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15 *Arcadia Care Center, LLC*

16 *[Additional counsel listed on following page]*

17 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

18 **FOR THE COUNTY OF LOS ANGELES**

19 MARTHA VILLANUEVA, An Aggrieved
20 Employee of Defendants, on Behalf of the
21 State of California's Labor and Workforce
22 Development Agency for All Aggrieved
23 Employees of Defendants,

24 Plaintiff,

25 vs.

26 ARCADIA CARE CENTER, LLC.,
27 a California Corporation; and DOES 1-100,
28 Inclusive,

Defendants.

Case No: 21STCV40968

**STIPULATION OF PAGA ACTION
SETTLEMENT**

Judge: Honorable Maureen Duffy-Lewis
Department: 38

Complaint Filed: November 5, 2021

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11 *Attorneys for Plaintiff Martha Villnueva, an*
12 *Aggrieved Employee of Defendants, for the State*
13 *of California's Labor and Workforce*
Development Agency on Behalf of All Aggrieved
Employees of Defendants

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On November 18, 2021 Plaintiff first delivered to Defendant a notice that Plaintiff had previously provided to the Labor Workforce and Development Agency (“LWDA”), of Plaintiff’s intent to pursue relief against Defendant un PAGA. Also on November 18, 2021, Plaintiff served on Defendant the complaint in this action by which Plaintiff asserted a single claim against Defendant for relief under PAGA, on a representative basis on behalf of or with respect to the State of California and all Aggrieved Employees, for alleged:

- The Parties have conducted a thorough investigation into the facts of the Action. The Parties

1 believe that the Settlement is fair, reasonable, and adequate. The Parties understand, acknowledge,
2 and agree that this Settlement Stipulation constitutes a compromise of Plaintiff and the Aggrieved
3 Employees' PAGA claims, and that it is the desire and intention of the Parties to effect a final and
4 complete resolution of the PAGA claims that Plaintiff and the Aggrieved Employees have against
5 Defendant or any persons or companies affiliated with Defendant.

6 The Parties enter into this Settlement Stipulation on a conditional basis. In the event the
7 Courts does not enter a Final Order and Judgment as defined in this Settlement Stipulation, this
8 Settlement Stipulation will be deemed null and void *ab initio* and will be of no force or effect
9 whatsoever and will not be referred to or utilized for any purpose whatsoever.

10 Defendant denies all claims in the Action, and does not waive, but rather expressly reserves,
11 all rights to challenge all such claims and allegations upon all legal, procedural and factual grounds
12 should this Settlement Stipulation not become final. This Settlement Stipulation reflects a
13 compromise reached to end litigation. The signing by Defendant to this Agreement will not be
14 deemed to be an admission of any wrongdoing or unlawful action by Defendant.

15 The Parties stipulate and agree to the following terms of this Settlement Stipulation with the
16 intent that this Agreement finally disposes of the PAGA Representative Action with prejudice:

17 **ADDITIONAL DEFINITIONS**

- 18 1. The "Action" means and refers to case titled *Martha Villanueva v. Arcadia Care*
19 *Center, LLC*, Case No. 21STCV40968, which is currently pending in the Los Angeles
20 County Superior Court of the State of California.
- 21 2. "Aggrieved Employees" means all current and former hourly, non-exempt employees
22 who are or previously were employed by Defendants in California during the period of
23 November 18, 2020, through the date of Court approval of this Settlement Stipulation
24 (the "PAGA Period").
- 25 3. "Aggrieved Employees Fund" means the amount of the Gross Penalties Fund payable
26 to the Aggrieved Employees (25% of the Gross Penalties Fund).
- 27 4. The terms "Agreement," "Settlement," and "Settlement Stipulation" mean this
28 Stipulation of PAGA Action Settlement, which the Parties acknowledge sets forth all

material terms and conditions of the Settlement between them, and which is subject to Court approval pursuant to PAGA.

5. “Covered Position” means any hourly, non-exempt position held by an Aggrieved Employee during the PAGA Period.

6. “Court” means the California Superior Court, County of Los Angeles.

7. “Defendant” means Arcadia Care Center, LLC.

8. “Effective Date” of this Agreement means the date after all the following occur:

- a. Entry by the Court in which the Action is pending of the Final Order and Judgment.
- b. Submission by PAGA Class Counsel to the LWDA of both this Settlement Stipulation and the Final Order and Judgment.
- c. The occurrence of the “Effective Date of Judgment,” which shall be deemed to be the last to occur of the following:
 - i. If an appeal or other review is sought from the Final Order and Judgment, the next day after the Final Order and Judgment is affirmed, the appeal or other review is dismissed or denied, and the Final Order and Judgment is no longer subject to judicial review or other challenge;
 - ii. If an objection to Court approval the Settlement Stipulation is presented to either Court, but no appeal or other review is sought from the Final Order and Judgment, the sixty-fifth (65th) calendar day after the Final Order and Judgment is signed and entered; or
 - iii. If no objection or opposition to the Settlement is submitted, seven (7) calendar days after the Final Order and Judgment in the aforementioned matters is entered.

9. “Final Order and Judgment” means the proposed order granting approval of the Settlement and entering Judgment in the Parra Action, in the form substantially similar to that attached to this Agreement as Exhibit “B.”

- 1 10. “Gross Settlement Fund” means a maximum total of \$150,000 (One Hundred and Fifty
2 Thousand Dollars), which includes all payments owing as a result of this Agreement
3 and includes: the Aggrieved Employees Fund; LWDA Payment; Representative
4 Plaintiff’s Service Award; Settlement Administration Costs; and PAGA Representative
5 Counsel Attorneys’ Fees and Costs as awarded by the Court.
- 6 11. “LWDA Payment” means a payment to the California Labor Workforce and
7 Development Agency in an amount equal to 75% of the Gross Penalties Fund.
- 8 12. “Gross Penalties Fund” is the Gross Settlement Fund less all of the following: PAGA
9 Representative Counsel’s Attorneys’ Fees and Costs, Representative Plaintiff’s Service
10 Award, and the Settlement Administration Costs.
- 11 13. “PAGA Representative Counsel” shall mean Boucher LLP and the Law Offices of
12 Sahag Majarian II.
- 13 14. “PAGA Period” means November 18, 2020, through the date of the Order of Final
14 Approval and the date of the Final Judgment.
- 15 15. “Released Claims” means all claims, demands, rights, liabilities, and causes of action
16 that were, or could have been asserted in the Action, pursuant to the California Labor
17 Code Private Attorneys General Act of 2004, Labor Code §§ 2698, *et seq.*, based on
18 alleged violations of Labor Code §§ 201, 202, 203, 204, 226, 226.7, 510, 512, 1194,
19 1197, 1198, and 1199, whether for penalties (including, but not limited to, penalties
20 pursuant to Labor Code §2699(f)(2)), attorneys’ fees and costs (including, but not
21 limited to, attorneys’ fees and costs pursuant to Labor Code § 2699(g)(1), Code of Civil
22 Procedure § 1021.5), or interest arising out of the claims at issue, including but not
23 limited to: a. Failure to compensate for all hours worked in violation of Labor Code
24 sections 204, 1194, 1197, and 1198; b. Failure to compensate for all overtime in
25 violation of Labor Code section 510; c. Failure to provide meal periods and/or
26 premium pay for non-compliant meal periods in violation of Labor Code sections
27 226.7, 512, 558, 1198, and 1199 and Section 11 of the IWC Wage Order(s); d. Failure
28 to authorize and permit all paid rest periods and/or provide premium pay for non-

compliant rest periods in violation of Labor Code sections 226.7, 1197, 1198, and 1199, and Section 12 of the IWC Wage Order(s); e. Failure to furnish accurate itemized wage statements in violation of Labor Code section 226(a); and f. Failure to timely pay all final wages owed upon separation of employment in violation of Labor Code sections 201, 202, and 203.

16. “Released Parties” means Defendant Arcadia Healthcare Center, LLC, and each of its officers, directors, agents, insurers, employees, members, board members, partners, owners, shareholders, subsidiaries, affiliates, attorneys or representatives and all of their predecessors, successors, assigns, and any individual or entity which could be jointly liable with Defendant.

17. “Representative Plaintiff” means Martha Villanueva.

TERMS AND CONDITIONS OF SETTLEMENT

18. Settlement Payments.

Subject to final Court approval, and the conditions specified in this Agreement, and in consideration of the mutual covenants and promises set forth in this Settlement Stipulation, Defendant agrees to make a total settlement payment under this Settlement Stipulation in the amount \$150,000.00 (the “Gross Settlement Fund”). The Gross Settlement Fund will be distributed as follows:

a. Settlement Administration Fees and Costs: The fees and costs associated with settlement administration (*e.g.*, preparing and mailing payments to the Aggrieved Employees, tax documentation, etc.) (the “Settlement Administration Costs”) will be paid from the Settlement Fund and are estimated to be \$4,101.00. The Parties agree to use Simpluris, Inc. as the Settlement Administrator.

b. PAGA Class Counsel’s Attorneys’ Fees and Costs: The Parties agree that, subject to the Court’s review and approval, PAGA Class Counsel will be paid \$50,000.00 from the Gross Settlement Fund, which is 33.33% of the Settlement Fund, plus actual litigation costs up to \$10,000.00. Neither Plaintiff nor PAGA Representative Counsel shall be entitled to void this Settlement Stipulation

1 should the Court award a lesser amount in attorneys' fees and/or costs upon
2 approval of this Settlement Stipulation.

3 c. Representative Plaintiff's Service Awards: The Parties agree that, subject to
4 the Court's review and approval, Plaintiff will receive a Service award in the
5 amount of \$5,000.00 for her services in bringing this Action on behalf of the
6 Aggrieved Employees, which will be paid from the Settlement Fund. Neither
7 Plaintiff nor PAGA Representative Counsel shall be entitled to void this
8 Settlement Stipulation should the Court award a lesser amount to Plaintiff for
9 her services in bringing this Action on behalf of the Aggrieved Employees upon
10 approval of this Settlement Stipulation

11 d. Penalties Fund: After deducting Attorneys' Fees and Costs, Settlement
12 Administration Costs, and Representative Plaintiff's Service Awards, from the
13 Gross Settlement Fund, the remaining amount, which is estimated to be
14 \$80,899.00, will comprise the Gross Penalties Fund. The Gross Penalties Fund
15 is for all payments to the Aggrieved Employees and the LWDA.

16 i. The Penalties Fund shall be allocated 75% to the LWDA Payment,
17 which is estimated to total approximately \$60,674.25.

18 ii. The remaining 25% of the Penalties Fund (\$20,224.75) shall be paid to
19 the Aggrieved Employees on a *pro rata* basis as below, which shall be
20 referred to as the Aggrieved Employee's "Individual Penalty
21 Payment."

22 (1) Each Aggrieved Employee's *pro rata* share shall be determined
23 based on the number of pay periods that the Aggrieved
24 Employee worked for Defendants in a Covered Position during
25 the PAGA Period ("Eligible Pay Period") credited to the
26 Aggrieved Employee as a percentage of the total Eligible Pay
27 Periods of employment during the PAGA Period credited to all
28

Aggrieved Employees.¹

- e. Taxes and Reporting: Each Aggrieved Employee's Individual Penalty Payment will be treated as non-wage income and reported by the Settlement Administrator on IRS Form 1099 to the respective Aggrieved Employee and applicable governmental authorities.

19. Release by Aggrieved Employees and State of California.

- a. Terms of Release. In exchange for the consideration recited in this Settlement Stipulation, Representative Plaintiff, as the representative for, and on behalf of, the State of California and all Aggrieved Employees, will and upon Court approval of this Settlement Stipulation hereby does, forever completely release and discharge, the Released Parties of any and all Released Claims for civil penalties pursuant to Labor Code §§ 2698 *et. seq.*, including but not limited to civil penalties under Labor Code § 2699(f), Labor Code § 558, or any other Labor Code provision providing for civil penalties up to the date that this Settlement Stipulation is granted court approval. In exchange for the consideration recited in this Settlement Stipulation, Representative Plaintiff, as the representative for the State of California and all Aggrieved Employees, will forever completely release and discharge, the Released Parties of ONLY civil penalties pursuant to Labor Code §§ 2698 *et. seq.*, including but not limited to civil penalties under Labor Code § 2699(f), Labor Code § 558, or any other Labor Code provision providing for civil penalties up to the date that this Settlement Stipulation is granted court approval by the court. The Aggrieved Employees and the State of California are deemed by operation of the Final Order and Judgment to have agreed not to sue or otherwise make a claim against any of the Released Parties for any Released Claims.
- b. No Claims Based on Stipulation and Agreement. No Aggrieved Employee will

¹ The Individual Penalty Payment will be rounded to the nearest penny with .5 rounded up.

1 have any claim against any of the Released Parties, Defendant's counsel, the
2 Representative Plaintiff, or PAGA Class Counsel, based on errors in
3 administrating claims or performing the mailing and skip-tracing requirements
4 of the Settlement Administrator under this Agreement.

5 20. General Release by Representative

- 6 a. Terms of Release. In exchange for the consideration recited in this Settlement
7 Stipulation, including the Representative Service Award, the Representative
8 Plaintiff, on behalf of herself and on behalf of her current, former, and future
9 heirs, executors, administrators, attorneys, agents, and assigns, does hereby and
10 forever release, waive, acquit and discharge the Released Parties from all claims
11 (known or unknown) which she has, had or might otherwise have had against
12 the Released Parties, from the beginning of time to the date she signs this
13 Settlement Stipulation, regarding any aspect of their employment including, but
14 not limited to, the Released Claims, any common law or statutory torts, any
15 federal, state or governmental constitution, statute, regulation or ordinance, and
16 any claim for wages or any other compensation or benefit.
- 17 b. California Civil Code Section 1542. Upon the Effective Date, Representative
18 Plaintiff will be deemed to have, and will have, and hereby does, expressly
19 waived and relinquished, to the fullest extent permitted by law, the provisions,
20 rights, and benefits of section 1542 of the California Civil Code which provides
21 as follows: "A general release does not extend to claims that the creditor or
22 releasing party does not know or suspect to exist in his or her favor at the time
23 of executing the release and that, if known by him or her, would have materially
24 affected his or her settlement with the debtor or released party."
- 25 c. No Other Actions. Plaintiff is deemed by operation of the Final Order and
26 Judgment to have agreed not to sue or otherwise make any claim against any of
27 the Released Parties based upon any action, event or occurrence prior to the
28 date Plaintiff signs this Settlement Stipulation.

1 21. **Request for Final Order and Judgment.**

2 Upon execution of this Agreement, Representative Plaintiff shall promptly file this Settlement
3 Stipulation with the court requesting approval of the Settlement. Accompanying the Settlement
4 Stipulation filed by PAGA Class Counsel shall be a proposed Final Order and Judgment, in a form
5 substantially similar to Exhibit B. Pursuant to California Labor Code § 2699(l)(2), each PAGA Class
6 Counsel shall submit a fully executed copy of this Agreement to the LWDA on the same day that its
7 stipulation and this Agreement are filed with the Court in the respective matters. Pursuant to California
8 Labor Code § 2699(l)(3), PAGA Class Counsel shall submit a copy of the Final Order and Judgment
9 to the LWDA no later than ten (10) calendar days after its entry of judgment.

10 22. **Settlement Funding.**

- 11 a. Upon the Courts entering the Final Order and Judgment, and within seven days
12 after the Effective Date, the Settlement Administrator shall send Defendant's
13 counsel electronic wiring instructions to fund the Gross Settlement Fund.
- 14 b. Within thirty days after the Effective Date (the "Funding Date"), Defendants
15 shall wire to the Settlement Administrator the Gross Settlement Fund amount.
- 16 c. Within fifteen days after the Funding Date (the "Payment Date"), the
17 Settlement Administrator shall issue payments as set forth in this Settlement
18 Stipulation to: The Aggrieved Employees; PAGA Representative Counsel;
19 LWDA, and the Representative Plaintiff.

20 23. **Aggrieved Employee List.**

21 Within fifteen days after the Effective Date, Defendants will provide a Class List to the
22 Settlement Administrator which will identify all Aggrieved Employees by name, social security
23 number, and last known home address ("**Aggrieved Employee List**"). The Aggrieved Employee List
24 will also contain the Aggrieved Employees' dates of employment during the PAGA Period.

25 24. **List of Individual Settlement Amounts.**

26 Within fifteen days after the Settlement Administrator receives the Aggrieved Employee List,
27 the Settlement Administrator will provide to PAGA Representative Counsel and Defendant's counsel
28 a Proceeds List reflecting the Individual Penalty Payment for each Aggrieved Employee ("**Proceeds**

1 **List”).** The Proceeds List provided to PAGA Representative Counsel will not include the Aggrieved
2 Employees’ names, social security numbers or contact information.

3 25. **PAGA Payments to Aggrieved Employees.**

- 4 a. On the Payment Date, the Settlement Administrator will mail to each Aggrieved
5 Employee, via first-class United States Mail, the following: (a) a PAGA
6 Settlement Notice in the form attached as Exhibit A to this Agreement and (b)
7 their Individual Penalty Payment (collectively, the “PAGA Packet”).
- 8 b. Prior to mailing, the Settlement Administrator will update all addresses using
9 the National Change of Address System (NCOA). In the event that a PAGA
10 Packet is returned to the Settlement Administrator with a forwarding address,
11 the Settlement Administrator will re-send the PAGA Packet to the forwarding
12 address identified. If no forwarding address is provided, then the Settlement
13 Administrator will promptly conduct a skip trace search to locate other
14 addresses. If a better address is found, the Settlement Administrator will
15 promptly re-send the PAGA Packet. If a better address is not found or the
16 PAGA Packet is ultimately returned without a forwarding address, neither the
17 Settlement Administrator, Defendant, or PAGA Class Counsel shall be required
18 to take further action except that as stated in paragraph 25.d. below..
- 19 c. Aggrieved Employees shall have 180 calendar days after the date the PAGA
20 Packet is mailed to them to cash their settlement payment checks. If any
21 Aggrieved Employee’s check is not cashed within that period, the settlement
22 payment check will be voided, and a stop-payment will be issued. Neither
23 Defendant, Defendant’s counsel, Plaintiff, nor PAGA Class Counsel will have
24 any liability for lost settlement payment checks, forged signatures on settlement
25 payment checks, unauthorized negotiation of settlement payment checks or
26 failure to timely cash a settlement payment check within the 180-day period.
- 27 d. Any unpaid cash residue or unclaimed or abandoned Aggrieved Employee
28 funds generally attributable to California residents, plus any accrued interest

1 that has not otherwise been distributed pursuant to order of the Court, shall be
2 transmitted to the state controller unclaimed payment fund in the name of the
3 Aggrieved Employee pursuant to the Unclaimed Property Law, California Civil
4 Code § 1500 *et seq.* If requested by the Court, PAGA Class Counsel and
5 Defense Counsel shall report to the Court the total value of checks cashed by
6 the Aggrieved Employees (and the total amount that was uncashed by the
7 Aggrieved Employees) at a date set by the Court after the close of the 180-day
8 period.

9 26. **Payments of Service Awards, Attorneys' Fees and Costs, and the LWDA**
10 **Settlement Payment.**

- 11 a. On the Payment Date, the Settlement Administrator will pay from the Gross
12 Settlement Fund the Representative Plaintiff's Service Award as awarded by
13 the Court. The Service Award will be made by sending to PAGA Class Counsel
14 a check payable to Plaintiff in the amount of the Court-approved Service
15 Award. Such payment is conditional upon PAGA Class Counsel providing
16 Defendant's counsel with a completed Form W-9 for the Representative
17 Plaintiff.
- 18 b. On the Payment Date, the Settlement Administrator will pay from the Gross
19 Settlement Fund to PAGA Representative Counsel its Court-approved
20 Attorneys' Fees and Costs. Such payment is conditional upon PAGA
21 Representative Counsel providing the Settlement Administrator with completed
22 Forms W-9. The Court-approved PAGA Representative Counsel's Attorneys'
23 Fees and Costs will be split equally between the Boucher LLP and the Law
24 Offices of Sahag Majarian II.
- 25 c. On the Payment date, the Settlement Administrator will pay from the Gross
26 Settlement Fund to the LWDA by check made payable to the "California
27 Labor Workforce and Development Agency".
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1 27. **Deadlines.**

2 If any deadline specified in this Agreement falls on a Saturday, Sunday, or Court holiday, the
3 deadline will be automatically extended to the next regular business day. Unless specified otherwise,
4 all references to “days” shall mean calendar days.

5 28. **Enforcement and Continuing Jurisdiction of the Court.**

6 Pursuant to the Parties agreement, this Settlement Stipulation will be approved by the Court
7 and will be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6.
8 Even after the entry of the Final Order and Judgment, the Court will have and retain continuing
9 jurisdiction over the action and over all Parties and the Aggrieved Employees, to the fullest extent
10 necessary or convenient to enforce and effectuate the terms and intent of this Settlement Stipulation
11 and all matters provided for in it, and to interpret it.

12 29. **Mutual Full Cooperation.**

13 The Parties will fully cooperate with each other to accomplish the terms of this Settlement
14 Stipulation, including, but not limited to, execution of such documents and taking such other action as
15 may be reasonably necessary or convenient to implement it.

16 30. **No Admissions.**

17 Nothing in this Settlement Stipulation will constitute or be considered an admission by or on
18 behalf of Defendant, or any Released Party, of any wrongdoing or liability or of the accuracy of any
19 allegation made in connection with this Action.

20 31. **Effective Date of Defendants’ Obligations Under This Agreement.**

21 Defendant’s obligations under this Settlement Stipulation will become final and effective only
22 upon the occurrence of the Effective Date. In the event that any of the conditions specified in this
23 Settlement Stipulation are not satisfied, or in the event that this Settlement does not obtain approval
24 of by the court for any reason, all matters covered by this Agreement will be null and void. In such
25 event, neither this Agreement nor any negotiations leading to this Settlement will be used or construed
26 by or against any Party as a determination, admission, or concession of any issue of law or fact in the
27 litigation; and the Parties do not waive, and instead expressly reserve, their respective rights regarding
28 the prosecution and defense of the Action, including all available defenses and affirmative defenses,

1 and to challenge any claim, as if this Settlement Stipulation never existed.

2 32. **Nullification.**

3 If the Court should for any reason fail to enter the Final Order and Judgment in the action; or
4 (2) the Court's Final Order and Judgment is reversed or modified as to any material term as defined
5 above, or declared or rendered void as to any material term as defined above, then (a) the Settlement
6 Stipulation shall become null and void; (b) the Parties will revert to their respective positions
7 immediately prior to reaching the settlement; and (c) Defendant will be responsible for any Settlement
8 Administrator Fees and Costs.

9 33. **Invalidation.**

10 Invalidation of any material term of this Settlement Stipulation will invalidate this Agreement
11 in its entirety unless the Parties subsequently agree in writing that the remaining provisions will remain
12 in full force and effect.

13 34. **Publicity.**

14 From and after the execution of this Agreement, the Representative Plaintiff and PAGA Class
15 Counsel agree not to publicize this Settlement in any way except as provided in this Agreement and,
16 except as required by law, agree to limit statements regarding the Settlement to responses to questions,
17 which responses shall be limited to say the matter has been resolved. In addition, the Representative
18 Plaintiff and the PAGA Class Counsel: (a) may respond to specific questions from Aggrieved
19 Employees; and (b) as required under the terms of this Settlement Stipulation, may describe and
20 explain the specific terms of this Settlement Stipulation. Neither the Representative Plaintiff nor
21 PAGA Representative Counsel shall hold any press conference or speak to the media regarding the
22 terms of this Settlement Stipulation.

23 35. **Entire Agreement.**

24 This Settlement Stipulation constitutes the entire integrated agreement between the Parties
25 relating to the Action, and no oral representations, warranties, or inducements have been made to any
26 party concerning this Settlement Stipulation other than the representations, warranties, and covenants
27 contained and memorialized in this Settlement Stipulation.

1 36. **Authorization to Act.**

2 PAGA Representative Counsel warrant and represent that they are authorized by their
3 Representative Plaintiff, and counsel of record for Defendant warrants that they are authorized by
4 Defendant to take all appropriate action required or permitted to be taken by such Parties pursuant to
5 this Settlement Stipulation to effectuate its terms, and to execute any other documents required to
6 effectuate the terms of this Settlement Stipulation, except for any documents, including but not limited
7 to this Settlement Stipulation, that are required to be executed by the Parties.

8 37. **Modification Only in Writing.**

9 This Settlement Stipulation may be amended or modified only by a written instrument signed
10 by all Parties or their successors in interest. After the entry of the Final Order and Judgment, the
11 parties may by written agreement effect such amendments, modifications or expansions of this
12 Agreement without further notice to the LWDA or Aggrieved Employees and without notice to or the
13 approval by the Court if such changes are consistent with the Court's Final Order and Judgment and
14 do not materially alter any rights hereunder.

15 38. **Binding on Successors.**

16 This Settlement Stipulation is binding upon and will inure to the benefit of the Parties to this
17 Agreement, as well as their respective attorneys, past, present, and future predecessors, successors,
18 shareholders, officers, directors, employees, agents, trustees, representatives, administrators,
19 fiduciaries, assigns, insurers, executors, partners, parent corporations, subsidiaries, and related or
20 affiliated entities.

21 39. **No Prior Assignments.**

22 The Aggrieved Employees are deemed by operation of the Final Order and Judgment to
23 represent, covenant, and warrant that they have not directly or indirectly assigned, transferred,
24 encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any
25 liability, claim, demand, cause of action, or rights released and discharged by this Agreement.

26 40. **Governing Law.**

27 All terms of this Settlement Stipulation will be governed by and interpreted according to the
28 laws of the State of California, without giving effect to conflicts of laws principles.

1 41. **Counterparts.**

2 This Settlement Stipulation may be executed in one or more counterparts. All executed
3 counterparts and each of them will be deemed to be one and the same instrument. Counsel for the
4 Parties will exchange among themselves signed counterparts.

5 42. **Headings for Convenience Only.**

6 The descriptive headings of any paragraphs or sections of this Settlement Stipulation are
7 inserted for convenience of reference only and do not constitute a part of this Settlement Stipulation.

8 43. **Construction of This Agreement.**

9 The Parties agree that the terms and conditions of this Settlement Stipulation are the result of
10 arms-length negotiations between the Parties and that this Settlement Stipulation will not be construed
11 in favor of or against any Party by reason of the extent to which any Party, or her/its counsel
12 participated in the drafting of this Agreement. This Settlement Stipulation constitutes the entire
13 agreement between the Parties. This Settlement Stipulation has not been executed in reliance upon
14 any other oral or written representations or terms and no such extrinsic oral or written representations
15 or terms will modify, vary or contradict the terms of this Settlement Stipulation. In entering this
16 Settlement Stipulation, the Parties explicitly recognize California Civil Code section 1625 and
17 California Code of Civil Procedure section 1856(a), which provide that a written agreement is to be
18 construed according to its terms and may not be varied or contradicted by extrinsic evidence. The
19 Representative Plaintiff and Defendant had available to them the advice and assistance of independent
20 counsel. As such, neither Representative Plaintiff nor Defendant may claim that any ambiguity in this
21 Settlement Stipulation should be construed against the other.

22 44. **Corporate Signatories.**

23 Any person executing this Settlement Stipulation or any related document on behalf of a
24 corporate signatory warrants and promises for the benefit of all Parties that such person has been duly
25 authorized by such corporation to execute this Settlement Stipulation or any related document.

26 45. **Representation by Counsel.**

27 All of the Parties hereto acknowledge that they have been represented by counsel throughout
28 all negotiations which preceded the execution of this Settlement Stipulation and that this Agreement

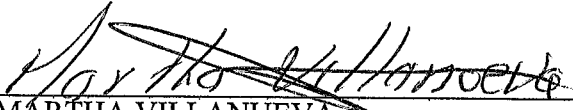
has been executed with the consent and advice of counsel.

46. **Attorneys' Fees and Costs.**

Except as otherwise provided in this Agreement, the Parties will bear responsibility for their own attorneys' fees and costs, taxable or otherwise, incurred by them or arising out of this Action and will not seek reimbursement thereof from any Party to this Settlement Stipulation. In the event of a proven breach of this Agreement, the breaching party will be required to pay the prevailing Party's reasonable attorneys' fees and costs incurred in enforcing this Agreement.

IT IS SO AGREED:

Dated: 04/07/, 2022


MARTHA VILLANUEVA

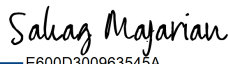
ARCADIA CARE CENTER, LLC

Dated: _____, 2022

BY: _____
Authorized Representative

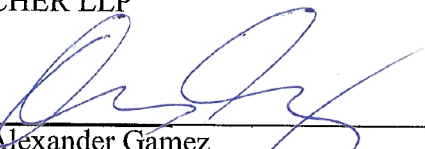
Dated: 4/11, 2022

APPROVED AS TO FORM:
LAW OFFICES OF SAHAG MAJARIAN, II

DocuSigned by:

By: _____
Sahag Majarian, II Esq.
Attorneys for Plaintiff Martha Villanueva, on
behalf of herself and all Aggrieved Employees

Dated: 4/11, 2022

APPROVED AS TO FORM:
BOUCHER LLP

By: 
Alexander Gamez
Attorneys for Plaintiff Martha Villanueva, as an
individual and all Aggrieved Employees

1 has been executed with the consent and advice of counsel.

2 46. **Attorneys' Fees and Costs.**

3 Except as otherwise provided in this Agreement, the Parties will bear responsibility for their
4 own attorneys' fees and costs, taxable or otherwise, incurred by them or arising out of this Action and
5 will not seek reimbursement thereof from any Party to this Settlement Stipulation. In the event of a
6 proven breach of this Agreement, the breaching party will be required to pay the prevailing Party's
7 reasonable attorneys' fees and costs incurred in enforcing this Agreement.

8 **IT IS SO AGREED:**

9
10 Dated: _____, 2022

11 _____
12 MARTHA VILLANUEVA

13 ARCADIA CARE CENTER, LLC

14 Dated: 3/23/, 2022

15 BY: _____
16 Authorized Representative

17 Dated: _____, 2022

18 APPROVED AS TO FORM:
19 LAW OFFICES OF SAHAG MAJARIAN, II

20 By: _____
21 Sahag Majarian, II Esq.
22 Attorneys for Plaintiff Martha Villanueva, on
behalf of herself and all Aggrieved Employees

23 Dated: _____, 2022

24 APPROVED AS TO FORM:
25 BOUCHER LLP

26 By: _____
27 Alexander Gamez
28 Attorneys for Plaintiff Martha Villanueva, as an
individual and all Aggrieved Employees

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Dated: 4/12/2022, 2022

APPROVED AS TO FORM:
DE CASTRO LAW GROUP, P.C.

By: 

José-Manuel A. de Castro
Attorneys for Defendant Arcadia Care Center, LLP

Exhibit A

Exhibit A

[Date], 2022

[Settlement Administrator Name]

[Settlement Administrator Address]

[Employee Name]

[Employee Street Address]

[City, State Zip]

Re: PAGA Settlement Payment and Release of Claims

Dear Current or Former Arcadia Care Center, LLC Employee:

You have received this notice because Arcadia Care Center, LLC (“Employer”) records indicate that you work or have worked for Employer in California at some time between November 18, 2020, through [the Approval Date]. This notice relates to the settlement of a lawsuit titled *Martha Villanueva v. Arcadia Care Center, LLC*, Case No. 21STCV40968, Los Angeles County Superior Court (the “Lawsuit”).

In the Lawsuit, Plaintiff Martha Villanueva (“Plaintiff”) seeks civil penalties pursuant to the California Private Attorneys General Act (“PAGA”), a law which allows a Plaintiff to attempt to recover penalties on behalf of the State of California and on behalf of employees who Plaintiff claims were “aggrieved” by alleged wage and hour violations on the part of Employer. Specifically, Plaintiff alleges that Employer violated the California Labor Code by: (1) failing to pay for all hours worked; (2) failing to pay for all overtime compensation; (3) failing to provide timely, off-duty meal periods or compensation for meal period violations; (4) failing to authorize and permit timely, off-duty rest periods or compensation for rest period violations; (5) failing to furnish complete and accurate itemized wages statements and (6) failing to timely pay all final wages owed upon separation of employment.

Employer strongly disputes Plaintiff’s allegations and maintains that it has fully complied with all applicable wage and hour laws. The Court has not issued any ruling regarding the merits of the Lawsuit. Nonetheless, to avoid the cost and distraction of litigation, Employer has made a business decision to settle the Lawsuit, which settlement has been approved by the Court.

The enclosed settlement check represents your portion of the Court-approved PAGA settlement. You may cash that check immediately. You will not be retaliated against for cashing your check. Checks that are not cashed within 180 days of issuance will be voided and the funds will be transmitted to the state controller unclaimed payment fund in your name.

Regardless of what you do with the settlement check, you will have released claims for penalties arising under PAGA as asserted in the Lawsuit against Employer.

If you have any questions about this notice, please contact the Settlement Administrator, [NAME] at <<number/email>>.

THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION BY THE COURT AS TO THE MERITS OF THE CLAIMS OR DEFENSES BY EITHER SIDE IN THE LAWSUITS. PLEASE DO NOT CONTACT THE COURT REGARDING THE CASES.

Exhibit B

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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF LOS ANGELES**
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11 MARTHA VILLANUEVA, An Aggrieved
12 Employee of Defendants, on Behalf of the
13 State of California's Labor and Workforce
Development Agency for All Aggrieved
Employees of Defendants,

14 Plaintiff,

15 vs.

16 ARCADIA CARE CENTER, LLC.,
17 a California Corporation; and DOES 1-100,
18 Inclusive,

19 Defendants.

Case No: 21STCV40968

**[PROPOSED] ORDER GRANTING APPROVAL
OF PAGA SETTLEMENT AND ENTERING
JUDGMENT**

Judge: Honorable Maureen Duffy-Lewis
Department: 38

Complaint Filed: November 5, 2021

20
21
22 **[PROPOSED] ORDER AND JUDGMENT**

23 The Court has received and considered the Stipulation for PAGA Action Settlement
24 ("Settlement Stipulation") entered into between Plaintiff Martha Villanueva, an individual, on behalf
25 of the State of California as a private attorney general under the California Labor Code Private
26 Attorneys General Act ("PAGA"), and the Defendant Arcadia Care Center, LLC.

27 Having received and considered the Settlement Stipulation and the supporting papers filed, the
28

1 Court grants approval of the Settlement Stipulation and HEREBY FINDS AND ORDERS AS
2 FOLLOWS:

3 1. Except as otherwise defined in this Order and Judgment (“Order”), all capitalized terms
4 have the same meaning as defined in the Settlement Stipulation attached as Exhibit 1 to this Order.

5 2. The California Labor Workforce and Development Agency (“LWDA”) has been
6 provided notice of the Settlement in accordance with PAGA, California Labor Code § 2699(l)(2),
7 (l)(4). In particular, on the date Plaintiff filed the stipulation seeking approval of the Settlement with
8 the Court, Plaintiff submitted to the LWDA a notice of the Settlement enclosing a copy of the
9 Settlement Stipulation. Plaintiff’s notice of the Settlement to the LWDA complied with the notice
10 requirements of PAGA.

11 3. The Court confirms approval of the Settlement as to the Aggrieved Employees.

12 4. The Court has jurisdiction over the subject matter of this litigation, over all Aggrieved
13 Employees, and over those persons undertaking affirmative obligations under the Settlement.

14 5. The Settlement is approved under Labor Code § 2699(l)(2).

15 6. The PAGA Settlement Notice to Aggrieved Employees, attached as Exhibit 2 to this
16 Order, fairly and adequately describes the Action, the approved Settlement Stipulation, and is the best
17 notice practicable under the circumstances.

18 7. The Court finds that each Aggrieved Employee, in accordance with the Settlement,
19 releases all Released Claims against the Released Parties.

20 8. The Gross Settlement Amount and the methodology used to calculate the Individual
21 Penalty Payments in accordance with the Settlement is approved.

22 9. The Court approves [REDACTED] to act as the Settlement Administrator. The
23 Court awards the Settlement Administrator in this Action its actual fees and costs in accordance with
24 the terms of the Settlement Agreement, not to exceed \$ [REDACTED].

25 10. The Court approves Boucher LLP and the Law Offices of Sahag Majarian II as PAGA
26 Representative Counsel.

27 11. The Court awards PAGA Representative Counsel attorneys’ fees in the amount of
28 \$50,000 and actual litigation costs not to exceed \$10,000, both of which the Court finds to be fair and

1 reasonable. The Court authorizes the Settlement Administrator to make these payments, in accordance
2 with the terms of the Settlement Agreement.

3 12. The Court authorizes the Settlement Administrator to calculate and pay the Individual
4 Penalty Payments in accordance with the terms of the Settlement Agreement.

5 13. The Court finds that LWDA Payment of \$ [REDACTED] as its share of the settlement
6 of civil penalties is fair and reasonable. The Court authorizes the Settlement Administrator to pay the
7 LWDA Payment, in accordance with the terms of the Settlement Agreement.

8 14. The Court finds the Representative Plaintiff's Service Award in the sum of \$5,000 is
9 fair and reasonable. The Court authorizes the Settlement Administrator to pay the Representative
10 Plaintiff's Service Award, in accordance with the terms of the Settlement Stipulation.

11 15. Checks for Individual Penalty Payments sent to Aggrieved Employees shall be valid
12 for 180 days after issuance. Funds remaining from any checks for Individual Penalty Payments
13 uncashed after 180 days will be dispersed to the state controller unpaid payment fund in the name of
14 the Aggrieved Employee.

15 16. Upon completion of the administration of settlement described in the Settlement
16 Stipulation, the Settlement Administrator will provide written certification of the completion to the
17 Court and counsel for the Parties which shall be filed with the Court within 30 days after completion
18 of the Settlement.

19 17. Without affecting the finality of this order and entry of judgment, the Court retains
20 exclusive and continuing jurisdiction over this Action for purposes of supervising, administering,
21 implementing, and enforcement of this Order and the Settlement Stipulation.

22 18. Nothing in this Order or the Settlement Stipulation shall be construed as an admission
23 or concession by any party. The Settlement Stipulation and this resulting Order and entry of judgement
24 represent a compromise of disputed allegations.

25 19. The Court enters final judgment in accordance with the terms of the Settlement
26 Stipulation and this Order.

27 20. Plaintiff is directed to submit a copy of this Order and entry of judgment to the LWDA
28 within 10 days of the date of this Order and entry of judgment.

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IT IS SO ORDERED:

DATED:_____

Judge of the Superior Court

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