cooperation in Drafting.** The Parties have cooperated in the drafting and
17 preparation of this Agreement. This Agreement will not be construed against any Party on the
18 basis that the Party was the drafter or participated in the drafting.

19 **67. Amendment or Modification.** This Agreement may be amended or modified
20 only by a written instrument signed by counsel for all Parties or their successors-in-interest and
21 approved by the Court.

22 **68. Governing Law.** All terms of this Agreement and its exhibit shall be governed by
23 and interpreted according to the laws of the State of California, without regard to conflict of law
24 principles.

25 **69. Binding on Successors and Assigns.** This Agreement shall be binding upon, and
26 inure to the benefit of, the successors and assigns of the Parties.

27 **70. Headings.** The descriptive heading of any section or paragraph of this Agreement
28 is inserted for convenience of reference only and does not constitute a part of this Agreement.

71. **Counterparts.** This Agreement may be executed in one or more counterparts by facsimile, electronically (e.g., DocuSign), or email, which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them shall be deemed to be one and the same instrument if counsel for the Parties exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement and Release on the dates set forth below:

DATED: 04/17/25

George Michailidis

George Michailidis (Apr 17, 2025 17:50 EDT)

GEORGE MICHAILIDIS, Plaintiff

DATED: 04/16/25

Anahi Vasquez

Anahi Vasquez (Apr 16, 2025 21:39 PDT)

ANAHI VASQUEZ, Plaintiff

SUTTER BAY HOSPITALS

DATED: _____

By: _____

Jonathan Ma,
Interim Chief Financial Officer
Sutter Health

APPROVED AS TO FORM AND CONTENT:

JAMES HAWKINS APLC

DATED: 04/18/2025

By: 

Attorneys for Plaintiffs
GEORGE MICHAILIDIS AND ANAHI
VASQUEZ

71. **Counterparts.** This Agreement may be executed in one or more counterparts by facsimile, electronically (e.g., DocuSign), or email, which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them shall be deemed to be one and the same instrument if counsel for the Parties exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement and Release on the dates set forth below:

DATED: _____

GEORGE MICHAILIDIS, Plaintiff

DATED: _____

ANAHI VASQUEZ, Plaintiff

DATED: 04/16/2025

SUTTER BAY HOSPITALS
By: 

Jonathan Ma,
Interim Chief Financial Officer
Sutter Health

APPROVED AS TO FORM AND CONTENT:

JAMES HAWKINS APLC

DATED: _____

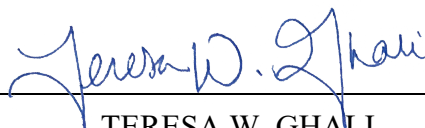
By: _____

Attorneys for Plaintiffs
GEORGE MICHAILIDIS AND ANAHI
VASQUEZ

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DATED: April 18, 2025

GBG LLP

By: 
TERESA W. GHALI

Counsel for Defendant SUTTER BAY
HOSPITALS