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Attorney for Defendant

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA, SOUTHERN DIVISION

MARIA CHONA RODRIGUEZ, an
individual, on behalf of herself, and on
behalf all persons similarly situated,

Plaintiff,

v.

EL TORO MEDICAL INVESTORS
LIMITED PARTNERSHIP, a limited
partnerhsip; LIFE CARE CENTERS OF
AMERICA, INC., a Corporation; and
DOES 1 through 50, inclusive

Defendants.

Case No. 8:16-cv-00059-JLS-KES

Assigned to: Hon. Josephine L. Stanton

**DECLARATION OF ANDY MORRISON
RE: NOTICE PROCEDURES**

1 I, Andy Morrison, declare as follows:

2 1. I am employed as a Senior Project Manager by KCC Class Action Services, LLC
3 (“KCC”), located at 3301 Kerner Blvd., San Rafael, California. KCC was appointed as the
4 Settlement Administrator in this matter and is not a party to this action. I have personal
5 knowledge of the facts set forth herein and, if called as a witness, could and would testify
6 competently thereto.
7

8 **Class List**

9 2. On December 12, 2017, KCC received from Defendant a list of two thousand five
10 hundred one (2,501) persons identified as the Class List. The Class List included names,
11 addresses, Social Security Numbers (“SSNs”), and telephone numbers. KCC formatted the list
12 for mailing purposes, and processed the names and addresses through the National Change of
13 Address Database (“NCOA”) to update any addresses on file with the United States Postal
14 Service (“USPS”). A total of six hundred seventy nine (679) addresses were found and updated
15 via NCOA. KCC updated its proprietary database with the Class List.
16

17 **Mailed Notice**

18 3. On December 28, 2017, KCC caused the Class Notice (the “Notice”) to be printed
19 and mailed to the two thousand five hundred and one (2,501) names and mailing addresses in the
20 Class List. A true and correct copy of the Notice is attached hereto as Exhibit A.

21 4. Since mailing the Notices to the Class Members, KCC has received four hundred
22 seventy-four (474) Notices returned by the USPS with undeliverable addresses. Through credit
23 bureau and/or other public source databases, KCC performed address searches for the
24 undeliverable Notices and was able to find updated addresses for four hundred thirty-five (435)
25 Class Members. KCC promptly re-mailed Notices to the updated addresses.
26

27 /
28

1 **Case Website**

2 5. On December 22, 2017, KCC established a website at
3 www.ElToroFCRASettlement.com dedicated to this matter to provide information to the Class
4 Members. The website URL was set forth in the Class Notice. Visitors of the website can
5 download copies of the Class Notice and other case-related documents.
6

7 **Toll-Free Telephone Number**

8 6. On December 22, 2017, KCC established a toll-free telephone number dedicated to
9 answering telephone inquiries from Class Members.
10

11 **Requests for Exclusion from Class**

12 7. The postmark deadline for Class Members to request to be excluded from the class
13 was February 12, 2018. As of the date of this declaration, KCC has received three (3) requests
14 for exclusion. The requests for exclusion were submitted by Jillian Billings, Mary Parker, and
15 Edna Johnson.
16

17 **Objections to the Settlement**

18 8. The postmark deadline for Class Members to object to the settlement was February
19 12, 2018. As of the date of this declaration, KCC has received no objections to the settlement.
20

21 **Preliminary Settlement Award Calculations**

22 9. KCC has preliminarily calculated the Class Member settlement awards. These
23 calculations are based on the assumptions that the gross settlement amount is \$675,000, and, from
24 that amount, deductions are made for: (a) Class Counsel Fees Payment (\$225,000); (b) Class
25 Counsel Litigation Expenses Payment (\$20,000); (c) Class Representative Service Payment
26 (\$10,000); and (d) administration costs (\$22,450). The remaining amount (\$397,550; the “Net
27 Settlement Amount”) will be allocated pursuant to the terms of the settlement for the two
28

1 thousand four hundred ninety-eight (2,498) Participating Class Members preliminarily approved
2 for payment. Currently, the pro-rata Settlement Share for each Participating Class Member is
3 estimated to be \$159.15. Should the Court-awarded fees or costs differ from those shown above
4 or if the list of Class Members approved for payment changes, the estimated award allocation
5 calculations will change accordingly.
6

7 **Administration Costs**

8 10. KCC estimates its costs to completion to be \$22,450. This amount includes costs
9 to date as well as through the completion of this matter.
10

11 I declare under penalty of perjury under the laws of the United States that the foregoing is
12 true and correct. Executed this 21st day of May, 2018, at San Rafael, California.
13

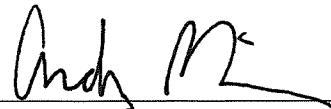
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15 ANDY MORRISON
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EXHIBIT A

Rodriguez v. El Toro Medical
Investors Settlement Administrator
c/o KCC Class Action Services
PO Box. 404041
Louisville, KY 40233-4041

ETZ

«Barcode»

Postal Service: Please do not mark barcode

Claim#: ETZ-«Claim8»-«CkDig»

«First1» «Last1»

«Addr1» «Addr2»

«City», «St» «Zip»

«Country»

**NOTICE OF PENDENCY OF CLASS ACTION SETTLEMENT
AND HEARING DATE FOR COURT APPROVAL**

(Rodriguez v. El Toro Medical Investors, L.P., et al., Case No. 8:16-cv-00059)

**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT.
PLEASE READ THIS NOTICE CAREFULLY.**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do not have to do anything. Your estimated Settlement Share is: \$157.93. See the explanation below. After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Settlement Administrator as explained below. In exchange for the settlement payment, you will release claims against the Defendants as detailed below.
Exclude Yourself	To exclude yourself, you must send a written request for exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive no money from the Settlement. Instructions are set forth below.
Object	Write about why you do not like the settlement. Written objections must be mailed to Class Counsel, Counsel for Defendants, and the Settlement Administrator. Directions are provided below.

1. Why did I get this Notice?

A proposed class action settlement (the “Settlement”) of the above-captioned action pending in the United States District Court for the Central District of California (the “Court”) has been reached between Plaintiff Maria Chona Rodriguez (“Plaintiff”) and Defendants El Toro Medical Investors, L.P. and Life Care Centers of America, Inc. (“Defendants”) and has been granted preliminary approval by the Court. **You may be entitled to receive money from this Settlement. The Court has not made a determination about any of the contentions of the parties. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of the claims or defenses asserted by either side.**

You have received this Notice because you have been identified as a member of the Class, which is defined as:

All individuals who applied for employment with any Released Party (defined below) in the United States who executed a background check disclosure and/or authorization form that included a liability release clause and whose background check report was procured pursuant to such form at any time between January 15, 2014 and the date of preliminary approval (“Class Period”).

“Released Parties” means all Life Care owned, operated, and/or managed facilities, including but not limited to Life Care Centers of America, Inc., El Toro Medical Investors, L.P. dba Lake Forest Nursing Center, Life Care Centers of America, Inc. dba Mirada Hills Rehabilitation and Convalescent Hospital, Garden Grove Medical Investors Limited Partnership, Vista Medical Investors Limited Partnership, and Escondido Medical Investors Limited Partnership, and their present and former parent companies, present owners, former owners, subsidiaries, related or affiliated companies and entities, shareholders, officers, directors, employees, agents, attorneys, insurers, successors, and assigns, and any individual or entity which could be jointly or severally liable with Defendants, or any of them.

This Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On January 15, 2016 Plaintiff filed a Complaint against Defendants in the United States District Court, Central District of California entitled *Rodriguez v. El Toro Medical Investors, L.P., et al.*, Case No. 8:16-cv-00059 (the “Action”). Plaintiff asserted claims against Defendants for violations of the Fair Credit Reporting Act and wage and hour violations under the California Labor Code. On January 25, 2017, the Court granted the Parties’ stipulation to dismiss Plaintiff’s Third, Fourth, Fifth, Sixth and Seventh causes of action which were the wage and hour violations under the California Labor Code. As a result, the remaining claims in the Action are the First and Second causes of action for violation of the Fair Credit Reporting Act (“FCRA”) based upon Defendants’ alleged use of a background check disclosure and/or authorization form that included a liability release clause.

On May 16, 2017 the Parties reached a settlement in order to avoid the risk, inconvenience and expense of further litigation. Plaintiff and her attorneys believe the proposed settlement is fair, adequate and in the best interest of the class members to whom it applies given the outcome of their investigation, the consumption of time and resources required in connection with further litigation, and the uncertainty in the law governing some of the claims presented.

Defendants vigorously dispute all claims asserted in this litigation. Specifically, Defendants maintain that they did not violate the Fair Credit Reporting Act and have properly complied with all state and federal laws and regulations. Defendants enter into this Settlement for the sole purpose of avoiding the operational burden, expense and uncertainty of continuing litigation.

The Court granted preliminary approval of the Settlement on December 6, 2017. At that time, the Court also preliminarily approved the Plaintiff to serve as the Class Representative, and the law firm Blumenthal, Nordrehaug & Bhowmik to serve as Class Counsel.

3. What are the terms of the Settlement?

Gross Settlement Amount. Defendants have agreed to pay an “all in” amount of Six Hundred Seventy-Five Thousand Dollars (\$675,000) (the “Gross Settlement Amount”) to fund the settlement of this Action. The Gross Settlement Amount includes all payments of Settlement Shares to the Class contemplated by the Settlement, Class Counsel’s attorneys’ fees, Class Counsel’s Litigation Costs, Settlement Administrative Costs, Service Award to the Class Representative, and interest. The entirety of the Gross Settlement Amount will be disbursed pursuant to this Agreement, with no reversion to Defendants.

Defendants shall fund the Gross Settlement Amount within 14 days after the Effective Date of the Settlement. The Effective Date means 10 days after the Court’s entry of an order granting final approval of the Settlement, or if there are objections, 10 days after the objections and any appeal are fully resolved.

Amounts to be Paid From the Gross Settlement Amount. The Court has tentatively approved certain payments to be made from the Gross Settlement Amount as follows, which will be subject to final Court approval, and which will be deducted from the Gross Settlement Amount before settlement payments are made to Class Members who do not request exclusion (“Participating Class Members”):

- Settlement Administration Expenses. Payment to the Settlement Administrator, estimated not to exceed \$25,000, for expenses, including expenses of notifying the Class of the Settlement, processing opt outs, and distributing settlement payments and tax forms.
- Attorneys’ Fees and Costs. Payment to Class Counsel of reasonable attorneys’ fees not to exceed \$225,000 (one-third of the Gross Settlement Amount), and an additional amount to reimburse actual litigation expenses not to exceed \$20,000. Class Counsel has been prosecuting the Action on behalf of Plaintiff and the Class on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses. Class Counsel will file the motion for attorneys’ fees and costs by January 28, 2018.
- Class Representative Service Payment. Class Representative Service Payment of Ten Thousand Dollars (\$10,000.00) to the Plaintiff, or such lesser amount as may be approved by the Court, to compensate her for services on behalf of the Class in initiating and prosecuting the Action, and for the risks she undertook.

Calculation of Payments to Participating Class Members. After all of the payments of the court-approved Attorneys’ Fees and Costs, the Class Representative Service Payment, and the Settlement Administrator’s expenses are deducted from the Gross Settlement Amount, the remaining portion, the “Net Settlement Amount” shall be distributed to class members who do not request exclusion (“Participating Class Members”). Each Participating Class Member shall be entitled to receive a portion of the Net Settlement Amount (his/her “Settlement Share”) calculated by dividing the Net Settlement Amount by the total number of Participating Class Members on an equal pro rata basis, but in no event may the individual settlement payment exceed \$1,000 for each Participating Class Member. The excess amount, if any, shall be distributed as a cy pres distribution.

If the Settlement is approved by the Court and you do not opt out, you will automatically be mailed a check for your Settlement Share to the same address as this Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the Settlement Administrator to inform them of your correct address to insure you receive your payment. You may enter an appearance through an attorney, at your own expense, if you so choose.

Tax Matters. One hundred percent (100%) of each Participating Class Member’s Settlement Share is in settlement of claims for alleged penalties/damages under FCRA and not in compromise for any alleged wage loss. Accordingly, the amount shall not be subject to wage withholdings, and shall be reported on IRS Form 1099 as appropriate under applicable regulations. Participating Class Members shall be responsible for paying any taxes owing on their Settlement Shares. Neither Class Counsel nor Defendants’ Counsel intend anything contained in this Settlement to constitute advice regarding taxes or taxability. You may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement.

4. What Do I Release Under the Settlement?

Released Class Claims. Upon entry of final judgment, Plaintiff and all Participating Class Members and their respective heirs, beneficiaries, devisees, executors, administrators, trustees, conservators, guardians, personal representatives, successors-in-interest, and assigns, will forever and completely release and discharge Defendants and the Released Parties from any and all claims, charges, causes of action, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees, penalties, interest, damages (including but not limited to actual damages, statutory damages, and punitive damages), restitution, injunctive relief, declaratory relief and remedies of any other type during the Class Period through the date of Preliminary Approval that were or could have been asserted in this Action based on any facts, conduct, circumstances, transactions, events, policies, procedures, occurrences, acts, disclosures, statements, omissions or failures to act that are pled or that arise out of or are related to the facts, conduct, circumstances, transactions, events, policies,

procedures, occurrences, acts, disclosures, statements, omissions or failures to act, which are asserted or which could have been asserted in the First and Second causes of action of the Complaint and First Amended Complaint, including any and all claims that Plaintiff and the Participating Class Members have arising out of or relating directly or indirectly in any manner whatsoever to the facts alleged or which could have been alleged or asserted in the Complaint and First Amended Complaint relating to the First and Second causes of action, including but not limited to any and all claims under 15 U.S.C. § 1681b(b) of the Fair Credit Reporting Act for actual damages, statutory damages, punitive damages, injunctive relief, declaratory relief and attorneys' fees, and any similar, analogous or tangential state law claims ("Released Claims").

The Settlement Shares will not result in any additional benefit payments (such as 401(k) or bonus) beyond those provided by this Agreement to Plaintiff or Participating Class Members, and Plaintiff and Participating Class Members will be deemed to have waived all such claims, whether known or unknown by them, as part of their release of claims under this Agreement. Specifically, none of the amounts paid under this Settlement to Plaintiff and the Participating Class Members constitute compensation under any "Employee Benefit Plan" as defined by section 3(3) of ERISA; Participating Class Members waive any and all claims for additional contributions to, and/or benefits under, any Employee Benefit Plan maintained or sponsored by Defendants based on any amount paid under this Agreement; and they release any claim for employee benefits, including any and all claims arising under ERISA, arising out of, or related to, the amounts paid under this Agreement.

This means that, if you do not timely and formally exclude yourself from the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants and the Released Parties about the legal issues resolved by this Settlement. It also means that all of the Court's orders in this Action will apply to you and legally bind you.

5. How much will my payment be?

Your estimated Settlement Share is: \$157.93.

6. How can I get a payment?

To get money from the settlement, you do not have to do anything. A check for your settlement payment will be mailed automatically to the same address as this Notice. If your address is incorrect or has changed, you must notify the Settlement Administrator. The Settlement Administrator is:

Rodriguez v. El Toro Medical Investors Settlement Administrator
c/o KCC Class Action Services
PO Box 404041
Louisville, KY 40233-4041
Website: www.ElToroFCRASettlement.com
1-(866)-653-4871

The Court will hold a hearing on June 22, 2018 at 2:30 p.m. to decide whether to approve the Settlement. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed within approximately two months after this hearing. If there are objections or appeals, resolving them can take time, perhaps more than a year. Please be patient.

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." **If you opt out, you will receive NO money from the Settlement, and you will not be bound by its terms.**

To opt out, you must submit to the Settlement Administrator, by First Class Mail, a written, signed and dated request to opt-out postmarked no later than **February 12, 2018**. The request to opt-out must state in substance: "I have read the Class Notice and I wish to opt-out of the class action and settlement of the case *Rodriguez v. El Toro Medical Investors*, Case No. 8:16-cv-00059." The request to opt-out must contain your name, address, signature and the last four digits of your Social Security Number for verification purposes. To be valid, the request to opt-out must be completed by you and must be timely submitted to the Settlement Administrator. No other person may opt-out for a living member of the Class. You may enter an appearance through an attorney if

you so choose. Anyone who submits a timely and valid request to opt out shall not be deemed a Class Member and will not receive any payment as part of this Settlement.

The address for the Settlement Administrator is:

Rodriguez v. El Toro Medical Investors Settlement Administrator
c/o KCC Class Action Services
PO Box 404041
Louisville, KY 40233-4041
1-(866)-653-4871

Written requests for exclusion that are postmarked after February 12, 2018, or are incomplete or unsigned will be rejected, and those Class Members will remain bound by the Settlement and the release described above.

8. How do I tell the Court that I don't like the Settlement?

Any Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court for any reason may object to the proposed Settlement or to the motion for attorneys' fees, costs, and Plaintiff's service award. The motion for attorneys' fees, costs and Plaintiff's service award will be filed by January 28, 2018, which is 15 days before the objection deadline. Objections must be in writing and state your (the Class Member's) name, current address, telephone number, and describe why you believe the Settlement is unfair and whether you intend to appear at the final approval hearing. All objections or other correspondence must also state the name and number of the case, which is *Rodriguez v. El Toro Medical Investors*, in the United States District Court for the Northern District of California, Case No. 8:16-cv-000059. You may also appear at the Final Approval Hearing to object, either in person or through an attorney at your own expense, if you so choose.

The objections must be mailed to the Settlement Administrator, Class Counsel and Counsel for the Defendants, at the addresses below, postmarked no later than February 12, 2018. You may view the Settlement or the motion for attorneys' fees, costs, and Plaintiff's service award either (i) in person at the Office of the Clerk located at the United States District Court for the Central District of California, 411 West 4th Street, Room 1053, Santa Ana, CA 92701-4516, (ii) by reviewing the request online through the Public Access to Court Electronic Resources System (PACER), available online at <http://www.pacer.gov>, (iii) on the Settlement Administrator's website at www.ElToroFCRASettlement.com, or (iv) by writing to Blumenthal, Nordrehaug & Bhowmik, 2255 Calle Clara, La Jolla, CA 92037.

To object to the Settlement, you must not opt out, and if the Court approves the Settlement despite your objection, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not object in the manner provided in this Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

The address for the Settlement Administrator is:

Rodriguez v. El Toro Medical Investors Settlement Administrator
c/o KCC Class Action Services
PO Box 404041
Louisville, KY 40233-4041
1-(866)-653-4871

The addresses for Parties' counsel are as follows:

Class Counsel:

Norman Blumenthal
Blumenthal, Nordrehaug & Bhowmik
2255 Calle Clara
La Jolla, CA 92037
Tel: 1-858-551-1223 / Fax: 1-858-551-1232
Email: Norm@bamlawca.com
Website: www.bamlawca.com

Counsel for Defendants:

Dorothy S. Liu
Jahmal T. Davis
Hanson Bridgett LLP
425 Market Street, 26th Street
San Francisco, CA 94105
Email: Dliu@hansonbridgett.com
Email: Jdavis@hansonbridgett.com

9. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at 2:30 PM on June 22, 2018, at the United States District Court, located at 411 W. Fourth St., Santa Ana, CA, 92701, in Courtroom 10A before Judge Josephine L. Stanton. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them. The Court will listen to people who have made a timely written request to speak at the hearing. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

10. How do I get more information about the Settlement?

You may call the Settlement Administrator at 1-(866)-653-4871 or write to Rodriguez v. El Toro Medical Investors Settlement Administrator, c/o KCC Class Action Services, PO Box 404041, Louisville, KY 40233-4041; or contact Class Counsel at 1-(858)-551-1223.

This notice summarizes the proposed settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Final Judgment or other Settlement documents by writing to Blumenthal, Nordrehaug & Bhowmik, 2255 Calle Clara, La Jolla, CA 92037, or by going to the Settlement Administrator's website at www.ElToroFCRASettlement.com. You may also get more details by examining the Court's file using PACER at <http://www.cacd.uscourts.gov/> and entering the Case No. 8:16-cv-00059.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall direct all unclaimed funds to the California Department of Industrial Relations Unclaimed Wages Fund with, if possible, an identification of the Class Member who failed to cash the check. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.