

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Valerie Raymond (“Plaintiff”) and defendants Sacramento River Healthcare LLC dba First Call Hospice and Palliative Care (“First Call”); South Bay Healthcare, Inc. dba Sequoia Home Health and Hospice (“Sequoia”); and The Pennant Group, Inc. (together “Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or, individually, as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means Plaintiff’s PAGA lawsuit alleging wage and hour violations against Defendants captioned *Valerie Raymond v. Sacramento River Healthcare LLC, et al.* (Case No. 34-2022-00329085) initiated on October 31, 2022 and pending in Superior Court of the State of California, County of Sacramento.
- 1.2. “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross PAGA Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of this Settlement.
- 1.4. “Aggrieved Employees” means all hourly-paid, non-exempt employees who are or previously were employed by First Call or Sequoia in the State of California during the PAGA Period.
- 1.5. “Aggrieved Employee Data” means information and data relating to Aggrieved Employees that Defendants shall in good faith compile from their records and shall be authorized by the Court to transmit in a secured manner to the Settlement Administrator, including the Aggrieved Employee’s full name, last-known mailing address, Social Security number, and total number of PAGA Pay Periods worked by the Aggrieved Employee for Defendants in non-exempt/hourly roles in California during the PAGA Period.
- 1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.

- 1.7. “Approval Order” means the proposed Court Order Granting Approval of the Settlement.
- 1.8. “Court” means the Superior Court of California, County of Sacramento.
- 1.9. “Defendants” means named defendants Sacramento River Healthcare LLC dba First Call Hospice and Palliative Care, South Bay Healthcare, Inc. dba Sequoia Home Health and Hospice, and The Pennant Group, Inc.
- 1.10. “Defense Counsel” means Angela J. Rafoth and Emily A. Mertes of Littler Mendelson, P.C.
- 1.11. “Effective Date” means the date on which (i) this Agreement has been executed by Plaintiff, Defendants, Plaintiff’s Counsel and Defendants’ Counsel; (ii) Plaintiff’s Counsel has sent the Notice of the Settlement to the LWDA; (iii) the Court has given approval to the Settlement; (v) the Court has entered the Court’s Final Order and Judgment and Notice of Entry of Judgment has been filed; and (vi) five days after the later of any of the following events: (A) the period for filing any appeal, writ or other appellate proceeding opposing the Settlement has elapsed without any appeal, writ or other appellate proceeding having been filed; (B) any appeal, writ or other appellate proceeding opposing the Settlement has been dismissed finally and conclusively with no right to pursue further remedies or relief; or (C) any appeal, writ or other appellate proceeding has upheld the Court’s Final Order and Judgment with no right to pursue further remedies or relief.
- 1.12. “Gross PAGA Settlement Amount” means the total sum of \$325,000, subject to Court approval and the terms of this Agreement, which is the maximum amount Defendants agree to pay under the Settlement, except as provided in paragraph 8 below. The Gross PAGA Settlement Amount is inclusive of all Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator Expenses.
- 1.13. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Payment calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.14. “Judgment” means the judgment entered by the Court based upon the Approval Order.
- 1.15. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.16. “LWDA PAGA Payment” means the 75% of the PAGA Payment paid to the LWDA under Labor Code section 2699, subd. (i).

- 1.17. “Notice” means the Notice of PAGA Settlement, which shall be subject to Court approval and which the Settlement Administrator shall mail to each Aggrieved Employee at their last known address explaining the terms of this Agreement and the Settlement. The form of the proposed Notice is attached to this Agreement as Exhibit A.
- 1.18. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. *et seq.*).
- 1.19. “PAGA Counsel” means Norman B. Blumenthal, Kyle R. Nordrehaug and Aparajit Bhowmik of the law firm of Blumenthal Nordrehaug Bhowmik De Blouw LLP, the attorneys representing the Plaintiff in the Action.
- 1.20. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.21. “PAGA Notice” means Plaintiff’s August 10, 2022 letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.22. “PAGA Payment” means the Gross PAGA Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and Administration Expenses Payment, which after these deductions is the total amount of PAGA civil penalties to be paid from the Gross PAGA Settlement Amount, allocated 25% to the Aggrieved Employees and 75% to LWDA in settlement of PAGA claims.
- 1.23. “PAGA Pay Period” means any pay period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.
- 1.24. “PAGA Period” means the period from August 10, 2021 through January 29, 2024, or an alternative date to be selected by Defendants, at their sole discretion, subject to the provisions set forth in paragraph 8.
- 1.25. “Plaintiff” means Valerie Raymond, the named plaintiff in the Action.
- 1.26. “Released PAGA Claims” means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5.2 below.
- 1.27. “Released Parties” means Defendants and their predecessors and successors in interest, companies acquiring any or all of Defendants’ assets or capital stock, current or former officers, directors, shareholders, agents, representatives, and employees of Defendants, any current or former parent corporations, subsidiary corporations, affiliates, and assigns, or insurers of any of the foregoing persons or entities.

- 1.28. “Settlement” means the final and complete disposition of the Action effected by this Agreement and the Judgment.
- 1.29. “Settlement Administrator” means ILYM Group, Inc.
- 1.30. “Settlement Packet” means the packet of documents that shall be mailed to all Aggrieved Employees by the Settlement Administrator, including the Notice and each Aggrieved Employee’s respective Individual PAGA Payment.

2. RECITALS

- 2.1. On August 22, 2022, Plaintiff filed a PAGA Notice, alleging various claims against Defendants, including violations of Labor Code §§ 201, 202, 203, 204 *et seq.*, 210, 218, 221, 226(a), 226.7, 227.3, 246 *et seq.*, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2802, California Code of Regulations, Title 8, Section 11040, Subdivision 5(A)-(B), California Code of Regulations, Title 8, Section 1 1070(14) (Failure to Provide Seating), Violation of Applicable Industrial Welfare Commission Wage Order(s) pursuant to California Labor Code section 2699.5. On October 31, 2022, Plaintiff commenced this Action by filing a PAGA Representative Action Complaint against Defendants alleging a single cause of action for recovery of civil penalties for violation of the PAGA [Labor Code §§ 2698, *et seq.*] predicated on the following claims: (1) Denial of proper meal periods (Labor Code §§ 226.7, 512); (2) Denial of proper rest periods (Labor Code § 226.7); (3) Unpaid overtime including failure to include incentive compensation in the regular rate of pay (Labor code §§ 510, 558); (4) Off the clock work (Labor Code §§ 1194, 1197, 1197.1); (5) Failure to reimburse (Labor Code § 2802); (6) Improper deductions from paychecks (Labor Code §221); (7) Improper rounding of time worked; (8) Improper payment of sick time (Labor code § 246); (9) Failure to pay for reporting time (Cal. Code Regs., tit. 8 § 11040, subd. 5(A)); and (10) Failure to pay for split shifts (Cal. Code Regs., tit.8, § 11040, subd. 5(B)); (11) Failure to pay final wages (Labor Code §§ 201-203); (12) Inaccurate wage statements (Labor Code § 226); (13) Timely payment of regular wages (Labor Code §§ 204, 210); and (14) Failure to provide suitable seating (California Code of Regulations, Title 8, section 11070). The PAGA Representative Action Complaint is the operative complaint in the Action (the “Operative Complaint.”) Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint and deny any and all liability for the causes of action alleged.
- 2.2. In addition to the Gross PAGA Settlement Amount, Defendants have agreed to separately settle Plaintiff’s individual claims pursuant to a separate confidential Individual Settlement Agreement (“Individual Settlement”). Plaintiff’s individual claims were not alleged or at issue in the Action and exist independent and apart from the PAGA claims at issue in the Action. If the Court and/or the LWDA requires the

Parties to submit any terms of Plaintiff's Individual Settlement Agreement to obtain approval of the PAGA settlement in the Action, the Parties agree that the requested terms of Plaintiff's Individual Settlement Agreement will only be submitted under seal or disclosed to the Court and/or LWDA in some other way to ensure that the Individual Settlement amount are not disclosed publicly.

- 2.3. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.
- 2.4. On January 29, 2024, the Parties participated in an all-day mediation presided over by Tripper Ortman which resulted in this Agreement to settle the Action.
- 2.5. Prior to mediation, Plaintiff obtained, through informal discovery, documents relating to Defendants' policies, practices, and procedures regarding paying non-exempt employees for all hours worked, overtime, meal and rest period policies, payroll and operations policies, and more. Defendants also produced informally to Plaintiff anonymized time and pay records for all Aggrieved Employees during the PAGA Period.
- 2.6. The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1. Gross PAGA Settlement Amount. Except as provided in paragraph 8 below, Defendants promise to pay Three Hundred Twenty-Five Thousand Dollars and No Cents (\$325,000.00) and no more as the Gross PAGA Settlement Amount. The Gross PAGA Settlement Amount includes the Individual PAGA Payments to the Aggrieved Employees, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. Defendants have no obligation to pay the Gross PAGA Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross PAGA Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. The Gross PAGA Settlement Amount shall be all-in and none of the Gross PAGA Settlement Amount will revert to Defendants.
- 3.2. Payments from the Gross PAGA Settlement Amount. The Administrator will make and deduct the following payments from the Gross PAGA Settlement Amount, in the amounts specified by the Court in the Approval Order:
 - 3.2.1 To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third

(1/3) of the Gross PAGA Settlement Amount which is currently estimated to be One Hundred Eight Thousand Three Hundred Thirty-Three Dollars and No Cents (\$108,333.00) and PAGA Counsel Litigation Expenses Payment of not more than Twenty-Five Thousand Dollars and No Cents (\$25,000.00). Defendants will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the PAGA Payment. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2 To the Administrator: An Administrator Expenses Payment not to exceed \$6,000 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$6,000, the Administrator will retain the remainder in the PAGA Payment.

3.2.3 To the LWDA and Aggrieved Employees: PAGA Payment in the amount of not less than \$185,667.00 to be paid from the Gross PAGA Settlement Amount, with 75% (no less than \$139,250.25) allocated to the LWDA PAGA Payment and 25% (no less than \$46,416.75) allocated to the Individual PAGA Payments. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Payment by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. If the Court approves the PAGA Payment of less than the amount requested, the Administrator will allocate the remainder to the PAGA Payment. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. A PAGA Aggrieved Employee may not opt out of this PAGA Settlement.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee Pay Periods. Based on a review of its records, Defendants estimate that Aggrieved Employees worked a total of approximately 7,500 PAGA Pay

Periods during the PAGA Period.

- 4.2. Aggrieved Employee Data. Within fifteen (15) calendar days of the Effective Date, Defendants will deliver the Aggrieved Employee Data to the Administrator in the form of a spreadsheet, for purposes of mailing the Settlement Packets to Aggrieved Employees. Upon receipt of the Aggrieved Employee Data, the Settlement Administrator shall perform a search based on the National Change of Address Database maintained by the United States Postal Service to update and correct any known or identifiable address changes. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. The Parties and their counsel will use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.
- 4.3. Funding of Gross PAGA Settlement Amount. Defendants shall pay a Gross Settlement Amount not to exceed Three Hundred Twenty-Five Thousand Dollars and Zero Cents (\$325,000.00). Defendants shall make the payment to the Settlement Administrator in any feasible manner, including, but not limited to, by way of a wire transfer, not later than thirty (30) days after the Effective Date.
- 4.4. Payments from the Gross PAGA Settlement Amount. Within fourteen (14) calendar days of receiving the Gross PAGA Settlement Amount from Defendants as provided herein, the Settlement Administrator shall mail the Settlement Packets to all Aggrieved Employees via regular First-Class U.S. Mail. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the most current mailing address for each Aggrieved Employee. The Parties agree that this procedure for notice provides the best notice practicable to Aggrieved Employees and fully complies with due process.

The face of each check shall prominently state the void date, which is 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date.

- 4.4.1. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within seven (7) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved

Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

4.4.2. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the State of California Unclaimed Property Fund in the name of the absent Aggrieved Employee, subject to Court approval.

4.4.3. The payment of Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Effective on the date when Defendants fully fund the entire Gross PAGA Settlement Amount, Plaintiff and PAGA Counsel will release claims against all Released Parties as follows:

5.1. Plaintiff's Release. In exchange for her Individual PAGA Payment, Plaintiff, individually and in her capacity as representative for the LWDA, and her respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the PAGA Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and the PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, claims that cannot be released as a matter of law, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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.

5.2 Release by Aggrieved Employees:

All Aggrieved Employees are deemed to fully and finally release and discharge, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all “Released PAGA Claims”. “Released PAGA Claims” means all claims for civil PAGA penalties predicated on Labor Code sections 201, 202, 203, 204 et seq., 210, 218, 221, 226(a), 226.7, 227.3, 246 et seq., 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2802, California Code of Regulations, Title 8, Section 11040, Subdivision 5(A)-(B), California Code of Regulations, Title 8, Section 11070(14), Violation of Applicable Industrial Welfare Commission Wage Order(s) pursuant to California Labor Code section 2699.5, including but not limited to costs and attorneys’ fees related thereto, that were alleged in Plaintiff’s PAGA Notice and/or the Operative Complaint filed in the Action, as well as the claims for civil penalties that could have been sought by the Labor Commissioner for the violations of the California Private Attorneys General Act of 2004 identified in Plaintiff’s PAGA Notice and/or Operative Complaint, and those based upon the facts alleged in the PAGA Notice and/or the Operative Complaint that occurred during the PAGA Period. However, to the extent the LWDA has released the PAGA claims in connection with this Settlement, no Aggrieved Employee may pursue these same PAGA claims released here in another action. The Aggrieved Employees are collaterally estopped from pursuing the PAGA claims released and compromised by the LWDA. After the Court grants approval of the settlement, Plaintiff will provide the LWDA with a copy of the Judgment. The Aggrieved Employees will be issued a check for their share of the PAGA Payment and will not have the opportunity to opt out of, or object to, their portion of the Gross PAGA Settlement Amount and release of the PAGA claims set forth in this Paragraph. The Aggrieved Employees are bound by the release of the PAGA claims as set forth herein regardless of whether they cash or deposit their portion of the Gross PAGA Settlement Amount. The Released PAGA Claims expressly exclude all other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, California class claims, and PAGA claims outside of the PAGA Period.

5.3 Release by PAGA Counsel:

PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

- 6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); (iv) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (v) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiff and PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.
- 6.2 Responsibilities of PAGA Counsel. PAGA Counsel is responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement, with the input and cooperation of Defense counsel, no later than sixty (60) days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.
- 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1. Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
- 7.4. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE.

Based on its records, Defendants estimate that, as of January 29, 2024, there were a total of approximately 7,500 pay periods worked by Aggrieved Employees during the PAGA Period., In the event that Defendants, at their sole discretion, select an end date to the PAGA Period, such that the total PAGA Pay Periods included in the settlement of this Action increases by more than 10% (i.e. more than 750 additional PAGA Pay Periods) then the Gross PAGA Settlement Amount shall be increased proportionally by the PAGA Pay Periods in excess of 8,250 PAGA Pay Periods multiplied by the PAGA Pay Period value. The Parties agree that the PAGA Pay Period value is \$43.33, which is calculated by dividing the originally agreed upon Gross PAGA Settlement Amount (\$325,000) by the PAGA Pay Period count of 7,500. For example, should a total of 8,500 PAGA Pay Periods be released in this Action, then the Gross PAGA Settlement Amount shall be increased by \$10,832.50 (i.e. 8,500 pay periods minus 8,250 PAGA Pay Periods x \$43.33 per PAGA Pay Period). Nothing herein precludes Defendants, in their sole discretion, from ending the PAGA Period prior to January 29, 2024, so as to avoid triggering the provisions of this Paragraph 8.

9. CONTINUING JURISDICTION OF THE COURT. The Parties agree that after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement pursuant to C.C.P. Section 664.6 solely for purposes of (i) enforcing this Agreement and/or

Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the PAGA Payment.

10. ADDITIONAL PROVISIONS.

10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the PAGA Notice or Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. Defendants expressly deny all liability for any wrongdoing alleged by Plaintiff. If, for any reason the Court does not approve this Settlement, Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

- 10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of the mediator, Tripper Ortman, for resolution.
- 10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 10.10 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.11 Confidentiality. Other than information necessary to secure Court approval of this settlement, the Parties agree to keep confidential all matters relative to this Settlement, including the terms of the Settlement and the facts and circumstances leading up to it. If asked about the disputes between the Parties, the Parties shall provide no other statement than “the matter has been resolved” . The Parties may, however, discuss the terms of this Settlement with their spouses, attorneys, financial advisors, tax advisors, and accountants, or upon a valid court order, at which time the

individual receiving information about the terms of this Settlement shall be informed that the terms of this Settlement are confidential, and the individual may not reveal or disclose to any third party the terms of the Settlement. Except as set forth above, neither Plaintiff nor PAGA Counsel shall issue a press release, hold a press conference, publish information about the settlement on any website or social media, respond to any press inquiries, or otherwise publicize the settlement or communicate its terms in public or in private.

- 10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendants unless, prior to the Administrator's payment of all Settlement Funds, Defendants make a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data.
- 10.13 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 10.14 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 10.15 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:	Norman Blumenthal norm@bamlawca.com Kyle R. Nordrehaug kyle@bamlawca.com Aparajit Bhowmik aj@bamlawca.com Nicholas J. De Blouw
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deblouw@bamlawca.com

Blumenthal Nordrehaug Bhowmik De Blouw LLP

2255 Calle Clara

La Jolla, California 92037

Phone: (858) 551-1223

Facsimile: (858) 551-1232

To Defendants: Angela Rafoth
arafoth@littler.com
Emily A. Mertes
emertes@littler.com

LITTLER MENDELSON, P.C.

333 Bush Street 34th Floor

San Francisco, California 94104

Phone: (415) 433-1940

Facsimile: (415) 399-8490

- 10.16 Execution in Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, this Agreement may be executed in one or more counterparts by facsimile, electronic signature, or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 10.17 Court Filings. The Parties agree not to object to any Court filings consistent with this Agreement.
- 10.18 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process. In the event the settlement is not finally approved, or is terminated, cancelled or fails to become effective for any reason, the Parties shall revert back to their respective positions as of before entering into the settlement. The Parties shall cooperate in good faith to secure a court order staying the Action and all deadlines, pending implementation of the settlement. If the Court denies approval of the settlement, the Parties will resume litigation.

11. EXECUTION BY PARTIES AND COUNSEL

The Parties hereby execute this Agreement.

Dated: 05/31/24


Valerie Raymond (May 31, 2024 14:26 PDT)

Plaintiff Valerie Raymond

Dated: _____

[name]
For Defendant Sacramento River Healthcare LLC
dba First Call Hospice and Palliative Care

Dated: _____

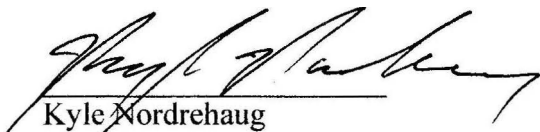
[name]
For Defendant, South Bay Healthcare, Inc.
dba Sequoia Home Health and Hospice

Dated: _____

[name]
For Defendant The Pennant Group, Inc.

APPROVED AS TO FORM AND CONTENT:

Dated: 6/3/24



Kyle Nordrehaug
Blumenthal Nordrehaug Bhowmik De Blouw LLP
Attorney for Plaintiff

Dated: _____

Angela J. Rafoth
Emily A. Mertes
Littler Mendelson, P.C.
Attorney for Defendants

11. EXECUTION BY PARTIES AND COUNSEL

The Parties hereby execute this Agreement.

Dated: _____

Plaintiff Valerie Raymond

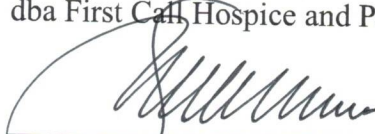
Dated: _____



Adam Bohn [name]

For Defendant Sacramento River Healthcare LLC
dba First Call Hospice and Palliative Care

Dated: 05/30/24



JV MARTIN [name]

For Defendant, South Bay Healthcare, Inc.
dba Sequoia Home Health and Hospice

Dated: 6/4/24

John Gochnour [name]
For Defendant The Pennant Group, Inc.

APPROVED AS TO FORM AND CONTENT:

Dated: _____

Kyle Nordrehaug
Blumenthal Nordrehaug Bhowmik De Blouw LLP
Attorney for Plaintiff

Dated: _____

Angela J. Rafoth
Emily A. Mertes
Littler Mendelson, P.C.
Attorney for Defendants

11. EXECUTION BY PARTIES AND COUNSEL

The Parties hereby execute this Agreement.

Dated: _____
Plaintiff Valerie Raymond

Dated: _____

[name]
For Defendant Sacramento River Healthcare LLC
dba First Call Hospice and Palliative Care

Dated: _____

[name]
For Defendant, South Bay Healthcare, Inc.
dba Sequoia Home Health and Hospice

Dated: _____

[name]
For Defendant The Pennant Group, Inc.

APPROVED AS TO FORM AND CONTENT:

Dated: _____
Kyle Nordrehaug
Blumenthal Nordrehaug Bhowmik De Blouw LLP
Attorney for Plaintiff

Dated: May 30, 2024

Angela J. Rafoth
Emily A. Mertes
Littler Mendelson, P.C.
Attorney for Defendants