

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

7 Attorneys for Defendant
SUTTER COAST HOSPITAL

8 *[Additional counsel on next page]*
9

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 IN AND FOR THE COUNTY OF DEL NORTE
12

13 KERRIE VENTRE and CYNTHIA SCOTT,
on behalf of themselves and all others
14 similarly situated and similarly aggrieved and
as proxies for the State of California,

15 Plaintiffs,
16

17 vs.

18 SUTTER COAST HOSPITAL, a corporation;
and DOES 1-100, inclusive,

19 Defendants.
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Case No. CVUJ-2022-1146 (consolidated
with CVUJ-2022-1162)

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

Dept.: 1
Judge: Hon Robert Cochran

Complaint Filed: June 6, 2022

1 Robert J. Wasserman (SBN 258538)
rwasserman@mayallaw.com
2 John P. Briscoe (SBN 273690)
jbriscoe@mayallaw.com
3 MAYALL HURLEY P.C.
112 S. Church Street
4 Lodi, CA 95240
Telephone: (209) 477-3833
5 Facsimile: (209) 473-4818

6 Attorneys for Plaintiff
KERRIE VENTRE
7

8 David R. Markham (SBN 071814)
dmarkham@markham-law.com
9 Lisa Brevard (SBN 323391)
lbrevard@markham-law.com
10 THE MARKHAM LAW FIRM
888 Prospect Street, Suite 200
11 La Jolla, CA 92037
Telephone: (619) 399-3995
12 Facsimile: (619) 323-1684

13 Isam C. Khoury (SBN 58759)
ikhoury@ckslaw.com
14 Michael D. Singer (SBN 115301)
msinger@ckslaw.com
15 Maggie K. Realin (SBN 263639)
mrealin@ckslaw.com
16 COHELAN KHOURY & SINGER
605 C Street, Suite 200
17 San Diego, CA 92101
Telephone: (619) 595-3001
18 Facsimile: (619) 595-3000

19 Attorneys for Plaintiff
CYNTHIA SCOTT, on behalf of herself and all others similarly situated
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1 1. This Joint Stipulation of Class Action and PAGA Settlement and Release
2 (“**Agreement**” or “**Stipulation**”) is made by and between Plaintiffs Kerrie Ventre and Cynthia
3 Scott, on behalf of themselves and all others similarly situated and the general public, on behalf
4 of themselves and all members of the Settlement Class, as defined below, and as proxies for the
5 State of California (“**Plaintiffs**”), on the one hand, and Defendant Sutter Coast Hospital
6 (“**Defendant**”), on the other hand (collectively, “**the Parties**”), in the above-captioned matter.

DEFINITIONS

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

10 A. “**Action**” means Plaintiffs’ lawsuits captioned (1) *Kerrie Ventre, an individual, v.*
11 *Sutter Coast Hospitals, a corporation, and DOES 1-100, inclusive*, filed on June 6, 2022, in Del
12 Norte County Superior Court, Case No. CVUJ-2022-1146 (“the *Ventre* Complaint”); and (2)
13 *Cynthia Scott, on behalf of herself and all others similarly situated, v. Sutter Coast Hospital, a*
14 *California corporation; and DOES 1 to 10, inclusive*, filed on June 23, 2022, in Del Norte County
15 Superior Court, Case No. CVUJ-2022-1162 (“the *Scott* Complaint”), as these complaints will be
16 amended and consolidated in accordance with the settlement terms set forth below.

17 B. “**Class**” or “**Settlement Class**” means all current and former non-exempt
18 employees of Sutter Coast Hospital (“SCH”) employed from June 6, 2018 through the date of
19 preliminary approval of the Settlement or October 13, 2024, whichever is earlier.

20 C. “**Class Counsel**” means John Briscoe and Robert Wassermann of Mayall Hurley
21 PC, Isam C. Khoury, Michael D. Singer and Maggie Realin of Cohelan Khoury & Singer, David
22 Markham and Lisa Brevard of The Markham Law Firm, and Walter Haines of United Employees
23 Law Group. The term “Class Counsel” shall be used synonymously with the term “Plaintiffs’
24 Counsel.”

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

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

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

G. **“Class Members’ Released Claims”** means the claims being released by the Participating Class Members, as described in Paragraph 20 below.

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

I. **“Class Period”** means the period from June 6, 2018 through preliminary approval of the settlement or October 13, 2024, whichever is earlier.

J. **“Class Period End Date”** means preliminary approval of the settlement or October 13, 2024, whichever is earlier.

K. **“Class Representatives”** means Kerrie Ventre and Cynthia Scott, the named Plaintiffs in the operative complaints in the Action, as those complaints are being amended and/or consolidated, who are seeking Court approval to serve as the Class Representatives.

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

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

N. **“Court”** means the Del Norte County Superior Court presiding over the settlement

approval process in the Action.

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

P. **“Effective Date”** is the date on which the Settlement becomes “Final,” which means the latest date on which the following events have occurred: (i) the Superior Court has granted Final Approval and entered its Final Judgment approving the Settlement, without material modification, if there are no objections to the Settlement or if any and all objections have been withdrawn by the time of the Final Approval order; or (ii) if there are any objections, and they have not been withdrawn by the time of the Final Approval order, the day after the deadline for filing a notice of appeal from the Final Judgment has passed without a timely appeal having been filed; or (iii) if a timely appeal from the Final Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

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

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

S. **“Final Judgment”** means the Judgment entered by the Court upon granting Final Approval of the Settlement.

T. **“Individual Class Payment”** means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Compensable Workweeks worked during the Class Period, as explained below in Paragraph 16.

U. **“Individual PAGA Payment”** means the pro rata share of 25% of the PAGA Payment, calculated according to the number of Compensable Workweeks worked during the PAGA Period by the eligible Class Members, whether or not they requested to be excluded from the Settlement, as explained below in Paragraph 17.

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

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

1 X. **“Maximum Settlement Amount”** means One Million Dollars and Zero Cents
2 (\$1,000,000.00), which is the total amount Defendant shall have to pay under the Settlement,
3 except as provided in Paragraph 19 below regarding employer payroll taxes on the wage
4 payments being made under the Settlement. The Maximum Settlement Amount will be used to
5 pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, the
6 Class Counsel Award for fees and costs, the Class Representatives’ Service Awards, and the
7 Settlement Administration Costs. This excludes the employer’s contribution of payroll taxes due
8 on the settlement payments apportioned as wages, which Defendant will pay outside of the
9 Maximum Settlement Amount.

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

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

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

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

20 CC. **“PAGA-Eligible Employees”** means current and former non-exempt employees
21 who were employed by Defendant in non-exempt positions at any time from June 6, 2021 through
22 the Class Period End Date.

23 DD. **“PAGA Payment”** means One Hundred Thousand Dollars and No Cents
24 (\$100,000.00), which is the total amount of PAGA civil penalties to be paid from the Maximum
25 Settlement Amount, subject to the Court’s approval, in settlement of the PAGA claims in this
26 Action. Of this amount, 75% (\$75,000.00) will be paid to the LWDA and 25% (\$25,000.00) will
27 be distributed as the Individual PAGA Payments to the PAGA-Eligible Employees, whether or
28 not they opt out of the Class Settlement.

EE. **“PAGA Period”** means the period from June 6, 2021 through the Class Period End Date.

FF. **“PAGA-Released Claims”** means the PAGA claims being released as described in Paragraph 21 below.

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

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

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

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

KK. **“Response Deadline”** means 60 days after the Settlement Administrator mails the Class Notice to the Class Members, and shall be the last date on which Class Members may mail or fax (1) Requests for Exclusion from the Settlement, (2) an Objection to the Settlement, or (3) a dispute over the number of Compensable Workweeks attributed to them in the Class Notice, unless the Response Deadline is extended by up to fifteen calendar days as the result of a re-mailing of the Class Notice, as explained below in Paragraph 30.

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

MM. **“Settlement Administrator”** or **“Administrator”** means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement, subject to approval by the Court.

NN. **“Settlement Administration Costs”** means the Court-approved fees and reasonable costs incurred by the Settlement Administrator to administer the Settlement, currently

estimated at \$9,500, to be reimbursed to the Settlement Administrator from the Maximum Settlement Amount.

RECITALS

3. Procedural History.

a. ***Ventre Action.*** On June 6, 2022, Plaintiff Kerrie Ventre filed a complaint on behalf of a putative class defined as all non-exempt California employees of SCH, asserting the following claims pursuant to the California Labor Code, the Business & Professions Code, and PAGA: (1) missed rest breaks; (2) failure to pay overtime at the correct regular rate of pay; (3) failure to furnish accurate, itemized wage statements; (4) failure to pay all wages due at termination; (5) violation of Business and Professions Code § 17200; and (6) PAGA.

b. ***Scott Action.*** On June 23, 2022, Plaintiff Cynthia Scott filed a complaint of behalf of a putative class defined as all non-exempt Registered Nurses of SCH, asserting the following claims pursuant to the California Labor Code, the Business & Professions Code, and PAGA: (1) missed rest breaks; (2) missed meal breaks; (3) failure to pay regular, overtime, and double-time wages; (4) failure to furnish accurate, itemized wage statements; (5) failure to pay all wages due at termination; (6) violation of Business and Professions Code § 17200; and (7) PAGA.

4. **Mediation.** On July 12, 2024, the Parties participated in a full-day, arms-length mediation before Mediator Michael Young. With the assistance of the mediator, the Parties were able to come to a total settlement of the claims in the Action, subject to the Court's approval. The terms of the settlement were memorialized in a Memorandum of Understanding which was fully executed on July 15, 2024.

5. **Benefits of Settlement to Plaintiffs and the Class Members.** Plaintiffs and Class Counsel recognize the expense and length of continued proceedings necessary to litigate Plaintiffs' disputes in this Action through trial and through any possible appeals. Plaintiffs have

1 also taken into account the uncertainty and risks of the outcome of further litigation, and the
2 difficulties and delays inherent in such litigation. Plaintiffs and Class Counsel also are aware of
3 the burdens of proof necessary to establish liability for the claims asserted in the Action, both
4 generally and in response to Defendant's defenses thereto, and the difficulties in establishing
5 damages, penalties, restitution and other relief sought in the Action. Plaintiffs and Class Counsel
6 also have taken into account Defendant's agreement to enter into a settlement that confers
7 substantial benefits upon the Class Members. Based on the foregoing, Plaintiffs and Class
8 Counsel have determined that the Settlement set forth in this Agreement is fair, adequate, and
9 reasonable and is in the best interests of all Class Members.

10 **6. Defendant's Reasons for Settlement.** Defendant has concluded that further
11 defense of the Action would be protracted and expensive. Substantial amounts of Defendant's
12 time, energy, and resources have been, and unless this Settlement is completed, shall continue to
13 be, devoted to the defense of the claims asserted by Plaintiffs. Defendant also has taken into
14 account the risks of further litigation in reaching its decision to enter into this Settlement. Even
15 though Defendant contends that it is not liable for any of the claims alleged by Plaintiffs in the
16 Action and denies any liability whatsoever, Defendant, nonetheless, has agreed to settle in the
17 manner and upon the terms set forth in this Stipulation and to fully and finally put to rest the
18 claims alleged in the Action.

19 **AMENDMENT OF COMPLAINT AND CERTIFICATION OF SETTLEMENT CLASS**

20 **7. Amendment of Complaints.** Promptly following the execution of this
21 Agreement, the Parties will file a stipulation and proposed order requesting approval for Plaintiffs
22 to file an amended consolidated complaint, consolidating the *Ventre* and *Scott* complaints and
23 incorporating all class and PAGA allegations contained in both actions into one consolidated
24 amended complaint in the *Ventre* action, for purposes of seeking approval of the Settlement.
25 Plaintiffs will file the amended complaint upon the Court's approval and submit it with its motion
26 for preliminary approval. Defendant need not submit a responsive pleading to this amended
27 complaint so long as the Court approves the Settlement.

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

3 9. **Certification Is for Settlement Only.** For purposes of this Settlement, the Parties
4 stipulate and agree that the requisites for establishing class certification with respect to the Class
5 have been met and are met. More specifically, for purposes of settlement only, the Parties
6 stipulate and agree that the Settlement Class is ascertainable and so numerous as to make it
7 impracticable to join all Class Members; and that there are common questions of law and fact,
8 including, but not limited to, whether Defendant failed to provide meal periods and/or to pay meal
9 premiums in lieu thereof at the correct regular rate of compensation as required under Labor Code
10 section 226.7; whether defendant failed to authorize and permit rest breaks and/or to pay rest
11 break premiums in lieu thereof as required under Labor Code section 226.7; whether Defendant
12 failed to accurately pay overtime, minimum, or regular wages by failing to pay for off the clock
13 work; whether Defendant accurately paid overtime/doubletime at the correct regular rate of pay;
14 whether Defendant failed to furnish accurate, itemized wage statements to all Class Members in
15 accordance with Labor Code section 226; and whether Defendant is liable to the Class Members
16 for derivative waiting time penalties pursuant to Labor Code section 203, among other common
17 issues.

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

24 **MONETARY TERMS OF THE SETTLEMENT**

25 11. **Maximum Settlement Amount.** The claims of all members of the Settlement
26 Class and the PAGA-Eligible Employees, collectively, are settled for a maximum sum of One
27 Million Dollars and Zero Cents (\$1,000,000.00) (“the Maximum Settlement Amount”). This
28 Maximum Settlement Amount is inclusive of the Class Counsel Fees and Class Counsel Costs;

1 the Class Representatives' Service Awards to Plaintiffs Ventre and Scott; the Settlement
2 Administration Costs; and the PAGA Payments to the LWDA and the PAGA-Eligible
3 Employees, all as approved by the Court. This excludes the employer's contribution of payroll
4 taxes due on the settlement payments apportioned as wages, which Defendant will pay outside of
5 (in addition to) the Maximum Settlement Amount.

6 12. **Class Counsel Fees and Class Counsel Costs.** Class Counsel shall be entitled to
7 request attorneys' fees in an amount not to exceed Thirty-Three and One-Third Percent (33.33%)
8 of the Maximum Settlement Amount – that is, Three Hundred Thirty Three Thousand Three
9 Hundred Thirty Three Dollars and Thirty Three Cents (\$333,333.33), plus reasonable costs not to
10 exceed Seventy Thousand Dollars (\$70,000). Class Counsel's request for such attorneys' fees
11 and costs shall be subject to approval by the Court. In the event the Court awards Class Counsel
12 less than these (or any other) requested amounts, the difference shall become part of the Net
13 Settlement Amount and shall be distributed to Participating Class Members as part of their
14 Individual Settlement Awards. Class Counsel shall be solely and legally responsible to pay all
15 applicable taxes due on the Class Counsel Award. Class Counsel shall provide the Settlement
16 Administrator with properly completed and signed copies of IRS Form W-9 for each firm in order
17 for the Settlement Administrator to process the Class Counsel Award approved by the Court. The
18 Settlement Administrator shall issue an IRS Form 1099 to Class Counsel for the amount of the
19 Class Counsel Award.

20 13. **Class Representatives' Service Awards.** For purposes of this Settlement only,
21 the Parties agree to the designation of Plaintiffs Kerrie Ventre and Cynthia Scott as the Class
22 Representatives. In recognition of their time and effort in bringing and presenting the Action and
23 for releasing the Plaintiffs' Released Claims, Plaintiffs shall request a Class Representatives'
24 Service Award not to exceed Ten Thousand Dollars (\$10,000.00) per Plaintiff. Plaintiffs' request
25 for such awards shall be subject to approval by the Court and subject to Plaintiffs' execution of
26 full individual releases. Defendant agrees not to oppose or object to Plaintiffs' request for Class
27 Representatives' Service Awards that do not exceed this amount. The Class Representatives'
28 Service Awards will be in addition to Plaintiffs' Individual Settlement Payments paid pursuant to

1 the Settlement. Plaintiffs shall be required to execute a general release of all known and unknown
2 claims they may have against Defendant and its current and former affiliates and subsidiaries.
3 The Settlement Administrator shall issue an IRS Form 1099 to Plaintiffs for their Class
4 Representatives' Service Awards. Plaintiffs shall be solely and legally responsible to pay any and
5 all applicable taxes due on their Class Representatives' Service Awards. Any amount requested
6 by Plaintiffs for the Class Representatives' Service Awards and not awarded by the Court shall
7 become part of the Net Settlement Amount and shall be distributed to Participating Class
8 Members as part of their Individual Settlement Awards.

9 14. **Settlement Administration Costs.** Subject to the Court's approval, Defendant
10 shall reimburse the Settlement Administration Costs, which are estimated at Nine Thousand Five
11 Hundred Dollars (\$9,500), to be paid from the Maximum Settlement Amount. Prior to the filing
12 of Plaintiffs' Motion for Final Approval of the Settlement, the Settlement Administrator shall
13 provide the Parties with a statement detailing the Settlement Administration Costs to date.

14 15. **PAGA Payments.** Defendant shall pay a total of One Hundred Thousand Dollars
15 and No Cents (\$100,000.00), which is the total amount of PAGA civil penalties to be paid from
16 the Maximum Settlement Amount, subject to the Court's approval, in settlement of the PAGA
17 claims in this Action. Of this amount, 75% (\$75,000) will be paid to the LWDA and 25%
18 (\$25,000) will be distributed as the Individual PAGA Payments to the PAGA-Eligible
19 Employees, whether or not they opt out of the Class Settlement.

20 16. **Individual Class Payments.** The Settlement Administrator will determine the
21 Net Settlement Amount by deducting the Class Counsel Fees and Costs, the Class
22 Representatives' Service Awards, the PAGA Payment, and the Settlement Administration Costs
23 from the Maximum Settlement Amount. The Settlement Administrator will distribute the
24 Individual Class Payments to the Participating Class Members from the Net Settlement Amount.
25 The Administrator will calculate each Participating Class Member's Individual Class Payment by
26 determining the total number of Compensable Workweeks worked by all Participating Class
27 Members during the Class Period, dividing that number into the Net Settlement Amount to
28 determine the per-workweek value of each Compensable Workweek, and then multiplying that

1 sum by the number of Compensable Workweeks worked by each Participating Class Member
2 during the Class Period.

3 17. **Individual PAGA Payments.** The Settlement Administrator will calculate each
4 eligible employee's Individual PAGA Payment by dividing the 25% portion of the PAGA
5 Payment to be distributed to those individuals, i.e. \$25,000, by the total number of Compensable
6 Workweeks worked by all of the PAGA-Eligible Employees during the PAGA Period to derive
7 the per-workweek value of the Individual PAGA Payments, and then multiplying that sum by the
8 number of Compensable Workweeks worked by each such employee during the PAGA Period.

9 18. **Tax Treatment of Individual Class and PAGA Payments.** Individual
10 Settlement Awards shall be allocated as follows: 20% as alleged unpaid wages subject to all
11 applicable tax withholdings and 80% as alleged unpaid interest and penalties. The Settlement
12 Administrator shall issue an IRS Form W-2 to each Participating Class Member for the portion of
13 each Individual Settlement Award allocated as unpaid wages. These payments shall be subject to
14 all applicable tax withholdings. The Settlement Administrator shall issue an IRS Form 1099 to
15 each Participating Class Member for the remaining portion of each Individual Settlement Award.
16 The Settlement Administrator shall also issue an IRS Form 1099 for the Individual PAGA
17 Payments. The non-wage portions of the Individual Settlement Awards and the entirety of the
18 Individual PAGA Payments will be allocated as non-wage penalties and interest and shall not be
19 subject to payroll tax withholdings.

20 19. **Employer Payroll Taxes.** The Maximum Settlement Amount shall resolve,
21 satisfy and completely extinguish all of Defendant's liability with respect to the Class Members,
22 except that Defendant shall be responsible for paying the employer's share of payroll taxes on the
23 portion of the Individual Settlement Awards that constitute wages. Defendant will pay these
24 taxes, as calculated by the Settlement Administrator, in addition to the Maximum Settlement
25 Amount. Upon Defendant's funding of the Maximum Settlement Amount and the employer
26 portion of payroll taxes on the portion of the Individual Settlement Awards that constitute wages,
27 Defendant shall have no further payment or defense obligation whatsoever with respect to any
28

claims covered by this Settlement made or asserted by any person or entity anywhere in the world in connection with the Class Members.

RELEASES

20. **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 Settlement 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 from June 6, 2018 through the Class Period End Date, 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 arise out of or are reasonably related to the factual allegations that were alleged or could have been alleged in Plaintiffs' operative Complaints (including any amended complaints filed pursuant to this agreement) and PAGA notices (including Plaintiff Ventre's March 23, 2022 PAGA notice and Plaintiff Scott's April 18, 2022 PAGA notice) relating to Plaintiffs' claims, including but not limited to: (a) failure to pay regular, overtime, and/or doubletime wages pursuant to Labor Code sections 510, 1194, 1197, 1197.1, 1198 and the applicable wage order, including but not limited to claims alleging failure to pay for "off the clock" work and failure to pay overtime at the correct regular rate of pay; (b) failure to provide lawful meal periods or premiums in lieu thereof under Labor Code sections 218.6, 226.7, 512, 1198, the applicable wage orders, and Civil Code section 3287; (c) failure to authorize and permit rest periods or premiums in lieu thereof under Labor Code sections 218.6, 226.7, 1198, the applicable wage orders, and Civil Code section 3287; (d) failure to timely pay wages owed upon separation from employment under Labor Code sections 201- 203; (e) knowing and intentional failure to comply with itemized wage statement provisions in violation of Labor Code section 226, including allegations that Defendant omitted required information, failed to accurately

1 include all applicable hourly rates and corresponding number of hours worked, did not maintain
2 accurate records pertaining to total hours worked, and also derivative violations for the above-
3 stated Labor Code claims; (f) violation of the Unfair Competition Law (Bus. & Prof. Code §
4 17200 *et seq*; and (g) any and all claims for attorneys' fees and costs.

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

19 **22. Plaintiffs' Additional Release.** In addition to the Class Members' Released
20 Claims, Plaintiffs, in their individual capacities, agree to release the Released Parties from any
21 and all claims they may have, known and unknown, under federal, state and/or local law, statute,
22 ordinance, regulation, common law, or other source of law, arising as of the date of execution of
23 this Agreement, including but not limited to claims arising from or related to their employment
24 with Defendant, their termination (if applicable), their compensation while in Defendant's
25 employ, and all other dealings they may have had with the Released Parties. Plaintiffs expressly
26 waive and relinquish all rights and benefits of section 1542 of the Civil Code of the State of
27 California, and do so understanding and acknowledging the significance and consequence of
28

specifically waiving their rights under section 1542 not to otherwise release unknown claims.

Section 1542 of the Civil Code of the State of California states as follows:

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

Notwithstanding the provisions of section 1542, and to implement a full and complete release and discharge of the Released Parties, Plaintiffs expressly acknowledge that this Agreement is intended to include in its effect, without limitation, all claims that Plaintiffs do not know or suspect to exist in their favor at the time of signing this Agreement, and that this Agreement contemplates the extinguishment of any such claims. For clarity, this release does not apply to vested employment benefits, such as 401K, and any other claims that cannot be released as a matter of law, such as disability or workers' compensation, nor to any claims that arise after execution of this Agreement.

MOTION FOR PRELIMINARY APPROVAL

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

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

- a. Certifying the Settlement Class for settlement purposes only;
- b. Approving, as to form and content, the proposed Class Notice (**Exhibit 1** attached hereto);

- c. Approving the manner and method for Class Members to object to or request exclusion from the Settlement, as contained herein and within the Class Notice;
- d. Directing the mailing of the Class Notices to Class Members, by first class mail;
- e. Preliminarily approving the Settlement, subject only to the objections of Class Members and final review by the Court; and
- f. Setting a date and time for the Final Approval Hearing.

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

SETTLEMENT ADMINISTRATION

26. **Selection of Settlement Administrator.** The Parties have jointly selected Phoenix Settlement Administrators to serve as the Settlement Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators agrees to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of the Settlement Administration Costs. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Settlement Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

28. **Transmission of Class Data to Administrator.** Within thirty (30) calendar days after the Court grants preliminary approval of the Settlement, to the extent practicable, Defendant will securely provide the Settlement Administrator with the necessary Class Data, including the names, last known addresses and telephone numbers, and social security numbers of the Class

1 Members. In addition, Defendant will provide the Settlement Administrator with data indicating
2 the number of workweeks worked by each Class Member during the Class Period and PAGA
3 Period, as reflected in Defendant's records. The Settlement Administrator will retain the Class
4 Data and will not share it with Class Counsel except as otherwise permitted herein.

5 29. **Mailing of Class Notices.** Within twenty (20) calendar days after receiving the
6 Class Data from Defendant, the Settlement Administrator shall mail copies of the Court-approved
7 Class Notice to all Class Members via regular First-Class U.S. Mail. The Settlement
8 Administrator shall exercise its best judgment to determine the current mailing address for each
9 Class Member as informed by the parties' input. The address identified by the Settlement
10 Administrator as the current mailing address shall be presumed to be the most current mailing
11 address for each Class Member. The Settlement Administrator shall perform a search based on
12 the National Change of Address Database maintained by the United States Postal Service to
13 update and correct any known or identifiable address changes. The Parties agree that this
14 procedure for notice provides the best notice practicable to Class Members and fully complies
15 with due process.

16 30. **Undeliverable Class Notices.** Any Settlement Notice returned to the Settlement
17 Administrator as non-deliverable on or before the Response Deadline shall be re-mailed to the
18 forwarding address affixed thereto within five (5) calendar days of receipt of the returned Class
19 Notice by the Settlement Administrator. If no forwarding address is provided, the Administrator
20 shall attempt to determine a correct address by the use of skip-tracing, or other type of automated
21 search, using the name, address and/or Social Security number of the Class Member involved,
22 and shall then perform a re-mailing to the Class Member whose Class Notice was returned as
23 non-deliverable within five (5) calendar days of receipt of the returned Notice by the
24 Administrator, assuming another mailing address is identified by the Administrator. The
25 deadlines for Class Members to submit written Objections, Requests for Exclusion, or challenges
26 to Compensable Workweeks will be extended an additional fifteen (15) calendar days from the
27 date of the re-mailing, even if this results in an extension of the otherwise-applicable 60-day
28 Response Deadline. If these procedures are followed, notice to Class Members shall be deemed

1 to have been fully satisfied, and if the intended recipient of the Settlement Notice does not receive
2 the Class Notice, the intended recipient shall nevertheless remain a Class Member and shall be
3 bound by all terms of the Settlement and the Final Order and Judgment.

4 **31. Determination of Individual Settlement Awards and Individual PAGA**

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

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

23 **33. Objections to the Settlement.** Any Participating Class Member may object to the
24 Settlement by submitting a written objection to the Settlement Administrator which must be
25 mailed (postmarked) by the 60-day Response Deadline, unless that deadline has been extended by
26 a re-mailing of the Class Notice. An objection should include: (a) the objector's full name,
27 signature, address, and telephone number; (b) a written statement of the grounds for the objection
28 accompanied by any legal support for such objection; and (c) copies of any papers, briefs, or

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

16 34. **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, 60 days from the Settlement Administrator's mailing of the Class Notice,
21 unless 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 21. 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 **35. 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 calendar (7) days after the Response Date. If
11 Defendant elects to revoke/rescind the Settlement Agreement, it shall provide written notice of
12 such revocation to Class Counsel within fourteen calendar (14) days after receiving the final list
13 of Requests for Exclusion from the Settlement Administrator. Defendant agrees to meet and
14 confer in good faith with Class Counsel before rescinding or voiding the Settlement Agreement.
15 Such rescission shall have the same effect as a termination of this Settlement Agreement for
16 failure to satisfy a condition of settlement, and the Settlement Agreement shall become null and
17 void and have no further force or effect. No Party will encourage any class member to opt out of
18 the Settlement.

19 **36. Workweek Count.** Defendant previously estimated to Plaintiffs' counsel, based
20 on a review of its records, that the Class Members worked approximately 107,080 Compensable
21 Workweeks from June 6, 2018 to June 7, 2024. If there is a finding that, during the same time
22 frame, the actual workweek count exceeds this estimate by more than 10% (i.e., there were over
23 117,788 workweeks as of June 7, 2024), then Defendant shall have the option in its sole
24 discretion to either: (a) increase the Maximum Settlement Amount proportionately for each
25 additional workweek worked by Participating Class Members over 117,788 workweeks; or (b)
26 agree that the Class Period and the PAGA Period shall cut off as of the date the number of
27 workweeks worked by Participating Class Members is at least 117,788.

1 37. **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 38. **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 calendar days
17 before Plaintiffs are required to file their motion for Final Approval of the Settlement, attesting to
18 the Administrator's compliance with all of its obligations under the Agreement and other
19 necessary information regarding the Class Notices, Requests for Exclusion, and objections; and
20 (4) providing a final report and compliance declaration suitable for filing with the Court
21 following the Administrator's disbursement of all the payments required by this Agreement, in
22 accordance with any deadlines set by the Court.

23 **MOTION FOR FINAL APPROVAL**

24 39. **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 40. **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 41. **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 **42. 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 **43. 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 **44. Funding of Settlement.** Defendant 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 thirty (30) 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 **45. 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 **46. 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 **47. 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 **48. 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,

the total amount of any uncashed settlement checks will be transmitted to the State Controller's Unclaimed Property Fund to permit the affected Participating Class Members and/or PAGA-Eligible Employees to claim the funds in the future, pursuant to California Code of Civil Procedure section 384(b).

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

ADDITIONAL PROVISIONS

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

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

52. **Waiver of Right to Appeal.** Provided the Judgment is consistent with the terms and conditions of this Agreement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement waive all rights to appeal from the Judgment. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement

1 Amount. However, nothing in this Agreement shall preclude Plaintiffs from appealing a court
2 order denying or failing to grant in full their requests for attorneys' fees, costs, or service awards.
3 Any order reducing the Class Counsel Award or the Class Representatives' Service Awards will
4 not be grounds on Plaintiffs' part to nullify or void this Settlement.

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

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

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

3 **55. 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 “no comment” or words to that effect. After the filing of
10 the preliminary approval motion, Plaintiffs’ counsel shall be permitted to discuss the terms of the
11 Settlement with any Settlement Class members who inquire about the terms.

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

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

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

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

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

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

1 to effectuate the essential terms of this Settlement, and to discuss any possible amendments to this
2 Agreement or its Exhibit 1 needed to obtain the Court's approval of the Settlement.

3 **61. Binding Nature of Notice of Class Action Settlement.** It is agreed that, because
4 the Class Members are so numerous, it is impossible or impractical to have each Class Member
5 execute the Agreement. The Class Notice shall advise all Class Members of the binding nature of
6 the Settlement, and the release of the Class Members' Released Claims as described above in
7 Paragraph 20 shall have the same force and effect as if this Agreement were executed by each
8 Participating Class Member.

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

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

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

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

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

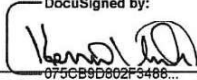
26 **67. Headings.** The descriptive heading of any section or paragraph of this Agreement
27 is inserted for convenience of reference only and does not constitute a part of this Agreement.

28 **68. Counterparts.** This Agreement may be executed in one or more counterparts by

facsimile, electronically (i.e., 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: 10/16/2024

DocuSigned by:

 075CB9D602F3486...
 KERRIE VENTRE, Plaintiff

DATED: 10/22/24


 Cynthia Scott (Oct 22, 2024 08:10 PDT)
 CYNTHIA SCOTT, Plaintiff

DATED: _____

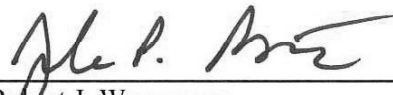
SUTTER COAST HOSPITAL

By: _____
 Name: _____
 Title: _____

APPROVED AS TO FORM AND CONTENT:

DATED: 10/16/2024

MAYALL HURLEY P.C.

By: 
 Robert J. Wasserman
 John P. Briscoe

Attorneys for Plaintiff
 KERRIE VENTRE, the Class and the Aggrieved
 Employees

facsimile, electronically (i.e., 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: _____

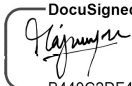
KERRIE VENTRE, Plaintiff

DATED: _____

CYNTHIA SCOTT, Plaintiff

DATED: 10/28/2024 | 2:06 PM PDT

SUTTER COAST HOSPITAL

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By: 
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Raju Iyer
Senior Vice President & Chief Financial
Officer, Sutter Health

APPROVED AS TO FORM AND CONTENT:

DATED: _____

MAYALL HURLEY P.C.

By: _____
Robert J. Wasserman
John P. Briscoe

Attorneys for Plaintiff
KERRIE VENTRE, the Class and the Aggrieved
Employees

1 DATED: 10/16/2024
2
3

THE MARKHAM LAW FIRM

By: 
4

DAVID R. MARKHAM
LISA BREVARD

5 Attorneys for Plaintiff
6 CYNTHIA SCOTT, the Class and the Aggrieved
7 Employees

8 DATED: _____
9

COHELAN KHOURY & SINGER

By: _____
10

ISAM C. KHOURY
MICHAEL D. SINGER
MAGGIE REALIN

11 Attorneys for Plaintiff
12 CYNTHIA SCOTT, the Class and the Aggrieved
13 Employees
14

15 DATED: _____
16

UNITED EMPLOYEES LAW GROUP

By: _____
17

WALTER L. HAINES

18 Attorneys for Plaintiff
19 CYNTHIA SCOTT, the Class and the Aggrieved
20 Employees

21 DATED: _____
22

GBG LLP

By: _____
23

THOMAS E. GEIDT
TERESA W. GHALI
RACHEL E. DAVEY

24 Attorneys for Defendant
25 SUTTER COAST HOSPITALS
26
27
28

1 DATED: _____

THE MARKHAM LAW FIRM

2
3 By: _____
4 DAVID R. MARKHAM
LISA BREVARD

5 Attorneys for Plaintiff
6 CYNTHIA SCOTT, the Class and the Aggrieved
7 Employees

8 DATED: October 16, 2024

COHELAN KHOURY & SINGER

9
10 By: 
11 ISAM C. KHOURY
MICHAEL D. SINGER
MAGGIE REALIN

12 Attorneys for Plaintiff
13 CYNTHIA SCOTT, the Class and the Aggrieved
14 Employees

15 DATED: October 16, 2024

UNITED EMPLOYEES LAW GROUP

16
17 By: 
WALTER L. HAINES

18 Attorneys for Plaintiff
19 CYNTHIA SCOTT, the Class and the Aggrieved
20 Employees

21 DATED: _____

GBG LLP

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23 By: _____
24 THOMAS E. GEIDT
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RACHEL E. DAVEY

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26 SUTTER COAST HOSPITALS

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6 CYNTHIA SCOTT, the Class and the Aggrieved
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COHELAN KHOURY & SINGER

9 By: _____

10 ISAM C. KHOURY
11 MICHAEL D. SINGER
12 MAGGIE REALIN

13 Attorneys for Plaintiff
14 CYNTHIA SCOTT, the Class and the Aggrieved
15 Employees

16 DATED: _____

UNITED EMPLOYEES LAW GROUP

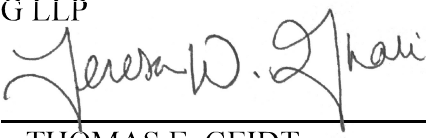
17 By: _____

18 WALTER L. HAINES

19 Attorneys for Plaintiff
20 CYNTHIA SCOTT, the Class and the Aggrieved
21 Employees

22 DATED: October 29, 2024

GBG LLP

23 By:  _____

24 THOMAS E. GEIDT
25 TERESA W. GHALI
26 RACHEL E. DAVEY

27 Attorneys for Defendant
28 SUTTER COAST HOSPITALS

Exhibit 1

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF DEL NORTE**

KERRIE VENTRE AND CYNTHIA SCOTT,
on behalf of themselves and all others similarly
situated and similarly aggrieved and as proxies
for the State of California,

Plaintiffs,

vs.

SUTTER COAST HOSPITAL, a California
Domestic Nonprofit; and DOES 1 through 50,
inclusive,

Defendant.

Case No. CVUJ-2022-1146 (consolidated with
CVUJ-2022-1162)

**NOTICE OF PENDENCY OF CLASS
ACTION AND PAGA SETTLEMENT
AND FINAL HEARING**

Judge: Hon Robert Cochran
Dept: 2

**YOU MAY BE ENTITLED TO RECEIVE MONEY FROM A SETTLEMENT
ARISING FROM YOUR EMPLOYMENT BY SUTTER COAST HOSPITAL**

A California court authorized this notice. This is not a solicitation from a lawyer.

- A settlement of two consolidated lawsuits will pay money to certain employees who have been employed by Sutter Coast Hospital (“Sutter”) in hourly, non-exempt positions between June 6, 2018 and _____, 2024.
- The Settlement resolves lawsuits alleging various wage and hour claims brought against Sutter on behalf of persons who were employed by Sutter as non-exempt employees in California during this time period.
- The Settlement also resolves claims for penalties that have been brought on behalf of the State of California under California’s Private Attorneys General Act (“PAGA”).
- The Settlement avoids the costs and risks of continuing the lawsuits, pays money to employees, and releases Sutter from liability.
- Sutter expressly denies all of the claims in the lawsuits and denies any wrongdoing or liability. The two sides disagree on how much money – if any – could have been awarded if the employees won at trial.
- **YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE READ THIS NOTICE CAREFULLY.**

YOUR LEGAL RIGHTS AND OPTIONS UNDER THIS SETTLEMENT:	
Do Nothing	You need not take any action if you wish to receive your settlement payment. If the Settlement is approved by the Court, you will automatically be mailed a settlement check at the address on file with the Settlement Administrator, Phoenix Settlement Administrators. If you move, you must notify the Settlement Administrator of your new address.
Exclude Yourself	Get no class settlement payment. Send a letter to the Settlement Administrator, as explained below, making clear you wish to exclude yourself from the Settlement. This is the only option that allows you to be part of any other lawsuit against Sutter arising from the California legal claims that were settled in this case. You will, however, be bound by the Private Attorneys General Act (“PAGA”) release, and you will receive a payment for the PAGA release even if you exclude yourself.
Object	Write to the Court, as explained below, about why you believe the Settlement is unfair or objectionable.
Go to a Hearing	Ask to speak in Court about the fairness of the Settlement.

WHY DID YOU RECEIVE THIS NOTICE?

This notice explains a proposed settlement of two lawsuits alleging wage and hour claims and informs you of your legal rights under that proposed settlement (“the Settlement”). You are receiving this notice because you may be a member of the class on whose behalf the lawsuits were brought (“the Settlement Class”).

WHAT ARE THESE LAWSUITS ABOUT?

On June 6, 2022, a former employee of Sutter, Kerrie Ventre, filed a lawsuit against Sutter in Del Norte County Superior Court, alleging violations of the California Labor Code, the California Business and Professions Code, and PAGA. Her complaint alleges that members of the Settlement Class were not always properly paid for all hours worked, including overtime hours at the regular rate of pay; were not always properly provided with rest breaks or properly paid rest break premiums; did not receive accurate wage statements; and were not paid correctly at termination of employment..

On June 23, 2022, Plaintiff Cynthia Scott brought a separate lawsuit against Sutter in Del Norte County Superior Court, alleging violations of the California Labor Code, the California Business and Professions Code, and PAGA. Her complaint alleges that RN members of the Settlement Class were not always properly paid for all hours worked, including overtime hours; were not always properly provided with meal and rest breaks or properly paid meal and rest break premiums; did not receive accurate wage statements; and were not paid correctly at termination of employment.

In these lawsuits, Plaintiffs seek to recover allegedly unpaid wages, meal and rest break premiums, statutory and civil penalties, interest, and attorneys’ fees and costs, on behalf of themselves and others at Sutter who are similarly situated. Sutter denies all of the material allegations in the lawsuits and denies that it did anything wrong. The lawsuits have been consolidated for purposes of this Settlement and submitted to the Del Norte County Superior Court for approval.

SUMMARY OF THE SETTLEMENT

A. Why is there a Settlement?

The Court has not made any ruling in favor of Plaintiffs or Sutter. It also has not ruled that these lawsuits may proceed as class actions. Plaintiffs believe they would have prevailed on their claims at a trial. Sutter does not believe that Plaintiffs would have won anything from a trial. But there was no trial. Instead, both sides agreed to a settlement. That way, they each avoid the costs, risks, and uncertainties of a trial, and the employees allegedly affected will receive compensation.

B. Who is in the Settlement Class?

The Settlement Class consists of all current and former non-exempt employees of Sutter who have been employed as non-exempt employees from June 6, 2018 through _____, 2024 (“the Class Period”).

The settlement of Plaintiffs’ PAGA penalty claims will cover all current and former non-exempt employees who have been employed in the Settlement Class at any time from June 6, 2021 and _____, 2024 (the “PAGA Period”).

C. What has Sutter agreed to do?

Sutter will pay \$1,000,000.00 (the “Maximum Settlement Amount”) to settle these lawsuits. The following sums will be paid from the Maximum Settlement Amount: (1) Class Counsel’s attorneys’ fees in an amount set by the Court not to exceed 33.33% of the Maximum Settlement Amount (\$333,333.33), (2) Class Counsel’s documented litigation costs in an amount set by the Court not to exceed \$70,000; (3) service awards to the two named Plaintiffs, Kerrie Ventre and Cynthia Scott, in an amount set by the Court, not to exceed \$10,000 each, for their service as class representatives in the lawsuits; and (4) a reasonable amount set by the Court to the Settlement Administrator for administering the settlement, currently estimated at \$9,500. Sutter has also agreed to pay \$100,000.00 to resolve Plaintiffs’ and the State of California’s claims for civil penalties under PAGA. Of this amount, 75% (\$75,000.00) will be paid to the State of California’s Labor and Workforce Development Agency (“LWDA”), and the remaining 25% (\$25,000.00) will be paid to all eligible Settlement Class members who have been employed during the PAGA Period, whether or not they have excluded themselves from the Class Settlement.

The portion of the Maximum Settlement Amount remaining after these payments is the Net Settlement Amount, which will be paid out to those Settlement Class Members who do not opt out of the Settlement, as explained below. Sutter will also pay the employer share of applicable payroll taxes due on the portion of the individual settlement payments designated as “wages,” which will be paid in addition to the Maximum Settlement Amount.

D. What are you giving up to get a payment and stay in the Class?

Subject to the Court’s approval of the Settlement, all members of the Settlement Class who do not opt out of the Settlement will release Sutter, and any of its current and former parents, corporate members, subsidiaries, divisions, and affiliated companies, and their respective officers, directors, employees, partners, shareholders, agents, insurers, successors, assigns and legal representatives (the “Released Parties”), as follows:

(1) If you do not request exclusion from the Settlement, you will release the Released Parties from any and all claims, rights, demands, liabilities, and causes of action of every nature and description, arising from June 6, 2018 through _____, 2024, 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 arise out of or are reasonably related to the factual allegations that were alleged or could have been alleged in Plaintiffs' operative Complaints (including any amended complaints filed pursuant to this agreement) and PAGA notices relating to Plaintiffs' claims, including but not limited to: (a) failure to pay regular, overtime, and/or double time wages pursuant to Labor Code sections 510, 1194, 1197, 1197.1, 1198 and the applicable wage order, including but not limited to claims alleging failure to pay for "off the clock" work and failure to pay overtime at the correct regular rate of pay; (b) failure to provide lawful meal periods or premiums in lieu thereof under Labor Code sections 218.6, 226.7, 512, 1198, the applicable wage orders, and Civil Code section 3287; (c) failure to authorize and permit rest periods or premiums in lieu thereof under Labor Code sections 218.6, 226.7, 1198, the applicable wage orders, and Civil Code section 3287; (d) failure to timely pay wages owed upon separation from employment under Labor Code sections 201- 203; (e) knowing and intentional failure to comply with itemized wage statement provisions in violation of Labor Code section 226, including allegations that Defendant omitted required information, failed to accurately include all applicable hourly rates and corresponding number of hours worked, did not maintain accurate records pertaining to total hours worked, and also derivative violations for the above-stated Labor Code claims; (f) violation of the Unfair Competition Law (Bus. & Prof. Code § 17200 et seq; and (g) any and all claims for attorneys' fees and costs.

(2) Plaintiffs Ventre and Scott, as agents and proxies of the State of California, and all PAGA-Eligible Employees, will release Defendant and the Released Parties from any and all claims for PAGA civil penalties arising from June 6, 2021 through _____, 2024, that were alleged or reasonably could have been alleged based on the facts contained in Plaintiffs' operative complaints, as amended, as enumerated in the preceding subparagraph (1) above and/or in any notices that Plaintiffs have submitted to the LWDA in connection with these lawsuits. If you are a PAGA-Eligible Employee, this release of PAGA penalty claims will be deemed to apply to you whether or not you request to be excluded from the Class Settlement.

(3) Finally, the named Plaintiffs – Kerrie Ventre and Cynthia Scott – will generally release all known and unknown claims they each may have against Sutter through the date of the settlement, of any nature whatsoever, not limited to the wage and hour claims alleged in the lawsuits.

The Released Claims do not include a release of all other rights you may have as an employee or former employee of Sutter. The Released Claims are specifically limited to the claims set forth above.

E. How much money will I receive?

Each participating Settlement Class Member will receive an "Individual Class Payment," which is a share of the Net Settlement Amount. The Net Settlement Amount is calculated by first deducting from the Maximum Settlement Amount the court-approved (1) attorneys' fees and costs to Class Counsel; (2) settlement administration costs; (3) service award payments to the Plaintiffs; and (4) PAGA payments to the State of California and the PAGA-eligible members of the Settlement Class.

Based on Sutter's records, the Settlement Administrator will determine the number of workweeks worked by each Class Member in the Settlement Class. Those who do not opt out of the Settlement will receive an Individual Class Payment that amounts to a pro rata share of their allocated

Net Settlement Amount, based on the number of Compensable Workweeks they worked during the Class Period in proportion to the total number of Compensable Workweeks worked by all of the eligible Settlement Class Members in the Settlement Class.

According to Sutter's records, you were employed in the Settlement Class for [] Compensable Workweeks between June 6, 2018 and _____, 2024.

Also, according to Sutter's records, you were employed for [] workweeks during the PAGA Period (between June 6, 2021 and _____, 2024).

Based on these numbers, your gross Individual Class Payment is estimated to be \$[], and your PAGA Payment is estimated to be \$[]. The actual amounts you receive could be more or less than these amounts, depending on the final settlement terms approved by the Court.

Please be advised that the number of Compensable Workweeks listed above is presumed to be correct unless you submit documents proving otherwise. If you disagree with the number of Compensable Workweeks listed above, please submit an explanation and evidence of your proposed Compensable Workweeks to the Settlement Administrator no later than [60 days after mailing]. In the event of a dispute about the correct number of Compensable Workweeks that you worked during the Class Period, the Settlement Administrator will resolve the challenge with input from Sutter and Class Counsel, subject to final resolution by the Court if necessary.

F. Will any taxes be taken out of the settlement payments?

Twenty percent (20%) of your Individual Class Payment will be treated as back wages and reported on an IRS Form W-2 with all appropriate taxes withheld. The remaining eighty percent (80%) will be treated as interest and penalties and reported as non-wage income on an IRS Form 1099 with no payroll withholding. The PAGA payments will be treated solely as penalties and reported on an IRS Form 1099, without tax withholding. The Settlement Administrator will issue W-2 and 1099 Forms to all Settlement Class Members and PAGA-Eligible Employees who cash their checks, as required by law.

Aside from the employer portion of payroll taxes, Settlement Class Members are responsible for the appropriate payment of any federal, state, and/or local income or payroll taxes owed on the Settlement Payments they receive. The tax issues for each Settlement Class Member are unique to that Class Member. You are advised to obtain tax advice from your own tax advisor with respect to any payments resulting from this Settlement. This Notice does not constitute legal or tax advice regarding any federal, state, or local tax issue, and nothing in this Notice is intended to or should be used by any person for the purpose of avoiding any tax liability or tax penalties.

THE FINAL APPROVAL HEARING

The Court will conduct a final fairness hearing regarding the proposed settlement (the "Final Approval Hearing") on _____, 202_, at _____ m., in Department 1 of the Del Norte County Superior Court, located at 450 H St. #209, Crescent City, CA 95531. The Court will then determine: (i) whether the lawsuit should be certified as a class action for settlement purposes only; (ii) whether the Settlement should be given the Court's final approval as fair, reasonable, adequate, and in the best interests of the Settlement Class Members; (iii) whether the Participating Settlement Class Members (those who do not opt out) should be bound by the terms of the Settlement; (iv) the amount of the attorneys' fees and costs to be awarded to Plaintiffs' attorneys; (v) the amount that should be awarded to Plaintiffs for their service as class representatives; (vi) the amount that should be approved for civil penalties under PAGA; and (vii) the amount that should be approved for settlement administration costs.

At the Final Approval Hearing, the Court will hear all objections as well as arguments for and against the proposed Settlement. You have a right to attend this hearing, but you are not required to do so. You also have the right to hire an attorney to represent you, at your own expense, or to enter an appearance and represent yourself. If you wish to appear remotely at the Final Approval Hearing you should contact Class Counsel to arrange a telephonic appearance through CourtCall, at least three calendar days before the hearing if possible.

WHAT ARE YOUR OPTIONS?

- **OPTION 1 – DO NOTHING AND PARTICIPATE IN THE SETTLEMENT**

IF YOU TAKE NO ACTION IN RESPONSE TO THIS NOTICE, YOU WILL AUTOMATICALLY RECEIVE YOUR SHARE OF THE SETTLEMENT IF IT IS APPROVED BY THE COURT. YOU WILL NEVER BE REQUIRED TO GO TO COURT OR PAY ANYTHING TO THE LAWYERS IN THIS CASE. If you move your residence, you must update your address with the Settlement Administrator. If you disagree with the number of workweeks worked as indicated in section E above, you must submit an explanation and/or documentation to the Settlement Administrator to support your position within the 60-day deadline. The Settlement Administrator's address is [Settlement Administrator address].

- **OPTION 2 – OBJECT TO THE SETTLEMENT**

If you wish to remain a Settlement Class Member but you object to the proposed Settlement (or any of its terms) and wish the Court to consider your objection at the Final Approval Hearing, you may object to the Settlement in writing. You may also appear at the Final Approval Hearing, either in person or through an attorney, at your own expense. All written objections, supporting papers, and/or notices of intent to appear at the Final Approval Hearing must clearly identify the case name and number and be mailed to the Settlement Administrator, _____, at [address]. Objections must be mailed (postmarked) no later than [60 days after mailing]. However, you still may appear at the Final Approval Hearing and raise an objection to the Settlement even if you did not submit written objections within this 60-day deadline.

- **OPTION 3 – EXCLUDE YOURSELF FROM THE SETTLEMENT**

You have a right to exclude yourself from ("opt out" of) the Settlement, but if you choose to do so, you will not receive any payment from the proposed Class Settlement. You also will not be bound by a judgment in this case as to the Class claims, and you will have the right to file your own lawsuit against Sutter and pursue your own claims in a separate suit, if you wish. You can opt out of the Class by mailing a written statement to the Settlement Administrator, _____, at the above-stated address, so that it is postmarked no later than [60 days after mailing of the notice]. The written statement should contain your name, address, telephone number, and signature, and the name of this case, *Ventre/Scott v. Sutter Coast Hospital*. Your request must also clearly state that you do not wish to be included in the Settlement, or words to that effect. It must be mailed (postmarked) on or before the response deadline. If you do not exclude yourself from the Settlement in accordance with this procedure, you will be bound by the terms of the Settlement and the related judgment entered by the Court. However, even if you exclude yourself as described above, you will still be bound by the PAGA release if you are a PAGA-Eligible Employee, and you will receive a PAGA payment if you were employed within the PAGA Period.

NOTE REGARDING RESPONSE DEADLINES:

The 60-day deadline for you to opt out of the Settlement, object to the Settlement, or submit a challenge to the number of Compensable Workweeks being credited to you may be extended if your Notice was initially returned to the Settlement Administrator as undeliverable and, as a result, the Settlement Administrator re-mailed this Notice to you later. In such a case, you will have up to 15 calendar days from the date of the re-mailing to submit your response, even if that falls beyond the regular 60-day deadline.

CHANGE OF ADDRESS

If you move after receiving this Notice, if it was misaddressed, or if for any reason you want your Settlement Payment or future correspondence concerning this Action to be sent to a different address, you must supply your preferred address to the Settlement Administrator.

ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you may review the detailed “Joint Stipulation of Class Action and PAGA Settlement and Release,” which is available for viewing online, free of charge, as well as other pleadings and court records at [insert court website link] [or Settlement Administrator’s website if applicable]. The pleadings and other court records in the lawsuit may also be examined in person at any time during regular business hours at the Office of the Clerk of the Del Norte County Superior Court, 450 H St. #209, Crescent City, CA 95531.

ALL INQUIRIES REGARDING THIS LITIGATION SHOULD BE MADE TO THE SETTLEMENT ADMINISTRATOR OR COUNSEL FOR THE CLASS. CLASS COUNSEL ARE:

MAYALL HURLEY P.C.

Robert J. Wassermann
John P. Briscoe
112 S. Church St.
Lodi, California 95240
Telephone: (209) 477-3833

THE MARKHAM LAW FIRM

David R. Markham
Lisa R. Brevard
888 Prospect St., Suite 200
La Jolla, CA 92037
Telephone: (619) 399-3995

COHELAN KHOURY & SINGER

Isam C. Khoury
Michael D. Singer
Maggie K. Realin
605 C Street, Suite 200
San Diego, CA 92101
Telephone: (619) 595-3001

DO NOT TELEPHONE THE COURT FOR LEGAL ADVICE OR FOR INFORMATION ABOUT THIS SETTLEMENT.

BY ORDER OF THE DEL NORTE COUNTY SUPERIOR COURT