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Attorneys for Plaintiff, CAROLINA CORTEZ MARTINEZ, on behalf of herself
and all others similarly situated and aggrieved

[Additional counsel on following page]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

CAROLINA CORTEZ MARTINEZ, an
individual and on behalf of all others
similarly situated,

Plaintiff,

v.

MERCEDES DIAZ HOMES, INC, a
California corporation; MDH-SPECIALIZED
CARE HOMES 1, a California corporation,
MDH-SPECIALIZED CARE HOMES 2, a
California corporation, MDH-SPECIALIZED
CARE HOMES 3, a California corporation,
MDH-DAY PROGRAM, INC., a California
corporation, EL SOL HOME CARE, INC., a
California corporation,, MDH NETWORK,
INC., a California corporation, MDH-ILS
PROGRAM, INC., a California corporation,,
MDH-SLS PROGRAM, INC., a California
corporation, RMD HOMES, INC., a
California limited liability company, and
DOES 1 through 100, inclusive,

Defendants.

CASE NO.: 23STCV040939

[Consolidated Case No.: 23STCV13596]

[Assigned for all purposes to Honorable
William F. Highberger in Dept. 10]

**CLASS AND PAGA SETTLEMENT
AGREEMENT**

Action Filed: February 23, 2023

Trial Date: None Set

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CARE HOMES 1, MDH-SPECIALIZED CARE HOMES 2, MDH-SPECIALIZED
CARE HOMES 3, MDH-DAY PROGRAM, INC., EL SOL HOME CARE, INC.,
MDH NETWORK, INC., MDH-ILS PROGRAM, INC., MDH-SLS PROGRAM, INC
and RMD HOMES, INC.

1 This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and
2 between plaintiff Carolina Cortez Martinez (“Plaintiff”) and defendants Mercedes Diaz Homes,
3 Inc, MDH-Specialized Care Homes 1, MDH-Specialized Care Homes 2, MDH-Specialized Care
4 Homes 3, MDH-Day Program, Inc., El Sol Home Care, Inc., MDH Network, Inc., MDH-ILS
5 Program, Inc., MDH-SLS Program, Inc., and RMD Homes, Inc. (collectively, “Defendants”).
6 The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as
7 “Party.”

8 1. DEFINITIONS

9 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against
10 Defendants, captioned *Carolina Cortez Martinez v. Mercedes Diaz Homes, Inc, et al.*, Case No.
11 23STCV040939 (the “Class Action”), initiated on February 23, 2023, and pending in Superior
12 Court of the State of California, County of Los Angeles, and Plaintiff’s lawsuit seeking civil
13 penalties for various Labor Code violations, captioned *Carolina Cortez Martinez v. Mercedes*
14 *Diaz Homes, Inc, et al.*, Case No. 23STCV13596 (the “PAGA Action”), initiated on June 13,
15 2023, and pending in Superior Court of the State of California, County of Los Angeles.

16 1.2. “Administrator” means Phoenix Class Action, LLC (“Phoenix”), the neutral entity the
17 Parties have agreed to appoint to administer the Settlement.

18 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid
19 from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance
20 with the Administrator’s “not to exceed” bid submitted to the Court in connection with
21 Preliminary Approval of the Settlement.

22 1.4. “Aggrieved Employee” all persons currently or formerly employed by Defendants, as
23 non-exempt, hourly-paid employees during the PAGA Period in the State of California.

24 1.5. “Class” means all persons currently or formerly employed by Defendants as non-exempt,
25 hourly-paid employees during the Class Period in the State of California.

26 1.6. “Class Counsel” means David D. Bibiyan and Vedang J. Patel of Bibiyan Law Group,
27 P.C.

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1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.

1.8. “Class Data” means Class Member identifying information in Defendants’ custody, possession, or control, including the Class Member’s (1) name; (2) last known address(es); (3) last known telephone number(s); (4) last known Social Security Number(s); and (5) the dates of employment (i.e., hire dates, and, if applicable, re-hire date(s) and/or separation date(s)).

1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non- Participating Class Member who qualifies as an Aggrieved Employee).

1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member 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 Class Members.

1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English and Spanish in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12. “Class Period” means the period from February 23, 2019 through December 5, 2023.

1.13. “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.

1.14. “Class Representative Incentive Award” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

1.15. “Court” means the Superior Court of California, County of Los Angeles.

1.16. “Defendants” means named defendants Mercedes Diaz Homes, Inc., MDH-Specialized Care Homes 1, MDH-Specialized Care Homes 2, MDH-Specialized Care Homes 3, MDH-Day Program, Inc., El Sol Home Care, Inc., MDH Network, Inc., MDH-ILS Program, Inc., MDH-SLS Program, Inc., and RMD Homes, Inc.

1.17. “Defense Counsel” means Jonathan Schmidt and Alexis Hismeh of Jackson Lewis P.C.

1.18. “Effective Date” means the later of: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. For the purposes of this Settlement, the Judgment is “final” as of the latest of the following occurrences: (i) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from, or other challenge to, the Court’s Judgment (this time period shall not be less than 60 days after the Court’s Judgment is entered); (ii) the date affirmance of an appeal of the Judgment becomes final; or (iii) the date of final dismissal of any appeal from the Judgment or the final dismissal of any proceeding on review of any court of appeal decision relating to the Judgment.

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

1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.21. “Final Judgment” means the Judgment entered by the Court based upon the Final Approval.

1.22. “Gross Settlement Amount” means \$700,000.00 (Seven Hundred Thousand Dollars and Zero Cents) which is the total amount Defendants agree to pay under the Settlement, except as provided in Paragraph 8.1 below and any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Incentive Award, and Administrator’s Expenses.

1.23. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.24. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.

1.25. “Judgment” means the judgment entered by the Court based upon Final Approval.

1 1.26. “LWDA” means the California Labor and Workforce Development Agency, the agency
2 entitled, under Labor Code section 2699, subd. (i).

3 1.27. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA
4 under Labor Code section 2699, subd. (i).

5 1.28. “Net Settlement Amount” means the Gross Settlement Amount, less the following
6 payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA
7 Payment, Class Representative Incentive Award, Class Counsel Fees Payment, Class Counsel
8 Litigation Expenses Payment, and Administration Expenses Payment. The remainder is to be
9 paid to Participating Class Members as Individual Class Payments.

10 1.29. “Non-Participating Class Member” means any Class Member who opts out of the
11 Settlement by sending the Administrator a valid and timely Request for Exclusion.

12 1.30. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked
13 for Defendants for at least one day during the PAGA Period, based on hire dates, re-hire dates
14 (as applicable), and termination dates (as applicable).

15 1.31. “PAGA Period” means the period from February 23, 2022 through the end date of the
16 Class Period.

17 1.32. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. *et seq.*).

18 1.33. “PAGA Notice” means plaintiff’s February 23, 2023 letter to defendants and the LWDA,
19 providing notice pursuant to Labor Code section 2699.3 subd. (a).

20 1.34. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the
21 Gross Settlement Amount (\$70,000.00), allocated 25% to the Aggrieved Employees
22 (\$17,500.00) and the 75% to the LWDA (\$52,500.00) in settlement of PAGA claims.

23 1.35. “Participating Class Member” means a Class Member who does not submit a valid and
24 timely Request for Exclusion from the Settlement.

25 1.36. “Plaintiff” means Carolina Cortez Martinez the named plaintiff in the Action.

26 1.37. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the
27 Settlement.

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1 1.38. “Preliminary Approval Order” means the proposed Order granting Preliminary Approval
2 and Approval of PAGA Settlement.

3 1.39. “Released Class Claims” means the claims being released as described in Paragraph 5.2
4 below.

5 1.40. “Released PAGA Claims” means the claims being released as described in Paragraph 5.4
6 below.

7 1.41. “Released Parties” means: Defendants, and each of their former, present and future
8 owners, parent companies, subsidiaries, divisions, related, associated and/or affiliated
9 companies, and all of their current, former, and future officers, directors, members, managers,
10 employees, consultants, partners, shareholders, joint venturers, agents, predecessors, successors,
11 assigns, accountants, insurers, reinsurers, and/or legal representatives.

12 1.42. “Request for Exclusion” means a Class Member’s submission of a written request to be
13 excluded from the Class Settlement signed by the Class Member.

14 1.43. “Response Deadline” means forty-five (45) days after the Administrator mails Notice to
15 Class Members and Aggrieved Employees, and shall be the last date on which Class Members
16 may: (a) mail Requests for Exclusion from the Settlement, or (b) mail his or her Objection to the
17 Settlement. Class Members to whom Notice Packets are resent after having been returned
18 undeliverable to the Administrator shall have an additional 15 days beyond the Response
19 Deadline has expired.

20 1.44. “Settlement” means the disposition of the Action effected by this Agreement and the
21 Judgment.

22 1.45. “Workweek” means any week during which a Class Member worked for Defendants, for
23 at least one day during the Class Period, based on hire dates, re-hire dates (as applicable), and
24 termination dates (as applicable).

25 **2. RECITALS**

26 2.1. On February 23, 2023, Plaintiff commenced this Action by filing a complaint against
27 Defendants for: failure to pay overtime and minimum wages; failure to provide meal breaks, rest
28

breaks, or compensation in lieu thereof; waiting time penalties; wage statement violations; failure to timely pay wages; failure to indemnify; and unfair competition (“Class Action”).

2.2. On February 23, 2023, Plaintiff filed a notice with the Labor and Workforce Development Agency (“LWDA”) and served on Defendants a notice under Labor Code section 2699.3 stating Plaintiff intended to serve as a proxy of the LWDA to recover civil penalties on behalf of Aggrieved Employees for various Labor Code violations (“PAGA Notice”).

2.3. On June 13, 2023, Plaintiff separately filed a separate complaint against Defendants seeking penalties under the California Private Attorney General Act based on the alleged Labor Code violations outlined in the PAGA Notice (“PAGA Action”).

2.4. Thereafter, the Parties agreed to exchange formal and informal discovery and attend mediation.

2.5. Prior to mediation Plaintiff obtained, through formal and informal discovery: (a) 20% of time and payroll records for the Class Period; (b) dates of employment for Plaintiff and Class Members; (c) wage and hour policy documents; and (d) all documents pertaining to Plaintiff available to Defendants.

2.6. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).

2.7. On July 25, 2024, the Parties participated in an all-day mediation presided over by Tripper Ortman, Esquire. The mediation was initially unsuccessful, however ultimately through extensive negotiations the Parties agreed to globally resolve all class and PAGA claims in the Action.

2.8. On July 2, 2025, the Court consolidated the Class Action and PAGA Action, with the Class Action as the lead action.

2.9. The Court has not granted class certification.

2.10. The Parties, Class 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.

1 **3. MONETARY TERMS**

2 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8.1 below,
3 Defendants promise to pay \$700,000.00 as the Gross Settlement Amount, unless increased
4 pursuant to Paragraph 8.1 of this Agreement, and to separately pay any and all employer payroll
5 taxes owed on the Wage Portions of the Individual Class Payments. Defendants have no
6 obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated
7 in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement
8 Amount without asking or requiring Participating Class Members or Aggrieved Employees to
9 submit any claim as a condition of payment. None of the Gross Settlement Amount will revert
10 to Defendants.

11 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct
12 the following payments from the Gross Settlement Amount, in the amounts specified by the Court
13 in the Final Approval:

14 3.2.1. To Plaintiff: Class Representative Incentive Award to Plaintiff of not more than
15 \$7,500.00 in addition to any Individual Class Payment and any Individual PAGA
16 Payment Plaintiff is entitled to receive as a Participating Class Member. Defendants
17 will not oppose Plaintiff's request for a Class Representative Incentive Award that does
18 not exceed this amount. As part of the motion for Class Counsel Fees Payment and
19 Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class
20 Representative Incentive Awards prior to the Final Approval Hearing. If the Court
21 approves a Class Representative Incentive Award less than the amount requested, the
22 Administrator will retain the remainder in the Net Settlement Amount. The
23 Administrator will pay the Class Representative Incentive Award using IRS Form 1099.
24 Plaintiff assumes full responsibility and liability for employee taxes owed on the Class
25 Representative Incentive Award.

26 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 35% of the
27 Gross Settlement Amount, which, unless escalated pursuant to Paragraph 8.1 of this
28 Agreement, is currently estimated to be \$245,000.00 and a Class Counsel Litigation

1 Expenses Payment of not more than \$30,000.00. Defendants will not oppose requests
2 for these payments provided that do not exceed these amounts. Plaintiff and/or Class
3 Counsel will endeavor to file a motion for Class Counsel Fees Payment and Class
4 Litigation Expenses Payment prior to the Final Approval Hearing. If the Court approves
5 a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less
6 than the amounts requested, the Administrator will allocate the remainder to the Net
7 Settlement Amount. Released Parties shall have no liability to Class Counsel or any
8 other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee
9 Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will
10 pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one
11 or more IRS 1099 Forms. Class Counsel assume full responsibility and liability for taxes
12 owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses
13 Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute
14 or controversy regarding any division or sharing of any of these Payments. There will
15 be no additional charge of any kind to either the Settlement Class Members or request
16 for additional consideration from Defendants for such work unless, Defendants
17 materially breach this Agreement, including any term regarding funding, and further
18 efforts are necessary from Class Counsel to remedy said breach, including, without
19 limitation, moving the Court to enforce the Agreement. Should the Court approve
20 attorneys' fees and/or litigation costs and expenses in amounts that are less than the
21 amounts provided for herein, then the unapproved portion(s) shall be a part of the Net
22 Settlement Amount.

23 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed
24 \$18,000.00 except for a showing of good cause and as approved by the Court. To the
25 extent the Administration Expenses are less or the Court approves payment less than
26 \$18,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

27 3.2.4. To Each Participating Class Member: An Individual Class Payment calculated
28 by (a) dividing the Net Settlement Amount by the total number of Workweeks worked

by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$70,000.00 to be paid from the Gross Settlement Amount, with 75% (\$52,500.00) allocated to the LWDA PAGA Payment and 25% (\$17,500.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties \$17,500.00 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.

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3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendants estimate there are a total of 140,000 Workweeks in the Class Period, and a total number of 37,216 PAGA Pay Periods in the PAGA Period.

4.2. Class Data. Not later than 14 days after the Court grants Preliminary Approval of the Settlement, Defendants will simultaneously deliver the Class Data to the Administrator only, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement, making good faith efforts and without disclosing the Class Data to Class Counsel or any other third party. Defendants have a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendants' share of payroll taxes by transmitting the funds to the Administrator no later than 24 months after the Effective Date. Defendants shall make an initial payment of \$350,000.00 shall be made no later than 14 days after the Effective date. The remainder shall be paid no later than 24 months after the Effective Date.

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1 4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendants fund the
2 Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments,
3 all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses
4 Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and
5 the Class Representative Incentive Award. Disbursement of the Class Counsel Fees Payment, the
6 Class Counsel Litigation Expenses Payment and the Class Representative Incentive Award shall
7 not precede disbursement of Individual Class Payments, and the Individual PAGA Payments.

8 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or
9 Individual PAGA Payments and send them to the Class Members via First Class U.S.
10 Mail, postage prepaid. The face of each check shall prominently state the date (not less
11 than 180 days after the date of mailing) when the check will be voided. The
12 Administrator will cancel all checks not cashed by the void date. The Administrator
13 will send checks for Individual Settlement Payments to all Participating Class Members
14 (including those for whom Class Notice was returned undelivered). The Administrator
15 will send checks for Individual PAGA Payments to all Aggrieved Employees including
16 Non-Participating Class Members who qualify as Aggrieved Employees (including
17 those for whom Class Notice was returned undelivered). The Administrator may send
18 Participating Class Members a single check combining the Individual Class Payment
19 and the Individual PAGA Payment. Before mailing any checks, the Settlement
20 Administrator must update the recipients' mailing addresses using the National Change
21 of Address Database.

22 4.4.2. The Administrator must conduct a Class Member Address Search for all other
23 Class Members whose checks are returned undelivered without USPS forwarding
24 address. Within 7 days of receiving a returned check the Administrator must re-mail
25 checks to the USPS forwarding address provided or to an address ascertained through
26 the Class Member Address Search. The Administrator need not take further steps to
27 deliver checks to Class Members whose re-mailed checks are returned as undelivered.
28 The Administrator shall promptly send a replacement check to any Class Member whose

original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund, in the name of the Class Member, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure section 384, subd. (b).

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

5. RELEASE OF CLAIMS

Effective upon entry of Judgment and the Order granting Final Approval of this Settlement, and on the date when Defendants fully fund the entire Gross Settlement Amount and employer payroll taxes on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1. Plaintiff's Release. Plaintiff and his or her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, 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 (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint and Plaintiff's 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, or based on occurrences outside the Class 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

1 be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all
2 respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

3 5.1.1. Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For
4 purposes of Plaintiff's Release only, as to all Released Parties, Plaintiff expressly waives
5 and relinquish the provisions, rights, and benefits, if any, of section 1542 of the
6 California Civil Code, which reads:

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

11 5.2. Release by Participating Class Members: For the duration of the Class Period, all
12 Participating Class Members, on behalf of themselves and their respective former and present
13 representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the
14 Released Parties from all claims that were alleged, or reasonably could have been alleged, based
15 on the facts stated in the complaint filed in the Class Action.

16 5.3. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not
17 release any other claims, including claims for vested benefits, wrongful termination, violation of
18 the Fair Employment and Housing Act, unemployment insurance, disability, social security,
19 workers' compensation, or claims based on facts occurring outside the Class Period.

20 5.4. Release by Aggrieved Employees: For the duration of the PAGA Period, all Aggrieved
21 Employees are deemed to release, on behalf of themselves and their respective former and present
22 representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released
23 Parties from all claims for PAGA penalties that were alleged, or reasonably could have been
24 alleged, based on the facts stated in the complaint filed in the PAGA Action and the PAGA
25 Notice.

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1 **6. MOTION FOR PRELIMINARY APPROVAL**

2 The Parties agree to jointly prepare and file a motion for preliminary approval (“Motion
3 for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary
4 Approvals.

5 6.1. Defendants’ Declaration in Support of Preliminary Approval. Within 7 days of full
6 execution of this Agreement, Defendants will prepare and deliver to Class Counsel a signed
7 declaration from Defendants and Defense Counsel disclosing all facts relevant to any actual or
8 potential conflicts of interest with the Administrator and Cy Pres Recipient.

9 6.2. Plaintiff’s Responsibilities. Plaintiff will prepare and to deliver to Defense Counsel all
10 documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and
11 memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the
12 Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor
13 Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and
14 Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from
15 the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting
16 to its willingness to serve; competency; operative procedures for protecting the security of Class
17 Data; amounts of insurance coverage for any data breach, defalcation of funds or other
18 misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members;
19 and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense
20 Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve
21 and disclosing all facts relevant to any actual or potential conflicts of interest with Class
22 Members; (v) a signed declaration from each Class Counsel firm attesting to its competency to
23 represent the Class Members; its timely transmission to the LWDA of all necessary PAGA
24 documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative
25 Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699,
26 subd. (l)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class
27 Members and the Administrator.

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1 6.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible
2 for expeditiously finalizing and filing the Motion for Preliminary Approval after the full
3 execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary
4 Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary
5 Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the
6 Administrator.

7 6.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
8 Preliminary Approval and/or the supporting declarations and documents, Class Counsel and
9 Defense Counsel will expeditiously work together on behalf of the Parties by meeting and
10 conferring, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary
11 Approval or conditions Preliminary Approval on any material change to this Agreement, Class
12 Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by
13 meeting and conferring, and in good faith, to modify the Agreement and otherwise satisfy the
14 Court's concerns.

15 7. SETTLEMENT ADMINISTRATION

16 7.1. Selection of Administrator. The Parties have jointly selected Phoenix to serve as the
17 Administrator and verified that, as a condition of appointment, Phoenix agrees to be bound by
18 this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange
19 for payment of Administration Expenses. The Parties and their Counsel represent that they have
20 no interest or relationship, financial or otherwise, with the Administrator other than a professional
21 relationship arising out of prior experiences administering settlements.

22 7.2. Employer Identification Number. The Administrator shall have and use its own Employer
23 Identification Number for purposes of calculating payroll tax withholdings and providing reports
24 state and federal tax authorities.

25 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets
26 the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section
27 468B-1.

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1 7.4. Notice to Class Members

2 7.4.1. No later than three (3) business days after receipt of the Class Data, the
3 Administrator shall notify Class Counsel that the list has been received and state the
4 number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the
5 Class Data.

6 7.4.2. Using best efforts to perform as soon as possible, and in no event later than 14
7 days after receiving the Class Data, the Administrator will send to all Class Members
8 identified in the Class Data, via first-class United States Postal Service (“USPS”) mail,
9 the Class Notice with Spanish translation, substantially in the form attached to this
10 Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the
11 dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable
12 to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable)
13 used to calculate these amounts. Before mailing Class Notices, the Administrator shall
14 update Class Member addresses using the National Change of Address database.

15 7.4.3. Not later than 3 business days after the Administrator’s receipt of any Class Notice
16 returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice
17 using any forwarding address provided by the USPS. If the USPS does not provide a
18 forwarding address, the Administrator shall conduct a Class Member Address Search,
19 and re-mail the Class Notice to the most current address obtained. The Administrator
20 has no obligation to make further attempts to locate or send Class Notice to Class
21 Members whose Class Notice is returned by the USPS a second time.

22 7.4.4. The deadlines for Class Members’ written objections, Challenges to Workweeks
23 and/or Pay Periods, and Requests for Exclusion will be extended an additional 15 days
24 beyond the 45 days otherwise provided in the Class Notice for all Class Members whose
25 notice is re-mailed. The Administrator will inform the Class Member of the extended
26 deadline with the re-mailed Class Notice.

27 7.4.5. If the Administrator, Defendants or Class Counsel is contacted by or otherwise
28 discovers any persons who believe they should have been included in the Class Data

1 and should have received Class Notice, the Parties will expeditiously meet and confer,
2 and in good faith. in an effort to agree on whether to include them as Class Members.
3 If the Parties agree, such persons will be Class Members entitled to the same rights as
4 other Class Members, and the Administrator will send, via email or overnight delivery,
5 a Class Notice requiring them to exercise options under this Agreement not later than
6 15 days after receipt of Class Notice, or the deadline dates in the Class Notice, which
7 ever are later.

8 **7.5. Requests for Exclusion (Opt-Outs).**

9 7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement
10 must send the Administrator, by mail, a signed written Request for Exclusion not later
11 than 45 days after the Administrator mails the Class Notice (plus an additional 15 days
12 for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter
13 from a Class Member or his/her representative that reasonably communicates the Class
14 Member's election to be excluded from the Settlement and includes the Class Member's
15 name, address and email address or telephone number. To be valid, a Request for
16 Exclusion must be timely postmarked by the Response Deadline.

17 7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it
18 fails to contain all the information specified in the Class Notice. The Administrator
19 shall accept any Request for Exclusion as valid if the Administrator can reasonably
20 ascertain the identity of the person as a Class Member and the Class Member's desire
21 to be excluded. The Administrator's determination shall be final and not appealable or
22 otherwise susceptible to challenge. If the Administrator has reason to question the
23 authenticity of a Request for Exclusion, the Administrator may demand additional proof
24 of the Class Member's identity. The Administrator's determination of authenticity shall
25 be final and not appealable or otherwise susceptible to challenge.

26 7.5.3. Every Class Member who does not submit a timely and valid Request for
27 Exclusion is deemed to be a Participating Class Member under this Agreement, entitled
28 to all benefits and bound by all terms and conditions of the Settlement, including the

1 Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement,
2 regardless whether the Participating Class Member actually receives the Class Notice
3 or objects to the Settlement.

4 7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a
5 Non-Participating Class Member and shall not receive an Individual Class Payment or
6 have the right to object to the class action components of the Settlement. Because future
7 PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-
8 Participating Class Members who are Aggrieved Employees are deemed to release the
9 claims identified in Paragraph 5.4 of this Agreement and are eligible for an Individual
10 PAGA Payment.

11 7.6. Challenges to Calculation of Workweeks. Each Class Member shall have 45 days after
12 the Administrator mails the Class Notice (plus an additional 15 days for Class Members whose
13 Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods
14 (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge
15 the allocation by communicating with the Administrator via mail. The Administrator must
16 encourage the challenging Class Member to submit supporting documentation. In the absence
17 of any contrary documentation, the Administrator is entitled to presume that the Workweeks
18 contained in the Class Notice are correct so long as they are consistent with the Class Data. The
19 Administrator's determination of each Class Member's allocation of Workweeks and/or Pay
20 Periods shall be final and not appealable or otherwise susceptible to challenge. The
21 Administrator shall promptly provide copies of all challenges to calculation of Workweeks
22 and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination
23 the challenges.

24 7.7. Objections to Settlement

25 7.7.1. Only Participating Class Members may object to the class action components of
26 the Settlement and/or this Agreement, including contesting the fairness of the
27 Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class
28 Counsel Litigation Expenses Payment and/or Class Representative Incentive Award.

1 7.7.2. Participating Class Members may send written objections to the Administrator, by
2 mail. In the alternative, Participating Class Members may appear in Court (or hire an
3 attorney to appear in Court) to present verbal objections at the Final Approval Hearing.
4 A Participating Class Member who elects to send a written objection to the
5 Administrator must do so not later than 45 days after the Administrator's mailing of the
6 Class Notice (plus an additional 15 days for Class Members whose Class Notice was re-
7 mailed).

8 7.7.3. Non-Participating Class Members have no right to object to any of the class action
9 components of the Settlement.

10 7.8. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be
11 performed or observed by the Administrator contained in this Agreement or otherwise.

12 7.8.1. Website, Email Address and Toll-Free Number. The Administrator will maintain
13 and use an internet website to post information of interest to Class Members including
14 the date, time and location for the Final Approval Hearing and copies of the Settlement
15 Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class
16 Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment,
17 Class Counsel Litigation Expenses Payment and Class Representative Incentive Award,
18 the Final Approval and the Judgment. The Administrator will also maintain and monitor
19 an email address and a toll-free telephone number to receive Class Member calls and
20 emails.

21 7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
22 promptly review on a rolling basis Requests for Exclusion to ascertain their validity.
23 Not later than 5 days after the expiration of the deadline for submitting Requests for
24 Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel
25 containing (a) the names and other identifying information of Class Members who have
26 timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and
27 other identifying information of Class Members who have submitted invalid Requests
28

1 for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted
2 (whether valid or invalid).

3 7.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written
4 reports to Class Counsel and Defense Counsel that, among other things, tally the number
5 of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for
6 Exclusion (whether valid or invalid) received, objections received, challenges to
7 Workweeks and/or Pay Periods received and/or resolved, and checks mailed for
8 Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The
9 Weekly Reports must include provide the Administrator’s assessment of the validity of
10 Requests for Exclusion and attach copies of all Requests for Exclusion and objections
11 received.

12 7.8.4. Workweek and/or Pay Period Challenges. The Administrator has the authority to
13 address and make final decisions consistent with the terms of this Agreement on all
14 Class Member challenges over the calculation of Workweeks and/or Pay Periods. The
15 Administrator’s decision shall be final and not appealable or otherwise susceptible to
16 challenge.

17 7.8.5. Administrator’s Declaration. Before the date by which Plaintiff is required to file
18 the Motion for Final Approval of the Settlement, the Administrator will provide to Class
19 Counsel and Defense Counsel, a declaration suitable for filing in Court attesting to its
20 due diligence and compliance with all of its obligations under this Agreement,
21 including, but not limited to, its mailing of Class Notice, the Class Notices returned as
22 undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total
23 number of Requests for Exclusion from Settlement it received (both valid or invalid),
24 the number of written objections and attach the Exclusion List. The Administrator will
25 supplement its declaration as needed or requested by the Parties and/or the Court. Class
26 Counsel is responsible for filing the Administrator’s declaration(s) in Court.

27 7.8.6. Final Report by Settlement Administrator. Within 10 days after the Administrator
28 disburses all funds in the Gross Settlement Amount, the Administrator will provide

1 Class Counsel and Defense Counsel with a final report detailing its disbursements by
2 employee identification number only of all payments made under this Agreement. At
3 least 7 days before any deadline set by the Court, the Administrator will prepare, and
4 submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in
5 Court attesting to its disbursement of all payments required under this Agreement. Class
6 Counsel is responsible for filing the Administrator's declaration in Court.

7 **8. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE**

8 Based on its records, Defendants estimate that, as of the date of this Settlement
9 Agreement, (1) there are 140,000 Total Workweeks during the Class Period and (2) there are
10 37,216 Pay Periods during the PAGA Period.

11 8.1. Increase in Workweeks. Defendants represent that there are 140,000 Workweeks worked
12 by the Class Members in the State of California during the Class Period. If the actual number of
13 Workweeks is more than 10% greater than this number (i.e., greater than 154,000 Affected
14 Workweeks), then the GSA shall be increased proportionally by the Workweeks worked in
15 excess of 154,000 multiplied by the Workweek Value. The Workweek Value shall be calculated
16 by dividing the GSA by 140,000. The Parties agree that the Workweek Value amounts to and
17 the settlement amounts to \$5.00 per Workweek (\$700,000 / 140,000 Workweeks). Thus, for
18 example, should there be 160,000 Affected Workweeks in the Class Period, then the GSA shall
19 be increased by \$30,000 [(160,000 Workweeks – 154,000 Workweeks) x \$5.00/Workweek].

20 **9. MOTION FOR FINAL APPROVAL**

21 Prior to the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for
22 final approval of the Settlement that includes a request for approval of the PAGA settlement
23 under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed
24 Judgment (collectively “Motion for Final Approval”). Plaintiff shall endeavor to provide drafts
25 of these documents to Defense Counsel prior to filing the Motion for Final Approval. Class
26 Counsel and Defense Counsel will expeditiously meet and confer, and in good faith, to resolve
27 any disagreements concerning the Motion for Final Approval.

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1 9.1. Response to Objections. Each Party retains the right to respond to any objection raised
2 by a Participating Class Member, including the right to file responsive documents in Court no
3 later than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted
4 by the Court.

5 9.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final
6 Approval on any material change to the Settlement (including, but not limited to, the scope of
7 release to be granted by Class Members), the Parties will expeditiously work together in good
8 faith to address the Court's concerns by revising the Agreement as necessary to obtain Final
9 Approval. The Court's decision to award less than the amounts requested for the Class
10 Representative Incentive Award, Class Counsel Fees Payment, Class Counsel Litigation
11 Expenses Payment, Administrator Expenses Payment and/or individual claims of plaintiff for
12 alleged wrongful termination, shall not constitute a material modification to the Agreement
13 within the meaning of this paragraph.

14 9.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
15 Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of
16 (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters,
17 and (iii) addressing such post-Judgment matters as are permitted by law.

18 9.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
19 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
20 Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their
21 respective counsel, and all Participating Class Members who did not object to the Settlement as
22 provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to
23 post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions
24 for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver
25 of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the
26 Parties' obligations to perform under this Agreement will be suspended until such time as the
27 appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect
28 the amount of the Net Settlement Amount.

1 9.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
2 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material
3 modification of this Agreement (including, but not limited to, the scope of release to be granted
4 by Class Members), this Agreement shall be null and void. The Parties shall nevertheless
5 expeditiously work together in good faith to address the appellate court's concerns and to obtain
6 Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration
7 Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify
8 the Court's award of the Class Representative Incentive Award or any payments to Class Counsel
9 shall not constitute a material modification of the Judgment within the meaning of this paragraph,
10 as long as the Gross Settlement Amount remains unchanged

11 **10. AMENDED JUDGMENT**

12 If any amended judgment is required under Code of Civil Procedure section 384, the
13 Parties will work together in good faith to jointly submit and a proposed amended judgment.

14 **11. ADDITIONAL PROVISIONS**

15 11.1. No Admission of Liability, Class Certification or Representative Manageability for Other
16 Purposes. This Agreement represents a compromise and settlement of highly disputed claims.
17 Nothing in this Agreement is intended or should be construed as an admission by Defendants or
18 the Released Parties that any of the allegations in the Operative Complaint have merit or that
19 Defendants or the Released Parties have any liability for any claims asserted; nor should it be
20 intended or construed as an admission by Plaintiff that Defendants' defenses in the Action have
21 merit. The Parties agree that class certification and representative treatment is for purposes of
22 this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final
23 Approval or enter Judgment, Defendants reserve the right to contest certification of any class for
24 any reasons, and Defendants reserve all available defenses to the claims in the Action, and
25 Plaintiff reserves the right to move for class certification on any grounds available and to contest
26 Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the
27 Action will have no bearing on, and will not be admissible in connection with, any litigation
28 (except for proceedings to enforce or effectuate the Settlement and this Agreement).

1 11.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendants and
2 Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement
3 is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit
4 another person to disclose, disseminate or publicize, any of the terms of the Agreement directly
5 or indirectly, specifically or generally, to any person, corporation, association, government
6 agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom
7 will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the
8 extent necessary to report income to appropriate taxing authorities; (4) in response to a court
9 order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal
10 government agency. Each Party agrees to immediately notify each other Party of any judicial or
11 agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel,
12 Defendants and Defense Counsel separately agree not to, directly or indirectly, initiate any
13 conversation or other communication, before the filing of the Motion for Preliminary Approval,
14 any with third party regarding this Agreement or the matters giving rise to this Agreement except
15 to respond only that "the matter was resolved," or words to that effect. This paragraph does not
16 restrict Class Counsel's communications with Class Members in accordance with Class
17 Counsel's ethical obligations owed to Class Members.

18 11.3. No Solicitation. The Parties separately agree that they and their respective counsel and
19 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal
20 from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's
21 ability to communicate with Class Members in accordance with Class Counsel's ethical
22 obligations owed to Class Members.

23 11.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
24 together with its attached exhibits shall constitute the entire agreement between the Parties
25 relating to the Settlement, superseding any and all oral representations, warranties, covenants, or
26 inducements made to or by any Party.

27 11.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
28 represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate

1 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate
2 its terms, and to execute any other documents reasonably required to effectuate the terms of this
3 Agreement including any amendments to this Agreement.

4 11.6. Cooperation. The Parties and their counsel will cooperate with each other and use their
5 best efforts, in good faith, to implement the Settlement by, among other things, modifying the
6 Settlement Agreement, submitting supplemental evidence and supplementing points and
7 authorities as requested by the Court. In the event the Parties are unable to agree upon the form
8 or content of any document necessary to implement the Settlement, or on any modification of the
9 Agreement that may become necessary to implement the Settlement, the Parties will seek the
10 assistance of a mediator and/or the Court for resolution.

11 11.7. No Prior Assignments. The Parties separately represent and warrant that they have not
12 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
13 encumber to any person or entity and portion of any liability, claim, demand, action, cause of
14 action, or right released and discharged by the Party in this Settlement.

15 11.8. No Tax Advice. Neither Plaintiff, Class Counsel, Defendants nor Defense Counsel are
16 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied
17 upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR
18 Part 10, as amended) or otherwise.

19 11.9. Modification of Agreement. This Agreement, and all parts of it, may be amended,
20 modified, changed, or waived only by an express written instrument signed or agreed to by all
21 Parties or their representatives, and approved by the Court. Plaintiff and Defendants expressly
22 agree that should the Parties agree to amend, modify, change, or waive this Agreement, or any
23 part of it, Class Counsel and Defense Counsel are authorized to submit to the Court any
24 amendments of this Agreement, amended Agreements, or amendments to the Agreement, on
25 behalf of the Parties once fully executed, which includes, but is not limited to, authorization of
26 the use of signatures previously provided by the Parties.

27 11.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to
28 the benefit of, the successors of each of the Parties.

1 11.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be
2 governed by and interpreted according to the internal laws of the state of California, without
3 regard to conflict of law principles.

4 11.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of
5 this Agreement. This Agreement will not be construed against any Party on the basis that the
6 Party was the drafter or participated in the drafting

7 11.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered
8 during Action and in this Agreement relating to the confidentiality of information shall survive
9 the execution of this Agreement

10 11.14. Use of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code
11 §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants
12 in connection with the mediation, other settlement negotiations, or in connection with the
13 Settlement, may be used only with respect to this Settlement, and no other purpose, and may not
14 be used in any way that violates any existing contractual agreement, statute, or rule of court.

15 11.15. Headings. The descriptive heading of any section or paragraph of this Agreement is
16 inserted for convenience of reference only and does not constitute a part of this Agreement.

17 11.16. Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall
18 be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
19 weekend or federal legal holiday, such date or deadline shall be on the first business day
20 thereafter.

21 11.17. Execution in Counterparts. This Agreement may be executed in one or more counterparts
22 by facsimile, electronically (i.e., DocuSign), or email which for purposes of this Agreement shall
23 be accepted as an original. All executed counterparts and each of them will be deemed to be one
24 and the same instrument if counsel for the Parties will exchange between themselves signed
25 counterparts. Any executed counterpart will be admissible in evidence to prove the existence
26 and contents of this Agreement.

27 11.18. Stay of Litigation. The Parties agree that upon the execution of this Agreement the
28 litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further

1 agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend
2 the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement
3 process.

4 11.19. Severability. In the event that one or more of the provisions contained in this Agreement
5 shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity,
6 illegality, or unenforceability shall in no way effect any other provision if Defendants' Counsel
7 and Class Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing
8 to proceed as if such invalid, illegal, or unenforceable provision had never been included in this
9 Agreement.

10
11 **IT IS SO AGREED:**

12 *Carolina Cortez Martinez*

05/18/2026

13 Plaintiff, Carolina Cortez Martinez

For Defendant, Mercedes Diaz Homes, Inc.

14
15
16 For Defendant, MDH-Specialized Care Homes
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18 For Defendant, MDH-Specialized Care Homes
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21 For Defendant, MDH-Specialized Care Homes
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23 For Defendant, MDH-Day Program, Inc.

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25 For Defendant, El Sol Home Care, Inc.

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27 For Defendant, MDH Network, Inc.
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For Defendant, MDH-ILS Program, Inc.

For Defendant, MDH-SLS Program, Inc.

For Defendant, RMD Homes, Inc.

AGREED AS TO FORM ONLY:

Vedang J. Patel 5/19/2026
David D. Bibiyan
Vedang J. Patel
Counsel for Plaintiff

Jonathan Schmidt
Alexis Hismeh
Counsel for Defendants

1 agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend
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6 illegality, or unenforceability shall in no way effect any other provision if Defendants' Counsel
7 and Class Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing
8 to proceed as if such invalid, illegal, or unenforceable provision had never been included in this
9 Agreement.

10
11 **IT IS SO AGREED:**

12 Carolina Cortez Martinez 05/18/2026
13 Plaintiff, Carolina Cortez Martinez

C. B. Broyles, CAO
For Defendant, Mercedes Diaz Homes, Inc.

C. B. Broyles, CAO
For Defendant, MDH-Specialized Care Homes
1

C. B. Broyles, CAO
For Defendant, MDH-Specialized Care Homes
2

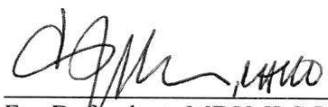
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For Defendant, MDH-Specialized Care Homes
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C. B. Broyles, CAO
For Defendant, MDH-Day Program, Inc.

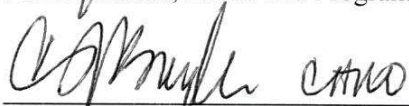
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For Defendant, El Sol Home Care, Inc.

C. B. Broyles, CAO
For Defendant, MDH Network, Inc.

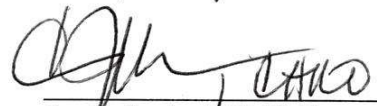
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For Defendant, MDH-ILS Program, Inc.



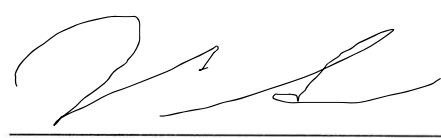
For Defendant, MDH-SLS Program, Inc.



For Defendant, RMD Homes, Inc.

AGREED AS TO FORM ONLY:

Vedang J. Patel 5/19/2026
David D. Bibiyan
Vedang J. Patel
Counsel for Plaintiff



Jonathan Schmidt
Alexis Hismeh
Counsel for Defendants