

DOUGLAS HAN (SBN 232858)
SHUNT TATAVOS-GHARAJEH (SBN 272164)
HAIG HOGDANIAN (SBN 334699)
JUSTICE LAW CORPORATION
751 N. Fair Oaks Avenue, Suite 101
Pasadena, California 91103
Telephone: (818) 230-7502
Facsimile: (818) 230-7259

Attorneys for Plaintiff

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE**

DESIREE SANCHEZ, individually, and on
behalf of other members of the general public
similarly situated;

Plaintiff,

v.

HORIZON HEALTH & SUB-ACUTE, LLC, a
California limited liability company; and DOES
1 through 100, inclusive;

Defendants.

Case No.: 30-2021-01226692-CU-OE-CXC

Assigned for All Purposes to:
Honorable Melissa R. McCormick
Department CX-104

CLASS ACTION

**PLAINTIFF'S SUPPLEMENTAL BRIEF
IN SUPPORT OF PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT**

[Supplemental Declaration of Proposed
Class Counsel (Douglas Han); Declaration
of Donald Gormly; and Amended
[Proposed] Order filed concurrently
herewith]

Hearing Date: September 28, 2023
Hearing Time: 2:00 p.m.
Hearing Place: Department CX-104

Complaint Filed: October 18, 2021
FAC Filed: February 21, 2023
Trial Date: None Set

Plaintiff Desiree Sanchez (“Plaintiff”) provide this supplemental submission in response to the Court’s tentative ruling on Plaintiff’s Motion for Preliminary Approval of Class Action Settlement currently scheduled for hearing on September 28, 2023. On July 26, 2023, prior to the previously scheduled Preliminary Approval Hearing, the Court issued a tentative ruling ordering Plaintiff and Defendant Horizon Health & Sub-Acute, LLC (“Defendant”) to make changes to the Amended Joint Stipulation and Settlement Agreement (“Settlement Agreement”), Notice of Class Action and PAGA Settlement (“Class Notice”), and Amended [Proposed] Order Preliminarily Approving Class Action Settlement and Setting Hearing for Final Approval of Settlement (“Proposed Order”).

The chart below lists each of the Court’s issues from the tentative ruling and the revisions/submissions made to address each issue.

Ruling	Revisions/Submissions
(1) The end date for the Class Period and PAGA Period is the earlier of March 31, 2023 or Closing. Since the Class Notice and proposed Order use the March 31, 2023 date, it appear that Closing has not yet occurred. What is the status of Closing? If Closing has not yet occurred, is there an estimated date? Relatedly, if Defendant has begun to collect Cash Recoveries, is there an estimate on the potential Escalator Payments?	The Closing took place on April 1, 2023. The Class Period and PAGA Period ends on March 31, 2023. (See Declaration of Donald Gormly (“Gormly Decl.”), ¶ 3.) The Settlement Agreement has been amended accordingly. (Supplemental Declaration of Douglas Han in Support of Plaintiff’s Motion for Preliminary Approval of Class Action Settlement (“Supp. Han Decl.”), ¶ 4; Exhibit 2, ¶¶ 1(h), 1(i), 1(n), 1(jj).)
(2) How will the \$720,000 Minimum	The \$720,000 to fund the settlement has been

1 Settlement Payment be funded? If the 2 \$720,000 is going to be funded through the 3 40% of Cash Recoveries, how will Defendant 4 ensure that it collects enough funds to meet its 5 obligation to pay the \$720,000? 6 7 8 9 10 11 12 13 14 15	set aside to fund this settlement. (See Gormly Decl., <i>supra</i>, at ¶¶ 3-5.) The Settlement Agreement has been amended to reflect the changes from “Minimum Payment” to “Gross Settlement Amount.” (Supp Han Decl., <i>supra</i>, at ¶ 5; Exhibit 2, <i>supra</i>, at ¶ 3(b).) The Class Notice was modified accordingly. (Supp Han Decl., <i>supra</i>, at ¶ 6; Exhibit 4, § V(A).)
16 (3) Related to 2. above, Paragraphs 3.b, 3.c, 17 and 3.e of the settlement contain provisions 18 which potentially conflict and thereby create 19 ambiguity. 20 3.b: “Defendant’s obligation to pay Cash 21 Recoveries shall terminate on the date upon 22 which the Court enters the Final Approval 23 Order, and, accordingly, Plaintiff shall have 24 no interest in any Cash Recoveries collected 25 by Defendant from and after such date.” Do 26 the parties contemplate that the full Minimum 27 Settlement Payment will have been made and 28 received before entry of the Final Approval	Due to the \$3,200,000 in secured loan obligations there will be no monies to trigger the Escalator Payments. (Gormly Decl., <i>supra</i>, at ¶¶ 3-5.) The Settlement Agreement has been amended to eliminate the provisions anticipating Escalator Payments. This modification will eliminate the issues identified. (Supp Han Decl., <i>supra</i>, at ¶ 7; Exhibit 2, <i>supra</i>, at ¶¶ 1, 3, 10, 25, 42, 44.)

1	Order?	
2	3.c: “Commencing on the tenth (10th) day of	The Class Notice was modified accordingly.
3	the first full calendar month following the	
4	Closing, and continuing through and including	(Supp Han Decl., <i>supra</i> , at ¶ 8; Exhibit 4,
5	the tenth (10th) day of the first full month	<i>supra</i> , at §§ II, V(A), VI.)
6	following the entry of the Final Approval	
7	Order, Defendant shall pay to the Escrow the	
8	Settlement Payments required hereunder on	
9	account of the Cash Recoveries collected by	
10	Defendant during the prior calendar month”	
11	This appears to contradict 3.b?	
12	3.e: “Defendant’s payment of the \$720,000	
13	Minimum Settlement Payment is an absolute,	
14	non-contingent obligation of Defendant	
15	payable by Defendant in accordance with the	
16	terms of this Stipulation, subject only to the	
17	effectiveness of the Settlement, regardless of	
18	the amount of Cash Recoveries by	
19	Defendant.” Again, is this based on the	
20	assumption that full payment will be made	
21	before the Final Approval Order? If not, why	
22	should Cash Recoveries not continue to be a	
23	source of revenue for the settlement until full	
24	payment is made?	
25	(4) How did the parties determine that it was	During settlement negotiations, the Parties
26	appropriate to set aside 40% of the Cash	stipulated that the settlement value of these
27	Recoveries for the Escalator Payments and	claims, absent Defendant’s financial situation,
28	Secured Claims and 60% of the Cash	would be \$2,000,000. Defendant’s total

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Recoveries for the Unsecured Claims?	unsecured liabilities were \$5,000,000 including the stipulated value. Thus, the Parties believed forty percent (40%) would be an appropriate percentage. (Supp Han Decl., <i>supra</i>, at ¶ 35.) The Settlement Agreement has been amended accordingly. (Supp Han Decl., <i>supra</i>, at ¶ 7; Exhibit 2, <i>supra</i>, at ¶¶ 1, 3, 10, 25, 42, 44.) The Class Notice was modified accordingly. (Supp Han Decl., <i>supra</i>, at ¶ 8; Exhibit 4, <i>supra</i>, at §§ II, V(A), VI.)
18 19 20 21 22 23 24 25 26 27 28	(5) The Class and PAGA releases are overbroad and should be simplified. The relevant language includes claims “arising from or relating to the claims or causes of action alleged by Plaintiff by the Amended Complaint, or which could have been alleged by Plaintiff based upon the facts, causes of action and legal theories stated by Plaintiff by the Amended Complaint”. There needs to be a qualifier, such as “reasonably” before “relating to” and “could have been alleged”.	The Settlement Agreement has been amended accordingly. (Supp Han Decl., <i>supra</i>, at ¶ 9; Exhibit 2, <i>supra</i>, at ¶¶ 34(a), 34(c), 37.) The Class Notice was modified accordingly. (Supp Han Decl., <i>supra</i>, at ¶ 10; Exhibit 4, <i>supra</i>, at § IX.)

1	See Settlement, ¶¶35.a and d. Additionally,	
2	the phrase “for all time” in the Class release	
3	may create ambiguity since the definition of	
4	Class Claims and PAGA Claims limits the	
5	time period to the Class Period and the PAGA	
6	Period.	
7	(6) The Response Deadline for exclusion	The Settlement Agreement has been amended
8	requests, objections and disputes is 45 days.	accordingly.
9	The Court prefers 60 days. Why should the	
10	Response Deadline be shorter? Also, is the	(Supp Han Decl., <i>supra</i> , at ¶ 11; Exhibit 2,
11	deadline extended for remailed notices?	<i>supra</i> , at ¶ 1(rr).)
12		
13		The Class Notice was modified accordingly.
14		
15		(Supp Han Decl., <i>supra</i> , at ¶ 12; Exhibit 4
16		<i>supra</i> , at §§ X(B), XII.)
17	(7) The method for submitting Exclusion	The Settlement Agreement has been amended
18	Requests varies in the Settlement from	accordingly.
19	mailing and email to only mailing. See	
20	Settlement, ¶¶1.vv and 19. The method of	(Supp Han Decl., <i>supra</i> , at ¶ 13; Exhibit 2,
21	submitting the Exclusion Requests should be	<i>supra</i> , at ¶¶ 1(ff), 1(qq), 17-19.)
22	consistent throughout the Settlement, Class	
23	Notice, and Exclusion Form.	The Class Notice was modified accordingly.
24		(Supp Han Decl., <i>supra</i> , at ¶ 14; Exhibit 4,
25		<i>supra</i> , at § XIV.)
26	(8) Similarly, the method for submitting	The Settlement Agreement has been amended
27	written objections varies from mailing and	accordingly.
28	email to only mailing in the Settlement. See	

1 2 3 4 5 6 7	Settlement, ¶¶1.kk and 20. The method of submitting the Objections should be consistent throughout the Settlement, Class Notice, and Exclusion Form. Additionally, the Court will consider any objections at the final approval hearing regardless of whether a written objection is submitted.	(Supp Han Decl., <i>supra</i> , at ¶ 15; Exhibit 2, <i>supra</i> , at ¶ 1(ff).)
8 9 10 11 12 13 14 15 16 17 18	(9) The Settlement does not provide a specific method for submitting Disputes. See Settlement, ¶18. The dispute procedure should be revised so that parties file with the Court all disputes submitted by class members, the evidence submitted, and the resolution of those disputes. Although the Settlement Administrator may make the initial decision, the Court shall have the right to review any decision made by the Settlement Administrator regarding a claim dispute.	The Settlement Agreement has been amended accordingly. (Supp Han Decl., <i>supra</i>, at ¶ 16; Exhibit 2, <i>supra</i>, at ¶ 17.) The Class Notice was modified accordingly. (Supp Han Decl., <i>supra</i>, at ¶ 17; Exhibit 4, <i>supra</i>, at § XIV.)
19 20 21 22 23 24 25 26	(10) The Settlement permits Plaintiff's counsel to seek up to 1/3 of the Gross Settlement Amount. Settlement, ¶7. However, the Han Declaration at ¶62 appears to state that Plaintiff's counsel's request for fees will not exceed \$240,000.00. What is the correct not-to- exceed amount sought for attorney fees?	(Supp Han Decl., <i>supra</i> , at ¶ 18.)
27 28	(11) The Settlement permits the Settlement Administrator to seek fees and costs not to	The Settlement Agreement has been amended accordingly.

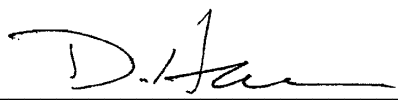
1	exceed \$30,000. Settlement, ¶9. However, the	
2	Han Declaration indicates the Settlement	(Supp Han Decl., <i>supra</i> , at ¶ 19; Exhibit 2,
3	Administrator's fees and costs are \$15,500.	<i>supra</i> , at ¶ 8.)
4	ROA 68, Han Decl., ¶27. What is the correct	
5	not-to-exceed amount sought for the	The Class Notice was modified accordingly.
6	Settlement Administrator's fees and costs?	
7		(Supp Han Decl., <i>supra</i> , at ¶ 20; Exhibit 4,
8		<i>supra</i> , at § V(C)(3).)
9	(12) The Settlement gives Class Members 120	The Settlement Agreement has been amended
10	days to cash their checks before they become	accordingly.
11	void. Settlement, ¶24. The Court prefers 180	
12	days. Why should the check-cashing period be	(Supp Han Decl., <i>supra</i> , at ¶ 21; Exhibit 2,
13	shorter?	<i>supra</i> , at ¶ 23.)
14		
15		The Class Notice was modified accordingly.
16		
17		(Supp Han Decl., <i>supra</i> , at ¶ 22; Exhibit 4,
18		<i>supra</i> , at § X(A).)
19	(13) The October 21, 2022 PAGA Notice	(Supp Han Decl., <i>supra</i> , at ¶ 23; Exhibit 6.)
20	letter to the LWDA submitted to the Court.	
21	(14) The Class Notice is to be revised	The Class Notice has been revised to be
22	consistent with the addressed above.	consistent with the issues addressed above.
23	(15) The title of the Class Notice should also	The Class Notice was modified accordingly.
24	reference the PAGA Action.	
25		(Supp Han Decl., <i>supra</i> , at ¶ 24; Exhibit 4,
26		<i>supra</i> , at p. 1.)
27		
28		The Settlement Agreement has been amended

1		accordingly.
2		
3		(Supp Han Decl., <i>supra</i> , at ¶ 25; Exhibit 2,
4		<i>supra</i> , at ¶¶ 1(bb), 1(cc), 1(ee), 4, 16, 18(c).)
5	(16) In the Class Notice, Plaintiff's counsel is	The Class Notice was modified accordingly.
6	entitled to up to 35% of the Gross Settlement	
7	Amount, but the Settlement Agreement only	(Supp Han Decl., <i>supra</i> , at ¶ 26; Exhibit 4,
8	provides up to 1/3 of the Gross Settlement	<i>supra</i> , at § V(C)(1).)
9	Amount. Ex. A, Class Notice, §V.C.1, p. 7.	
10	(17) The Class Notice should provide more	The Class Notice was modified accordingly.
11	detailed directions on how to obtain	
12	documents from the Court's website. Ex. A,	(Supp Han Decl., <i>supra</i> , at ¶ 27; Exhibit 4,
13	Class Notice, §XV, p. 16.	<i>supra</i> , at § XV.)
14	(18) The Settlement Administrator's website	The Class Notice was modified accordingly.
15	should post key documents in this matter,	
16	including the operative Complaint, Settlement	(Supp Han Decl., <i>supra</i> , at ¶ 28; Exhibit 4,
17	Agreement and any amendments thereto, the	<i>supra</i> , at § XV.)
18	Class Notice, Exclusion Request and	
19	Objection Forms, the Orders for Preliminary	
20	and Final Approval and the Judgment.	
21	(19) The proposed order is to be revised	The Proposed Order has been modified
22	consistent with dressed above.	accordingly.
23		
24		(Supp Han Decl., <i>supra</i> , at ¶ 29; Exhibit 5,
25		<i>supra</i> , at ¶¶ 13, 14, 20, 25(c), 25(d).)
26	(20) The Settlement, Class Notice, Objection	The Proposed Order has been modified
27	Form and Request for Exclusion Form should	accordingly.
28	be attached to the proposed order as exhibits.	

	(Supp Han Decl., <i>supra</i> , at ¶ 30; Exhibit 5, <i>supra</i> , at ¶¶ 1, 13, 14.)
(21) In paragraph 6, line 7 insert “conditionally” between “appointed”.	The Proposed Order has been modified accordingly. (Supp Han Decl., <i>supra</i> , at ¶ 31; Exhibit 5, <i>supra</i> , at ¶ 6.)
(22) In paragraph 7, line 8 insert “conditionally” between “appointed”.	The Proposed Order has been modified accordingly. (Supp Han Decl., <i>supra</i> , at ¶ 32; Exhibit 5, <i>supra</i> , at ¶ 7.)
(23) The preliminarily approved disbursement amounts in the proposed Order.	The Proposed Order has been modified accordingly. (Supp Han Decl., <i>supra</i> , at ¶ 33; Exhibit 5, <i>supra</i> , at ¶¶ 8-12.)

Dated: September 20, 2023

JUSTICE LAW CORPORATION

By: 
Douglas Han
Attorney for Plaintiff

**PROOF OF SERVICE
1013A(3) CCP**

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Ave., Ste. 101 Pasadena, California 91103. My electronic service address is bitty@justicelawcorp.com

On September 20, 2023, I served the foregoing document described as

**PLAINTIFF'S SUPPLEMENTAL BRIEF IN SUPPORT OF PRELIMINARY
APPROVAL OF CLASS ACTION SETTLEMENT**

for the following case: **Sanchez v. Horizon Health & Sub-Acute, LLC**
LWDA/Court Case No.: **LWDA-CM-915245-22**
30-2021-01226692-CU-OE-CXC
Orange County Superior Court

on interested parties in this action by electronically submitting as follows:

State of California
Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, California 95814

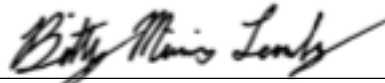
[X] BY ELECTRONIC SUBMISSION

Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

[X] STATE

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on September 20, 2023, at Pasadena, California.


Bitty Minnis-Lemley