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Attorneys for Plaintiff
JOSE CONTRERAS

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

JOSE CONTRERAS an individual and on behalf
of other aggrieved employees,

Plaintiff,

v.

SANTA FE CONVALESCENT HOSPITAL,
INC., dba BEACH SIDE ACUTE, a limited
liability company; and DOES 1-20, inclusive,

Defendants.

Case No. 22LBCV00508

Assigned to the Hon.: Nicole M. Heeseman
Dept.: S25

**STIPULATION OF SETTLEMENT OF
PAGA ACTION AND RELEASE OF PAGA
CLAIMS**

Date Action Filed: September 19, 2022

1 Plaintiff Jose Contreras (“Plaintiff”), on the one hand, and Defendant Santa Fe Convalescent
2 Hospital, Inc. dba Beachside Post Acute (“Defendant”) on the other hand, stipulate as follows:

3 **SETTLEMENT AGREEMENT AND RELEASE OF PAGA CLAIMS**

4 Plaintiff, individually and in his capacity as a representative of the State of California on behalf
5 of other aggrieved employees, and Defendant hereby enter into this Settlement Agreement and Release
6 of Private Attorneys General Act of 2004 Claims (“Settlement”) as follows:

7 **I. DEFINITIONS**

8 As used in this Settlement, the following terms shall have the following meanings:

9 1. “Action” shall collectively refer to (1) the civil action entitled *Jose Contreras v. Santa Fe*
10 *Convalescent Hospital dba Beach Side Acute; and DOES 1-20, inclusive*, filed in the Superior Court for
11 the County of Los Angeles on September 19, 2022, designated as Case No. 22LBCV00508, and (2) the
12 arbitration proceeding entitled *Jose Contreras v. Santa Fe Convalescent Hospital dba Beach Side Acute,*
13 *et al.*, submitted to the American Arbitration Association on or about February 28, 2023, designated as
14 Case No. 01-23-0000-8475.

15 2. “Defendant” shall mean Santa Fe Convalescent Hospital dba Beach Side Post Acute.

16 3. “Defense Counsel” refers to Seyfarth Shaw LLP.

17 4. “Effective Date” refers to the date upon which both of the following have occurred: (i)
18 approval of the PAGA Settlement is granted by the Superior Court for the State of California for the
19 County of Los Angeles or other court assuming jurisdiction of this matter; and (ii) the Court’s Judgment
20 approving the PAGA Settlement becomes Final. Final shall mean the latest of: (i) if there is an appeal of
21 the Court’s Judgment, the date the Judgement is affirmed on appeal, the date of dismissal of such appeal,
22 or the expiration of the time to file a petition for writ of certiorari to the United States Supreme Court or
23 California Supreme Court; (ii) if a petition for writ of certiorari is filed, the date of denial of the petition
24 for writ of certiorari, or the date the Judgment is affirmed pursuant to such petition; or (iii) if no appeal
25 is filed, the expiration date of the time for filing or noticing any appeal of the Judgment.

26 5. “LWDA” refers to the California Labor & Workforce Development Agency.

27 6. “PAGA” refers to the Labor Code Private Attorneys General Act of 2004, California
28 Labor Code Sections 2698 *et seq.*

1 7. **“PAGA Period”** shall mean July 16, 2021 until the earlier of July 2, 2024 or the date
2 Plaintiff’s Counsel files a motion to approve the PAGA settlement.

3 8. **“PAGA Settlement Members”** shall mean all individuals employed by Defendant Santa
4 Fe Convalescent Hospital dba Beachside Post Acute as non-exempt employees in California during the
5 PAGA Period.

6 9. **“Plaintiff’s Counsel”** refers to KJT LAW GROUP, LLP.

7 10. **“Parties”** collectively refers to Plaintiff and Defendant.

8 11. **“Released Claims”** shall mean any and all claims that were alleged, or reasonably could
9 have been alleged, based on the facts stated in the operative Complaint filed in *Jose Contreras v. Santa*
10 *Fe Convalescent Hospital dba Beach Side Acute, et al.*, Superior Court for the County of Los Angeles
11 Case No. 22LBCV00508, the notice provided by Plaintiff to the LWDA, as well the arbitration
12 proceeding entitled *Jose Contreras v. Santa Fe Convalescent Hospital dba Beach Side Acute, et al.*,
13 AAA Case No. 01-23-0000-8475, whether known or unknown, to recover civil penalties pursuant to
14 PAGA, for any alleged violations of California Labor Code sections, including 201-204, 226, 226.7,
15 510-512, 526(a), 558, 1118.12, 1194, *et seq.*, 1197, 1197.1, 1198, 2802, and 2698 *et seq.*, and the
16 applicable IWC Wage Order for the PAGA Period.

17 12. **“Released Parties”** shall mean Defendant and all of its past and present parents
18 subsidiaries, affiliates, predecessors, related entities, successors, and all of their respective current or
19 former employees, officers, directors, owners (whether direct or indirect), general partners, limited
20 partners, trustees, representatives, shareholders, stockholders, members, successors, assigns, and agents.

21 13. **“Settlement Administrator”** refers to ILYM Group, Inc. a qualified, third-party
22 settlement administrator mutually selected by the Parties to administer the terms of the Settlement.

23 **II. RECITALS**

24 14. On June 2, 2022, Plaintiff’s Counsel sent a letter to the LWDA on behalf of Plaintiff, in
25 compliance with California Labor Code section 2699.3. Plaintiff seeks to represent himself and all
26 PAGA Settlement Members. More than 65 days passed after the letter was sent to the LWDA, and the
27 LWDA did not indicate that it intended to investigate the alleged violations referenced in the letter.
28

1 15. On September 19, 2022, Plaintiff filed a representative action complaint in Los Angeles
2 County Superior Court, asserting a cause of action under PAGA.

3 16. On April 30, 2024, the Parties participated in mediation with Daniel Turner, an
4 experienced mediator in PAGA actions. The mediation concluded without a settlement. However,
5 following the mediation, the parties continued to work with the mediator and agreed to settle the Action
6 on May 3, 2024.

7 17. Counsel for all Parties have thoroughly investigated the facts relating to the claims
8 alleged in this Action, and have made a thorough study of the legal principles applicable to the claims
9 asserted against Defendant. Based on their investigation and evaluation of this case, the Parties' Counsel
10 have concluded that the settlement is fair, reasonable, and adequate in light of all known facts and
11 circumstances, including the defenses asserted by Defendant, potential adverse findings regarding
12 liability, and numerous potential appellate issues.

13 18. Defendant denies, and continues to deny, each and every claim and contention alleged in
14 the Action, and has always maintained that it never engaged in any unlawful acts regarding any of the
15 matters alleged in the Action.

16 **NOW, THEREFORE**, in consideration of the mutual covenants, promises, and conditions set
17 forth, the Parties agree as follows:

18 **III. NON-ADMISSION OF LIABILITY**

19 A. Based on the factual and legal issues involved, the expense and time necessary to
20 prosecute the Action through trial, the risks, uncertainty and costs of further prosecution, the difficulty
21 of proof necessary for purposes of liability, and the relative benefits to the PAGA Settlement Members
22 of an expeditious resolution to the Action, the Parties have concluded that the terms set forth in this
23 Settlement are fair, reasonable, adequate and in the best interests of the PAGA Settlement Members.

24 B. By entering into this Settlement, Defendant denies any liability for any of the claims in
25 the Action, as well as any other potential or unknown claims based on wage and hour violations under
26 state or federal law. Neither this Settlement, nor any document referred to or contemplated herein, nor
27 any action taken to carry out this Settlement, is, may be construed as, or may be used as, an admission,
28 concession, or indication by or against Defendant of any unlawful conduct, fault, wrongdoing or liability

1 whatsoever. Defendant specifically denies that they have engaged in any unlawful or wrongful conduct
2 against Plaintiff or the PAGA Settlement Members.

3 **IV. TERMS OF THE PAGA SETTLEMENT**

4 **A. The Total Settlement Payment**

5 Defendant shall pay a settlement payment in a total amount of One Hundred Fifty Thousand
6 Dollars (\$150,000.00) (the "**Total Settlement Payment**"). The Total Settlement Payment shall include
7 Plaintiff's Counsel Payment, Settlement Administration Costs, and the PAGA Fund as these terms are
8 defined below.

9 **B. Plaintiff's Counsel Payment of Attorneys' Fees and Costs**

10 1. Plaintiff's Counsel will apply to the Court for an award of attorneys' fees of up to
11 35% of the Total Settlement Payment, and reasonable litigation costs, not to exceed \$7,457.05.
12 ("**Plaintiff's Counsel Payment**"). Plaintiff's Counsel will be responsible for submitting all documents
13 to support their request for attorneys' fees and costs.

14 2. Defendant will not oppose or object to Plaintiff's Counsel's application for
15 attorneys' fees, not to exceed 35% of the Total Settlement Payment plus all documented and reasonable
16 litigation costs and expenses, not to exceed \$7,457.05.

17 3. In the event that the Court does not approve an award of attorneys' fees equal to
18 the requested amount, or the Court alters the payment methodology described herein, it will not be
19 considered a material change of the Settlement and will not operate to terminate or cancel the
20 agreement, and this Settlement will be enforceable.

21 4. The Plaintiff's Counsel Payment shall be paid from the Total Settlement Payment.
22 Any reductions by the Court of Plaintiff's Counsel's request for attorneys' fees or costs shall revert to
23 the PAGA Fund.

24 **C. Settlement Administration Costs**

25 1. The cost of the Settlement Administrator to implement and complete the
26 settlement process according to the terms of this Settlement, including the costs to calculate payments to
27 individual PAGA Settlement Members and to prepare any necessary tax documents for PAGA
28

1 Settlement Members are referred to as the “Settlement Administration Costs,” and are estimated to be
2 \$5,950.00

3 **D. PAGA Fund**

4 1. After deducting Plaintiff’s Counsel Payment and the Settlement Administration
5 Costs, the remainder of the Total Settlement Payment shall be allocated toward payment to the Labor &
6 Workforce Development Agency and PAGA Settlement Members (“PAGA Fund”).

7 2. Seventy-five percent (75%) of the PAGA Fund will be sent to the LWDA and
8 twenty-five percent (25%) of the PAGA Fund will be allocated among the PAGA Settlement Members
9 based on his or her proportionate share of the pay periods worked during the PAGA Period.

10 **V. COMPUTATION AND DISTRIBUTION OF TOTAL SETTLEMENT FUND**

11 **A. Deposit of Total Settlement Payment**

12 1. The Settlement Administrator shall establish a Qualified Settlement Fund
13 pursuant to Section 468B(g) of the Internal Revenue Code for purposes of administering the Settlement.
14 The Settlement Administrator shall furnish the Qualified Settlement Fund with its own Employer ID
15 Number and calculate all settlement checks based on information that will be confidentially furnished by
16 Defendant.

17 2. Within 21 days after the Effective Date, Defendant shall deposit the Total
18 Settlement Payment with the Settlement Administrator.

19 **B. Formula for Calculating Share of PAGA Fund**

20 The portion of the PAGA Fund that is paid to each PAGA Settlement Member shall be
21 determined based on the following formula:

22 1. The payment to PAGA Settlement Members will be based on the number of pay
23 periods that each PAGA Settlement Member worked for Defendant during the PAGA Period. Partial
24 weeks will be counted as full pay periods.

25 2. The amount to be paid per pay period worked by a PAGA Settlement Member
26 will be calculated by dividing the value of the portion of the PAGA Fund that will be paid to PAGA
27 Settlement Members by the total number of pay periods worked by all PAGA Settlement Members at a
28 PerkinElmer location in California during the PAGA Period.

3. Defendant's records shall be determinative for purposes of calculating the number of pay periods worked and any payments to PAGA Settlement Members.

C. Distribution of PAGA Fund

1. Defendant shall provide the Settlement Administrator with a list of the names, last known addresses, the number of pay periods worked for Defendant during the PAGA Period, and Social Security Numbers for the PAGA Settlement Members, to be furnished within thirty (30) days after the Court issues an Order approving the Settlement. This information is being provided confidentially to the Settlement Administrator only, and the Settlement Administrator shall treat the information as private and confidential and take all necessary precautions to maintain the confidentiality of the information. This information is to be used only to carry out the Settlement Administrator's duties as specified in this Settlement.

2. Within twenty-eight (28) days after the Effective Date, the Settlement Administrator shall pay to the LWDA an amount equivalent to seventy-five percent (75%) of the PAGA Fund, or as otherwise directed by the Court.

3. Within twenty-eight (28) days after the Effective Date, the Settlement Administrator shall distribute to PAGA Settlement Members their individual portion of the PAGA Fund (the "**Individual Payment**"), or as otherwise directed by the Court.

4. To provide the best notice practicable, any Individual Payment returned to the Settlement Administrator as non-delivered shall be sent by post-marked First Class U.S. Mail to the forwarding address affixed thereto, if any. If no forwarding address is provided for an Individual Payment that is returned as non-deliverable, the Settlement Administrator shall use the best available technology accessible (e.g. skip tracing, address verification, etc.) to the Settlement Administrator or other mutually agreeable method to locate PAGA Settlement Members and will then mail the Individual Payment to the address identified by the best available technology accessible to the Settlement Administrator or other mutually agreeable method. If no current address is located, the Individual Payment for that individual will be deemed undeliverable. If any PAGA Settlement Members cannot be located within two attempts at mailings by the Settlement Administrator, the Individual Payment for that individual will be deemed undeliverable and the Settlement Administrator need not take further steps to

1 deliver checks to the PAGA Settlement Member whose re-mailed checks are deemed undeliverable. The
2 Settlement Administrator shall promptly send a replacement check to any PAGA Settlement Member
3 whose original check was lost or misplaced, requested by the PAGA Settlement Member prior to the
4 void date. After 180 days from the date of mailing the Individual payment by the Settlement
5 Administrator, the amount of any undeliverable checks will be void and sent to the State of California
6 State Controller's Office in the PAGA Settlement Member's name. However, the PAGA Settlement
7 Members whose checks were undeliverable will still have released the Released Claims. The Parties
8 agree that this results in no unpaid residue under California Civil Procedure Code section 384, as the
9 entire PAGA settlement payment will be paid out to the LWDA and PAGA Settlement Members.
10 Therefore, Defendant will not be required to pay any interest on said amount.

11 5. The Settlement Administrator shall maintain a list of the postmark date for the
12 original mailing of the Individual Payment to the PAGA Settlement Members, the postmark date of any
13 subsequent mailing to any PAGA Settlement Members, and a list of PAGA Settlement Members who
14 did not receive the Individual Payment due to the inability to locate a valid address using the procedures
15 described herein or who otherwise could not be located within two attempts at mailing.

16 6. All settlement checks will remain valid and negotiable for 180 days from the date
17 of their mailing by the Settlement Administrator. After 180 days from the date of their mailing by the
18 Settlement Administrator, the dollar value of all checks that remain uncashed for more than 180 days
19 will be void and sent to the State of California State Controller's Office in the PAGA Settlement
20 Member's name. However, the PAGA Settlement Members who have not cashed their checks within
21 180 days from the date of their mailing will still have released the Released Claims. The failure by a
22 PAGA Settlement Member to cash their settlement checks will have no effect on their release of the
23 Released Claims. The Parties agree that this results in no unpaid residue under California Civil
24 Procedure Code section 384, as the entire PAGA settlement payment will be paid out to the LWDA and
25 PAGA Settlement Members, whether or not the PAGA Settlement Members cash their settlement
26 checks. Therefore, Defendant will not be required to pay any interest on said amount.

27 7. The Settlement Administrator will prepare and issue IRS Form 1099 to PAGA
28 Settlement Members who received a payment.

1 **D. Settlement Administration Cost Payment**

2 Within twenty-eight (28) days after the Effective Date, Settlement Administrator shall pay the
3 Settlement Administration Costs directly to the Settlement Administrator.

4 **E. Plaintiff's Counsel Payment**

5 Within twenty-eight (28) days after the Effective Date, Settlement Administrator shall pay the
6 Plaintiff's Counsel Payment directly to Plaintiff's Counsel.

7 **VI. CLAIMS RELEASED BY PAGA SETTLEMENT MEMBERS**

8 **A. Claims Released by The LWDA and All PAGA Settlement Members**

9 Upon the date of entry of an order by the Court in this Action approving this Settlement, the
10 LWDA and PAGA Settlement Members, including Plaintiff, fully release and forever discharge the
11 Released Parties from any and all Released Claims. As a result of this release, the PAGA Settlement
12 Members will be unable to bring a claim for civil penalties under the California Private Attorneys
13 General Act, California Labor Code §§ 2698 *et seq.*, against the Released Parties for any violations of
14 the Released Claims that took place during the PAGA Period.

15 **B. Tax Treatment and Tax Indemnification**

16 PAGA Settlement Members will assume any tax obligations or consequences which may arise
17 from this Settlement. PAGA Settlement Members release any and all claims that they have or may have
18 against Defendant for any claims, demands, deficiencies, levies, assessments, executions, judgments,
19 penalties, taxes, indemnification, and any other recoveries related to any payments made under this
20 Settlement or any compensation provided at any time by Defendant or any of the Released Parties. If
21 any state or federal taxing authority contacts, investigates, or pursues any action against any PAGA
22 Settlement Members for their individual share of taxes related to any payments made under this
23 Settlement or any compensation provided at any time by Defendant or any of the Released Parties, each
24 PAGA Settlement Member shall be responsible for his or her own defense of and payment for any claim
25 of unpaid taxes, interest, or penalties brought by any state or federal taxing authority for the PAGA
26 Settlement Member's share of any state or federal tax obligation. If a PAGA Settlement Member has
27 questions about any liability to any state or federal taxing authority, they should contact the Settlement
28 Administrator. The PAGA Settlement Members should not contact Defendant, any of the Released

1 Parties, or Defense Counsel.

2 **VII. MISCELLANEOUS PROVISIONS**

3 **A. Voiding the Settlement**

4 A failure of the Court to approve any material condition of this Settlement shall render the entire
5 Settlement voidable and unenforceable as to Plaintiff and Defendant, at the option of Plaintiff or
6 Defendant. Each party may exercise its option to void this Settlement as provided above by giving
7 notice, in writing, to the other, and to the Court within fifteen (15) days after the Order failing to
8 approve a material condition of the Settlement has been received by the party seeking to void the
9 Settlement.

10 **B. Mutual Full Cooperation**

11 Plaintiff, Defendant, Plaintiff's Counsel, and Defense Counsel agree to fully cooperate with each
12 other to accomplish the terms of this Settlement, including, but not limited to, execution of such
13 documents and to take such other action as may reasonably be necessary to implement the terms herein.
14 The Parties agree to use their best efforts and any other efforts that may become necessary by Order of
15 the Court, or otherwise, to effectuate this Settlement.

16 **C. Parties' Authority**

17 The signatories hereto represent that they are fully authorized to enter into this Settlement.

18 **D. Binding Nature of the Settlement**

19 1. This Settlement shall be binding upon, and inure to the benefit of, the successors
20 or assigns of the Released Parties. Plaintiff represents, covenants, and warrants that Plaintiff has not
21 directly or indirectly, assigned, transferred, encumbered, any claim, demand, action, cause of action or
22 rights released in the Released Claims in this Settlement. This Settlement also shall be binding upon
23 Plaintiff and the PAGA Settlement Members.

24 2. This Settlement may be amended or modified only by a written instrument signed
25 by Plaintiff's Counsel and Plaintiff, as well as Defense Counsel and Defendant. No rights under this
26 Settlement may be waived except in writing.

27 3. This Settlement constitute the entire agreement between Plaintiff and Defendant
28 relating to the terms contained herein. All prior or contemporaneous agreements, understandings and

1 statements, whether oral or written, whether express or implied, and whether by a party or their counsel,
2 concerning this Settlement are merged herein. No oral or written representations, warranties or
3 inducements have been made to any party concerning this Settlement or its exhibits other than the
4 representations, warranties and covenants contained and memorialized in such documents.

5 4. Paragraph titles or captions contained herein are inserted as a matter of
6 convenience and for reference, and in no way define, limit, extend, or describe the scope of this
7 Settlement or any of its provisions. Each term of this Settlement is intended to be contractual and not
8 merely a recital.

9 **E. Joint Drafting of Settlement Documents**

10 1. Plaintiff's Counsel and Defense Counsel have arrived at this Settlement as a result
11 of a series of arm's-length negotiations, taking into account all relevant factors, present and potential.

12 2. This Settlement has been drafted jointly by Plaintiff's Counsel and Defense
13 Counsel and, therefore, in any construction or interpretation of this Settlement, the same shall not be
14 construed against any of the Parties.

15 3. Plaintiff and Plaintiff's Counsel agree that none of the documents provided to
16 them by Defendant shall be used for any purpose other than the settlement of this Action. Specifically,
17 none of the documents provided shall be used to pursue any subsequent claims or litigation against
18 Defendant or the Released Parties.

19 **F. Execution of the Settlement**

20 This Settlement may be executed in one or more counterparts and by e-mail or facsimile. All
21 executed copies of this Settlement and photocopies thereof shall have the same force and effect and shall
22 be as legally binding and enforceable as the original.

23 **G. No Press Release or Publicity Regarding the Terms of the Settlement**

24 Plaintiff and Plaintiff's Counsel, as well as Defendant and Defense Counsel, agree that they will
25 not issue any media or press release, initiate any contact with the media or the press, respond to any
26 media or press inquiry or have any communications with the media or the press about the fact, amount
27 or terms of this Settlement. Plaintiff and Plaintiff's Counsel shall not publicize or refer to the fact or
28 amount of the Settlement, on their websites, social media, any other marketing materials, professional

1 organization such as CELA, or legal publication. Plaintiff and Plaintiff's Counsel will not state on their
2 websites, social media, any other marketing materials, or legal publications, that Defendant engaged in
3 any act contrary to California law, or denied payment owed to individuals classified as independent
4 contractors or employees, or otherwise disparage Defendant, or otherwise identify Defendant.
5 Defendant shall be allowed to report the Settlement or results of this lawsuit if required to do so by
6 public disclosure regulatory requirements or with respect to any financial or other disclosures which in
7 their judgment are necessary.

8 **H. Continuing Jurisdiction of the Court**

9 Pursuant to California Code of Civil Procedure section 664.6, the Parties agree that the Court
10 shall retain jurisdiction over the Parties, and over this Settlement, in order to: (i) monitor and enforce
11 compliance of Settlement, and/or (ii) resolve any disputes over this Settlement or the administration of
12 the benefits of this Settlement.

13 DATED: June 28, 2024

JOSE CONTRERAS

14
15 By: Jose Contreras

16
17 DATED: July 3, 2024

**SANTA FE CONVALESCENT HOSPITAL,
INC. dba BEACHSIDE POST ACUTE**

18
19
20 By: Clinton J. Williams

21 Name: Clinton J. Williams

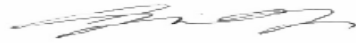
22 Title: Vice President of Compliance HR
23
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1 **AGREED AS TO FORM:**

2 DA TED: July 3, 2024

Respectfully submitted,

SEYFARTH SHAW LLP

3
4
5 By: 

Daniel Whang

Gina Gi

Attorneys for Defendant

SANTA FE CONVALESCENT HOSPITAL,
INC. dba BEACHSIDE POST ACUTE

6
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8
9 DATED: June 28, 2024

Respectfully submitted,

KJT LAW GROUP, LLP

10
11
12 By: 

Christopher A. Adams

Attorneys for Plaintiff JOSE CONTRERAS