
EXHIBIT 1

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF LOS ANGELES

DALIA DELGADO, on behalf of herself,
and all aggrieved employees,

Plaintiff,

v.

AVALON VILLA HEALTH CARE, LLC;
and DOES 1 through 100, inclusive,

Defendants.

CASE NO.: 23STCV15615

**LABOR CODE PRIVATE ATTORNEYS
GENERAL ACT SETTLEMENT
AGREEMENT**

Complaint Filed: July 5, 2023
Trial Date: TBD

1 This Labor Code Private Attorneys General Act (Labor Code §§ 2698, *et seq.*) Settlement
2 Agreement (“Settlement Agreement”) is made by and between DALIA DELGADO (“Plaintiff”),
3 on her own behalf and on behalf of all members of the PAGA Group (as defined below) and the
4 State of California, on the one hand, and AVALON VILLA HEALTH CARE LLC
5 (“Defendant”) on the other hand (collectively the “Parties”), in the lawsuit entitled *Delgado v.*
6 *Avalon Villa Health Care, LLC*, filed in Los Angeles Superior Court, Case No. 23STCV15615.
7 This Settlement Agreement resolves all claims under the California Labor Code Private
8 Attorneys General Act of 2004 (“PAGA”), Labor Code §§ 2698, *et seq.*, based on or arising out
9 of alleged violations of the Labor Code, including all claims that were or could have been alleged
10 based on the factual allegations and identified Labor Code sections in the LWDA Letter and/or
11 the operative pleading for the Litigation (defined below).

12 **I. DEFINITIONS**

13 **A. Administrative Costs.** The term “Administrative Costs” as used herein means
14 all administrative costs of settlement, including cost of notice to the PAGA Group,
15 administration, and any fees and costs incurred or charged by the Settlement Administrator in
16 connection with the execution of its duties under this Settlement Agreement.

17 **B. Agreement or Settlement Agreement.** The terms “Agreement” or “Settlement
18 Agreement” are used synonymously herein to mean this Labor Code Private Attorneys General
19 Act (Labor Code §§ 2698, *et seq.*) Settlement Agreement.

20 **C. Court.** The term “Court” as used herein means the Superior Court of the State
21 of California for the County of Los Angeles.

22 **D. Defendant.** The term “Defendant” as used herein means Avalon Villa Health
23 Care, LLC.

24 **E. Defendant’s Counsel.** The term “Defendant’s Counsel” as used herein means
25 Kahana & Feld LLP.

26 **F. Effective Date.** This Agreement shall become effective when all of the following
27 events have occurred (“Effective Date”): (i) the Settlement Agreement has been executed by
28 Plaintiff, Defendant, Plaintiff’s Counsel, and Defendant’s Counsel; (ii) Notice of the Settlement

1 has been sent to the LWDA; (iii) the Court has given approval to the Settlement; (iv) the Court
2 has entered the Court's Final Order and Judgment; and (v) the later of the following events: (a)
3 when the period for filing any appeal, writ, or other appellate proceeding opposing approval of
4 the settlement and judgment has elapsed without any appeal, writ, or other appellate proceeding
5 having been filed; (b) when any appeal, writ or other appellate proceeding opposing the
6 settlement has been dismissed finally and conclusively with no right to pursue further remedies
7 or relief; or (c) when any appeal, writ or other appellate proceeding has upheld the Court's Final
8 Order and Judgment with no right to pursue further remedies or relief. If the Court declines to
9 approve the Settlement, the Parties will work in good faith to address the Court's concerns. If,
10 after the Parties have exhausted all good faith efforts to obtain approval of the Settlement
11 Agreement, the Court declines to approve the settlement, the entire Settlement Agreement is
12 deemed void and unenforceable as if no settlement of any claim was ever reached.

13 **G. Individual Settlement Payment.** The term "Individual Settlement Payment" as
14 used herein means the pro rata payment that each member of the PAGA Group will receive as
15 his or her share of the Net Settlement Amount. The portion of the Net Settlement Amount to be
16 distributed to the PAGA Group (*i.e.*, 25% of the Net Settlement Amount) shall be divided by the
17 total number of pay periods which the PAGA Group worked for Defendant during the PAGA
18 Release Period, with partial pay periods rounded up to the next whole number and as determined
19 by Defendant's records. This amount shall be known as the "Pay Period Value." Each member
20 of the PAGA Group shall be paid an amount equal to the number of individual pay periods he or
21 she worked for Defendant during the PAGA Release Period multiplied by the Pay Period Value.
22 Defendant represents that, based on a reasonable investigation of its records, the total number of
23 full pay periods worked by individuals in the PAGA Group, including Plaintiff, does not exceed
24 10,000. If the actual number of pay periods worked by individuals in the PAGA Group between
25 April 28, 2022 through November 21, 2024, inclusive, exceeds this estimate by more than 10%
26 (*i.e.*, the total number of pay periods exceeds 11,000), then Defendant may elect to either (1) end
27 the PAGA Release Period on the date that the number of pay periods worked by individuals in
28 the PAGA Group reaches 11,000 or (2) increase the Settlement Amount on a proportional basis

(i.e., if there was a 11% increase in the number of pay periods over 10,000, Defendant will increase the Settlement Amount by 1%).

H. Litigation. The term “Litigation” as used herein means the action entitled *Delgado v. Avalon Villa Health Care, LLC*, filed in Los Angeles County Superior Court, Case No. 23STCV15615.

I. LWDA Payment. The term “LWDA Payment” as used herein means the seventy-five percent (75%) of the Net Settlement Amount payable to the California Labor and Workforce Development Agency (“LWDA”).

J. Net Settlement Amount. The term “Net Settlement Amount” as used herein means the Settlement Amount minus any award of attorneys’ fees and litigation costs to Plaintiff’s Counsel, Administrative Costs, and Plaintiff’s enhancement award. Pursuant to the statutory requirements of PAGA, seventy-five percent (75%) of the Net Settlement Amount will be paid to the LWDA and twenty-five percent (25%) of the Net Settlement Amount will be paid to the PAGA Group based on the distribution formula set forth in this Agreement.

K. PAGA Group. The PAGA Group is defined as: All persons within the State of California who are or were employed by Defendant in the State of California as hourly or non-exempt employees at any time within the PAGA Release Period. Defendant represents that, based on a reasonable investigation of its records, the total number of individuals in the PAGA Group, including Plaintiff, does not exceed 300.

L. PAGA Release Period. Except as provided herein, the term “PAGA Release Period” shall refer to the period from and including April 28, 2022 through November 21, 2024, inclusive.

M. Plaintiff. The term “Plaintiff” as used herein means Dalia Delgado.

N. Plaintiff’s Counsel. The term “Plaintiff’s Counsel” as used herein means Keller Grover LLP and Capstone Law APC.

O. Settlement Administrator. The term “Settlement Administrator” as used herein means Simpluris, Inc., which will be responsible for the administration of the settlement embodied in this Agreement and all related matters.

1 **P. Settlement Amount.** Except as provided herein, the term “Settlement Amount”
2 means a fund in the sum of Three Hundred Thousand Dollars and Zero Cents (\$300,000.00)
3 which shall be paid by Defendant in six (6) monthly installment payments of \$50,000.00. The
4 first installment of the Settlement Amount shall be deposited with the Settlement Administrator
5 by Defendant within 30 calendar days of the date upon which the Court grants approval of the
6 Settlement. Defendant is fully authorized, but not in any way required, to prepay all or parts of
7 this amount with no penalty or fee. The Settlement Amount shall cover, resolve, and fully satisfy
8 the Administrative Costs and all amounts owed to Plaintiff, the PAGA Group, the LWDA, and
9 Plaintiff’s Counsel, including all amounts allocated to attorneys’ fees and litigation costs. Except
10 in the event the actual pay periods for the PAGA Release Period exceed 11,000, and Defendant
11 chooses not to shorten the PAGA Release Period in accordance with this Agreement, Defendant
12 shall not be required to pay more than the Settlement Amount.

13 **II. BACKGROUND**

14 A. On July 5, 2023, Plaintiff filed her Complaint in Los Angeles County Superior
15 Court against Defendant for penalties pursuant to Labor Code § 2699(f) for alleged violations
16 and penalties under Labor Code §§ 201-203, 204, 224, 226(a), 226.3, 226.7, 510, 512, 1194,
17 1194.2, 1197, 1197.1, 1198, 1199, and 2802. After engaging in discovery, counsel for the Parties
18 met and conferred with respect to the potential settlement of the Litigation. Pursuant to these
19 discussions, the Parties agreed to exchange additional informal discovery and engage in private
20 mediation. The Parties subsequently exchanged additional informal discovery, including
21 information and documentation concerning the claims set forth in the Litigation and information
22 regarding the number of PAGA Group members and the total pay periods worked by the PAGA
23 Group during the PAGA Release Period.

24 B. Plaintiff, Defendant, and their respective counsel have engaged in good faith,
25 arms-length negotiations. On November 21, 2024 the Parties participated in a mediation with
26 Kelly A. Knight, Esq., which resulted in reaching a resolution of this matter. The Parties have
27 now entered into a more detailed, formalized Settlement Agreement for submission to the Court
28 for approval.

1 C. Plaintiff's counsel has conducted an investigation of the law and facts relating to
2 the claims asserted in the Litigation and has concluded, taking into account the sharply contested
3 issues involved, the expense and time necessary to pursue the Litigation through trial and any
4 appeals, the risks and costs of further prosecution of the Litigation, the risk of an adverse
5 outcome, the uncertainties of complex litigation, and the substantial benefits to be received by
6 the Plaintiff, the State of California, and the members of the PAGA Group pursuant to this
7 Agreement, and that a settlement with Defendant on the terms and conditions set forth herein is
8 fair, reasonable, adequate, and in the best interests of the State of California and the PAGA
9 Group. Plaintiff, on her own behalf and as a representative pursuant to PAGA, has agreed to
10 settle the Litigation with Defendant on the terms set forth herein.

11 D. Defendant has concluded that, because of the substantial expense of defending
12 against the Litigation, the length of time necessary to resolve the issues presented herein, the
13 inconvenience involved, and the concomitant disruption to its business operations, it is in its best
14 interests to accept the terms of this Agreement. Defendant denies each of the allegations and
15 claims asserted against it in the Litigation. However, Defendant nevertheless desires to settle
16 the Litigation for the purpose of avoiding the burden, expense, and uncertainty of continuing
17 litigation, and for the purpose of putting to rest the controversies engendered by the Litigation.

18 E. This Agreement is intended to and does effectuate the full, final, and complete
19 resolution of all allegations and claims under the California Labor Code Private Attorneys
20 General Act of 2004 ("PAGA"), Labor Code §§ 2698, *et seq.*, based on or arising out of alleged
21 violations of the Labor Code on behalf of non-exempt employees, including all claims that were
22 and/or could have been alleged based on the factual allegations and identified Labor Code
23 sections in the in the LWDA Letter and/or the operative pleading for the Litigation.

24 **III. JURISDICTION**

25 The Court has jurisdiction over the Parties and the subject matter of this Litigation. The
26 Litigation includes claims that, while Defendant denies in their entirety, would, if proven,
27 authorize the Court to grant relief pursuant to the applicable statutes. After the Court has granted
28 approval of this Agreement, pursuant to California Code of Civil Procedure § 664.6 the Court

1 shall retain jurisdiction of this action solely for the purpose of interpreting, implementing, and
2 enforcing this Agreement consistent with the terms set forth herein, and the Parties and their
3 counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing, and
4 enforcing this Agreement and all orders and judgments entered in connection therewith.

5 **IV. STATEMENT OF NO ADMISSION**

6 A. Defendant denies liability to Plaintiff and to the PAGA Group upon any claim or
7 cause of action. This Agreement does not constitute, and is not intended to constitute, an
8 admission by Defendant as to the merits, validity, or accuracy of any of the allegations or claims
9 made against it in the LWDA Letter and/or the Litigation.

10 B. Nothing in this Agreement, nor any action taken in implementation thereof, nor
11 any statements, discussions, or communications, nor any materials prepared, exchanged, issued,
12 or used during the course of the negotiations leading to this Agreement, is intended by the Parties
13 to constitute, nor will any of the foregoing constitute, be introduced, be used, or be admissible
14 in any way in this case or any other judicial, arbitral, administrative, investigative or other forum
15 or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance,
16 regulation, rule or executive order, or any obligation or duty at law or in equity. The Parties
17 themselves agree not to introduce, use, or admit this Agreement, directly or indirectly, in this
18 case or any other judicial, arbitral, administrative, investigative, or other forum or proceeding,
19 as purported evidence of any violation of any federal, state, or local law, statute, ordinance,
20 regulation, rule or executive order, or any obligation or duty at law or in equity, or for any other
21 purpose. Notwithstanding the foregoing, this Agreement may be used in any proceeding before
22 the Court that has as its purpose the interpretation, implementation, or enforcement of this
23 Agreement, or any orders or judgments of the Court entered in connection with the settlement.

24 C. None of the documents produced or created by Plaintiff or her counsel in
25 connection with the approval of this settlement or administration of this settlement constitute,
26 and are not intended to constitute, an admission by Defendant of any violation of any federal,
27 state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or
28 duty at law or in equity.

1 D. Nothing in this Agreement will be construed as an admission or
2 acknowledgement of any kind that any group should or would be given collective or
3 representative treatment in the Litigation or in any other action or proceeding. Further, neither
4 this Agreement nor the Court's actions regarding this Agreement will be admissible in any court
5 or other tribunal regarding the propriety of collective or representative treatment. In the event
6 that this Agreement is not approved by the Court or any appellate court, is terminated, or
7 otherwise fails to be enforceable, Plaintiff will not be deemed to have waived, limited, or affected
8 in any way any claims, rights, or remedies in the Litigation, and Defendant will not be deemed
9 to have waived, limited, or affected in any way any of their objections or defenses in the
10 Litigation.

11 **V. RELEASE**

12 **A. Scope of PAGA Release.**

13 Upon approval of this settlement by the Court, Plaintiff, individually and as a
14 representative acting as a proxy or agent of the LWDA, a State of California Executive Branch
15 Agency, in this Litigation, agrees to release Defendant and Defendant's officers, directors,
16 owners, shareholders partners, current and former employees, parents, subsidiaries, affiliates,
17 attorneys, insurers, and all agents thereof (collectively, the "Released Parties"), of and from any
18 and all claims under the California Labor Code Private Attorneys General Act of 2004
19 ("PAGA"), Labor Code §§ 2698, *et seq.*, that were or could have been alleged on behalf of non-
20 exempt employees based on the factual allegations and identified Labor Code sections in the
21 LWDA Letter and/or operative pleading for the Litigation, including, but not limited to, any
22 claim for failure to pay wages (including minimum wage and overtime), claims regarding failure
23 to pay for off-the-clock work, including but not limited to time spent undergoing covid safety
24 checks, security checks, working through meal periods, engaging in pre- or post-shift activities,
25 responding to work-related inquiries off-the-clock, reducing time actually worked in
26 Defendant's timekeeping system, and/or deducting time for meal periods that were not actually
27 taken, failure to pay wages at the appropriate or proper rate of pay, failure to timely pay wages
28 during employment, failure to timely pay wages upon separation of employment, failure to

1 provide meal periods including first and subsequent meal periods, short, late, and/or interrupted
2 meal periods, failure to pay meal period premium payments including failure to pay meal period
3 premiums at the proper rate of pay, failure to authorize and permit rest periods including first
4 and subsequent rest periods, short, late, and/or interrupted rest periods, failure to pay rest period
5 premium payments including failure to pay rest period premium payments at the proper rate of
6 pay, failure to issue accurate wage statements, failure to timely pay all wages owed both during
7 and at any cessation of employment, and/or failure to reimburse business expenses. This Release
8 shall include all claims and theories arising under California Labor Code sections §§ 201-203,
9 204, 224, 226(a), 226.3, 226.7, 510, 512, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and 2802, as
10 well as all applicable Industrial Welfare Commission (“IWC”) Wage Orders during the PAGA
11 Release Period (the “Released Claims”). The Parties further agree to release all claims for costs,
12 fees, and interest related to the Released Claims. The Parties further agree that this Agreement
13 and judgment to be entered by the Court following approval of this settlement forever bars
14 Plaintiff and the LWDA, directly or through any other proxy or agent, from any future
15 prosecution of any of the Released Claims against any of the Released Parties.

16 **B. General Release by Plaintiff Only.**

17 In addition to the release in Section V.A, in exchange for the consideration set forth in
18 this Agreement, Plaintiff makes the additional following general release of all claims, known or
19 unknown: Plaintiff releases Defendant and the Released Parties, from all claims, demands, rights,
20 liabilities, and causes of action of every nature and description whatsoever, known or unknown,
21 asserted or that might have been asserted, whether in tort, contract, or for violation of any state
22 or federal statute, rule, regulation, or ordinance including but not limited to those arising out of,
23 relating to, or in connection with Plaintiff’s employment with Defendant through the date of this
24 Agreement as well as any and all acts or omissions by or on the part of Defendant through the
25 date of this Agreement. (The release set forth in this Paragraph shall be referred to hereinafter
26 as the “Plaintiff’s General Release.”) With respect to the Plaintiff’s General Release, the Plaintiff
27 stipulates and agrees that, upon the Effective Date, Plaintiff shall be deemed to have expressly
28 waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits

of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, which provides:

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.

Cal. Civ. Code § 1542. Accordingly, if the facts relating in any manner to this settlement are found hereafter to be other than or different from the facts now believed to be true, the release of claims contained in the Plaintiff's General Release shall be effective as to all unknown claims.

However, specifically excluded from this general release of claims by Plaintiff relating to workers' compensation, unemployment insurance, or any other claims that cannot be waived by law.

VI. SETTLEMENT ADMINISTRATOR

Plaintiff and Defendant, through their respective counsel, have selected Simpluris, Inc. as the Settlement Administrator to administer the settlement, which includes but is not limited to distributing and responding to inquiries about the Notice of Settlement and calculating all amounts to be paid from the Settlement Amount, including the Individual Settlement Payments. The Administrative Costs are estimated to be no more than \$4,000 and will be paid from the Settlement Amount. Any charges and expenses of the Settlement Administrator greater than the allocated \$4,000 will come from the Settlement Amount and will be subject to approval by the Court. If the actual Administrative Costs are less than the Parties' estimation, the difference between the actual and estimated Administrative Costs will be included in the Net Settlement Amount.

VII. NOTICE

Plaintiff and Defendant, through their respective attorneys, have jointly prepared a Notice of Settlement (the "Notice"), in the form attached hereto as **Exhibit "A"** which in substance will be provided to the members of the PAGA Group as follows:

As soon as practicable following the Court's approval of the Settlement, but no later than

21 calendar days after the Effective Date, Defendant will provide to the Settlement Administrator the following information about each PAGA Group member: (1) name; (2) last known home address; (3) number of pay periods as a PAGA Group member during the PAGA Release Period; and (4) social security number (collectively referred to as the “PAGA List”). To protect the PAGA Group’s rights to privacy, the Administrator must maintain the PAGA List in confidence, use the PAGA List only for purposes of this Settlement and for no other purpose, and restrict access to the PAGA List to Administrator employees who need access to the PAGA List to effect and perform under this Agreement.

The Settlement Administrator shall run all the addresses provided through the United States Postal Service NCOA database, which provides updated addresses for any individual who has moved in the previous four years and who has notified the U.S. Postal Service of a forwarding address, to obtain current address information. Within 28 calendar days after the Settlement Administrator’s receipt of the Settlement Amount, the Settlement Administrator will mail the Notice together with the Individual Settlement Payments to all PAGA Group members by first-class United States mail, postage prepaid, with directions to the Postmaster to forward the Notice and return all undeliverable Notices to the Settlement Administrator. If a check is returned to the Settlement Administrator as undeliverable, the Settlement Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace search and, if another address is identified, shall mail the check to the newly identified address. If the Settlement Administrator is unable to obtain a valid mailing address through this process, after the check void date, the monies represented by the check shall be sent to the LWDA.

VIII. COMPUTATION AND DISTRIBUTION OF PAYMENTS

A. Distribution

The portion of the Net Settlement Amount to be distributed to the PAGA Group (*i.e.*, 25% of the Net Settlement Amount) shall be divided by the total number of pay periods which the PAGA Group worked for Defendant during the PAGA Release Period, with partial pay periods rounded up to the next whole number and as determined by Defendant’s records. This amount shall be known as the “Pay Period Value.” Each member of the PAGA Group shall be

1 paid an amount equal to the number of individual pay periods he or she worked for Defendant
2 during the PAGA Release Period multiplied by the Pay Period Value.

3 The portion of the Net Settlement amount to be distributed to the LWDA (*i.e.*, 75% of
4 the Net Settlement Amount) shall be paid by the Administrator from the Gross Settlement
5 Amount to the LWDA within 28 calendar days after the Settlement Administrator's receipt of
6 the complete Settlement Amount and the Effective Date is met.

7 **B. Funding of the Settlement Amount.**

8 The funding of the Settlement Amount by Defendant will be completed in six (6) monthly
9 installment payments of \$50,000.00. The monthly installment payments will be provided to and
10 escrowed by the Settlement Administrator. The first installment of the Settlement Amount shall
11 be deposited with the Settlement Administrator by Defendant within 30 calendar days of the
12 Court's approval of the Settlement.

13 If a PAGA Group member is deceased at the time of distribution, the Settlement
14 Administrator shall distribute the deceased PAGA Group member's Individual Settlement
15 Payment to the deceased PAGA Group member's legal heir(s). In the event of a dispute as to
16 the legal heir(s), the Settlement Administrator shall notify the executor of the deceased PAGA
17 Group member's estate and attempt to place the deceased PAGA Group member's payment in
18 escrow or similar disposition such that any competing heirs may take whatever action they wish
19 to resolve ultimate disposition of such money and the Settlement Administrator and the Parties
20 hereto may disclaim any further interest in or obligation in relation to such money.

21 Settlement checks will specifically indicate that they are void if not negotiated within
22 180 days of their issuance. Any settlement checks that remain uncashed 180 or more calendar
23 days after issuance by the Settlement Administrator shall be voided and the Settlement
24 Administrator will remit the entire amount of each PAGA Group member's uncashed Individual
25 Settlement Payment to the LWDA.

26 The Administrator shall promptly send a replacement check to any member of the PAGA
27 Group whose original check was lost or misplaced and which is requested by the PAGA Group
28 member prior to the void date.

1 **C. Time for Distribution of the Enhancements to Plaintiff, Attorneys’ Fees and**
2 **Litigation Costs to Plaintiff’s Counsel, the LWDA Payment and**
3 **Administrative Costs.**

4 The Settlement Administrator shall cause the Court approved enhancement to Plaintiff,
5 attorneys’ fees and litigation costs awarded to Plaintiff’s Counsel, and the LWDA Payment to
6 be paid within 28 days of the complete funding of the Settlement Amount and the Effective Date
7 is met. The Settlement Administrator may pay itself the Court-approved administrative costs
8 once the Individual Settlement Payments have been mailed out.

9 **IX. NO CONTRIBUTIONS TO EMPLOYEE BENEFIT PLAN**

10 The amounts paid under this Agreement do not represent a modification of any
11 previously credited hours of service under any employee benefit plan, policy, or bonus program
12 sponsored by Defendant. Such amounts will not form the basis for additional contributions to,
13 benefits under, or any other monetary entitlement under, benefit plans (self-insured or not)
14 sponsored by Defendant, policies or bonus programs. Any payments made under the terms of
15 this Agreement shall not be applied retroactively, currently, or on a going forward basis as salary,
16 earnings, wages, or any other form of compensation for the purposes of Defendant’s benefit plan,
17 policy or bonus program. Defendant retains the right to modify the language of its benefit plans,
18 policies, and bonus programs to effect this intent and to make clear that any amounts paid
19 pursuant to this Agreement are not for “hours worked,” “hours paid,” “hours of service,” or any
20 similar measuring term as defined by applicable plans, policies, and bonus programs for purpose
21 of eligibility, vesting, benefit accrual or any other purpose, and that additional contributions or
22 benefits are not required by this Agreement.

23 **X. PLAINTIFF’S COUNSEL ATTORNEYS’ FEES AND LITIGATION COSTS**

24 Defendant shall not oppose an application by Plaintiff’s Counsel for, and Plaintiff’s
25 Counsel shall not seek or receive an amount more than one-third of the Settlement Amount, for
26 all past and future attorneys’ fees necessary to prosecute, settle, and administer the Litigation
27 and this Agreement. Additionally, Defendant shall not oppose an application by Plaintiff’s
28 Counsel for reimbursement of all past and future litigation costs and expenses necessary to

1 prosecute, settle, and administer the Litigation and this Agreement, which Plaintiff's Counsel
2 estimates will not exceed \$20,000. Any attorneys' fees or litigation costs awarded to Plaintiff's
3 Counsel by the Court shall be deducted from the Settlement Amount for the purpose of
4 determining the Net Settlement Amount, and the Administrator shall pay Plaintiff's Counsel fees
5 and expenses and report the payments on one or more IRS 1099 forms. This amount shall include
6 all attorneys' fees, litigation costs, and expenses for which Plaintiff and Plaintiff's Counsel could
7 claim in this Litigation under any legal theory whatsoever. Released Parties shall have no
8 liability to Plaintiff's Counsel or any other Plaintiff's counsel arising from any claim to any
9 portion of any fee and/or litigation costs award. Should the Court approve a lesser percentage
10 or amount of fees and/or litigation costs than the amount that Plaintiff's Counsel seeks, then the
11 unapproved portion or portions shall revert to the Net Settlement Amount. The award of fees
12 and/or litigation costs to Plaintiff's Counsel is not a material term of this Agreement and does
13 not give rise to a basis to abrogate this Agreement.

14 **XI. ENHANCEMENT TO PLAINTIFF**

15 Defendant shall not oppose an application by Plaintiff to seek or receive an amount not
16 to exceed \$7,500 for her participation in and assistance with the Litigation. Any enhancement
17 awarded to Plaintiff by the Court shall be deducted from the Settlement Amount for the purpose
18 of determining the Net Settlement Amount, and shall be reported on IRS Form 1099-misc. If
19 the Court approves an enhancement of less than \$7,500 then the unapproved portion shall revert
20 into the Net Settlement Amount. The award of an enhancement payment to Plaintiff is not a
21 material term of this Agreement and does not give rise to a basis to abrogate this Agreement.

22 **XII. TAXATION AND ALLOCATION**

23 For withholding tax characterization purposes and payment of taxes, the Net Settlement
24 Amount shall be deemed and is allocated by the Parties as follows ("Net Settlement Allocation"):
25 100% as penalties.

26 PAGA Group members may receive an IRS Form 1099 for their portion of the settlement,
27 if deemed required by the Settlement Administrator (in compliance with IRS guidelines).
28

1 **XIII. COURT APPROVAL**

2 Plaintiff's Counsel will prepare and deliver to Defense Counsel all documents necessary
3 for obtaining approval of this Settlement under Labor Code § 2699 (f)(2) including (i) a draft
4 proposed Order Granting Approval of PAGA Settlement; and (ii) a signed declaration from
5 Plaintiff's Counsel attesting to its timely transmission to the LWDA of all necessary PAGA
6 documents (initial notice of violations (Labor Code § 2699.3 (a)), operative Complaint (Labor
7 Code § 2699 (l)(1)), this Agreement (Labor Code § 2699 (l)(2)).

8 This Agreement is contingent upon approval by the Court. Plaintiff and Defendant agree
9 to take all steps as may be reasonably necessary to secure approval of this Agreement, to the
10 extent not inconsistent with the terms of this Agreement.

11 **XIV. APPRISAL AND CERTIFICATION BY THE SETTLEMENT ADMINISTRATOR**

12 The Settlement Administrator shall keep Plaintiff's Counsel and Defendant's Counsel
13 apprised of all distributions from the Settlement Amount. Upon completion of administration of
14 the Settlement, the Settlement Administrator shall provide written certification of such
15 completion to Plaintiff's Counsel and Defendant's Counsel. The Settlement Administrator shall
16 provide a final accounting, including the names of payees and the amounts of the Individual
17 Settlement Payments.

18 **XV. MISCELLANEOUS PROVISIONS**

19 **A. Stay of Litigation.**

20 Plaintiff and Defendant agree to the stay of all discovery in the Litigation, pending
21 approval of this Agreement by the Court.

22 **B. Interpretation of the Agreement.**

23 This Agreement constitutes the entire agreement between Plaintiff and Defendant.
24 Except as expressly provided herein, this Agreement has not been executed in reliance upon any
25 other written or oral representations or terms, and no such extrinsic oral or written
26 representations or terms shall modify, vary, or contradict its terms. In entering into this
27 Agreement, the Parties agree that this Agreement is to be construed according to its terms and
28 may not be varied or contradicted by extrinsic evidence. This Agreement will be interpreted and

1 enforced under the laws of the State of California, both in its procedural and substantive aspects,
2 without regard to its conflict of law's provisions. Any claim arising out of or relating to this
3 Agreement, or the subject matter hereof, will be resolved solely and exclusively in the Superior
4 Court of the State of California for the County of Los Angeles, and Plaintiff and Defendant
5 hereby consent to the personal jurisdiction of the Court over them solely in connection therewith.
6 Plaintiff, on her own behalf and on behalf of the PAGA Group and the State of California, and
7 Defendant participated in the negotiation and drafting of this Agreement and had available to
8 them the advice and assistance of independent counsel. As such, neither Plaintiff nor Defendant
9 may claim that any ambiguity in this Agreement should be construed against the other.

10 The terms and conditions of this Agreement constitute the exclusive and final
11 understanding and expression of all agreements between Plaintiff and Defendant with respect to
12 the resolution of the Litigation. This Agreement may be modified only by a writing signed by
13 counsel for all Parties or their successors-in-interest.

14 **C. Further Cooperation.**

15 Plaintiff and Defendant and their respective attorneys shall proceed diligently to prepare
16 and execute all documents, to seek approval of this Agreement from the Court, and to do all
17 things reasonably necessary or convenient to consummate this Agreement as expeditiously as
18 possible.

19 **D. Counterparts.**

20 This Agreement may be executed in one or more actual or non-original counterparts, all
21 of which will be considered one and the same instrument and all of which will be considered
22 duplicate originals.

23 **F. Authority.**

24 Each individual signing below warrants that he or she has the authority to execute this
25 Agreement on behalf of the party for whom or which that individual signs.

26 **G. No Third-Party Beneficiaries.**

27 Plaintiff, members of the PAGA Group, the State of California, Defendant and Released
28 Parties are direct beneficiaries of this Agreement. The Parties are not aware of any third-party

beneficiaries.

H. Deadlines Falling on Weekends or Holidays.

To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or legal holiday, that deadline shall be continued until the following business day.

J. Severability.

If any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision.

K. Defendant's Fees and Costs

All of Defendant's own legal fees, costs and expenses incurred in this Litigation shall be borne by Defendant.

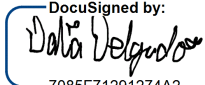
L. Waiver of Right to Appeal

Provided the Court's judgment is consistent with the terms and conditions of this Agreement, the Parties and 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.

APPROVED AS TO CONTENT:

11/25/2024

DATED: November __, 2024

DocuSigned by:

7085F74201274A2...
Dalia Delgado

DATED: November __, 2024

AVALON VILLA HEALTH CARE, LLC

By: _____

beneficiaries.

H. Deadlines Falling on Weekends or Holidays.

To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or legal holiday, that deadline shall be continued until the following business day.

J. Severability.

If any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision.

K. Defendant's Fees and Costs

All of Defendant's own legal fees, costs and expenses incurred in this Litigation shall be borne by Defendant.

L. Waiver of Right to Appeal

Provided the Court's judgment is consistent with the terms and conditions of this Agreement, the Parties and 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.

APPROVED AS TO CONTENT:

DATED: November __, 2024

Dalia Delgado

DATED: November __, 2024

AVALON VILLA HEALTH CARE, LLC

By: 

1 **APPROVED AS TO FORM:**

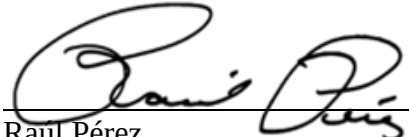
2
3 DATED: November 26, 2024

KELLER GROVER LLP

4
5 By: 
Eric A. Grover
Robert W. Spencer
Attorneys for Plaintiff

6
7
8
9 DATED: November 25, 2024

CAPSTONE LAW APC

10
11 By: 
Raul Pérez
Roxanna Tabatabaeepour
Ryan Tish
Alexander Wallin
Attorneys for Plaintiff

12
13
14
15
16
17 DATE: November __, 2024

KAHANA & FELD LLP

18
19 By: _____
Brad Stuckey
Avi Attal
Attorneys for Defendant

1 **APPROVED AS TO FORM:**

2
3 DATED: November ___, 2024

KELLER GROVER LLP

4
5 By: _____
6 Eric A. Grover
7 Robert W. Spencer
8 Attorneys for Plaintiff

9 DATED: November ___, 2024

CAPSTONE LAW APC

10
11 By: _____
12 Raúl Pérez
13 Roxanna Tabatabaeepour
14 Ryan Tish
15 Alexander Wallin
16 Attorneys for Plaintiff

17 DATE: ~~November~~ December 18, 2024

KAHANA & FELD LLP

18
19 By:  _____
20 Brad Stuckey
21 Avi Attal
22 Attorneys for Defendant
23
24
25
26
27
28

EXHIBIT A

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

DALIA DELGADO, on behalf of herself,
and all aggrieved employees,

Plaintiff,

v.

AVALON VILLA HEALTH CARE, LLC;
and DOES 1 through 100, inclusive,

Defendants.

Case No. 23STCV15615

**NOTICE OF SETTLEMENT OF PRIVATE
ATTORNEYS GENERAL ACT CLAIMS
(CAL. LABOR CODE §§ 2698, ET SEQ.)**

You have been identified as an hourly or non-exempt employee who worked for Avalon Villa Health Care, LLC (“Avalon” or “Defendant”) in California April 28, 2022 through November 21, 2024, inclusive (“Covered Employee”).

On July 5, 2023 a complaint was filed in Los Angeles County Superior Court (the “Court”) to recover civil penalties pursuant to the California Labor Code Private Attorneys General Act of 2004, codified at Labor Code §§ 2698, *et seq.* (“PAGA”). The lawsuit alleges that Covered Employees were not paid for all hours worked, were not provided proper meal periods or rest breaks, were not provided with accurate itemized wage statements, were not paid all wages due at the time of discharge or voluntary quit, were not paid in a timely manner, were not reimbursed for business expenses, and worked off-the-clock without compensation.

Avalon denies all of Plaintiff’s allegations and disputes all of Plaintiff’s claims, and contends that it complied with all applicable laws. The Court has made no determination whether Plaintiff or Avalon is correct on the merits and, by agreeing to settle, Avalon does not admit any violations or concede the merits of any claim.

Plaintiffs and Defendant reached a settlement of the claims for PAGA civil penalties alleged in the lawsuit. The Court approved the settlement on _____. By law, 75% of the civil penalties are paid to the State of California’s Labor and Workforce Development Agency (“LWDA”) for the enforcement of the state’s labor laws and 25% are paid to the PAGA Group.

Pursuant to the settlement agreement, the amount to be distributed to the PAGA Group shall be divided by the total number of pay periods, with partial pay periods rounded up to the next whole number, as determined by Defendant’s records, worked by all Covered Employees between April 28, 2022 through November 21, 2024, inclusive. This amount shall be known as the “Pay Period Value.” Each Covered Employee shall be paid an amount equal to the number of individual pay periods he or she worked for Defendant between April 28, 2022 through November 21, 2024, inclusive. Your Individual Settlement Payment is provided with this Notice, and will remain negotiable for 180 days. If you do not cash, deposit, or negotiate your Individual Settlement Payment

within 180 days, the check will be canceled and the funds will be sent to the State Labor and Workforce Development Agency.

The Court-approved settlement contains the following release of claims, which is meant to bar any future litigation by Plaintiff and the California Labor & Workforce Development Agency (“LWDA”), either directly or through any other proxy or agent:

Upon approval of this settlement by the Court, Plaintiff, individually and as a representative acting as a proxy or agent of the LWDA, a State of California Executive Branch Agency, in this Litigation, agrees to release Defendant and Defendant’s officers, directors, owners, shareholders, partners, current and former employees, parents, subsidiaries, affiliates, attorneys, insurers, and all agents thereof (collectively, the “Released Parties”), of and from any and all claims under the California Labor Code Private Attorneys General Act of 2004 (“PAGA”), Labor Code §§ 2698, et seq., that were or could have been alleged on behalf of non-exempt employees based on the factual allegations and identified Labor Code sections in the LWDA Letter and/or operative pleading for the Litigation, including, but not limited to, any claim for failure to pay wages (including minimum wage and overtime), claims regarding failure to pay for off-the-clock work, including but not limited to time spent undergoing covid safety checks, security checks, working through meal periods, engaging in pre- or post-shift activities, responding to work-related inquiries off-the-clock, reducing time actually worked in Defendant’s timekeeping system, and/or deducting time for meal periods that were not actually taken, failure to pay wages at the appropriate or proper rate of pay, failure to timely pay wages during employment, failure to timely pay wages upon separation of employment, failure to provide meal periods including first and subsequent meal periods, short, late, and/or interrupted meal periods, failure to pay meal period premium payments including failure to pay meal period premiums at the proper rate of pay, failure to authorize and permit rest periods including first and subsequent rest periods, short, late, and/or interrupted rest periods, failure to pay rest period premium payments including failure to pay rest period premium payments at the proper rate of pay, failure to issue accurate wage statements, failure to timely pay all wages owed both during and at any cessation of employment, and/or failure to reimburse business expenses. This Release shall include all claims and theories arising under California Labor Code sections §§ 201-203, 204, 224, 226(a), 226.3, 226.7, 510, 512, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and 2802, as well as all applicable Industrial Welfare Commission (“IWC”) Wage Orders during the PAGA Release Period (the “Released Claims”). The Parties further agree to release all claims for costs, fees, and interest related to the Released Claims. The Parties further agree that this Agreement and judgment to be entered by the Court following approval of this settlement forever bars Plaintiff and the LWDA, directly or through any other proxy or agent, from any future prosecution of any of the Released Claims against any of the Released Parties.

This release of claims does not cover any other claims you may have against Defendant.

If you have any questions or would like a copy of the settlement agreement approved by the Court, please contact the Settlement Administrator at _____.