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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ORANGE – CIVIL COMPLEX CENTER**

MARLENE DEL CARMEN LEONOR
DIAZ, individually, and on behalf of all
other aggrieved employees,

Plaintiff,

v.

SILVERADO SENIOR LIVING
MANAGEMENT, INC., a Delaware
corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No.: 30-2023-01333990-CU-OE-CXC

[Assigned for all Purposes to Hon. David A.
Hoffer, Judge Presiding, CXC 103]

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT AND
RELEASE**

Action Filed: June 29, 2023
Trial Date: None Set

1 This Class Action and PAGA Settlement and Release (“Settlement Agreement”) is entered
2 into by and between Plaintiff Marlene Del Carmen Leoner Diaz (“Plaintiff”), on behalf of herself and
3 the Class, on the one hand, and Defendant Silverado Senior Living Management, Inc. (“Defendant”),
4 and the Released Parties, on the other hand. Plaintiff and Defendant are collectively referred to herein
5 as “Parties” and individually referred to herein as “Party.”

6 **PREAMBLE**

7 1. On June 18, 2024, the Parties participated in a mediation with mediator, Kelly Knight,
8 Esq., and reached a settlement of Plaintiff’s claims under the California Private Attorneys General
9 Act (“PAGA”), including the claims at issue in Plaintiff’s Complaint, filed on June 29, 2023, and her
10 respective April 11, 2023, and October 4, 2024, notices to the Labor and Workforce Development
11 Agency (“LWDA”), which was memorialized in the Parties’ Stipulation for Representative Action
12 Settlement Pursuant to the Private Attorneys’ General Act, fully executed on or around October 12,
13 2024 (“PAGA Settlement Agreement”).

14 2. Following the execution of the PAGA Settlement Agreement, the Parties attended a
15 second mediation with mediator Steve Pearl, Esq., and subsequently reached a settlement of Plaintiff’s
16 putative class claims, which are alleged in Plaintiff’s Second Amended Complaint, which was filed
17 on February 26, 2026, and is attached to this Settlement Agreement as **Exhibit 1**.

18 3. In light of the settlement of Plaintiff’s putative class claims, the Parties have entered
19 into this Settlement Agreement, which memorializes the terms of the Parties’ settlement of Plaintiff’s
20 putative class claims and PAGA claims, and consolidates the terms of the PAGA Settlement
21 Agreement into this Settlement Agreement.

22 4. As a result of the above, this Settlement Agreement replaces and supersedes the PAGA
23 Settlement Agreement, and upon full execution of this Settlement Agreement, the PAGA Settlement
24 Agreement will become null and void, and cannot be enforced.

25 5. In consideration of the mutual covenants, promises, and agreements set forth herein,
26 the Parties agree that, pursuant to the terms and conditions set forth herein, which are subject to
27 approval of the Court, this Action and the Released Claims shall be settled and compromised as
28 between Plaintiff and the Class on the one hand and Defendant on the other hand.

1 **DEFINITIONS**

2 1. "Action" means *Marlene Del Carmen Leoner Diaz v. Silverado Senior Living*
3 *Management, Inc.*, Superior Court of the State of California for the County of Orange, Case Number:
4 30-2023-01333990-CU-OE-CXC

5 2. "Class" means: All hourly, non-exempt employees who were employed by Defendant,
6 in the State of California, at any time from June 29, 2019, through October 22, 2025.

7 3. "Class Counsel" means The Wheeler Law Firm, APC.

8 4. "Class Counsel Award" means attorneys' fees for Class Counsel's litigation and
9 resolution of this Action and Class Counsel's expenses and costs incurred in connection with this
10 Action.

11 5. "Class Information" means information regarding Class Members that Defendant will
12 in good faith compile from their records and provide to the Settlement Administrator. It shall be
13 formatted as a Microsoft Excel spreadsheet or Microsoft Word Document and shall include: each
14 Class Member's full name; social security number; last known address; last known telephone number;
15 and dates of employment and/or number of Compensable Workweeks and Compensable PAGA Pay
16 Periods.

17 6. "Class Member" or "Class Members" means each person who is a member of the Class
18 defined above and who is eligible to participate in this Settlement.

19 7. "Class Period" means the time period from June 29, 2019, through October 22, 2025.

20 8. "Class Representative Service Award" means the amount that the Court authorizes to
21 be paid individually to Plaintiff in recognition of, *inter alia*, Plaintiff's efforts and risks in assisting
22 with the prosecution of the Action and in return for executing a general release with Defendant.

23 9. "Compensable Workweek" or "Compensable Workweeks" means a reasonable
24 estimate of weeks worked by each Class Member individually and collectively by all Class Members
25 during the Class Period based on Defendant's records and used as a value to calculate Individual
26 Settlement Payments. The number of Compensable Workweeks for each Class Member will be
27 determined by adding all the calendar days within the inclusive dates of employment for the employee
28

1 and dividing that number by seven. Any partial workweek will be expressed as a percentage of a full
2 workweek.

3 10. "Compensable PAGA Pay Period" or "Compensable PAGA Pay Periods" means a
4 reasonable estimate of pay periods worked by each PAGA Member during the period from June 29,
5 2019, through October 22, 2025, based on Defendant's records and used as a value to calculate PAGA
6 Payments. The number of Compensable PAGA Pay Periods for each PAGA Member will be
7 determined by adding all the calendar days within the inclusive dates of employment for the employee
8 and dividing that number by fourteen. Any partial pay period will be expressed as a percentage of a
9 full pay period.

10 11. "Court" means the Superior Court for the State of California, County of Orange.

11 12. "Defendant" means Silverado Senior Living Management, Inc.

12 13. "Defendant's Counsel" means Jackson Lewis, P.C.

13 13. "Effective Date" means October 1, 2026, or the date on which the Superior Court's
14 Final Approval Order and Judgment becomes final, whichever is later. The Superior Court's Final
15 Approval Order and Judgment "becomes final" upon the latter of: (a) if there is no Objection to the
16 Settlement, or if there is an Objection but it is withdrawn, then, the date that the Final Approval Order
17 and Judgment is entered by the Court; (b) if there is an Objection to the Settlement that is not
18 withdrawn, but no appeal is commenced thereafter, then, sixty-five (65) calendar days following the
19 date that the Final Approval Order and Judgment is filed by the Court; or (c) if there is an Objection
20 to the Settlement, that is not withdrawn, and any appeal, writ, or other appellate proceeding opposing
21 the Settlement has been filed within sixty-five (65) calendar days following the date that the Final
22 Approval Order and Judgment is filed by the Court, then, when any such appeal, writ, or other
23 appellate proceeding opposing the validity of the Settlement has been resolved finally and
24 conclusively with no right to pursue further remedies or relief.

25 14. "Final Approval Order and Judgment" means an order and judgment that the Court
26 will enter which finally approves this Settlement and enters a judgment in favor of Plaintiff.

27 15. "Gross Settlement Amount" means the maximum amount which Defendant is
28 obligated to pay under this Settlement Agreement, which is Two Million and Two Hundred and Fifty

1 Thousand Dollars and Zero Cents (\$2,250,000), subject to increase under the circumstances as set
2 forth in paragraph 58. This is an “all in” non-reversionary Settlement in which Defendant are required
3 to pay the entire Gross Settlement Amount. No portion of the Gross Settlement Amount will revert to
4 Defendant under any circumstances. Payments of any appropriate and lawfully-required employer’s
5 share of the payroll taxes on the taxable portion of the settlement payments shall be paid separately
6 from the Gross Settlement Amount by Defendant at the time the Gross Settlement Amount is funded.

7 16. “Individual PAGA Payment” or “Individual PAGA Payments” means the PAGA
8 Member’s pro rata share of 25% of the PAGA Penalties.

9 17. “Individual Settlement Payment” or “Individual Settlement Payments” means the
10 amount payable from the Net Settlement Amount to each Settlement Class Member.

11 18. “LWDA” means the California Labor and Workforce Development Agency.

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

14 20. “Net Settlement Amount” means the Gross Settlement Amount, less the Class Counsel
15 Award, Class Representative Service Award, PAGA Payment, and Settlement Administration Costs.

16 19. “Notice of Class and PAGA Settlement” means the notice, substantially in the form
17 attached hereto as **Exhibit 2**, which the Settlement Administrator will mail to each Class and PAGA
18 Member, and which explains, *inter alia*, the terms of this Settlement Agreement, the settlement
19 process, and each Class Member’s estimated Individual Settlement Payment. Notice of Class and
20 PAGA Settlement will be provided to the Class in English and Spanish.

21 20. “Objection” means a letter or other written communication submitted by a Class
22 Member to the Settlement Administrator that contains a clear statement by the Class Member that he
23 or she is objecting to any of the terms of the Settlement.

24 21. “Operative Complaint” means the Second Amended Class and PAGA Action
25 Complaint was filed on February 27, 2026 to effectuate the terms of the Settlement.

26 22. “PAGA Member” or “PAGA Members” means any hourly, non-exempt employee who
27 was employed or has been employed by Defendant in the State of California at any time during the
28 time period of April 11, 2022, through October 22, 2025.

23. “Parties” means Plaintiff and Defendant, collectively, and “Party” means either Plaintiff or Defendant, individually.

24. “PAGA Notice” means Plaintiff’s letters to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a), dated April 11, 2023, and October 4, 2024.

25. “PAGA Payment” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the PAGA Members and 75% to the LWDA.

25. “Payment Ratio” means the respective Compensable Workweeks for Class Member divided by the total Compensable Workweeks for all Class Members.

26. “PAGA Payment Ratio” means the respective Compensable PAGA Pay Periods for each PAGA Member divided by the total Compensable PAGA Pay Periods for all PAGA Members.

27. “PAGA Period” means the time period from April 11, 2022, through October 22, 2025.

28. “Plaintiff” refers to Marlene Del Carmen Leoner Diaz.

29. “Preliminary Approval Date” means the date upon which the Court enters an order substantially in the form attached hereto as **Exhibit 3**, and which grants preliminary approval of the Settlement.

30. “Request for Exclusion” means a letter or other written communication submitted by a Class Member to the Settlement Administrator that contains a clear statement by the Class Member that he or she is electing to be excluded from the Settlement.

31. “Released Claims by Plaintiff” is set forth in paragraph 47 below.

32. “Released Claims by Settlement Class Members” means: As of the Effective Date, Settlement Class Members shall fully and finally release and discharge Defendant and the Released Parties, from June 29, 2019, through October 22, 2025, from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees, damages, or causes of action contingent or accrued for, that are pleaded, or that could have been pleaded, based on the facts and claims alleged in the Operative Complaint, PAGA Notices, and/or the Action including any claims for: (a) failure to provide required meal periods and pay premium payments, California Labor Code §§ 226.7, 510 and 512; (b) failure to provide required rest periods and pay premium payments, California Labor Code §§ 226.7 and 512; (c) failure to pay overtime wages, California Labor Code

1 §§ 510, 1194 and 1198; (d) failure to pay minimum and straight time wages, California Labor Code
2 §§ 223, 1182.12, 1194, 1194.2, 1197, and 1197.1; (e) failure to pay all wages to discharged and
3 quitting employees, California Labor Code §§ 201, 202 and 203; (f) failure to timely pay wages §§
4 204 and 210; (g) failure to maintain and/or produce required records, California Labor Code §§ 226,
5 248.6, 1174, 1174.5, 1198.5; (h) failure to furnish accurate, itemized wage statements, California
6 Labor Code §§ 226, 248.6, and 226.3; (i) failure to indemnify for reasonable and necessary business
7 expenses, California Labor Code §§ 2800, 2802; (j) failure to properly pay the regular rate of pay for
8 overtime, meal and rest period premiums, and sick pay; and (k) unlawful business practices under
9 California, Business and Professions Code §17200, et seq.; predicated on any of the violations of the
10 California Labor Code and any applicable IWC Wage Order as alleged in the Operative Complaint
11 including but not limited to, claims for restitution and other equitable relief, liquidated damages, or
12 penalties; and any other benefit, wages, penalties, or other amounts claimed on account of the
13 allegations asserted or which could have been asserted in the Operative Complaint and PAGA Notice
14 dated April 11, 2023 and amended PAGA Notice dated October 4, 2024. This release shall apply to
15 any and all claims arising at any point during the Class Period. Upon entry of the Final Approval
16 Order and funding of the total Gross Settlement Amount, all Participating Class Members will forever
17 completely release and discharge the Released Parties from the Released Claims for the Release
18 Period. Plaintiff and Defendant intends that the Settlement described in this Settlement Agreement
19 will release and preclude any further claim, whether by lawsuit, administrative claim or action,
20 arbitration, demand, or other action of any kind, by each and all of the Participating Class Members
21 to obtain a recovery to any and all of the Released Claims. This release excludes the release of claims
22 not otherwise permitted by law, i.e. Worker's Compensation and unemployment insurance benefits.

23 32. "Released Parties" collectively means Defendant and each of their past, present, and
24 future respective subsidiaries, dba's, related and affiliated entities, joint ventures, parents, divisions,
25 ownership entities, insurers and reinsurers, and company-sponsored employee benefit plans of any
26 nature, successors, predecessors in interest, and each of their past and present officers, directors,
27 shareholders, employees, agents, assigns, members, managing entities, joint employers, integrated
28 enterprises, principals, heirs, representatives, accountants, auditors, consultants, attorneys,

1 administrators, fiduciaries, trustees, agents, anyone acting for any of them.

2 33. "Response Deadline" means forty-five (45) days after the postmark date of the Notice
3 of Class and PAGA Settlement that the Settlement Administrator shall mail to Class Members, and
4 the last date on which Class Members may: (a) submit a Request for Exclusion; (b) submit an
5 Objection to the Settlement; or (c) submit a pay period dispute.

6 34. "PAGA Release" means as of the Effective Date, Plaintiff, on behalf of herself, and
7 the State of California and PAGA Members, release of any and all claims for penalties under PAGA
8 that were or could have been asserted in the PAGA Notices, the Operative Complaint, and/or the
9 Action, for the duration of the PAGA Period. The claims released shall include, without limitation,
10 known and unknown claims for PAGA penalties relating to any alleged: a) failure to provide required
11 meal periods, in violation of Labor Code Sections 226.7, 512, 558 and Industrial Welfare Commission
12 ("IWC") Wage Orders 1-2001, 4-2001, and 5-2001, Section 11; b) failure to provide required rest
13 periods, in violation of Labor Code Sections 226.7, IWC Orders 1-2001, 4-2001, and 5-2001, Section
14 12; c) failure to pay overtime wages, in violation of Labor Code Sections 510, 1194, 1198, IWC
15 Wage Orders 1-2001, 4-2001, and 5-2001, Section 3; d) failure to pay minimum and straight time
16 wages, in violation of Labor Code Sections 1194, 1194.2, 1197, 1197.1, 226.7, 512 and Industrial
17 Welfare Commission ("IWC") 1-2001, 4-2001, and 5-2001, Section 4; e) failure to timely pay wages
18 when due, in violation of Labor Code Sections 204, and 210; f) failure to pay all wages due upon
19 discharge or termination, including vacation pay, in violation or Labor Code Sections 201, 202, 203,
20 221, 227, and 227.3; g) failure to maintain required records, in violation of Labor Code Sections 226,
21 226.2, 1174, 1174.5, and IWC Wage Orders 1-2001, 4-2001, and 5-2001, Section 7; h) failure to
22 provide accurate and itemized wage statements, in violation of Labor Code Sections 226, 226.3, and
23 IWC Wage Order 1-2001, 4-2001, 5-2001, Section 5; i) failure to provide suitable seating, in violation
24 of IWC Wage Orders 1-2001, 4-2001, and 5-2001, Section 14; j) failure to indemnify for necessary
25 business expenses, in violation of Labor Code Section 2802; k) failure to provide and pay sick leave
26 and COVID-19 supplemental sick leave, in violation of Labor Code Sections 245.5, 246, and 248.6;
27 l) failure to provide employment records, in violation of Labor Code Section 1198.5 and IWC Wage
28

1 Order 1-2001, 4-2001, 5-2001, Section 7; m) the misclassification of aggrieved employees as
2 independent contractors, in violation of Labor Code Section 226.8. (“Released PAGA Claims”).

3 35. “Settlement” means the disposition of the Action pursuant to this Settlement
4 Agreement.

5 36. “Settlement Administration Costs” means the amount to be paid to the Settlement
6 Administrator from the Gross Settlement Amount for administration of this Settlement.

7 37. “Settlement Administrator” means ILYM Group, Inc. (“ILYM Group”), the Settlement
8 Administrator shall be responsible for, *inter alia*: (a) performing Spanish translations of the Notice of
9 Class Settlement; printing and mailing the Notice of Class and PAGA Settlement to the Class in
10 English and Spanish; (b) receiving and reporting the Requests for Exclusion and Objections submitted
11 by Class Members; (c) providing declaration(s) as necessary in support of preliminary and/or final
12 approval of this Settlement; (d) processing and mailing payments to Plaintiff’s, Class Counsel, the
13 LWDA, PAGA Members, and Settlement Class Members; and (e) any other tasks as the Parties
14 mutually agree or the Court orders the Settlement Administrator to perform. The Settlement
15 Administrator shall keep the Parties timely apprised of the performance of all Settlement
16 Administrator responsibilities. The Parties agree that they have no financial interest or other
17 relationship with ILYM Group that could create a conflict of interest. Should a conflict of interest or
18 other issue lead to the disqualification of the selected Settlement Administrator, the Parties will meet
19 and confer as to a suitable replacement.

20 38. “Settlement Class” or “Settlement Class Members” means all Class Members who
21 have not opted out of the Class by submitting a valid and timely Requests for Exclusion.

22 RECITALS

23 39. Procedural History. On June 29, 2023, Plaintiff filed a PAGA only complaint against
24 Defendant in Superior Court of the State of California, County of Orange, Case Number: 30-2023-
25 01333990-CU-OE-CXC. The Parties stipulated to the filing of the Operative Complaint in order to
26 effectuate the terms of the Settlement which will be submitted to the Court prior to the time Plaintiff
27 files her Motion for Preliminary Approval. Defendant’s answer to Plaintiff’s Operative Complaint
28 will be held in abeyance pending Court approved of this Settlement.

1 40. Investigation and Discovery. The Parties have conducted significant investigation of
2 the facts and law during the prosecution of this Action and before this Settlement was reached. Such
3 discovery and investigation included, *inter alia*, the exchange of information and extensive documents
4 pertaining to Plaintiff and the Class, and numerous meetings and informal conferences wherein the
5 Parties exchanged information, class data, and theories of the case. Plaintiff has also investigated the
6 law as applied to the facts of Plaintiff's claims and Defendant's potential defenses thereto.

7 41. Mediation. The Parties initially participated in a mediation session with the highly
8 experienced mediator, Kelly Knight, Esq., on June 18, 2024. After a full day of mediation, the Parties
9 were able to reach a proposed settlement regarding the material terms for a proposed PAGA settlement
10 that would fully resolve the Action. The Parties continued in their settlement discussions regarding
11 Plaintiff's putative class claims. On September 4, 2025, the Parties participated in a second mediation
12 session with the highly experienced mediator Steve Pearl, Esq., and subsequently resolved Plaintiff's
13 putative class claims. The Settlement Agreement is intended to consolidate and memorialize the terms
14 of the settlements that were reached during both mediations (*i.e.*, on June 18, 2024, and September 4,
15 2025), and supersedes the PAGA Settlement Agreement previously executed by the Parties.

16 42. Benefits of Settlement to Class Members. Plaintiff and Class Counsel recognize the
17 expense and length of continued proceedings necessary to litigate Plaintiff's claims through trial and
18 any possible appeals. Plaintiff has also taken into account the uncertainty and risk of the outcome of
19 further litigation, and the difficulties and delays inherent in such litigation. Plaintiff and Class Counsel
20 are also aware of the burdens of proof necessary to establish liability for the claims asserted in the
21 operative Complaint, both generally and in response to Defendant's defenses thereto, and the
22 difficulties in establishing damages for the Class. Plaintiff and Class Counsel have also taken into
23 account Defendant's agreement to enter into a settlement that confers substantial relief upon the
24 members of the Class. Based on the foregoing, Plaintiff and Class Counsel have determined that the
25 Settlement set forth in this Settlement Agreement is a fair, adequate, and a reasonable settlement, and
26 is in the best interests of the Class.

27 43. Defendant's Reasons for Settlement. Defendant has concluded that any further defense
28 of this litigation would be protracted and expensive for all Parties. Substantial amounts of Defendant's

1 time, energy, and resources have been and, unless this Settlement is completed, will continue to be
2 devoted to the defense of the claims asserted by Plaintiff. Defendant has also taken into account the
3 risks of further litigation in reaching its decision to enter into this Settlement. Even though Defendant
4 continues to contend that it is not liable for any of the claims alleged by Plaintiff in the Operative
5 Complaint, Defendant has agreed, nonetheless, to settle in the manner and upon the terms set forth in
6 this Settlement Agreement to put to rest the claims asserted in the Operative Complaint.

7
8 **STIPULATION AND AGREEMENT**

9 44. NOW THEREFORE, in consideration of the mutual covenants, promises, and
10 agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

11 45. It is agreed by and among Plaintiff and Defendant that this Settlement shall bind the
12 Plaintiff, Settlement Class Members, and Defendant, subject to the terms and conditions hereof.

13 46. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section,
14 the "acknowledging party" and each Party to this Agreement other than the acknowledging party, an
15 "other party") acknowledges and agrees that (1) no provision of this Agreement, and no written
16 communication or disclosure between or among the Parties or their attorneys and other advisers, is or
17 was intended to be, nor shall any such communication or disclosure constitute or be construed or be
18 relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31
19 CFR Part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her, or its
20 own, independent legal and tax counsel for advice (including tax advice) in connection with this
21 Agreement, (b) has not entered into this Agreement based upon the recommendation of any other
22 party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any
23 communication or disclosure by any attorney or advisor to any other party to avoid any tax penalty
24 that may be imposed on the acknowledging party; and (3) no attorney or adviser to any other party
25 has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax
26 strategies (regardless of whether such limitation is legally binding) upon disclosure by the
27 acknowledging party of the tax treatment or tax structure of any transaction, including any transaction
28 contemplated by this Agreement.

47. Released Claims by Plaintiff. As the Effective Date, Plaintiff agrees to the Release of

1 Claims by Settlement Class Members. In addition to Release of Claims by Settlement Class Members
2 and as a material inducement to Defendant to enter into this Settlement Agreement, Plaintiff does
3 hereby, for herself and for her spouse, heirs, successors, beneficiaries, devisees, legatees, executors,
4 administrators, trustees, conservators, guardians, personal representatives, and assign, forever and
5 completely release and discharge the Released Parties from any and all charges, complaints, claims,
6 liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits,
7 rights, demands, costs, losses, debts, and expenses (including back wages, statutory penalties, civil
8 penalties, liquidated damages, exemplary damages, interest, attorneys' fees, and costs) of any nature
9 whatsoever, from the beginning of time through the execution of this Settlement Agreement, whether
10 known or unknown, suspected or unsuspected, including but not limited to all claims arising out of,
11 based upon, or relating to Plaintiff's employment with or work for Defendant or the remuneration for
12 or termination of such employment.

13 Without limiting the generality of the foregoing, Plaintiff expressly releases all claims arising
14 under the California Labor Code (including, but not limited to, sections 200, 201, 201.3, 202, 203,
15 204, 210, 216, 218.5, 218.6, 221, 225, 225.5, 226, 226.3, 226.7, 227.3, 246, 248.1, 248.2, 248.6, 351,
16 432, 450, 510, 511, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198, 1198.5, 1199,
17 1400, 1775, 2698 et seq., 2699, 2802; the Wage Orders of the California Industrial Welfare
18 Commission, including IWC Wage Orders 5-2001, and 15-2001; the California Private Attorneys
19 General Act of 2004 ("PAGA"); California Business and Professions Code section 17200 et seq.; the
20 California Civil Code, to include, but not limited to, section 3336 and 3294; the California common
21 law of contract; the Fair Labor Standards Act, 29 U.S.C. § 201 et seq.; federal common law; and the
22 Employee Retirement Income Security Act, 29 U.S.C. § 1001, et seq. Plaintiff's Released Claims
23 also include all claims for lost wages and benefits, emotional distress, retaliation, punitive damages,
24 and attorneys' fees and costs arising under federal, state, or local laws for discrimination, harassment,
25 and wrongful termination such as by way of example only, (as amended) 42 U.S.C. section 1981, Title
26 VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in
27 Employment Act, and the California Fair Employment and Housing Act; and the law of contract and
28 tort. This release excludes the release of claims not permitted by law. As to the Plaintiff's Released

1 Claims only, Plaintiff expressly waives all rights and benefits under the terms of section 1542 of
2 the California Civil Code. Section 1542 reads as follows:

3 **A general release does not extend to claims that the creditor or releasing party does**
4 **not know or suspect to exist in his or her favor at the time of executing the release**
5 **and that, if known by him or her, would have materially affected his or her**
6 **settlement with the debtor or releasing party.**

6 Notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and
7 complete release and discharge of all parties, Plaintiff and Class Counsel expressly acknowledge that
8 this Settlement Agreement is intended to include in its effect, without limitation, all claims that
9 Plaintiff knew of, as well as all claims that Plaintiff did not know or suspect to exist in Plaintiff's favor
10 against the Released Parties, or any of them, for the time period from the beginning of time to the
11 execution of this Settlement Agreement, and that this Settlement Agreement contemplates the
12 extinguishment of any such claims. Plaintiff and Plaintiff's Counsel do not currently intend to
13 pursue any claims against Defendant, including, but not limited to, any and all claims relating to
14 or arising from Plaintiff's employment with Defendant, and that Plaintiff's Counsel is not
15 currently aware of any facts or legal theories upon which any claims or causes of action could be
16 brought against Defendant, excepting those facts or legal theories alleged in the Operative
17 Complaint in this Action. This release does not include claims which cannot be released by
18 California law such as unemployment or Worker's Compensation benefits.

19 48. Class Certification. For settlement purposes only, Defendant will stipulate that the
20 Settlement Class Members described herein who do not request exclusion from the Class may be
21 conditionally certified as a settlement class. This stipulation to certification is in no way an admission
22 that class action certification is proper and shall not be admissible in this or in any other action except
23 for the sole purposes of enforcing this Agreement. Should the Court fail to issue Final Approval for
24 any reason, the Parties' stipulation to class certification as part of the Settlement Agreement shall
25 become null and void *ab initio* and shall have no bearing on but remains protected by California
26 Evidence Code Section 1152 and shall not be admissible in connection with, the issue of whether or
27 not certification would be appropriate in a non-settlement context. Defendant expressly reserve its
28 rights and declare that Defendant's will continue to oppose class certification and contest the

1 substantive merits of the case should the Court fail to issue Final Approval. Plaintiff expressly reserves
2 her rights and declares that she will continue to pursue class certification and a trial should the Court
3 fail to grant Final Approval.

4 49. Approval of Settlement. Plaintiff will move the Court to grant preliminary and final
5 approval of this class action Settlement. The Parties agree to work diligently and cooperatively to
6 have this matter presented to the Court for preliminary and final approval.

7 50. Release of Claims by Class Members. Settlement Class Members release the
8 “Released Claims by Settlement Class Members,” as defined, as of the Effective Date.

9 51. Release of Settled PAGA Claims. Plaintiff, on behalf of the State of California and
10 LWDA, release the “Settled PAGA Claims,” as defined, as of the Effective Date.

11 52. Settlement Administration. Within fourteen (14) calendar days after the Preliminary
12 Approval Date, Defendant shall provide the Settlement Administrator with the Class Information.

13 53. Notice to the Class. Upon receipt of the Class Information, the Settlement
14 Administrator will perform a search based on the National Change of Address Database to update and
15 correct any known or identifiable address changes. Within ten (10) calendar days after receiving the
16 Class Information, the Settlement Administrator shall mail copies of the Notice of Class Settlement
17 to all Class Members via regular First Class U.S. Mail. The Settlement Administrator shall exercise
18 its best judgment to determine the current mailing address for each Class Member. The address
19 identified by the Settlement Administrator as the current mailing address shall be presumed to be the
20 best mailing address for each Class Member.

21 a. Undeliverable Notices. Any Notice of Class and PAGA Settlement returned to
22 the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed
23 to the forwarding address affixed thereto within ten (10) calendar days. For any undeliverable Notice
24 of Class and PAGA Settlement returned for which no forwarding address is affixed, the Settlement
25 Administrator will conduct its investigation for an updated address of the Class Member and re-mail
26 the Notice of Class and PAGA Action Settlement. If an updated address is found, the Settlement
27 Administrator shall have seven (7) days to re-mail the Notice of Class and PAGA Settlement from
28 receipt of the undelivered envelope. The Settlement Administrator will provide a cover letter notifying

1 the Class Member of the extended Response Deadline. Any Class Member who receives a re-mailed
2 Notice of Class Settlement shall have forty-five (45) days after the postmark date of the re-mailed
3 Notice of Class and PAGA Settlement to: (a) submit a Request for Exclusion; (b) submit an Objection
4 to the Settlement; or (c) dispute Compensable Workweeks and/or Compensable PAGA Pay Periods.

5 (1) Verification of Class Member Employment Status. If Notice of Class
6 and PAGA Settlement sent to a Class Member is determined to be
7 undeliverable, the Settlement Administrator shall verify the
8 employment status of the Class Member with Defendant within five (5)
9 days of receipt of the undeliverable Notice of Class and PAGA
10 Settlement. If the Class Member is a current employee of Defendant,
11 Defendant shall take all reasonable efforts to obtain the current address
12 from the Class Member and shall provide the same with seven (7) days
13 of notice from the Settlement Administrator.

14 b. Disputes Regarding Individual Settlement Payments. Class Members will have
15 the opportunity, should they disagree with Defendant's records regarding the number of Compensable
16 Workweeks attributed to them in the Notice of Class and PAGA Settlement, to provide documentation
17 and/or an explanation to show contrary information by the Response Deadline. The dispute form must:
18 (a) contain the full name, address, and telephone number of the Class Member, and the last four digits
19 of the Class Member's social security number or full employee ID number; (b) contain the case name
20 and case number; (c) contain a clear statement by the Class Member that he or she is disputing the
21 number of Compensable Workweeks and the basis for the dispute; (d) be signed by the Class Member;
22 and (e) be postmarked, faxed or e-mailed by the Response Deadline. The date of the postmark on the
23 return mailing envelope on the dispute form, or the date the e-mail or fax is sent, shall be the exclusive
24 means used to determine whether it has been timely submitted. If there is a dispute, the Settlement
25 Administrator will consult with the Parties to determine whether an adjustment is warranted. The
26 Settlement Administrator shall then determine the eligibility for, and the amounts of, any Individual
27 Settlement Payments and Individual PAGA Payments under the terms of this Agreement. The Court
28 has final say regarding the validity and final decision regarding any Pay Period disputes.

1 c. Request for Exclusion. Class Members who want to exclude themselves from
2 the Settlement must mail, fax or email to the Settlement Administrator a Request for Exclusion by the
3 Response Deadline. The Request for Exclusion must: (a) contain the full name, address, and telephone
4 number of the Class Member, and the last four digits of the Class Member's social security number;
5 (b) contain the case name and case number; (c) contain a clear statement by the Class Member that he
6 or she is electing to be excluded from the Settlement; (d) be signed by the Class Member; and (e) be
7 postmarked, faxed or e-mailed by the Response Deadline. The date of the postmark on the return
8 mailing envelope on the Request for Exclusion, or the date the e-mail or fax is sent, shall be the
9 exclusive means used to determine whether it has been timely submitted. Any Class Member who
10 requests to be excluded from the Class shall not be entitled to any Individual Settlement Payment,
11 shall not release any of the Released Claims by Settlement Class Members, and shall not have any
12 right to object, appeal or comment thereon. Class Members who fail to submit a valid and timely
13 Request for Exclusion on or before the Response Deadline shall be bound by all terms of the
14 Settlement and any Final Approval Order and Judgment entered in this Action, including the Released
15 Claims by Settlement Class Members in Paragraph 32. Any Class Member who submits a valid and
16 timely Request for Exclusion cannot opt-out of PAGA portion of this Settlement and will still receive
17 their PAGA Payment and be bound by the PAGA Release. The Court has final say regarding the
18 validity and authenticity of any Requests for Exclusion.

19 d. Objections. Settlement Class Members who want to object to the Settlement
20 can either mail, fax or email to the Settlement Administrator a written Objection by the Response
21 Deadline. The Objection should: (a) contain the full name, address, and telephone number of the Class
22 Member, and the last four digits of the Class Member's social security number; (b) contain the case
23 name and case number; (c) the dates of employment of the Class Member; (d) be signed by the Class
24 Member; (e) state the basis for the Objection, including any legal briefs, papers or memoranda in
25 support of the Objection; and (f) be postmarked by the Response Deadline. The date of the postmark
26 on the return mailing envelope on the Objection, or the date the email or fax was sent, shall be the
27 exclusive means used to determine whether the Objection has been timely submitted. Class Members,
28 including those who submit a timely Objection, will have a right to appear at the final approval hearing

1 to have their Objection heard by the Court. At no time shall any of the Parties or their counsel seek to
2 solicit or otherwise encourage Class Members to submit Objections to the Settlement or appeal from
3 the Final Approval Order and Judgment. Class Counsel shall not represent any Settlement Class
4 Members with respect to any such Objections. The Settlement Administrator will provide the Parties
5 with any Objection within five (5) calendar days of receipt of the Objection. Plaintiff will file any and
6 all Objections with the Court in advance of the Final Approval Hearing. Oral or written Objections
7 may also be made at the Final Approval hearing without a written Objection or notice of intent to
8 appear being submitted. Only Settlement Class Members have a right to assert an Objection to the
9 Settlement, and Class Members who submit a valid Request for Exclusion do not have standing to
10 object to the Settlement. If the Court rejects the Objection, the individual will be bound by the terms
11 of the Settlement.

12 e. If greater than five (5) percent of the Class Members opt out or object to this
13 Settlement Agreement or a number of Class Members whose share of the Net Settlement Amount is
14 5% or more, Defendant will have the right to rescind and terminate the Settlement without prejudice
15 to its pre-settlement positions and defenses in the litigation. In such a case, the Parties and any funds
16 to be awarded shall be returned to their respective statuses as of the date and time immediately prior
17 to the execution of this Settlement Agreement.

18 f. Except for those Class Members who exclude themselves in compliance with
19 the Request for Exclusion procedures set forth above, all Class Members will: (i) be deemed to be
20 Settlement Class Members for all purposes under this Settlement Agreement; (ii) will be bound by the
21 terms and conditions of this Settlement Agreement, the Final Approval Order and Judgment, and the
22 releases set forth herein; and (iii) except as otherwise provided herein, will be deemed to have waived
23 all Objections and oppositions to the fairness, reasonableness, and adequacy of the Settlement.

24 54. Funding Gross Settlement Amount. Within 30 days after the Effective Date,
25 Defendant agrees to pay a sum equal to \$2,250,000 (the “Gross Settlement Amount”) to fund the
26 Settlement of this Action. The Settlement is “all-in”, non-reversionary and no funds will return to
27 Defendant. Payments of any appropriate and lawfully-required employer share of the payroll taxes on
28

1 the taxable portion of the settlement payments shall be paid by Defendant separately from and in
2 addition to the Gross Settlement Amount.

3 55. Allocation of Settlement. Individual Settlement Payments will be paid from the Net
4 Settlement Amount, and Individual PAGA Payments will be paid from the PAGA Payment, and shall
5 be paid pursuant to the settlement formula set forth herein. Individual Settlement Payments and
6 Individual PAGA Payments shall be mailed by regular First Class U.S. Mail to Settlement Class
7 Members' and/or PAGA Members' last known mailing address.

8 a. The Settlement Administrator shall calculate the total Compensable
9 Workweeks for all Settlement Class Members and Compensable PAGA Pay Periods for all PAGA
10 Members based on the Class Information provided by Defendant. The respective Compensable
11 Workweeks for each Settlement Class Member will be divided by the total Compensable Workweeks
12 for all Settlement Class Members, resulting in the Payment Ratio for each Settlement Class Member.
13 A similar calculation will apply to determining the PAGA Payment Ratio for Compensable PAGA
14 Pay Periods for each PAGA Member. Each Settlement Class Member's Payment Ratio will then be
15 multiplied by the Net Settlement Amount to determine his or her Individual Settlement Payment, and
16 each PAGA Members' PAGA Payment Ratio will then be multiplied by the PAGA Payment to
17 determine his or her PAGA Payment.

18 b. Individual PAGA Payments are counted as penalties rather than wages for tax
19 purposes and will be reported on IRS Form 1099 to each PAGA Member.

20 c. Individual Settlement Payments due to each Settlement Class Member shall be
21 designated as follows:

22 1. Twenty percent (20%) of the Individual Settlement Payment shall
23 represent payment for alleged unpaid wages. This payment shall be subject to the withholding of all
24 applicable local, state, and federal taxes. Applicable payroll taxes and/or contributions will be
25 deducted from the amount paid to Settlement Class Members. The Settlement Administrator will
26 issue a W-2 Form to each Settlement Class Member in relation to this payment.

27 2. Seventy percent (70%) of the Individual Settlement Payment shall
28 represent payment of all penalties. These payments will not be subject to withholding of local, state,

1 and federal taxes. The Settlement Administrator will issue an IRS Form 1099 to each Settlement Class
2 Member in relation to these payments.

3 3. Ten percent (10%) of the Individual Settlement Payment shall represent
4 payment of all interest. These payments will not be subject to withholding of local, state, and federal
5 taxes. The Settlement Administrator will issue an IRS Form 1099 to each Settlement Class Member
6 in relation to these payments.

7 (a). Class Members With Missing/Unverifiable Social Security
8 Numbers and Withholdings of Taxes and Applicable Penalties. In the event that an Individual
9 Settlement Payment or Individual PAGA Payment exceeds the threshold amount that must be reported
10 to the Internal Revenue Service by means of a Form 1099, Class Counsel, and the Settlement
11 Administrator, will take all necessary and reasonable steps to obtain W-9's from Class Members
12 and/or PAGA Members and to comply with applicable IRS regulations on issuing 1099's without a
13 social security number or tax entity identification number, and shall take all reasonable and necessary
14 steps to avoid imposition of IRS penalties against the Gross Settlement Amount, including, but not
15 limited to limiting payments below the reportable threshold and/or withholding of taxes and any
16 applicable penalties. The Settlement Administrator will contact Class Members or PAGA Members
17 who are entitled to payments that exceed the taxable income threshold twice, with at least 30 days
18 between the two contacts.

19 c. Uncashed Settlement Checks (Class and PAGA). Individual Settlement
20 Payment and Individual PAGA Payment checks shall remain negotiable for one hundred and eighty
21 (180) calendar days from the postmark date of issuance. If the Individual Settlement Payment check
22 is not cashed, deposited, or otherwise negotiated by the Settlement Class Member within the 180-day
23 deadline, the Settlement Administrator will transmit the funds to Legal Aid at Work thereby leaving
24 no "unpaid residue" subject to the requirements of Code of Civil Procedure section 384, subd. (b).
25 Neither Defendant, Defendant's Counsel, Class Counsel nor Plaintiff will have any liability for lost
26 or stolen settlement checks, forged signatures on settlement checks, unauthorized negotiation of
27 settlement checks or failure to timely cash a settlement check within the 180-day period. The
28 Settlement Administrator shall send a reminder postcard to any Settlement Class Member and/or

1 PAGA Member whose settlement distribution check has not been negotiated within sixty (60) days
2 after the date of mailing.

3 d. Certification By Settlement Administrator. The Parties have the right to
4 monitor and review administration of the Settlement. Any disputes not resolved by the Settlement
5 Administrator concerning the administration of the Settlement will be resolved by the Court, under
6 the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties
7 will confer in good faith to resolve the disputes without the necessity of involving the Court. Upon
8 completion of administration of the Settlement, the Settlement Administrator shall provide written
9 certification of such completion to counsel for the Parties, and which shall be filed with the Court as
10 necessary.

11 e. Settlement Awards Do Not Trigger Additional Benefits. All monies received
12 by Settlement Class Members shall be deemed to be income to such Settlement Class Members and
13 PAGA Members solely in the year in which such awards actually are received by the Settlement Class
14 Members and PAGA Members. It is expressly understood and agreed that the receipt of such
15 Individual Settlement Payment or Individual PAGA Payment will not entitle any Settlement Class
16 Member or PAGA Members to additional compensation or benefits under any company compensation
17 or benefit plan or agreement in place during the period covered by the Settlement, nor will it entitle
18 any Settlement Class Member to any increased pension and/or retirement, or other deferred
19 compensation benefits. It is the intent of this Settlement that any Individual Settlement Payments or
20 Individual PAGA Payments provided for in this Agreement are the sole payments to be made by
21 Defendant to the Settlement Class Members and/or PAGA Members in connection with this
22 Settlement, and that the Settlement Class Members are not entitled to any new or additional
23 compensation or benefits as a result of having received the Individual Settlement Payments and
24 Individual PAGA Payments (notwithstanding any contrary language or agreement in any benefit or
25 compensation plan document that might have been in effect during the period covered by this
26 Settlement).

27 f. Class Representative Service Award. Defendant agrees not to oppose or object
28 to a Class Representative Service Award to Plaintiff of up to Six Thousand Dollars and Zero Cents

1 (\$6,000.00), subject to Court approval. The Settlement Administrator shall issue an IRS Form 1099 –
2 MISC to Plaintiff in connection with the Class Representative Service Award payment. Plaintiff shall
3 be solely and legally responsible to pay any and all applicable taxes on her Class Representative
4 Service Award and shall hold harmless Defendant and Class Counsel from any claim or liability for
5 taxes, penalties, or interest arising as a result of the Class Representative Service Award payment.
6 The Class Representative Service Award shall be in addition to Plaintiff's Individual Settlement
7 Payment. This Settlement is not contingent upon the Court awarding Plaintiff a Class Representative
8 Service Award in any amount, and any amount requested by Plaintiff for the Class Representative
9 Service Award that is not granted by the Court shall return to the Net Settlement Amount and be
10 distributed to Settlement Class Members as provided in this Settlement Agreement.

11 g. Class Counsel Award. Defendant agrees not to oppose or object to any
12 application or motion by Class Counsel for attorneys' fees not to exceed one-third from the Gross
13 Settlement Amount, or Seven-Hundred and Forty-Nine Thousand, Two Hundred and Fifty Dollars
14 and Zero cents (\$749,250). Defendant further agrees not to oppose any application or motion by Class
15 Counsel for the reimbursement of any costs or expenses associated with Class Counsel's prosecution
16 of this matter from the Gross Settlement Amount not to exceed Sixty Thousand Dollars (\$60,000).
17 Class Counsel shall be solely and legally responsible to pay all applicable taxes on the payment made
18 pursuant to this paragraph. The Settlement Administrator shall issue an IRS Form 1099 – MISC to
19 Class Counsel for the payments made pursuant to this paragraph. This Settlement is not contingent
20 upon the Court awarding Class Counsel any particular amount in attorneys' fees and costs. Any
21 amount requested by Class Counsel for the Class Counsel Award and costs that are not granted by the
22 Court shall return to the Net Settlement Amount and be distributed to Settlement Class Members as
23 provided in this Agreement.

24 h. Settlement Administration Costs. The Settlement Administrator shall be paid
25 for the costs of administration of the Settlement from the Gross Settlement Amount. The costs of
26 notice and administration for the disbursement of the Gross Settlement Amount shall not exceed Sixty
27 Thousand Dollars (\$60,000.00). Prior to the filing of a motion for final approval of this Settlement,
28 the Settlement Administrator shall provide the Parties with a statement detailing the costs of

1 administration. Any amount requested by the Settlement Administrator for administration costs that
2 is not granted by the Court shall return to the Net Settlement Amount and be distributed to Settlement
3 Class members as provided in this Settlement Agreement.

4 i. PAGA Payment. Two Hundred Thousand dollars (\$200,000) from the Gross
5 Settlement Amount will be allocated to penalties under PAGA as the PAGA Payment. Seventy-five
6 percent (75%) of that amount, or \$150,000, will be paid to the LWDA as the LWDA Payment and
7 twenty-five (25%) of that amount, or \$50,000, will be paid to the PAGA Members based upon
8 Compensable PAGA Pay Periods as determined by the PAGA Payment Ratio as set forth in Paragraph
9 25. This PAGA Payment is made pursuant to California Labor Code § 2699(i).

10 56. Tax Liability: Class Counsel and Defendant make no representation as to the tax
11 treatment or legal effect of payments called for hereunder, and Plaintiff and the Settlement Class
12 Members are not relying on any statement or representation by Class Counsel or Defendant in this
13 regard. Plaintiff and Settlement Class Members understand and agree that they will be solely
14 responsible for the payment of any taxes and penalties assessed on their respective payments described
15 herein. The amount of federal income tax withholding will be based upon a flat withholding rate for
16 supplemental wage payments in accordance with Treas. Reg. §31.3402(g)-1(a)(2) as amended or
17 supplemented. Income tax withholding will also be made pursuant to applicable state and/or local
18 withholding codes or regulations. Forms W-2 and/or Forms 1099 will be distributed at times and in
19 the manner required by the Internal Revenue Code of 1986 (the “Code”) and consistent with this
20 Settlement Agreement. If the Code, the regulations promulgated thereunder, or other applicable tax
21 law, is changed after the date of this Settlement Agreement, the processes set forth in this Section may
22 be modified in a manner to bring Defendant into compliance with any such changes.

23 57. Distribution of Settlement Payments. Individual Settlement Payments to Settlement
24 Class Members, Individual PAGA Payments to PAGA Members, the Class Representative Service
25 Award, the Class Counsel Award, Settlement Administration Costs, Defendant’s share of employer
26 payroll taxes and PAGA Payment, shall all be distributed by the Settlement Administrator within (10)
27 calendar days of receipt of the full Gross Settlement Amount from Defendant. Prior to distribution of
28 Individual Settlement Payments to the Settlement Class Members and Individual PAGA Payments to

1 the PAGA Members, the Settlement Administrator shall update the Class and PAGA Members
2 addresses using the National Change of Address Database.

3 58. Additional Compensable Pay Periods. It is currently estimated that Class Members
4 worked 388,947 Compensable Workweeks as confirmed by Defendant. If the number of Compensable
5 Workweeks identified during the Class Period exceeds 10% or more of 388,947 Compensable
6 Workweeks (i.e., 427,842 Compensable Workweeks), then Defendant will pay the pro rata percentage
7 increase in excess of the Gross Settlement Amount to include the additional Compensable Workweeks
8 (e.g., an 11% increase in Compensable Workweeks would result in a 1% increase in the Gross
9 Settlement Amount.

10 59. Final Settlement Approval Hearing and Entry of Final Judgment. Upon expiration of
11 the Response Deadline, a final approval hearing shall be conducted to determine, *inter alia*, final
12 approval of the Settlement and amounts properly payable for: (a) Individual Settlement Payments; (b)
13 the Class Counsel Awards; (c) the Class Representative Service Award; (d) PAGA Payment; and (e)
14 the Settlement Administration Costs.

15 60. Nullification of Settlement Agreement. In the event: (a) the Court does not enter the
16 order for preliminary approval of the Settlement; (b) the Court does not finally approve the Settlement;
17 (c) the Court does not enter a Final Approval Order and Judgment as provided herein; (d) the
18 Settlement does not become final for any other reason; or (e) the Court fails or refuses to approve any
19 material condition of this Settlement Agreement which effects a fundamental change of the Settlement
20 Agreement, this entire Settlement Agreement shall be null and void and unenforceable as to all Parties
21 herein at the option of any Party but remains protected by California Evidence Code Section 1152,
22 and any order or judgment entered by the Court in furtherance of this Settlement shall be treated as
23 void from the beginning. In such cases, the Parties and any funds to be awarded under this Settlement
24 shall be returned to their respective statuses as of the date and time immediately prior to the execution
25 of this Settlement Agreement, and the Parties shall proceed in all respects as if this Settlement
26 Agreement had not been executed. Further, if the Settlement Agreement is voided or fails for any
27 reason, Plaintiff and Defendant will have no further obligations under the Settlement Agreement,
28 including any obligation by Defendant to pay the Settlement Amount, or any amounts that otherwise

1 would have been owed under this Settlement Agreement. In the event an appeal is filed from the
2 Court's Final Approval Order and Judgment, or any other appellate review is sought, administration
3 of the Settlement shall be stayed pending final resolution of the appeal or other appellate review, and
4 any fees incurred by the Settlement Administrator prior to it being notified of the filing of an appeal
5 from the Court's Final Approval Order and Judgment, or any other appellate review, shall be paid to
6 the Settlement Administrator by the party or person that filed the appeal, within thirty (30) calendar
7 days of said notification.

8 61. No Admission by Defendant. Defendant denies any and all claims alleged in this
9 Action and/or the Operative Complaint and denies all wrongdoing whatsoever. This Settlement
10 Agreement is not a concession or admission and shall not be used against Defendant as an admission
11 or indication with respect to any claim of any fault, concession, or omission by Defendant.
12 Nonetheless, Defendant's desire to settle and compromise the matters at issue in the Action to avoid
13 further substantial expense and the inconvenience and distraction of protracted and burdensome
14 litigation. Defendant also has taken into account the uncertainty and risks inherent in litigation, and
15 without conceding any infirmity in the defenses that it has asserted or could assert against Plaintiff
16 and/or any Class Member, has determined that it is desirable and beneficial that the claims of Plaintiff
17 and the Class be settled in the manner and upon the terms and conditions set forth in this Settlement
18 Agreement.

19 62. No Publicity. Plaintiff and Class Counsel agree not to issue any press releases,
20 initiate contact with the press, or respond to any press inquiries regarding the Settlement.
21 Additionally, Plaintiff and Class Counsel agreed not to disclose or publicize the settlement,
22 including the previously executed PAGA Settlement Agreement, which is superseded by this
23 Settlement Agreement, the fact of the Settlement, its terms or contents, and the negotiations
24 underlying the Settlement, in any manner or form, directly or indirectly, to any person or entity,
25 except potential class members and as shall be contractually required to effectuate the terms of
26 the Settlement as set forth herein. For the avoidance of doubt, this section means Plaintiff and
27 Class Counsel will not issue press releases, communicate with, or respond to any media or
28 publication entities, publish information in manner or form, whether printed or electronic, on any

1 medium or otherwise communicate, whether by print, video, recording or any other medium, with
2 any person or entity concerning the Settlement, including the fact of the Settlement, its terms or
3 contents and the negotiations underlying the Settlement, except as shall be contractually required
4 to effectuate the terms of the Settlement as set forth herein. However, for the limited purpose of
5 allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may
6 disclose the name of the Parties in this action and the venue/case number of this action (but not
7 any other settlement details) for such purposes.

8 63. Exhibits and Headings. The terms of this Settlement Agreement include the terms set
9 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein.
10 Any Exhibits to this Settlement Agreement are an integral part of the Settlement. The descriptive
11 headings of any paragraphs or sections of this Settlement Agreement are inserted for convenience of
12 reference only and do not constitute a part of this Settlement Agreement.

13 64. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action,
14 except such proceedings necessary to implement and complete the Settlement, holding the Action in
15 abeyance pending the final approval hearing to be conducted by the Court.

16 65. Dispute Resolution. Except as otherwise set forth herein, all disputes concerning the
17 interpretation, calculation or payment of Settlement claims, or other disputes regarding compliance
18 with this Agreement shall be resolved as follows:

19 a. If Plaintiff or Class Counsel, on behalf of Plaintiff or any Settlement Class
20 Member, or Defendant's Counsel, on behalf of Defendant, at any time believe that the other Party has
21 breached or acted contrary to the Agreement, that Party shall notify the other Party in writing of the
22 alleged violation.

23 b. Upon receiving notice of the alleged violation or dispute, the responding Party
24 shall have ten (10) calendar days to correct the alleged violation and/or respond to the initiating Party
25 with the reasons why the Party disputes all or part of the allegation.

26 c. If the response does not address the alleged violation to the initiating Party's
27 satisfaction, the Parties shall negotiate in good faith for up to ten (10) calendar days to resolve their
28 differences.

1 d. If Class Counsel and Defendant's Counsel are unable to resolve their
2 differences after twenty (20) calendar days, either Party shall first contact the mediator (Steve Pearl,
3 Esq.) to try to resolve the dispute. If that proves unsuccessful, the party may file an appropriate motion
4 for enforcement with the Court. The briefing of such motion should be in letter brief form and shall
5 not exceed five (5) single-spaced pages (excluding exhibits).

6 e. Reasonable attorneys' fees and costs for work done in resolving a dispute under
7 this Section may be recovered by any Party that prevails under the standards set forth within the
8 meaning of applicable law.

9 66. Notice. Unless otherwise specifically provided herein, all notices, demands or other
10 communications given hereunder shall be in writing and shall be deemed to have been duly given as
11 of the third business day after (i) emailing and (ii) mailing by United States registered or certified
12 mail, return receipt requested, addressed:

13 To the Settlement Class:

14 THE WHEELER LAW FIRM, APC
15 Scott Ernest Wheeler
16 Justin A. Wheeler
17 250 West First Street, Suite 216
18 Claremont, California 91711
19 Telephone: (909) 621-4988
20 Facsimile: (909) 621-4622
21 Email: sew@scottwheelerlawoffice.com
22 jaw@scottwheelerlawoffice.com

23 To Defendant:

24 Christian J. Keeney
25 Alis Moon
26 Kelli M. Dreger
27 JACKSON LEWIS P.C.
28 200 Spectrum Center Drive, Suite 500
 Irvine, CA 92618
 Phone: (949) 885-1360
 Christian.Keeney@jacksonlewis.com
 Kelli.dreger@jacksonlewis.com

67. Amendment or Modification. This Settlement Agreement may be amended or
modified only by a written instrument signed by counsel for all Parties and approved by the Court.

68. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute

1 the entire Agreement among these Parties, and no oral or written representations, warranties, or
2 inducements have been made to any Party concerning this Settlement Agreement or its Exhibits other
3 than the representations, warranties, and covenants contained and memorialized in the Settlement
4 Agreement and its Exhibits.

5 69. Authorization to Enter Into Settlement Agreement. Class Counsel and Defendant's
6 Counsel warrant and represent they are expressly authorized by the Parties whom they represent to
7 negotiate this Settlement Agreement and to take all appropriate actions required or permitted to be
8 taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute
9 any other documents required to effectuate the terms of this Settlement Agreement. The Parties and
10 their counsel will cooperate with each other and use their best efforts to affect the implementation of
11 the Settlement. In the event the Parties are unable to reach agreement on the form or content of any
12 document needed to implement the Settlement, or on any supplemental provisions that may become
13 necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court
14 or the mediator to resolve such disagreement. The persons signing this Settlement Agreement on
15 behalf of Defendant represents and warrants that they are authorized to sign this Agreement on behalf
16 of Defendant. Plaintiff represents and warrants that she is authorized to sign this Settlement
17 Agreement and that she has not assigned any claim, or part of a claim, covered by this Settlement to
18 a third-party.

19 70. Binding on Successors and Assigns. This Settlement Agreement shall be binding
20 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

21 71. No Prior Assignments. The Parties hereto represent, covenant, and warrant that they
22 have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or
23 encumber to any person or entity any portion of any liability, claim, demand, action, cause of action
24 or rights released and discharged by this Settlement Agreement.

25 72. Inadmissibility of Agreement. Whether or not the Court issues the Final Approval
26 Order and Judgment, nothing contained herein, nor the consummation of this Settlement Agreement,
27 is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the
28 part of Defendant or any of the other Released Parties. Each of the Parties hereto has entered into this

1 Settlement Agreement with the intention of avoiding further disputes and litigation with the attendant
2 inconvenience and expenses. This Settlement Agreement is a settlement document, and it, along with
3 all related documents such as the notices, and motions for preliminary and final approval, shall,
4 pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408, be
5 inadmissible as evidence in any proceeding, except an action or proceeding to approve the Settlement,
6 and/or interpret or enforce this Settlement Agreement. The stipulation for class certification as part of
7 this Settlement Agreement is for settlement purposes only and if for any reason the Settlement is not
8 approved, the stipulation will be of no force or effect.

9 73. California Law Governs. All terms of this Settlement Agreement and the Exhibits
10 hereto shall be governed by and interpreted according to the laws of the State of California.

11 74. This Settlement is Fair, Adequate and Reasonable. The Parties believe this Settlement
12 is a fair, adequate, and reasonable settlement of this Action and have arrived at this Settlement after
13 extensive arms-length negotiations, taking into account all relevant factors, present and potential.

14 75. Jurisdiction of the Court. Pursuant to California Code of Civil Procedure section 664.6
15 and California Rules of Court. Rule 3.769(h), the Court shall retain jurisdiction with respect to the
16 interpretation, implementation, and enforcement of the terms of this Settlement Agreement and all
17 orders and judgments entered in connection therewith, and the Parties and their counsel hereto submit
18 to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the
19 settlement embodied in this Settlement Agreement and all orders and judgments entered in connection
20 therewith. All terms of this Settlement Agreement are subject to approval by the Court.

21 76. Construction. The Parties hereto agree that the terms and conditions of this Settlement
22 Agreement are the result of lengthy, intensive arms'-length negotiations among the Parties and that
23 this Settlement Agreement shall not be construed in favor of or against any Party based on the extent
24 to which any Party or their counsel participated in the drafting of this Settlement Agreement. Plaintiff
25 and Defendant expressly waive the common-law and statutory rule of construction that ambiguities
26 should be construed against the drafter of an agreement and further agree, covenant, and represent that
27 the language in all parts of this Settlement Agreement shall be in all cases construed as a whole,
28 according to its fair meaning.

1 77. Captions and Interpretations. Paragraph titles or captions contained herein are inserted
2 as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope
3 of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is
4 contractual and not merely a recital.

5 78. Binding On Assigns. This Settlement Agreement shall be binding upon and inure to
6 the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators,
7 successors and assigns.

8 79. Signatures of All Class Members Unnecessary to be Binding. It is agreed that, because
9 the members of the Settlement Class are numerous, it is impossible or impractical to have each
10 Settlement Class Member execute this Settlement Agreement. The Notice will advise all Settlement
11 Class Members of the binding nature of the release provided herein and such Release shall have the
12 same force and effect as if this Settlement Agreement were executed by each Settlement Class
13 Member.

14 80. Voluntary Agreement. The Parties acknowledge that they have entered into this
15 Settlement Agreement voluntarily, on the basis of their own judgment and without coercion, duress,
16 or undue influence of any Party, and not in reliance on any promises, representations, or statements
17 made by the other Parties other than those contained in this Settlement Agreement. Each of the Parties
18 hereto expressly waives any right they might ever have to claim that this Settlement Agreement was
19 in any way induced by fraud.

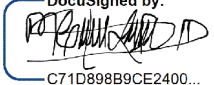
20 81. Opportunity to Consult with Counsel. Prior to execution of this Settlement Agreement,
21 each Party has read this entire Settlement Agreement and has been given the opportunity to consult
22 with independent counsel of their choosing and to have such independent counsel advise as to the
23 meaning of this Settlement Agreement and its legal effect.

24 82. Counterparts. This Settlement Agreement may be executed in counterparts, and when
25 each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed
26 an original, and, when taken together with other signed counterparts, shall constitute one fully-signed
27 Settlement Agreement, which shall be binding upon and effective as to all Parties. Electronic
28 signatures shall have the same force and effect as an original. To facilitate execution and delivery of

this Agreement, the Parties may execute and exchange by facsimile or electronic image (i.e., as a “.pdf” file) counterparts of the signature pages and/or sign by electronic means (i.e., with DocuSign).

83. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable.

Dated: 6/1/2026

DocuSigned by:

 C71D898B9CE2400...
 By: Marlene Del Carmen Leoner Diaz

Dated: _____

By: Silverado Senior Living Management, Inc.

Title: _____

APPROVED AS TO FORM:

Dated: June 1, 2026

THE WHEELER LAW FIRM, APC



By: Scott Ernest Wheeler
 Justin A. Wheeler

Attorneys for Plaintiff and the Putative Class

Dated: _____

JACKSON LEWIS P.C.

By: Christian J. Keeney
 Kelli M. Dreger

Attorneys for Defendant

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3 83. Invalidity of Any Provision. Before declaring any provision of this Settlement
4 Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent
5 possible consistent with applicable precedents so as to define all provisions of this Agreement valid
6 and enforceable.

7
8 Dated: _____

By: _____
Marlene Del Carmen Leoner Diaz

9
10 Dated: 06/02/2026

11 By: 
Kristina Hulse (Jun 2, 2026 15:57:02 PDT)
Silverado Senior Living Management, Inc.

12
13 Vice President, Legal
14 Title: _____

15 **APPROVED AS TO FORM:**

16 Dated: _____
THE WHEELER LAW FIRM, APC

17
18 By: _____
19 Scott Ernest Wheeler
Justin A. Wheeler

20 *Attorneys for Plaintiff and the Putative Class*

21 Dated: _____
22 JACKSON LEWIS P.C.

23 By: 
24 Christian J. Keeney
25 Kelli M. Dreger

26 *Attorneys for Defendant*
27
28