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Attorneys for MARIA ISORDIA, on behalf of herself,
all others similarly situated, and on behalf of the general public

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SONOMA

MARIA ISORDIA on behalf of herself,
all others similarly situated, and on
behalf of the general public,

Plaintiffs,

v.

TRESTLES HOLDINGS LLC DBA
HILLCREST POST ACUTE; and DOES
1-100,

Defendants.

Case No. SCV-273468
(Consolidated with Case No. 23CV01288)

*[Assigned for All Purposes to the
Hon. Christopher M. Honigsberg, Dept. 18]*

**DECLARATION OF DAVID MARA, ESQ.,
IN SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS AND PAGA ACTION
SETTLEMENT, CONDITIONAL
CERTIFICATION, APPROVAL OF
CLASS NOTICE, SETTING OF FINAL
APPROVAL HEARING DATE**

Date: January 24, 2025
Time: 3:00 p.m.

Complaint Filed: June 9, 2023
Trial Date: None Set

1 I, DAVID MARA, declare as follows:

- 2 1. I am President of Mara Law Firm, PC, and counsel of record for the Plaintiff and the
3 putative class in this matter. I am duly admitted to practice before all the courts of the state
4 of California. The following facts are within my personal knowledge and, if called to
5 testify, I could and would competently testify thereto.
- 6 2. I graduated from California Western School of Law and was admitted to practice law in
7 California in May 2004.
- 8 3. I extensively handle employment cases which involve violations of the California Labor
9 Code and Industrial Welfare Commission Wage Orders, such as wage and hour class actions
10 and cases alleging violations of the Private Attorneys General Act of 2004 ("PAGA"). I have
11 litigated over three hundred and fifty (350) class action and PAGA lawsuits over the course
12 of approximately 20 years.
- 13 4. I was co-class counsel in *Hohnbaum v. Brinker Restaurant Corp.* (San Diego County
14 Superior Court, Case No. GIC834348) which was the underlying case in the California
15 Supreme Court's landmark decision in *Brinker Restaurant Corp. v. Superior Court* (2012)
16 53 Cal.4th 1004, in which the California Supreme Court delineated the scope of employer
17 obligations to provide, and employee rights to receive, meal and rest periods under
18 California law.
- 19 5. I am frequently called upon to author Amicus Curiae briefs on behalf of Consumer
20 Attorneys of California ("CAOC"). For example, I authored the Amicus Curiae briefs on
21 behalf of CAOC in *Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th 257, (The
22 California Supreme Court ruling that, like meal periods, employers must relieve
23 employees of all duty and relinquish all control to satisfactorily discharge its obligation to
24 authorize and permit rest periods.); *Frlekin v. Apple, Inc.* (2020) 8 Cal.5th 1038 (The
25 California Supreme Court ruling that the time spent on the employer's premises waiting
26 for, and undergoing, required exit searches of packages, bags, or personal technology
27 devices voluntarily brought to work is compensable hours worked within the meaning of
28

1 the Wage Orders.); *Oliver v. Superior Court* (2021) California Court of Appeal Case No.
2 H049185 (A brief asking the California Court of Appeal for the Sixth Appellate District
3 to determine whether mandatory drive time of personal vehicles should be considered
4 hours worked within the meaning of the Wage Orders' suffered or permitted test.).
5 *Davidson v. O'Reilly Auto Enterprises, LLC* (9th Cir., 2020; Docket No. 18-56188)(a brief
6 seeking Review *En Banc* of an order denying class certification in a wage and hour
7 matter).

8 6. I am also a member of CAOC's Amicus Committee that determines the cases in which
9 the organization will agree to provide amicus support.

10 7. I have also lectured as a panelist for California Employment Lawyers Association
11 regarding a host of wage and hour issues.

12 8. I have been named as class counsel in the following certified cases as a result of the court
13 granting a motion for class certification: *Mario Norona v. B&G Delivery System, Inc.*
14 (Sacramento County Superior Court, Case No. 34-2015-00186826-CU-OE-GDS); *Jerald*
15 *Schroeder v. YRC, Inc.; et al.* (Central District of California, Case No. 12-cv-01374-TJH);
16 *John Martin v. Sysco Corporation, et al.* (Eastern District of California, Case No. 1:16-
17 cv-00990-DAD-SAB); *William Smith v. Werner Enterprises, Inc. d/b/a C.L. Werner, Inc.*
18 (District of Nebraska, Case No. 8:15-cv-287); *Thomas Perez v. City of San Diego* (San
19 Diego County Superior Court, Case No. 37-2014-00016621-CU-OE-CTL); *Denson Sales,*
20 *et al. v. United Road Services, Inc. et al* (Northern District of California, Case No. 19-cv-
21 08404-JST), *Eric Mendez v. M&N Consulting, Inc. dba A-Line Messenger Service* (San
22 Bernardino County Superior Court, Case No. CIVDS1923624); *Denson Sales v.*
23 *Professional Auto Transport, Inc. et al.* (San Bernardino County Superior Court, Case No.
24 CIVDS2010153); *Bobby Williams v. Mohsen Transport, Inc.* (San Diego County Superior
25 Court, Case No. 37-2019-00063361-CU-OE-CTL); and *Ashton Harden v. Mushiana*
26 *Transport Inc.* (Sacramento County Superior Court, Case No. 34-2021-00301950-CU-
27 OE-GDS).

1 9. I have also been named as class counsel in numerous cases during the settlement process.
2 Here is a non-exhaustive list of cases where I have been named as class counsel in cases
3 during the settlement process: *Kenneth Cox v. 3PL Worx, et al.* (Yolo County Superior
4 Court, Case No. CV-18-100); *Brian Davidson v. A&B Trucking Services, Inc.* (Kern
5 County Superior Court Case No. BCV-16-102985); *Alex Vega, et al. v. Advance Beverage*
6 *Co., Inc.* (Kern County Superior Court, Case No. BCV-16-100848); *Jaime Ruiz v. Altura*
7 *Centers for Health* (Kern County Superior Court, Case No. BCV-19-101577); *George*
8 *Zamudio v. AmeriPride Service, Inc.* (Alameda County Superior Court, Case No.
9 RG1809666); *Richard Hendricks v. Antonini Freight Express, Inc.* (San Joaquin County
10 Superior Court, Case No. STK-CV-UOE-2016-6999); *Alton Davis v. Apria Healthcare*
11 *Group, Inc.* (San Diego County Superior Court, Case No. 37-2014-00004724-CU-OE-
12 CTL); *Alan Atchison v. Ashley Furniture Industries, Inc., et al.* (Central District of
13 California, Case No. 17-cv-00528-JAK-SP); *Bernard Payton v. Atech Logistics, Inc.*
14 (Sonoma County Superior Court, Case No. SCV 258595); *Ramon Jenkins v. Compass*
15 *Group USA, Inc., et al.* (Yolo County Superior Court, Case No. CVCV-18-747); *Timothy*
16 *Spikes, et al. v. Bear Trucking, Inc., et al.* (San Bernardino County Superior Court, Case
17 No. CIVDS1715151); *Joshua Turpen v. Benjamin's Transfer Inc.* (Solano County
18 Superior Court, Case No. FCS048845); *Cesar Mendoza v. Bi-Rite Food Service, Inc.* (San
19 Mateo County Superior Court, Case No. 17CIV02044); *Terrance Bailey v. Blue Apron,*
20 *LLC; et al.* (Northern District of California, Case No. 18-cv-07000-VC); *Jeffrey Weast v.*
21 *California Aseptic Beverages, LLC* (San Bernardino County Superior Court, Case No.
22 CIVDS1825256); *Michael Valentich v. Hub Construction Specialties, Inc.* (San
23 Bernardino County Superior Court, Case No. JCCPDS4893); *Jose De Jesus Ortega*
24 *Velazquez v. Hunter Landscape, Inc.; et al.* (San Bernardino County Superior Court, Case
25 No. CIVDS1928062); *Adrian Diaz v. Keystone Automotive Operations, Inc.* (Riverside
26 County Superior Court, Case No. RIC1817450); *Arturo Gonzalez v. NCI Group, Inc. dba*
27 *NCI Building Systems* (Eastern District of California, Case No. 18-cv-00948-AWI-SKO);
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1 *Larry Perez v. The Nielsen Company (US), LLC* (Orange County Superior Court, Case
2 No. 30-2021-01194324-CU-OE-CXC); *Erik Martinez v. Patrick Industries, Inc.* (San
3 Bernardino County Superior Court, Case No. CIVDS2009663); *Randolph Fitch v. Shaw*
4 *Industries, Inc.; et al.* (San Bernardino County Superior Court, Case No.
5 CIVSB2024674); *Joshua Rael v. Intercontinental Hotels Group Resources, Inc.* (Los
6 Angeles County Superior Court, Case No. 19STCV16010); and *Aaron Romero v. Vitro*
7 *Flat Glass, LLC* (Kern County Superior Court, Case No. BCV-21-101357).

8 10. Plaintiff filed a class action complaint on June 9, 2023, in Sonoma County Superior Court
9 (Case No. SCV-273468). The complaint alleges the following causes of action against
10 Defendant: (1) Failure to Pay All Straight Time Wages; (2) Failure to Pay Overtime;
11 (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Periods;
12 (5) Failure to Adopt a Compliant Sick Pay/Paid Time Off Policy; (6) Knowing and
13 Intentional Failure to Comply with Itemized Employee Wage Statement Provisions;
14 (7) Failure to Pay all Wages Due at the Time of Termination; (8) Failure to
15 Reimburse/Illegal Deductions; and (9) Violation of Unfair Competition Law.

16 11. Plaintiff submitted a Notice of Labor Code Violations to the LWDA on June 9, 2023.
17 Thereafter, she filed a PAGA Action complaint against Defendant in Sonoma County
18 Superior Court on October 30, 2023 (Case No. 23CV01288). The complaint sought civil
19 penalties under the PAGA in relation to the following alleged violations suffered by
20 allegedly similar Aggrieved Employees: (1) Failure to Pay All Straight Time Wages;
21 (2) Failure to Pay Overtime; (3) Failure to Provide Meal Periods; (4) Failure to Provide
22 Rest Periods; (5) Knowing and Intentional Failure to Comply with Itemized Employee
23 Wage Statement Provisions; (6) Failure to Pay all Wages Due at the Time of Termination;
24 (7) Failure to Adopt a Compliant Sick Pay Policy; and (8) Failure to Reimburse Business
25 Expenses Incurred in Discharging Duties.

26 12. On December 6, 2024, the Parties filed a stipulation to consolidate Plaintiff's class and
27 PAGA actions.
28

1 13. The Parties conducted significant investigation and discovery of the facts and law both
2 before and after this action was filed. Through informal discovery, Defendant produced
3 relevant policy documents that covered employees' employment with Defendant, such as
4 employee handbooks. Included within these documents were Defendant's wage and hour
5 policies, including its meal and rest period policies. Defendant also produced a sampling
6 of time and wage records for Class Members. Defendant also produced an arbitration
7 agreement that is contends covered employees' employment with Defendant. Plaintiff also
8 requested, and Defendant produced, the number of current and former employees, as well
9 as the number of workweeks worked by Class Members during the relevant time period,
10 to establish a potential exposure model in preparation for mediation. From this discovery,
11 Plaintiff and her Counsel were able to analyze Defendant's liability in this action and
12 prepare a realistic damage model.

13 14. The Parties attended an all-day mediation presided over by respected wage and hour
14 mediator David Rotman on August 8, 2024. This meditation was successful. The Parties
15 then met and conferred over all the terms of the settlement and finalized their settlement
16 in the Parties' Agreement. The Parties' Agreement is attached hereto as **Exhibit 1**.

17 15. Defendant argues at the outset that it has an enforceable arbitration agreement that covers
18 Plaintiff's and the Class Members' employment. Defendant asserts that should litigation
19 continue, it would have filed a motion to compel arbitration of Plaintiff's individual
20 claims. As part of this motion, Defendant would have sought to dismiss the class claims
21 and stay the PAGA representative claims. Plaintiff contends that she would oppose the
22 motion and believes that the motion contains unconscionable terms such that the Court
23 would have declined to enforce it.

24 16. Plaintiff asserts that the arbitration agreement in Defendant's employee handbook is
25 unenforceable. Plaintiff contends that Defendant's arbitration agreement is substantively
26 unconscionably overbroad, lacks mutuality, unilaterally burdens the employee, and is
27 unjustly one-sided in favor of Defendant. In making these arguments, Plaintiff relies on
28

1 the case *Cook v. University of Southern California* (2024) 102 Cal.App.5th 312, 321-325.
2 Plaintiff also argues that Defendant's arbitration agreement is procedurally
3 unconscionable because it is a contract of adhesion, was unilaterally drafted by Defendant,
4 was presented to employees on a take-it-or-leave-it basis, and was a condition of
5 employment. For these reasons, Plaintiff contends that Defendant's arbitration agreement
6 is unenforceable.

7 17. Defendant disagrees and contends that the Court would uphold its agreement and compel
8 Plaintiff's individual claims to arbitration and dismiss Plaintiff's class claims. Defendant
9 further asserts that, to the extent the Court were to find any of the provisions in the
10 agreement to be unenforceable, the Court could sever those terms from the arbitration
11 agreement and enforce the remainder of the agreement. Plaintiff contends that severance
12 is not possible as the agreement permeates with unconscionability.

13 18. As such, the Parties have a disagreement as to whether Defendant's arbitration agreement
14 is enforceable. As this is a threshold issue, if the Court were to agree with Defendant,
15 Plaintiff's individual claims would be compelled to arbitration and the class claims would
16 be dismissed and the PAGA representative claims would be stayed. If this were to occur,
17 the damages under Plaintiff's class claims would be eliminated.

18 19. Plaintiff alleges that that employees are not provided with lawful rest periods. Employers
19 have an obligation to provide employees with ten (10) minute rest periods. An employer's
20 obligation to provide its employees with rest periods arises under the Industrial Welfare
21 Commission Wage Orders. Wage Order 5-2001, Section 12(A) states, "[e]very employer
22 shall authorize and permit all employees to take rest periods, which insofar as practicable
23 shall be in the middle of each work period. The authorized rest period time shall be based
24 on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4)
25 hours or major fraction thereof."

26 20. In *Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th 257, the California Supreme
27 Court ruled that the standards applicable to providing meal periods the Court articulated
28

1 a few years earlier in *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004,
2 were equally applicable to the rest period context. Citing *Brinker*, the *Augustus* Court
3 ruled that, like meal periods, “[d]uring required rest periods, employers must relieve their
4 employees of all duties and relinquish any control over how employees spend their break
5 time.” *Augustus*, 2 Cal.5th at 260. At a minimum, to relinquish employer control over how
6 employees spend their break time, the employee must be “free to leave the premises.”
7 *Brinker*, 53 Cal.4th at 1036. As the *Augustus* Court reasoned, the employee must be free
8 to travel five minutes away from the work site so that they can get back within the allotted
9 ten-minute time frame of the break. *Augustus*, 2 Cal.5th at 270. Plaintiff contends that,
10 here, Defendant does not permit employees to leave the premises during rest periods.

11 21. Defendant contends that it does not require employees to remain on the premises during
12 rest periods. Defendant argues that to resolve this claim, the factfinder would have to ask
13 whether employees thought they could leave the premises during rest breaks. In addition,
14 Defendant contends that employees did, in fact, leave the premises during rest periods.
15 Defendant asserts that should litigation continue, it would present declarations from
16 employees stating that they were free to leave the premises, and did leave the premises,
17 during rest periods.

18 22. Defendant also counters that even if it did tell employees they are to remain on the
19 premises, a point that Defendant does not concede, the practical limitations the ten (10)
20 minutes allotted for rest periods imposes on an employee’s movement are what prevent
21 employees from leaving the premises. In other words, the time limitation of only having
22 ten (10) minutes for rest periods prevents off-premises movement during rest periods, not
23 expressly or impliedly telling employees that rest periods are to be taken on the premises.
24 Based on the practical limitations associated with ten (10) minute rest periods, and not
25 Defendant’s policies, Defendant contends its policies are aligned with, and not
26 antagonistic to *Augustus*. Defendant finds support for this in the following language from
27 *Augustus*:

1 Because rest periods are 10-minutes in length (Wage Order 4, subd. 12(A)), they
2 impose practical limitations on an employee's movement. That is, during a rest
3 period an employee generally can travel at most five minutes from a particular
4 work post before returning to make it back on time. Thus, one would expect that
employees will ordinarily have to remain on site or nearby.

5 *Augustus, supra*, 2 Cal.5th at 270.

6 23. Defendant further asserts that employees are relieved of all work and employer control
7 during rest periods. And, to the extent there is any limitation placed on rest periods, it is
8 something that arises solely out of the fact that ten (10) minutes is a short amount of time.
9 Therefore, Defendant asserts that the limitations placed on employees, if any, are merely
10 inherent to rest periods and not an exertion of employer control.

11 24. Plaintiff contends that Defendant does not provide employees with meal periods that
12 conform with California law. Employers have an obligation under California law to
13 provide employees with thirty (30) minute meal periods. Under California Labor Code
14 section 512(a), "[a]n employer may not employ an employee for a work period of more
15 than five hours per day without providing the employee with a meal period of not less
16 than 30 minutes" Cal. Lab. Code § 512(a). An employer "satisfies this obligation [to
17 provide meal periods] if it relieves its employees of all duty, relinquishes control over
18 their activities and permits them a reasonable opportunity to take an uninterrupted 30-
19 minute break, and does not impede or discourage them from doing so." *Brinker Restaurant*
20 *Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1040. Here, Plaintiff contends that
21 Defendant's time records show non-compliant meal periods.

22 25. In *Donohue v. AMN Services, LLC*, the California Supreme Court issued a decision,
23 wherein it ruled that time records showing late, short, or missed meal periods raises a
24 rebuttable presumption that the meal periods were not provided: "If time records show
25 missed, short, or delayed meal periods with no indication of proper compensation, then a
26 rebuttable presumption arises" that the meal periods were not provided in accordance with
27 California law. *Donohue v. AMN Services, LLC* (2021) 11 Cal.5th 58, 74. Plaintiff
28

1 contends that, here, the time records show non-compliant meal periods. In these shifts,
2 under *Donohue*, Plaintiff contends that it is presumed that meal period violations occurred.

3 26. Defendant asserts that its meal period policy is lawful and that it provides employees with
4 meal periods in compliance with California law. Defendant alleges that if litigation
5 continues it would be able to show that it advised employees of the right to take a meal
6 period in compliance with California law. Defendant contends that employees either took
7 a lawful meal period or knowingly and voluntarily decided to skip the meal period or take
8 a late or short meal period. Defendant contends that this evidence would rebut the
9 presumption under *Donohue v. AMN Services, LLC*. Defendant also asserts that in
10 rebutting the presumption, the Court or fact finder would have to ask each employee why
11 their time records show a non-compliant meal period. Defendant contends that, due to
12 this, class certification is not proper as individualized issues would predominate.
13 Defendant also asserts that the evidence in this case shows that it paid meal period
14 premiums in shifts in which employees were not provided with compliant meal periods.
15 Thus, Defendant contends that to the extent an employee was not provided the opportunity
16 to take a legally compliant meal period, they were provided a meal premium.

17 27. Labor Code section 510 and Wage Order 5 require employers to pay non-exempt
18 employees overtime wages of no less than one and one-half times their respective regular
19 rates of pay for all hours worked in excess of eight hours in one workday, all hours worked
20 in excess of forty hours in one workweek, and/or the first eight hours worked on the
21 seventh consecutive day of the workweek. The regular rate of pay under California law
22 includes all remuneration for employment paid to, on behalf of, the employee. In *Alvarado*
23 *v. Dart Container Corporation of California*, the California Supreme Court observed,
24 “[r]egular rate of pay, which can change from pay period to pay period, includes
25 adjustments to the straight time rate, reflecting, among other things, shift differentials and
26 the per hour value of any nonhourly compensation the employee has earned.” *Alvarado v.*
27 *Dart Container Corporation of California* (2018) 4 Cal. 5th 542, 554.

1 28. Here, Plaintiff contends that Defendant pays employees non-discretionary bonuses but
2 fails to include these payments in employees' regular rate of pay for purposes of overtime.
3 Defendant argues that the bonuses paid are entirely discretionary and, therefore, do not
4 need to be included in the regular rate of pay. Thus, the Parties have a dispute about
5 whether Defendant was required to adjust the regular rate of pay due to bonuses paid to
6 employees.

7 29. Plaintiff also pursued claims for failure to provide accurate itemized wage statements and
8 waiting time penalty claims. These claims are derivative of Plaintiff's meal period, rest
9 period, and unpaid wages claims. Should Plaintiff's meal period, rest period, and unpaid
10 wages claims fail, these claims would also fail.

11 30. In addition, Defendant contends that even if Plaintiff were successful in her meal and rest
12 period, she would have to prove Defendant "willfully" failed to pay employees the
13 appropriate wages due upon separation of employment. "A willful failure to pay wages
14 within the meaning of Labor Code Section 203 occurs when an employer intentionally
15 fails to pay wages to an employee when those wages are due. However, a good faith
16 dispute that any wages are due will preclude imposition of waiting time penalties under
17 Section 203." Cal. Code Regs. Tit. 8 § 13520. "A 'good faith dispute' that any wages are
18 due occurs when an employer presents a defense, based in law or fact, which would
19 preclude any recovery on the part of the employee. The fact that a defense is ultimately
20 unsuccessful will not preclude a finding that a good faith dispute did exist." *Id.*

21 31. Defendant contends that any failure to pay meal period premiums, rest period premiums,
22 or additional overtime wages due to the regular rate of pay at the separate of employment
23 was not willful. Defendant argues that it would not be liable for waiting time penalties
24 because a "good faith dispute" exists over the payment of those premium wages. *See* Cal.
25 Code Regs. Tit. 8 § 13520; *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157,
26 1201.

27 32. Further, Defendant contends that Plaintiff would also have to prove that Defendant
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1 “knowingly and intentionally” failed to comply with the wage statement requirements
2 under Labor Code § 226. *See Naranjo v. Spectrum Security Services, Inc.* (2024) 15
3 Cal.5th 1056. Defendant maintains that it reasonably, and in good faith believes that it
4 was providing a complete and accurate wage statement in compliance with California law.

5 33. Defendant also argues that Plaintiff’s meal period, rest period, and unpaid wages claims
6 cannot form the basis of her wage statement claim. Defendant relies on the case
7 *Maldonado v. Epsilon Plastics, Inc.* (2018) 22 Cal.App.5th 1308, for the position that
8 employees do not suffer injury under California Labor Code § 226(a) so long as the wage
9 statements correctly reflected the hours worked and the pay received even if the pay is
10 later determined to be inaccurate.

11 34. Plaintiff also seeks PAGA penalties for the claims outlined above. PAGA allows the
12 private enforcement of certain California Labor Code sections relating to wage and hour
13 violations. The statute of limitations for PAGA violations goes back one year. Because
14 Plaintiff’s PAGA claims are based on the same alleged unlawful conduct as her class
15 claims, Plaintiff’s PAGA claims are subject to the same risks on the merits as Plaintiff’s
16 class claims.

17 35. In addition, Defendant maintains that Plaintiff’s PAGA claims face manageability
18 concerns consistent with the class certification challenges. Specifically, Defendant has
19 due process rights which would not permit Plaintiff to attempt to generalize violations
20 from disparate anecdotal evidence. *Duran v. U.S. Bank National Assn.* (2014) 59 Cal.4th
21 1.

22 36. In addition, the Court may reduce any PAGA penalties awarded under Section 2699,
23 subdivision (e)(2). The likelihood of the Court reducing the PAGA penalties awarded to
24 the Aggrieved Employees – assuming liability is proven as to each of Plaintiff’s claims –
25 is higher in this case where these same individuals may also be receiving money for the
26 same unlawful conduct under the class claims. *See Avila v. Cold Spring Granite Co.* (E.D.
27 Cal. Jan. 12, 2018) Case No. 1:16-cv-001533-AWI-SKO, 2018 U.S. Dist. LEXIS 6142
28

1 *17 (“Because the PAGA penalties sought are at least partially duplicative of penalties
2 granted by the underlying Labor Code violations, *see, e.g.*, Cal. Lab. Code §§
3 203, 226, 558(a), 1194.2, and because a Court has discretion in whether and in what
4 amount to award PAGA penalties, *see* Cal. Lab. Code § 2699(e)(2), Plaintiff recognizes
5 that the potential PAGA penalties are highly uncertain.”). As such, the Court will likely
6 reduce any PAGA penalty amount awarded to the Aggrieved Employees.

7 37. The settlement encompasses approximately 15,434 workweeks. This equates to
8 approximately 51,325 shifts. Employees earned approximately \$24.76 per hour on
9 average.

10 38. Plaintiff alleges that Defendant failed to provide employees with rest periods in
11 accordance with California law. Plaintiff contends that employees are not permitted to
12 leave the premises during rest periods. If Plaintiff were to prevail on this claim for the
13 entire class period, Plaintiff and the Class Members would be entitled to the following
14 potential damages: \$1,270,807. (51,325 shifts x \$24.76 = \$1,270,807).

15 39. In addition, Plaintiff alleges that Defendant failed to provide employees with meal periods
16 in accordance with California law because Defendant’s time records show unlawful meal
17 periods. If Plaintiff were to prevail on this claim for the entire class period, Plaintiff and
18 the Class Members would be entitled to the following potential damages: \$355,825
19 (14,371 shifts with unique meal period violations x \$24.76 = \$355,825.96).

20 40. Further, Plaintiffs allege that Defendant failed to adjust the regular rate of pay to account
21 for bonuses. Based upon the sampling of records, if Plaintiff were to prevail on this claim
22 for the entire class period, Plaintiff and the Class Members would be entitled to potential
23 damages in the amount of \$19,275.12.

24 41. If Plaintiff were to prevail on her meal period, rest period, or unpaid wages claims,
25 Plaintiff may be entitled to penalties for inaccurate wage statements. If Plaintiff were to
26 prevail on this claim, the damages would be \$337,650.¹

27 ¹ 137 initial violations x \$50 for an initial violation = \$6,850

42. If Plaintiff were to prevail on her meal period, rest period, or unpaid wages claims, she and the Class Members may also be entitled to waiting time penalties. Plaintiff calculates the potential exposure under his waiting time penalties cause of action as \$1,016,150 (171 former employees x 30 days x 8 hours x \$24.76 = \$1,016,150.40).

43. The potential damages under Plaintiff's PAGA claim is \$1,060,900.²

44. As Plaintiff's PAGA claims are based on the same alleged unlawful conduct as her class claims, Plaintiff's PAGA claims are subject to the same risks on the merits as Plaintiff's class claims. In addition, the Court may reduce any PAGA penalties awarded under Section 2699, subdivision (e)(2). The likelihood of the Court reducing the PAGA penalties awarded to Plaintiff and the PAGA Aggrieved Employees – assuming liability is proven as to each of Plaintiff's claims – is higher in this case where these same individuals may also be receiving money for the same unlawful conduct under the class claims. *See Avila v. Cold Spring Granite Co.* (E.D. Cal. Jan. 12, 2018) Case No. 1:16-cv-001533-AWI-SKO, 2018 U.S. Dist. LEXIS 6142 *17 (“Because the PAGA penalties sought are at least partially duplicative of penalties granted by the underlying Labor Code violations, *see, e.g.,* Cal. Lab. Code §§ 203, 226, 558(a), 1194.2, and because a Court has discretion in whether and in what amount to award PAGA penalties, *see* Cal. Lab. Code § 2699(e)(2), Plaintiff recognizes that the potential PAGA penalties are highly uncertain.”). As such, the Court may reduce any PAGA penalty amount awarded to Plaintiff and the PAGA Aggrieved Employees.

45. Thus, not taking into account any of its defenses or arguments, Plaintiff estimated that if she were successful in her core claims, Defendant's total exposure would be approximately \$1,645,907 [\$1,270,807 (rest period exposure) + \$355,825 (meal period

3,308 subsequent violations x \$100 for a subsequent violation = \$330,800
\$330,800 + \$6,850 = \$337,650

² \$100 x 3 PAGA violations (meal periods, rest periods, and wage statements) x 3,445 pay periods = \$1,033,500 plus \$100 x 2 PAGA violation (waiting time penalties and unpaid wages) x 137 pay periods = \$24,400.

1 exposure) + \$19,275 (unpaid wages exposure) = \$1,645,907]. If the fact finder were to
2 side with Defendant on these claims, Plaintiff and the Class Members would not be
3 entitled to any damages for wage statements, waiting time penalties, or PAGA penalties
4 that are derivative of and dependent on Plaintiff prevailing on her meal period, rest period,
5 and unpaid wages claims. In addition, if the Court were to find that Defendant's arbitration
6 agreement is enforceable and dismiss Plaintiff's class claims, the damages for Plaintiff's
7 class claims would be reduced to zero. If Plaintiff is successful in her unpaid wages, meal
8 period, or rest period claims, and is able to prove that Defendant's wage statement
9 violations were knowing and intentional and that the waiting time penalties violations
10 were willful, she may also be entitled to damages for wage statements and waiting time
11 penalties in the amount of \$1,353,800 [\$337,650 (wage statements) and \$1,016,150
12 (waiting time penalties) = \$1,353,800]. Plaintiff and the Aggrieved Employees may also
13 be entitled to PAGA penalties in the amount of \$1,060,900, subject to Court reduction.

14 46. In light of the risks Plaintiff's claims faced, Plaintiff and her Counsel believe that the
15 settlement amount of \$500,000 – with an average settlement share amount estimated at
16 \$918.64 – is a reasonable and fair settlement amount.

17 47. The preliminary approval motion and supporting documents were uploaded to the Labor
18 Workforce Development Agency. Attached hereto as **Exhibit 2** is a confirmation received
19 as a result of this upload.

20 I declare under penalty of perjury under the laws of the State of California that all the
21 foregoing is true and correct.

22
23 Date: December 20, 2024

MARA LAW FIRM, PC

Signed: 

David Mara, Esq.

Exhibit 1

JOINT STIPULATION AND SETTLEMENT AGREEMENT

Subject to Final Approval by the Court, this Settlement is made between Plaintiff Maria Isordia on behalf of herself and the Class (“Plaintiff”) and Defendant Trestles Holdings LLC dba Hillcrest Post Acute (“Defendant”) (collectively Plaintiff and Defendant are referred to in this Settlement as the “Parties”). This Settlement is intended to settle the Class Action designated *Isordia v. Trestles Holdings LLC dba Hillcrest Post Acute, et al.*, pending in the Sonoma County Superior Court, Case No. SCV-273468 and the PAGA Action also designated *Isordia v. Trestles Holdings LLC dba Hillcrest Post Acute, et al.*, pending in the Sonoma County Superior Court, Case No. 23CV01288.

I. DEFINITIONS

In addition to the other terms defined in this Settlement, the terms below have the following meaning:

1. **Administration Costs**: The costs incurred by the Settlement Administrator, Simpluris, to administer this Settlement, which shall not exceed \$10,000. All Administration Costs shall be paid from the Gross Settlement Amount. If the actual Administration Costs are less than the amount allocated in this Settlement, or if the Court awards less than the amount requested, the difference in the amount allocated in this Settlement and the amount awarded by the Court will become part of the Net Settlement Amount for distribution to Participating Class Members.
2. **Aggrieved Employee(s)**: All Class Members who worked at least one (1) workweek for Defendant in California during the period of June 9, 2022, through September 9, 2024.
3. **Attorneys Fee Award**: The amount of attorneys’ fees approved of by the Court and awarded to Class Counsel. This amount shall not exceed one-third of the Gross Settlement Amount (\$166,666.66). The Attorneys Fee Award shall be paid from the Gross Settlement Amount. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.
4. **Certification**: Certification of a class or classes as provided under Code of Civil Procedure, section 382.
5. **Class Action**: *Isordia v. Trestles Holdings LLC dba Hillcrest Post Acute, et al.*, pending in the Sonoma County Superior Court, Case No. SCV-273468.
6. **Class Counsel**: David Mara and Jill Vecchi of Mara Law Firm, PC, Peter Horton of Lawyers for Employee and Consumer Rights.
7. **Class Data**: The electronic database Defendant shall deliver to the Settlement Administrator which will list the following information for each Class Member: (1) first and last name; (2) last known mailing address; (3) social security

number; (4) telephone number; and (5) the total number of weeks during which the Class Member performed work during the Class Period. The Class Data shall be based on Defendant's payroll, personnel, and other business records.

8. **Class Member(s)**: All non-exempt employees who work or have worked for Defendant anywhere in the State of California during the Class Period.
9. **Class Notice(s)**: The Notice of Class Action Settlement, substantially similar to the form attached hereto as **Exhibit A**, subject to Court approval.
10. **Class Period**: June 9, 2019, through September 9, 2024.
11. **Class Representative**: Plaintiff Maria Isordia.
12. **Class Representative Enhancement Payment**: The amount the Court awards to the Class Representative, Mara Isordia, which will not exceed \$5,000. This payment shall be paid from the Gross Settlement Amount and is being offered in consideration for Plaintiff executing a general release of claims against Defendant, a release that is broader than any Participating Class Member will provide in consideration for an Individual Class Settlement Share. This payment is also offered in consideration for Plaintiff's actions in conferring a benefit upon the State of California and the Class, and the time and effort Plaintiff put into pursuing the litigation. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.
13. **Cost Award**: The amount that the Court orders Defendant to pay Class Counsel for payment of actual litigation costs, which shall not exceed \$35,000. The Cost Award will be paid from the Gross Settlement Amount. The Cost Award is subject to Court approval. If the actual costs incurred are less than the amount allocated in this Settlement, or if the Court awards less than the amount requested, the difference in the amount allocated in this Settlement and the amount awarded by the Court will become part of the Net Settlement Amount for distribution to Participating Class Members.
14. **Counsel for Defendant**: Kelli M. Dreger, Parth P. Jani and Philip M. Duclos of Jackson Lewis PC.
15. **Court**: Superior Court of California for the County of Sonoma.
16. **Effective Final Settlement Date**: Sixty-six (66) days after the Court grants Final Approval or, if an appeal is filed, the latest of the following: (1) the day after the appeal is dismissed or withdrawn with prejudice, or (2) the day after the appeal is decided finding this Settlement to be enforceable.
17. **Employer Taxes**: Defendant's portion of payroll taxes as the Class Members' current or former employer (including the employer's payment of applicable taxes under the Federal Insurance Contributions Act, Federal Unemployment

Tax Act, State Unemployment Insurance contributions, etc.) owed to the appropriate local, state, and federal taxing authorities. Defendant will pay its portion of payroll taxes separate and apart from the Gross Settlement Amount.

18. **Final Approval:** The final order entered by the Court approving this Settlement.
19. **Gross Settlement Amount:** The total value of the Settlement is a non-reversionary \$500,000. This is the gross amount Defendant can be required to pay under this Settlement, with the exception of its obligation to pay Employer Taxes, or if the Escalator Provision is triggered. The Gross Settlement Amount includes, without limitation: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Attorneys Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (3) the Class Representative Enhancement Payment paid to the Class Representative, as approved by the Court; (4) the Administration Costs, as approved by the Court; and (5) the PAGA Payment to the LWDA and to Aggrieved Employees, as approved by the Court. Defendant's portion of payroll taxes as the Class Members' current or former employer will be paid outside of and in addition to the Gross Settlement Amount. No portion of the Gross Settlement Amount will revert to Defendant for any reason.
20. **Individual Class Settlement Share(s):** The amount payable to each Participating Class Member under the terms of this Settlement. Class Members are not required to submit a claim form to receive their Individual Class Settlement Shares pursuant to this Settlement. Rather, Participating Class Members will receive an Individual Class Settlement Share automatically, without the return of a claim form.
21. **Individual PAGA Settlement Share(s):** Settlement Class Members will receive a pro-rated share of the Net Settlement Amount, less applicable withholdings, based on the number of workweeks they worked in California while employed by Defendant during the Class Period.
22. **LWDA:** California Labor and Workforce Development Agency. The LWDA is empowered to enforce the PAGA, and has delegated such authority to Plaintiff with regard to the claim in this Action through the procedural mechanisms provided for by statute.
23. **LWDA Payment:** Seventy-five percent (75%) of the PAGA Payment of \$50,000, to be paid to the LWDA as described in this Settlement (\$37,500).
24. **Net PAGA Settlement Amount:** The total amount of money for payout to Aggrieved Employees, which is the PAGA Payment less the LWDA Payment (\$12,500).
25. **Net Settlement Amount:** The total amount of money available for payout to Participating Class Members, which is the Gross Settlement Amount less the

Attorneys Fee Award, Cost Award, Class Representative Enhancement Payment, the PAGA Payment, and Administration Costs. In other words, the Net Settlement Amount is the portion of the Gross Settlement Amount to be distributed to Participating Class Members. The payment of employee-side taxes on the portion of the Individual Class Settlement Shares earmarked as wages shall be paid out of the Net Settlement Amount. Thus, the Individual Settlement Shares that are paid out of the Net Settlement Amount shall be reduced by the employee's tax liability for the portion of the Individual Class Settlement Shares allocated as wages.

26. **PAGA**: The California Labor Code Private Attorneys General Act of 2004 (Cal. Labor Code §§ 2698, *et seq.*).
27. **PAGA Action**: *Isordia v. Trestles Holdings LLC dba Hillcrest Post Acute, et al.*, pending in the Sonoma County Superior Court, Case No. 23CV01288.
28. **PAGA Data**: The electronic database Defendant shall deliver to the Settlement Administrator which will list the following information for each Aggrieved Employee: (1) first and last name; (2) last known mailing address; (3) social security number; (4) telephone number; and (5) the total number of pay periods during which the Aggrieved Employee performed work during the PAGA Period as an Aggrieved Employee. The PAGA Data shall be based on Defendant's payroll, personnel, and other business records.
29. **PAGA Payment**: Refers to the \$50,000 the Parties have agreed to settle the PAGA claims. 75% of this amount, or \$37,500, shall be paid to the LWDA. The remaining 25% of the \$50,000, or \$12,500, shall become part of the Net PAGA Settlement Amount payable to Aggrieved Employees.
30. **PAGA Period**: June 9, 2022, through September 9, 2024.
31. **PAGA Settlement**: Settlement of claims included in the Released PAGA Claims, for which Aggrieved Employees will receive an Individual PAGA Settlement Share payment.
32. **Participating Class Member(s)**: All Class Members who do not submit a valid and timely request to exclude themselves from this Settlement.
33. **Preliminary Approval**: The Court's order preliminarily approving the Settlement.
34. **Released Class Claims**: The Participating Class Members will, upon the Effective Final Settlement Date, release all claims asserted at any time in the Class Action and from all other claims that could have been asserted based on the facts alleged in the operative Complaints including, but not limited to, failure to pay overtime compensation (Labor Code sections 510, 1194, 1198), failure to provide meal periods (Labor Code sections 226.7, 512; IWC Wage Order No. 5-2001(11); Cal. Code Regs., tit. 8 § 11050), failure to pay meal

period premium pay (Labor Code section 226.7), failure to provide rest periods (Labor Code section 226.7; IWC Wage Order No. 5-2001(12); Cal. Code Regs., tit. 8 § 11050), failure to pay rest period premium pay (Labor Code section 226.7), failure to adopt a compliant sick pay/paid time off policy (Labor Code sections 233, 234, 246), failure to pay all sick pay (Labor Code section 246), knowing and intentional failure to comply with itemized employee wage statement provisions (Labor Code sections 226, 1174, 1175), failure to pay supplemental COVID-19 sick pay, failure to timely pay wages throughout employment (Labor Code sections 204 and 558), failure to timely pay final wages upon separation of employment (Labor Code sections 201–203), failure to provide accurate itemized wage statements (Labor Code sections 226, 226.3), failure to reimburse reasonable and necessary business expenses (Labor Code sections 221, 2802; Cal. Code Regs., tit. 8, § 11050(8)), failure to maintain accurate payroll records (Labor Code section 1174), unlawful collection of employee wages (Labor Code section 221), and any other claims whatsoever that were alleged in this case or which arise out of or directly or indirectly relate to such facts, including, without limitation, all related claims for restitution and other equitable relief under Business and Professions Code §§ 17200, *et seq.*, conversion, liquidated damages, punitive damages, interest, penalties, statutory penalties, civil penalties under the PAGA, and any other related statute, regulation, or Industrial Welfare Commission Order, including, but not limited to, Labor Code, sections 218, 218.5, 222–224, 246.5, 515, 1194.2, 1197; Cal. Code Regs., tit. 8, §§ 11050, 3395; IWC Wage Order No. 5-2001.

35. **Released PAGA Claims:** The Aggrieved Employees will, upon the Effective Final Settlement Date, release all claims during the PAGA Period for civil penalties that were pled or could have been pled based on a reasonable interpretation of the facts included in the operative PAGA Action and/or raised in the PAGA demand letter submitted to the Labor and Workforce Development Agency on June 9, 2023, including, but not limited to, claims for liability or damages under Labor Code, sections 201–203, 204(b) 218, 218.5, 222–224, 226, 226.3, 226.7, 233, 234, 246, 246.5, 247.5, 510, 512, 558, 1174, 1194–1197.1, 1199, 2698, 2699, 2699.3, 2699.5, 2802; California Code of Regulations, section 11050; or Industrial Welfare Commission Order No. 5-2001.
36. **Released Parties:** Defendant Trestles Holdings LLC dba Hillcrest Post Acute and its past or present officers, directors, employees, and agents which could be jointly liable with Defendant for the claims alleged.
37. **Response Deadline:** Thirty (30) calendar days from the initial mailing of the Class Notices.
38. **Settlement:** The settlement agreement reflected in this document, titled “Joint Stipulation and Settlement Agreement.”

39. **Settlement Administrator:** The third-party administrator agreed upon by Parties to administer this Settlement is Simpluris.
40. **Settlement Administration:** The Settlement Administrator will use the National Change of Address Database to obtain updated addresses for Class Members. The Settlement Administrator will mail the Class Notices by first class U.S. Mail to all Class Members at the address resulting from the search of the National Change of Address Database. The Class Notices will inform Class Members that they have until the Response Deadline to either object to the Settlement or to opt-out of the Settlement. Any Class Member who does not receive notice after the steps outlined above have been taken will still be bound by the Settlement and/or judgment.

II. RECITALS

41. Plaintiff Maria Isordia filed the Class Action complaint on June 9, 2023, in Sonoma County Superior Court (Case No. SCV-273468). The complaint alleges the following causes of action against Defendant: (1) Failure to Pay All Straight Time Wages; (2) Failure to Pay Overtime; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Periods; (5) Failure to Adopt a Compliant Sick Pay/Paid Time Off Policy; (6) Knowing and Intentional Failure to Comply with Itemized Employee Wage Statement Provisions; (7) Failure to Pay all Wages Due at the Time of Termination; (8) Failure to Reimburse/Illegal Deductions; and (9) Violation of Unfair Competition Law.
42. Plaintiff Maria Isordia submitted her Notice of Labor Code Violations to the LWDA on June 9, 2023. Thereafter, she filed the PAGA Action complaint against Defendant in the Sonoma County Superior Court on October 30, 2023 (Case No. 23CV01288). The complaint sought civil penalties under the PAGA in relation to the following alleged violations suffered by allegedly similar Aggrieved Employees: (1) Failure to Pay All Straight Time Wages; (2) Failure to Pay Overtime; (3) Failure to Provide Meal Periods; (4) Failure to Provide Rest Periods; (5) Knowing and Intentional Failure to Comply with Itemized Employee Wage Statement Provisions; (6) Failure to Pay all Wages Due at the Time of Termination; (7) Failure to Adopt a Compliant Sick Pay Policy; and (8) Failure to Reimburse Business Expenses Incurred in Discharging Duties.
43. The Parties scheduled a mediation with respected wage and hour class action mediator David Rotman. That mediation took place on August 8, 2024.
44. Prior to mediation, Defendant produced documents relating to the challenged class-wide policies in the Class Action and PAGA Action, along with a sampling of Class Member/Aggrieved Employee time and wage records.
45. At the mediation, the Parties reached a settlement, which was thereafter reduced to a Memorandum of Understanding.

46. **Benefits of Settlement to Class Members.** Plaintiff and Class Counsel recognize the expense and length of continued proceedings necessary to continue the litigation against Defendant through trial and through any possible appeals. Plaintiff and Class Counsel also have taken into account the uncertainty and risk of further litigation, the potential outcome, and the difficulties and delays inherent in such litigation. Plaintiff and Class Counsel have conducted extensive settlement negotiations. Based on the foregoing, Plaintiff and Class Counsel believe the Settlement set forth in this Settlement is a fair, adequate, and reasonable settlement, and is in the best interests of the Class Members, as it provides a definite, present sum of money and Defendant has agreed to make changes to its practices—as described in the following paragraph—that Plaintiff challenged as unlawful in this Matter.
47. **Defendant's Reasons for Settlement.** Defendant recognizes that the defense of this litigation will be protracted and expensive. Substantial amounts of time, energy, and resources of Defendant has been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiff. Defendant, therefore, has agreed to settle in the manner and upon the terms set forth in this Settlement to put to rest the Released Claims.
48. **Defendant's Denial of Wrongdoing.** Defendant generally and specifically denies any and all liability or wrongdoing of any sort with regard to any of the claims alleged, makes no concessions or admissions of liability of any sort, and contends that for any purpose other than settlement, the Action is not appropriate for class or representative treatment. Defendant asserts a number of defenses to the claims, and have denied any wrongdoing or liability arising out of any of the alleged facts or conduct in the Action. Neither this Settlement, nor any document referred to or contemplated herein, nor any action taken to carry out this Settlement, is or may be construed as, or may be used as an admission, concession, or indication by or against Defendant or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. There has been no final determination by any court as to the merits of the Class Action or PAGA Action asserted by Plaintiff against Defendant or as to whether Certification is appropriate for the Class Action, other than for settlement purposes.
49. **Plaintiff's Claims.** Plaintiff asserts that Defendant's defenses are without merit. Neither this Settlement nor any documents referred to or contemplated herein, nor any action taken to carry out this Settlement is, may be construed as, or may be used as an admission, concession or indication by or against Plaintiff, Class Members, or Class Counsel as to the merits of any claims or defenses asserted, or lack thereof, in the Action.
50. In the event that this Settlement is finally approved by the Court, neither Plaintiff, Participating Class Members, nor Class Counsel will oppose Defendant's efforts to use this Settlement to prove that Plaintiff and Participating Class Members have resolved and are forever barred from re-litigating the claims released under this Settlement.

III. SETTLEMENT TERMS AND CONDITIONS

- 51. Gross Settlement Amount.** Subject to the terms and conditions of this Settlement, the maximum Gross Settlement Amount, that Defendant is obligated to pay under this Settlement is \$500,000. The Gross Settlement Amount is comprised of: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Attorneys Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (3) the Class Representative Enhancement Payment paid to the Class Representative, as approved by the Court; (4) the Administration Costs, as approved by the Court; and (5) the PAGA Payment, as approved by the Court. Defendant's portion of payroll taxes as the Class Members' current or former employer will be paid outside of and in addition to the Gross Settlement Amount. No portion of the Gross Settlement Amount will revert to Defendant for any reason.
- A. Escalator Provision:** At the time of mediation, Defendant represented that there are an estimated 15,434 workweeks worked by the Settlement Class Members during the Class Period. If the number of actual total workweeks worked by Settlement Class Members during the Class Period, as reported to the Settlement Administrator following Preliminary Approval, exceeds this amount by more than 10% (*i.e.*, if there are 16,978 or more total workweeks), Defendant will either: (1) pay an additional sum necessary to increase the Gross Settlement Amount on a proportional basis (*i.e.*, if there was a 15% increase in workweeks, Defendant would increase the Gross Settlement Amount by 5%); or (2) elect to shorten the Class Period and PAGA Period (along with their associated releases) to a date that the total number of workweeks worked is at or under the 16,978 workweek threshold.
- 52. Class Certification.** Solely for the purposes of this Settlement, the Parties stipulate and agree to Certification of the claims asserted on behalf of Class Members. As such, the Parties stipulate and agree that in order for this Settlement to occur, the Court must certify the Class Action as defined in this Settlement.
- 53. Conditional Nature of Stipulation for Certification.** The Parties stipulate and agree to the Certification of the claims asserted on behalf of Plaintiff and Class Members for purposes of this Settlement only. If the Settlement does not become effective, the fact that the Parties were willing to stipulate to Certification as part of the Settlement shall not be admissible or used in any way in connection with whether the Court should certify any claims in a non-settlement context in this Action or in any other lawsuit. If the Settlement does not become effective, Defendant reserves the right to contest any issues relating to Certification and liability.

54. **Appointment of Class Representative.** Solely for the purposes of this Settlement, the Parties stipulate and agree that Plaintiff Maria Isordia be appointed as representative for the Class Members.
55. **Appointment of Class Counsel.** Solely for the purpose of this Settlement, the Parties stipulate and agree that the Court appoint Class Counsel to represent the Class Members.
56. **Individual Class Settlement Share.** Subject to the terms and conditions of this Settlement, the Settlement Administrator will pay an Individual Class Settlement Share from the Net Settlement Amount to each Participating Class Member.

A. Calculation.

- i. **Individual Class Settlement Share Calculation.** Participating Class Members will receive a pro-rated share of the Net Settlement Amount, less applicable withholdings, based on the number of workweeks they worked in California while employed by Defendant during the Class Period. The formula for distribution to Participating Class Members shall be calculated as follows: Trestles shall provide the Settlement Administrator with the total number of work weeks worked by all Class Members during the Class Period; the Settlement Administrator shall then divide the Net Payment by the total number of work weeks resulting in a value for each work week attributable to Class Members (“Work Week Value”); the Settlement Administrator shall then take the number of work weeks worked by each Class Member and multiply it by the Work Week Value.

- B. Tax Withholdings.** Each Class Member’s Individual Settlement Share will be apportioned as follows: 20% wages and 80% to interest and penalties/other payments. The amounts paid as wages shall be subject to all tax withholdings customarily made from an employee’s wages and all other authorized and required withholdings and shall be reported by W-2 forms. Payment of all amounts will be made subject to backup withholding unless a duly executed W-9 form is received from the payee(s). The amounts paid as penalties and interest shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees’ wages and shall be reported by IRS Forms 1099. Only the employee share of payroll tax withholdings shall be paid from each Class Member’s Individual Settlement Share. The employer share of payroll tax withholdings shall be paid separate from and in addition to the Gross Settlement Amount.

57. **Individual PAGA Settlement Share.** Subject to the terms and conditions of this Settlement, the Settlement Administrator will pay an Individual PAGA Settlement Share from the Net PAGA Settlement Amount to each Aggrieved Employee.

A. Calculation.

- i. **Individual PAGA Settlement Share Calculation.** Aggrieved Employees will receive a pro-rated share of the Net Settlement Amount, less applicable withholdings, based on the number of pay periods they worked in California while employed by Defendant during the PAGA Period. The formula for distribution to Aggrieved Employees shall be calculated as follows: Trestles shall provide the Settlement Administrator with the total number of pay periods worked by all Aggrieved Employees during the PAGA Period; the Settlement Administrator shall then divide the Net PAGA Settlement Amount by the total number of pay periods resulting in a value for each pay period attributable to Aggrieved Employees (“Pay Period Value”); the Settlement Administrator shall then take the number of pay periods worked by each Aggrieved Employee and multiply it by the Pay Period Value.

- B. Tax Withholdings.** Each Aggrieved Employee’s Individual PAGA Settlement Share will be apportioned as 100% penalties. The Individual PAGA Settlement Shares shall therefore be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees’ wages and shall be reported by IRS Forms 1099.

58. **Constituents of Gross Settlement Amount Disbursement.** Subject to the terms and conditions of this Settlement, the Settlement Administrator shall disburse the Gross Settlement Amount as directed later on herein to the following:

- A. **To the Named Plaintiff:** In addition to her Individual Settlement Share, and subject to the Court’s approval, the named Plaintiff, Maria Isordia, will receive up to \$5,000 in consideration for providing Defendant a General Release, a release that is broader than the claims released by Participating Class Members. The Settlement Administrator will pay the Class Representative Enhancement Payment out of the Gross Settlement Amount. Payroll tax withholdings and deductions will not be taken from the Class Representative Enhancement Payment. An IRS Form 1099 will be issued to Plaintiff with respect to her Class Representative Enhancement Payment.
- B. **To Class Counsel:** At the Final Approval Hearing, Class Counsel will apply to the Court for an Attorneys Fee Award not to exceed one-third of the Gross Settlement Amount (\$166,666.66) and a Cost Award not to

exceed \$35,000. The Settlement Administrator will pay the Court approved amounts for the Attorneys Fee Award and Cost Award out of the Gross Settlement Amount. Payroll tax withholding and deductions will not be taken from the Attorneys Fee Award or the Cost Award. IRS Forms 1099 will be issued to Class Counsel with respect to the Attorneys Fee Award. In the event the Court does not approve the entirety of the application for the Attorneys Fee Award and/or Cost Award, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendant nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested by Class Counsel for the Attorneys Fee Award and/or Cost Award, the difference shall become part of the Net Settlement Amount and be available for distribution to Participating Class Members.

- C. To the Responsible Tax Authorities:** The Settlement Administrator will pay the amount of the Participating Class Members' portion of normal payroll withholding taxes out of each Class Member's Individual Settlement Share. Defendant will separately pay the Employer Taxes. The Settlement Administrator will calculate the amount of the Participating Class Members' Employee Taxes and Defendant's Employer Taxes and will forward the amount of the Participating Class Members' portion of normal payroll withholding taxes to the appropriate taxing authorities.
- D. To the Settlement Administrator.** The Settlement Administrator—Simpluris—will pay to itself Administration Costs (reasonable fees and expenses) approved by the Court not to exceed \$10,000. This will be paid out of the Gross Settlement Amount. If the actual amount of Administration Costs is less than the amount estimated and/or requested, the difference shall become part of the Net Settlement Amount and be available for distribution to Participating Class Members.
- E. To the LWDA and Aggrieved Employees.** The Settlement Administrator will pay \$37,500 of the PAGA Payment to the LWDA. This is 75% of the \$50,000 allocated to satisfy the PAGA penalties claim. The remaining 25% of the PAGA Payment (which equates to \$12,500) shall become part of the Net PAGA Settlement Amount payable to Aggrieved Employees.
- F. To Participating Class Members.** The Settlement Administrator will pay Participating Class Members according to the Individual Settlement Share calculations set forth above. All payments to Participating Class Members and Aggrieved Employees shall be made from the Gross Settlement Amount.

- 59. Appointment of Settlement Administrator.** Solely for the purposes of this Settlement, the Parties stipulate and agree that Simpluris shall be retained to serve as Settlement Administrator. In addition to the responsibilities outlined in

the remainder of this Settlement, the Settlement Administrator shall be responsible for calculating any and all payroll tax deductions as required by law; calculating each Class Member's and Aggrieved Employee's Individual Settlement Share; providing weekly status reports to Defendant's Counsel and Class Counsel, which is to include updates on any objections or requests for exclusion that have been received; providing a due diligence declaration for submission to the Court prior to the Final Approval hearing; calculating and mailing the LWDA Payment to the LWDA; printing and providing Participating Class Members, Aggrieved Employees, and Plaintiff with W-2s and IRS Forms 1099 as required under this Settlement and applicable law; providing a due diligence declaration for submission to the Court upon the completion of the Settlement; providing any funds remaining in the Qualified Settlement Fund as a result of uncashed checks to Legal Aid at Work in the amounts directed per this Settlement; and for such other tasks as the Parties mutually agree. The Parties each represent that they do not have any financial interest in Simpluris or otherwise have a relationship with Simpluris that could create a conflict of interest.

60. Procedure for Approving Settlement.

A. Cooperation.

- i. All Parties and their counsel shall support the Settlement and take such steps as are reasonably necessary to effectuate the Settlement.

B. Motion for Preliminary Approval and Conditional Certification.

- i. Plaintiff will move for an order: (1) conditionally certifying the Class Action for settlement purposes only; (2) granting Preliminary Approval of the Settlement; (3) setting a date for the Final Approval hearing; and (4) approving the Class Notice.
- ii. At the same time that Plaintiff files her Motion for Preliminary Approval, Plaintiff shall send a copy of the Settlement to the LWDA pursuant to the 2016 amendments to the PAGA.
- iii. At the Preliminary Approval hearing, Class Counsel will appear, support the granting of the motion, and submit a proposed order granting conditional Certification of the Class Action and Preliminary Approval of the Settlement; appointing the Class Representative, Class Counsel, and Settlement Administrator; approving the Class Notice; and setting the Final Approval hearing.
- iv. **Effect of Denial of Preliminary Approval.** Should the Court decline to conditionally certify the Class Action or to Preliminarily Approve all material aspects of the Settlement, the Settlement will

be null and void, and the Parties will have no further obligations under it. Provided, however, that the amounts of the Attorneys Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement Payment shall be determined by the Court, and the Court's determination on these amounts shall be final and binding, and that the Court's approval or denial of any amount requested for these items are not conditions of this Settlement, and are to be considered separate and apart from the fairness, reasonableness, and adequacy of the Settlement. Any order or proceeding relating to an application for the Attorneys Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement Payment shall not operate to terminate or cancel this Settlement. Nothing in this Settlement shall limit Plaintiff's or Class Counsel's ability to appeal any decision by the Court to award less than the requested Attorneys Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement Payment.

C. Notice to Class Members and Aggrieved Employees. After the Court enters its order granting Preliminary Approval, every Class Member and Aggrieved Employee will be provided with the Class Notice in accordance with the following procedure:

- i. Delivery of Class Data and PAGA Data.** Within thirty (30) days after entry of the order granting Preliminary Approval, Defendant shall deliver to the Settlement Administrator an electronic database, which will list the Class Data and PAGA Data. If any or all of this information is unavailable to Defendant, Defendant will so inform Class Counsel and the Parties will make their best efforts to reconstruct or otherwise agree upon how to deal with the unavailable information. The Settlement Administrator will use the National Change of Address Database to obtain updated addresses for Class Members. The Class Data and PAGA Data shall be based on Defendant's payroll, personnel, and other business records. The Settlement Administrator shall maintain the Class Data and PAGA Data and all information contained within the Class Data and PAGA Data as private and confidential.
- ii. Preparation of Class Notices.** Based on the information in the Class Data and PAGA Data and the formulae set forth in Paragraph 56(A)(i) and 57(A)(i), above, the Settlement Administrator shall promptly calculate the estimated Individual Settlement Share and Individual PAGA Settlement Share for every Class Member and Aggrieved Employee, to be included in the individualized Class Notices to be sent to that Class Member and/or Aggrieved Employee, and shall prepare and mail a spreadsheet setting forth those calculations to Class Counsel and

Counsel for Defendant no fewer than five (5) days before mailing the Class Notices to Class Members and Aggrieved Employees. The Class Notices will inform each Class Member of his/her/their right to do nothing, dispute the number of work weeks worked, opt out of the Settlement, or object to the Settlement. It will also inform Class Members that if they first request exclusion from the Settlement and then object, the objections would not be considered valid. In addition, if the Class Members object and then request exclusion from the Class Settlement, the Class Members would be deemed to have waived their objection.

- iii. **Mailing of Class Notices.** Within ten (10) days after receipt of the Class Data and PAGA Data, the Settlement Administrator will mail via first-class regular U.S. Mail the Class Notice in English and Spanish to all identified Class Members and Aggrieved Employees using the mailing address information provided by Defendant and the results of the search of the National Change of Address Database on all Class Members and Aggrieved Employees.
- iv. **Returned Notices.** If a Class Notice is returned because of an incorrect address, within five (5) days from receipt of the returned notice, the Settlement Administrator will conduct a search for a more current address for the Class Member and re-mail the Class Notice to the Class Member. The Settlement Administrator will use the National Change of Address Database and skip traces to attempt to find the current address. The Settlement Administrator will be responsible for taking reasonable steps to trace the mailing address of any Class Member for whom a Class Notice is returned by U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum, the tracking of all undelivered mail, performing address searches for all mail returned without a forwarding address, and promptly re-mailing to Class Members for whom new addresses are found.
- v. **Weekly Status Reports.** The Settlement Administrator shall provide a weekly status report to the Parties. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Defendant's Counsel of the number of Notices mailed, the number of Notices returned as undeliverable, the number of Notices re-mailed, and the number of requests for exclusion or objections received.
- vi. **Settlement Administrator's Declaration.** No later than fourteen (14) calendar days after the Response Deadline, or on a date mutually agreed upon by the Parties and the Settlement Administrator, the Settlement Administrator will serve on the

Parties a declaration of due diligence setting forth its compliance with its obligations under this Settlement. The declaration from the Settlement Administrator shall also be filed with the Court by Class Counsel at the same time as the final approval motion is filed. Before the Final Approval hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

D. Objections to Settlement. The Class Notice will provide that the Class Members who wish to object to the Settlement must do so in writing, signed, dated, and mailed to the Settlement Administrator postmarked no later than the Response Deadline. The timeframe to submit an objection will not be increased for returned mailings.

a. Format. Any Objections shall state: (a) the objecting person's full name, address, and telephone number; (b) the words "Notice of Objection" or "Formal Objection;" (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) the objector may call to testify at the Final Approval hearing; and (e) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval hearing.

b. Notice of Intent to Appear. Objecting Class Members may (though are not required to) appear at the Final Approval Hearing, either in person or through the objector's own counsel. Objecting Class Members may appear regardless of whether they submitted a written objection.

E. Request for Exclusion from the Settlement ("Opt-Out"). The Class Notice will provide that Class Members who wish to exclude themselves from the Settlement must mail to the Settlement Administrator a written request for exclusion. The written request for exclusion must: (a) state the Class Member's name, address, telephone number, and the last four digits of the Class Member's social security number or employee identification number; (b) state the Class Member's intention to exclude themselves from or opt out of the Settlement; (c) be addressed to the Settlement Administrator; (d) be signed by the Class Member or their lawful representative; and (e) be postmarked no later than the Response Deadline.

i. Effect of "Opt-Out." Any Class Member who returns a timely, valid, and executed request for exclusion will not participate in or be bound by the Settlement and subsequent judgment and will not receive an Individual Settlement Share or any benefit of this Settlement. If the Class Member is also an Aggrieved Employee as defined in this Settlement, however, they will still receive an

Individual PAGA Settlement Share payment as approved by the Court. Aggrieved Employees have no right to opt out of the PAGA Settlement.

ii. Confirmation of Authenticity. If there is a question about the authenticity of a signed request for exclusion, the Settlement Administrator may demand additional proof of the Class Member's identity. Any Class Member who returns a timely, valid, and executed request for exclusion will not participate in or be bound by the Settlement and subsequent judgment and will not receive an Individual Settlement Share. A Class Member who does not complete and mail a timely request for exclusion will automatically be included in the Settlement, will receive an Individual Class Settlement Share, and be bound by all terms and conditions of the Settlement, if the Settlement is approved by the Court, and by the subsequent judgment, regardless of whether they have objected to the Settlement.

iii. Report. No later than five (5) business days after the Response Deadline, the Settlement Administrator will provide the Parties with a complete and accurate accounting of the number of Notices mailed to Class Members, the number of Notices returned as undeliverable, the number of Notices re-mailed to Class Members, the number of re-mailed Notices returned as undeliverable, the number of Class Members who objected to the Settlement and copies of their submitted objections, the number of Class Members who returned valid requests for exclusion, and the number of Class Members who returned invalid requests for exclusion.

iv. Defendant's Option to Terminate. Defendant, at its sole discretion, shall have the right but not the obligation to revoke the Settlement if five percent (5%) or more of the Class Members timely opt out of the Settlement. Defendant shall exercise their revocation rights, if at all, within fourteen (14) days of the end of the opt out period by providing written notice to Class Counsel.

F. Class Member and Aggrieved Employee Disputes. If a Class Member or Aggrieved Employee who receives a Class Notice wishes to dispute the number of work weeks listed on the Class Notice, the Class Member or Aggrieved Employee may notify the Settlement Administrator by mail or telephone no later than the Response Deadline and should produce any available supporting evidence, such as wage statements, offers of employment, termination letters, and/or other employment records, to the Settlement Administrator. The documentation should provide evidence of the dates the Class Member or Aggrieved Employee contends they worked for Defendant during the Class Period or PAGA Period. The Settlement

Administrator shall then provide the documentation provided by the Class Member or Aggrieved Employee to Defendant. Defendant shall review its records, the documentation provided by the Class Member or Aggrieved Employee, and shall provide information to the Settlement Administrator in response to any such disputed claim. Defendant's records shall be presumed to be determinative, but the Settlement Administrator shall evaluate the evidence submitted by the Class Member or Aggrieved Employee and make the decision as to which dates should be applied. The determination by the Settlement Administrator shall be final and binding.

G. No Solicitation of Objection or Requests for Exclusion. Neither the Parties nor their respective counsel will solicit or otherwise encourage directly or indirectly any Class Member to object to the Settlement, request exclusion from the Settlement, or appeal from the judgment.

H. Settlement Website. The Settlement Administrator shall establish a website to host documents relevant to this lawsuit and the proposed Settlement. Such documents shall include: the operative complaint; this Joint Stipulation and Settlement, together with its exhibits; and the Class Notice.

I. Motion for Final Approval.

i. Class Counsel will file unopposed motions and memorandums in support thereof for Final Approval of the Settlement and the following payments in accord with the terms of the Settlement: (1) Attorneys Fee Award; (2) Cost Award; (3) Administrative Costs; (4) Class Representative Enhancement Payment; and (5) PAGA Payment. Class Counsel will also move the Court for an order of Final Approval (and associated entry of judgment) releasing and barring any Released Class Claims and Released PAGA Claims of the Participating Class Members and LWDA.

ii. **Denial or Appeal of Final Approval.** If the Court does not grant Final Approval of the Settlement, or if the Court's Final Approval of the Settlement is reversed or materially modified on appellate review, then this Settlement will become null and void. If that occurs, the Parties will have no further obligations under the Settlement, including any obligation by Defendant to pay the Gross Settlement Amount or any amounts that otherwise would have been owed under this Settlement. Further, should this occur, the Parties agree they shall be equally responsible for the Settlement Administrator's Administration Costs through that date. An award by the Court of a lesser amount than sought by Plaintiff and Class Counsel for the Class Representative Enhancement Payment, Attorneys Fee Award, Cost Award, and Administration Costs award will not constitute a material

modification to the Settlement within the meaning of this paragraph.

- iii. **Proposed Order and Judgment.** Upon Final Approval of the Settlement, the Parties shall present to the Court a proposed Final Approval Order, approving of the Settlement and entering judgment in accordance therewith. After entry of judgment, the Court shall have continuing jurisdiction over the Class Action and PAGA Action, pursuant to Code of Civil Procedure, section 664.6, for purposes of: (1) enforcing this Settlement; (2) addressing settlement administration matters, and (3) addressing such post-judgment matters as may be appropriate under Court rules and applicable law.

J. Waiver of Right to Appeal. Provided that the judgment is consistent with the terms and conditions of this Settlement, if Class Members do not timely object to the Settlement, then the Parties and their respective counsel waive any and all rights to appeal from the judgment, including, but not limited to, all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate or set aside judgment, and any extraordinary writ, and the judgment will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceeding, or post-judgment proceeding.

K. Vacating, Reversing, or Modifying Judgment on Appeal. If, after a notice of appeal, the reviewing Court vacates, reverses, or modifies the judgment such that there is a material modification to the Settlement, and that Court's decision is not completely reversed and the judgment is not fully affirmed on review by a higher Court, then this Settlement will become null and void and the Parties will have no further obligations under it. A material modification would include, but not necessarily be limited to, any alteration of the Gross Settlement Amount, an alteration in the calculation of the Net Settlement Amount, and any change to the calculation of the Individual Settlement Share.

L. Disbursement of Settlement Shares and Payments. Subject to Final Approval of the Settlement, the Settlement Administrator shall distribute funds pursuant to the terms of this Settlement and the Court's Final Approval Order. The Settlement Administrator shall keep Defendant's Counsel and Class Counsel apprised of all distributions from the Gross Settlement Amount. The Settlement Administrator shall respond to questions from Defendant's Counsel and Class Counsel. No person shall have any claim against Defendant, Defendant's Counsel, Plaintiff, Class Counsel, or the Settlement Administrator based on the distributions and payments made in accordance with this Settlement.

- i. **Funding the Settlement:** Defendant shall wire or otherwise provide to the Settlement Administrator the Gross Settlement no later than thirty (30) calendar days after the Effective Final Settlement Date.
- ii. **Disbursement:** Within ten (10) calendar days after the Defendant provides the Gross Settlement Amount to the Settlement Administrator, the Settlement Administrator shall disburse: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Net PAGA Settlement Amount to be Paid to Aggrieved Employees; (3) the Attorneys Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (4) the Class Representative Enhancement Payment paid to the Class Representative, as approved by the Court; (5) the Administration Costs, as approved by the Court; (6) the LWDA Payment to the LWDA; and (7) Defendant's portion of payroll taxes as the Class Members' current or former employer.
- iii. **Qualified Settlement Fund:** The Parties agree that the Qualified Settlement Fund is intended to be a "Qualified Settlement Fund" under Section 468B of the Code and Treasury Regulations § 1.4168B-1, 26 C.F.R. §§ 1.468B-1, *et seq.*, and will be administered by the Settlement Administrator as such. The Parties and Settlement Administrator shall treat the Qualified Settlement Fund as coming into existence as a Qualified Settlement Fund on the earliest date permitted as set forth in 26 C.F.R. § 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law.

M. Settlement Administrator's Final Report. Within ten (10) days after the disbursement of all funds, the Settlement Administrator will serve on the Parties a declaration providing a final report on the disbursements of all funds. The Parties shall file this declaration with the Court. The Settlement Administrator will provide any supplemental declaration required by the Court or the Parties.

N. Neither Plaintiff nor Defendant shall bear any liability for lost, stolen, undelivered or misdelivered checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

O. Uncashed Checks. Participating Class Members and Aggrieved Employees must cash or deposit their Individual Settlement Share checks within one hundred and eighty (180) calendar days after the checks are mailed to them.

- i. **Reminder Postcard.** If any checks are not redeemed or deposited within ninety (90) calendar days after mailing, the Settlement Administrator will send a reminder postcard indicating that unless the check is redeemed or deposited in the next ninety (90) days, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced.
- ii. If any checks remain uncashed or not deposited by the expiration of the 90-day period after mailing the reminder notice, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, cancel the checks. All funds associated with the Individual Settlement Share checks returned as undeliverable and funds associated with those checks remaining un-cashed shall be tendered to the State of California's Unpaid Wage Fund, in the name of the Class Member. In such event, the Class Member who did not cash their check shall nevertheless remain bound by the Settlement.

P. Defendant's Legal Fees. Defendant is responsible for paying for all of Defendant's own legal fees, costs, and expenses incurred in this Action outside of the Gross Settlement Amount.

- 61. **Release of Class Claims.** As of the Effective Final Settlement Date, Class Members who do not submit a timely and valid request for exclusion shall release the Released Parties from the Released Class Claims. Participating Class Members agree not to sue or otherwise make a claim against any of the Released Parties for any of the Released Class Claims.
- 62. **Release of PAGA Claims.** As of the Effective Final Settlement Date, Aggrieved Employees shall release the Released Parties from the Released PAGA Claims. Aggrieved Employees agree not to sue or otherwise make a claim against any of the Released Parties for any of the Released PAGA Claims.
- 63. **Plaintiff's Release of Claims and General Release.** As of the Effective Final Settlement Date, and in exchange for the Class Representative Enhancement Payment to the named Plaintiff in an amount of \$5,000, Plaintiff Maria Isordia shall give the following general release of claims for herself and her respective spouse, heirs, successors and assigns, forever release the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, penalties and expenses of any nature whatsoever, from the beginning of time through the date of their signatures on this Settlement, known or unknown, suspected or unsuspected, whether in tort, contract, equity, or otherwise, for violation of any federal, state or local statute, rule, ordinance or regulation including, but not limited to, all claims arising out of, based on, or relating to their employment with Defendant or the remuneration for, or termination of, such employment. Plaintiff's Release of

Claims also includes a waiver of California Civil Code, section 1542, which provides as follows:

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.

This release excludes any release of any claims not permitted to be released by law.

Also, in consideration for providing Defendant with this complete, general release, Defendant agrees to provide a neutral reference (dates of employment and last position held) in response to any inquiries by prospective employers of Plaintiff. To obtain a neutral reference, Plaintiff's prospective employers must contact Human Resources at Trestles.

64. Miscellaneous Terms.

A. No Admission of Liability. Defendant makes no admission of liability or wrongdoing by virtue of entering into this Settlement. Additionally, Defendant reserves the right to contest any issues relating to Certification and liability if the Settlement is not approved. Defendant denies that it has engaged in any unlawful activity, has failed to comply with the law in any respect, has any liability to anyone under the claims asserted in the Class Action or PAGA Action, or that but for the Settlement, Certification is appropriate in the Class Action. This Settlement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Settlement is intended or will be construed as an admission by Defendant of liability or wrongdoing. This Settlement and Plaintiff's and Defendant's willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with this Settlement).

B. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant, and Counsel for Defendant separately agree that, until the Motion for Preliminary Approval is filed, the Parties, and each of them, will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income or expenses to appropriate taxing authorities; (4) in response to a court order or subpoena; (5) in response to an inquiry or

subpoena issued by a state or federal government agency; or (6) the LWDA. All Parties agree to immediately notify all other Parties of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant, and Counsel for Defendant separately agree to neither directly nor indirectly initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Settlement or the matters giving rise to this Settlement except to respond only that “the matter was resolved,” or words to that effect. This paragraph does not restrict Class Counsel’s communications with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

- C. No Effect on Employee Benefits.** The Class Representative Enhancement Payment and/or Individual Settlement Shares paid to Plaintiff and Participating Class Members and/or Aggrieved Employees shall not be deemed to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (*e.g.*, vacation, holiday pay, retirement plans, etc.) of Plaintiff or the Participating Class Members or Aggrieved Employees. The Parties agree that any Class Representative Enhancement Payment and/or Individual Settlement Share paid to Plaintiff or the Participating Class Members and/or Aggrieved Employees under the terms of this Settlement do not represent any modification of Plaintiff’s or Participating Class Members’ and/or Aggrieved Employees’ previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendant. Further, any Class Representative Enhancement Payment shall not be considered compensation in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by Defendant.
- D. Integrated Settlement.** After this Settlement is signed and delivered by all Parties and their counsel, this Settlement and its exhibits will constitute the entire agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any party concerning this Settlement or its exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Settlement and its exhibits.
- E. Authorization to Enter Into Settlement.** Class Counsel and Defendant’s Counsel warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties under this Settlement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of

any document needed to implement this Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties will seek the assistance of the Court, and in all cases, all such documents, supplemental provisions, and assistance of the Court will be consistent with this Settlement.

- F. Exhibits and Headings.** The terms of this Settlement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Settlement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Settlement are inserted for convenience of reference only and do not constitute a part of this Settlement.
- G. Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the Court.
- H. Amendment or Modification of Settlement.** This Settlement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by counsel for all Parties or their successors-in-interest.
- I. Settlement Binding on Successors and Assigns.** This Settlement will be binding upon, and inure to the benefit of, the successors and assigns of the Parties, as previously defined.
- J. No Prior Assignment.** Plaintiff hereby represent, covenants, and warrants that she has not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged.
- K. Applicable Law.** All terms and conditions of this Settlement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.
- L. Fair, Adequate, and Reasonable Settlement.** The Parties and their respective counsel believe and warrant that this Settlement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Settlement through arms-length negotiations, taking into account all relevant factors, current and potential.
- M. No Tax or Legal Advice.** The Parties understand and agree that the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Settlement,

and that Class Members and Aggrieved Employees will assume any such tax obligations or consequences that may arise from this Settlement, and that Class Members and Aggrieved Employees shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, if any taxing body determines that additional taxes are due from any Class Member or Aggrieved Employee, such Class Member assumes all responsibility for the payment of such taxes.

- N. Jurisdiction of the Court.** The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Settlement and all orders and judgment entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing this Settlement and all orders and judgments in connection therewith.
- O. Invalidity of Any Provision; Severability.** Before declaring any provision of this Settlement invalid, the Parties request that the Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Settlement valid and enforceable. In the event any provision of this Settlement shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.
- P. Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this Settlement. This Settlement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- Q. Execution in Counterpart.** This Settlement may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Settlement.

IV. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel execute this Settlement.

Dated: 12/12/2024

MARIA ISORDIA

DocuSigned by:

Maria Isordia

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Dated: 12/20/2024

TRESTLES HOLDINGS LLC

Dan Gill

Name: Dan Gill

Title: CEO

Dated: 12/12/2024

MARA LAW FIRM, PC

DocuSigned by:

David Mara

4579A5166C10447...

David Mara, Esq.

Jill Vecchi, Esq.

Attorneys for Plaintiff, on behalf of herself and the Settlement Class

Dated: 12/17/2024

LAWYERS FOR EMPLOYEE AND CONSUMER RIGHTS

Pete / Hort

Peter Horton, Esq.

Attorney for Plaintiff, on behalf of herself and the Settlement Class

Dated: 12/20/2024

JACKSON LEWIS PC

Kelli Dreger

Kelli M. Dreger, Esq.

Attorney for Defendant

Exhibit *A*

NOTICE OF CLASS ACTION SETTLEMENT

*A court authorized this notice. This is not a solicitation.
This is not a lawsuit against you and you are not being sued.
However, your legal rights are affected by whether you act or don’t act.*

TO: All non-exempt employees who work or have worked for Defendant Trestles Holdings LLC dba Hillcrest Post Acute (“Hillcrest Post Acute” or “Defendant”) anywhere in the State of California at any time from June 9, 2019, through September 9, 2024.

The California Superior Court, County of Sonoma has granted preliminary approval to a proposed settlement (“Settlement”) of the above-captioned action (“Action”). Because your rights may be affected by this Settlement, it is important that you read this Notice of Class Action Settlement (“Notice”) carefully.

The Court has certified the following class for settlement purposes (“Class” or “Class Members”):

All non-exempt employees who work or have worked for Defendant anywhere in the State of California during the Class Period. The Class Period is June 9, 2019, through September 9, 2024.

The purpose of this Notice is to provide a brief description of the claims alleged in the Action, the key terms of the Settlement, and your rights and options with respect to the Settlement.

YOU MAY BE ENTITLED TO MONEY UNDER THE PROPOSED CLASS ACTION SETTLEMENT. PLEASE READ THIS NOTICE CAREFULLY; IT INFORMS YOU ABOUT YOUR LEGAL RIGHTS.

WHAT INFORMATION IS IN THIS NOTICE

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1. Why Have I Received This Notice?

Hillcrest Post Acute’s records indicate that you may be a Class Member. The settlement will resolve all Class Members’ Released Claims, as described in Section No. 9 below, from June 9, 2019, through September 9, 2024

(this time period is referred to as the “Class Period”). If you worked for Hillcrest Post Acute at some time during the Class Period, you may be entitled to money under this settlement. This notice provides you with basic information about the case and advises you of your options with regard to the settlement.

A Preliminary Approval Hearing was held on **January 24, 2025, at 3:00 p.m.**, in the California Superior Court, County of Sonoma. The Court conditionally certified the Class for settlement purposes only and directed that you receive this Notice.

2. *What Is This Case About?*

A class action complaint was filed by Maria Isordia on June 9, 2023, in Sonoma County Superior Court (Case No. SCV-273468) alleging that Defendant failed to pay all straight time and overtime wages, failed to provide lawful meal and rest periods, failed to adopt a complaint sick pay policy, failed to reimburse employees for all business expenses, failed to provide accurate itemized wage statements, failed to pay all wages due at the termination of employment, and violated the Unfair Competition Law.

On October 30, 2023, Plaintiff Maria Isordia filed a complaint pursuant to the Private Attorneys General Act of 2004 (“PAGA”) in the Sonoma County Superior Court (Case No. 23CV01288) alleging that Defendant violated the PAGA by failing to pay all straight time and overtime wages, failing to provide lawful meal and rest periods, failing to adopt a complaint sick pay policy, failing to reimburse employees for all business expenses, failing to provide accurate itemized wage statements, and failing to pay all wages due at the termination of employment.

The Court has not made any determination as to whether the claims advanced by the Plaintiff have any merit. In other words, the Court has not determined whether any laws have been violated, nor has it decided in favor of Plaintiff or Defendant; instead, both sides agreed to resolve the lawsuit with no decision or admission of who is right or wrong. By agreeing to resolve the lawsuit, all parties avoid the risks and cost of a trial.

Defendant expressly denies that it did anything wrong or that it violated the law and further denies any liability whatsoever to Plaintiff or to the Class.

3. *Am I A Class Member? Am I An Aggrieved Employee?*

You are a Class Member if you were employed as a non-exempt employee by Defendant in California and worked at any time from June 9, 2019, through September 9, 2024.

If you are a Class Member and worked at least one pay period for Defendant at any time between June 9, 2022, through September 9, 2024, you are also an “Aggrieved Employee” under the settlement.

4. *How Does This Class Action Settlement Work?*

Plaintiff Maria Isordia brought these actions on behalf of herself and all other similarly situated individuals who worked for Defendant as non-exempt employees in California at any time during the Class Period. Plaintiff and these other individuals comprise a “Class” and are “Class Members.” The settlement of this Action resolves the Released Claims of all Class Members, as defined in the Settlement Agreement and Final Judgment, except for those who exclude themselves from the Class by requesting to be excluded in the manner set forth below.

Plaintiff and Class Counsel believe the settlement is fair and reasonable. The Court must also review the terms of the settlement and determine if it is fair and reasonable to the Class. On [date of ruling on preliminary approval], the Court directed that you receive this notice.

The Court will hold a Final Fairness Hearing concerning the proposed settlement on [the date of final approval hearing], 2025 at [time a.m./p.m.], in Department 18 before Judge Christopher M. Honigsberg, located at 3055 Cleveland Avenue, Santa Rosa, CA 95403. The date of the Final Approval Hearing may change without further notice to the Class. You are advised to check the Court's website (instructions on accessing this site are provided in Section 12 of this Notice) to confirm that the date has not been changed.

5. Who Are the Attorneys Representing the Parties?

Attorneys for Plaintiff and the Class ("Class Counsel")	Attorneys for Hillcrest Post Acute
MARA LAW FIRM, PC David Mara dmara@maralawfirm.com Jill Vecchi jvecchi@maralawfirm.com 2650 Camino Del Rio North, Suite 302 San Diego, California 92108 Telephone: (619) 234-2833 LAWYERS FOR EMPLOYEE AND CONSUMER RIGHTS Peter Horton phorton@lfecr.com 4100 West Alameda Avenue, Third Floor Burbank, California 91505 Telephone: (323) 486-5101	JACKSON LEWIS P.C. Kelli M. Dreger 200 Spectrum Center Drive, Suite 500 Irvine, California 92618 Telephone: (714) 745-9737

The Court has decided that Mara Law Firm, PC, and Lawyers for Employee and Consumer Rights are qualified to represent you and all other Class Members simultaneously.

You do not need to hire your own attorney because Class Counsel is working on your behalf. But, if you want your own attorney, you may hire one at your own cost.

6. What Are My Options?

The purpose of this Notice is to inform you of the proposed settlement and of your options. Each option has its consequences, which you should understand before making your decision. Your rights regarding each option, and the steps you must take to select each option, are summarized below and explained in more detail in this Notice.

Important Note: Defendant will not retaliate against you in any way for either participating or not participating in this Settlement.

- **DO NOTHING:** If you do nothing and the Court grants final approval of the Settlement, you will become part of this Class Action and may receive a payment from the Settlement. You will be bound to the release of the Released Class Claims as defined in the Settlement

Agreement and the Final Judgment. You will also give up your right to pursue the Released Class Claims as defined in Section No. 9 below.

- **OPT OUT:** If you do not want to participate as a Class Member, you may “opt out,” which will remove you from the Class and this Class Action. If the Court grants final approval of the Settlement, you will not receive a Settlement payment and you will not give up the right to sue Defendant and the Released Parties for the Released Class Claims. If you are an Aggrieved Employee, you will receive a portion of the PAGA Payment, even if you opt-out of the settlement.
- **OBJECT:** You may assert a legal objection to the proposed settlement. If you would like to object, you may not opt out of this case.

7. *How Do I Opt Out Or Exclude Myself From This Settlement?*

If you do not want to take part in the Settlement, you must mail a written Request for Exclusion to the Settlement Administrator. The written request for exclusion must: (a) state your name, address, telephone number, and social security number or employee identification number; (b) state your intention to exclude yourself from or opt-out of the Settlement; (c) be addressed to the Settlement Administrator at **P.O. Box 26170, Santa Ana, CA 92799**; (d) be signed by you or your lawful representative; and (e) be postmarked no later than **[the Response Deadline]**.

If the Court approves the Settlement at the Final Approval Hearing, the Court will enter a Judgment. If you do not opt out of the Settlement, the Judgment will bind you to the terms of the Settlement. If you are an Aggrieved Employee, you will receive a portion of the PAGA Payment, even if you opt out of the settlement.

8. *How Do I Object To The Settlement?*

If you are a Class Member who does not opt out of the Settlement, you may object to the Settlement, personally or through an attorney, by submitting your objection in writing, signed, dated, and mailed to the Settlement Administrator postmarked no later than **[the Response Deadline]**. The objection must: (a) state your full name, address, and telephone number; (b) include the words “Notice of Objection” or “Formal Objection;” (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) you may call to testify at the Final Approval hearing; and (e) provide true and correct copies of any exhibit(s) you intend to offer at the Final Approval hearing.

Class Members may appear at the Final Approval Hearing, either in person or through the objector’s own counsel. If the Court rejects the objection, the objector will receive an Individual Settlement Share payment and will be bound by the terms of the Settlement.

9. *How Does This Settlement Affect My Rights? What are the Released Claims?*

If the proposed settlement is approved by the Court, a Final Judgment will be entered by the Court. All Class Members who do not opt out of the Settlement will be bound by the Court’s Final Judgment and will release Defendant and the Released Parties¹ from the Released Class Claims:

The Participating Class Members will, upon the Effective Final Settlement Date, release all claims

¹ “Released Parties” mean Defendant Trestles Holdings LLC dba Hillcrest Post Acute and its past or present officers, directors, employees, and agents which could be jointly liable with Defendant for the claims alleged.

asserted at any time in the Class Action and from all other claims that could have been asserted based on the facts alleged in the operative Complaints including, but not limited to, failure to pay overtime compensation (Labor Code sections 510, 1194, 1198), failure to provide meal periods (Labor Code sections 226.7, 512; IWC Wage Order No. 5-2001(11); Cal. Code Regs., tit. 8 § 11050), failure to pay meal period premium pay (Labor Code section 226.7), failure to provide rest periods (Labor Code section 226.7; IWC Wage Order No. 5-2001(12); Cal. Code Regs., tit. 8 § 11050), failure to pay rest period premium pay (Labor Code section 226.7), failure to adopt a compliant sick pay/paid time off policy (Labor Code sections 233, 234, 246), failure to pay all sick pay (Labor Code section 246), knowing and intentional failure to comply with itemized employee wage statement provisions (Labor Code sections 226, 1174, 1175), failure to pay supplemental COVID-19 sick pay, failure to timely pay wages throughout employment (Labor Code sections 204 and 558), failure to timely pay final wages upon separation of employment (Labor Code sections 201–203), failure to provide accurate itemized wage statements (Labor Code sections 226, 226.3), failure to reimburse reasonable and necessary business expenses (Labor Code sections 221, 2802; Cal. Code Regs., tit. 8, § 11050(8)), failure to maintain accurate payroll records (Labor Code section 1174), unlawful collection of employee wages (Labor Code section 221), and any other claims whatsoever that were alleged in this case or which arise out of or directly or indirectly relate to such facts, including, without limitation, all related claims for restitution and other equitable relief under Business and Professions Code §§ 17200, *et seq.*, conversion, liquidated damages, punitive damages, interest, penalties, statutory penalties, civil penalties under the PAGA, and any other related statute, regulation, or Industrial Welfare Commission Order, including, but not limited to, Labor Code, sections 218, 218.5, 222–224, 246.5, 515, 1194.2, 1197; Cal. Code Regs., tit. 8, §§ 11050, 3395; IWC Wage Order No. 5-2001.

Additionally, the LWDA will be bound by the Final Judgment and will release the Released Parties from the Released PAGA Claims. The Released PAGA Claims include:

The Aggrieved Employees will, upon the Effective Final Settlement Date, release all claims during the PAGA Period for civil penalties that were pled or could have been pled based on a reasonable interpretation of the facts included in the operative PAGA Action and/or raised in the PAGA demand letter submitted to the Labor and Workforce Development Agency on June 9, 2023, including, but not limited to, claims for liability or damages under Labor Code, sections 201–203, 204(b) 218, 218.5, 222–224, 226, 226.3, 226.7, 233, 234, 246, 246.5, 247.5, 510, 512, 558, 1174, 1194–1197.1, 1199, 2698, 2699, 2699.3, 2699.5, 2802; California Code of Regulations, section 11050; or Industrial Welfare Commission Order No. 5-2001.

10. *How Much Can I Expect to Receive From This Settlement?*

The total maximum amount that Defendant could be required to pay under this Agreement shall be up to but no more than \$500,000 (“Gross Settlement Amount” or “GSA”).

A. Deductions from the Settlement

The “Net Settlement Amount” or “NSA” means the portion of the Gross Settlement Amount, available for distribution to Class Members after the deduction of (1) the Class Representative Enhance Payment to the named Plaintiff in an amount up to \$5,000, for prosecution of the Action, risks undertaken for the payment of attorneys’ fees and costs, and a broader release of claims; (2) the Settlement Administration Costs to the Settlement Administrator in an amount estimated not to exceed \$10,000; (3) a payment of \$50,000 allocated to the PAGA

claims; and (4) payment to Class Counsel in an amount not to exceed \$166,666.66 (one-third of the Gross Settlement Amount) for attorneys' fees and an amount not to exceed \$35,000 for litigation costs. All of these payments are subject to court approval.

B. How Class Member Settlement Payments are Calculated

After deducting the above-referenced items, the remaining Net Settlement Amount will be proportionately distributed amongst all Class Members who have not opted out. These Class Members are referred to as "Participating Class Members." Participating Class Members will receive a pro-rated share of the Net Settlement Amount, less applicable withholdings, based on the number of workweeks they worked in California while employed by Defendant during the Class Period. The formula for distribution to Participating Class Members shall be calculated as follows: Trestles shall provide the Settlement Administrator with the total number of work weeks worked by all Class Members during the Class Period; the Settlement Administrator shall then divide the Net Payment by the total number of work weeks resulting in a value for each work week attributable to Class Members ("Work Week Value"); the Settlement Administrator shall then take the number of work weeks worked by each Class Member and multiply it by the Work Week Value. Therefore, the value of each Class Member's Individual Settlement Share ties directly to the amount of weeks that he or she worked during the Class Period.

C. How Aggrieved Employee Settlement Payments are Calculated

If you are an Aggrieved Employee under the settlement, you will also receive a portion of the PAGA Payment. Pursuant to PAGA, the LWDA will receive a payment of \$37,500 (75% of the \$50,000 total PAGA Payment). The remaining \$12,500 is the "Net PAGA Settlement Amount" and will be proportionately distributed amongst all Aggrieved Employees. Aggrieved Employees will receive a pro-rated share of the Net Settlement Amount, less applicable withholdings, based on the number of pay periods they worked in California while employed by Defendant during the PAGA Period. The formula for distribution to Aggrieved Employees shall be calculated as follows: Trestles shall provide the Settlement Administrator with the total number of pay periods worked by all Aggrieved Employees during the PAGA Period; the Settlement Administrator shall then divide the Net PAGA Settlement Amount by the total number of pay periods resulting in a value for each pay period attributable to Aggrieved Employees ("Pay Period Value"); the Settlement Administrator shall then take the number of pay periods worked by each Aggrieved Employee and multiply it by the Pay Period Value. Therefore, the value of each Aggrieved Employee's Individual PAGA Settlement Share ties directly to the amount of workweeks that he or she worked during the PAGA Period.

D. Your Estimated Settlement Payment

Although your exact share of the Net Settlement Amount as a Class Member cannot be precisely calculated until after the time during which individuals may object or seek exclusion from the Settlement concludes, based upon the calculation above, your approximate share of the Net Settlement Amount, is as follows: \$ [REDACTED], less taxes. This is based on the Class Data which shows you worked [REDACTED] workweeks during the period of June 9, 2019, through September 9, 2024.

If you are also an Aggrieved Employee, you will receive a share of the Net PAGA Settlement Amount. Based upon the calculation above, your approximate share of the Net PAGA Settlement Amount, is as follows: \$ [REDACTED]. This is based on the PAGA Data which shows you worked [REDACTED] pay periods during the period of June 9, 2022, through September 9, 2024.

If you believe the number of workweeks attributed to you is incorrect, you must call the Settlement Administrator at 888-369-3780 no later than [RESPONSE DEADLINE] or mail documentation to the Settlement Administrator at P.O. Box 26170, Santa Ana, CA 92799, that is postmarked no later than [RESPONSE

DEADLINE]. You should produce any available supporting evidence, such as wage statements, offers of employment, termination letters, and/or other employment records, to the Settlement Administrator. The documentation should provide evidence of the dates you contend you worked for Messer during the Class or PAGA Period.

E. Tax Treatment of Your Settlement Payments

Twenty percent (20%) of each Individual Class Settlement Share is intended to settle each Class Member's claims for unpaid wages (the "Wage Portion"). The Wage Portion will be reduced by applicable payroll tax withholdings and deductions. Defendant's share of legally required payroll taxes for the Wage Portion will be calculated by the Settlement Administrator and paid by Defendants separately from the GSA. The Settlement Administrator will issue an IRS Form W-2 to each Participating Class Member with respect to the Wage Portion of his/her Individual Class Settlement Share.

Eighty percent (80%) of the Individual Class Settlement Share is intended to settle each Class Member's claims for interest and penalties/other payments. The Non-Wage Portion will not be reduced by payroll tax withholding and deductions. The Settlement Administrator will issue to each Participating Class Member an IRS Form 1099 with respect to the Non-Wage Portion of his/her Individual Class Settlement Share.

If you are an Aggrieved Employee, your Individual PAGA Settlement Share will be apportioned as 100% penalties. This will not be reduced by payroll tax withholding and deductions. The Settlement Administrator will issue to each Aggrieved Employee an IRS Form 1099 with respect to his/her Individual PAGA Settlement Share.

F. What Happens If You Don't Cash Your Check?

Please note that you must cash or deposit your settlement check within 180 calendar days after the check is mailed to you. If your check was lost or misplaced or you have changed your address, please contact the Settlement Administrator at 888-369-3780. All funds associated with the Individual Settlement Share checks returned as undeliverable and funds associated with those checks remaining un-cashed, shall escheat to the State of California's Unpaid Wage Fund in the name of the Class Member.

11. How Will the Attorneys for the Class and the Class Representatives Be Paid?

The attorneys for Plaintiff and the Class will be paid from the Gross Settlement Amount. Subject to Court approval, the attorneys for Plaintiff and the Class shall be paid an amount not to exceed one-third of the Gross Settlement Amount (\$166,666.66) for attorney fees and \$35,000 for litigation costs.

Defendant has paid all of her own attorneys' fees and costs.

Plaintiff will also be paid, subject to Court approval, an amount not to exceed \$5,000, as an enhancement for the initiation of and prosecution of this case, the risks undertaken for the payment of costs in the event this case had been lost, and a broader release of claims.

12. What do I do if I Need More Information or Have Questions?

This notice summarizes the proposed settlement. You can receive a copy of the settlement agreement by contacting Class Counsel at (619) 234-2833, by accessing the Court docket in this case through the Court's website at <https://sonoma.courts.ca.gov/>, or by visiting the office of the Court at 3055 Cleveland Avenue, Santa

Rosa, CA 95403 between 8:00 a.m. and 3:30 p.m., Monday through Friday, excluding Court holidays. You may also ask Class Counsel for a copy of any of the case documents to be mailed to you free of charge. Please refer to the *Isordia v. Trestles Holdings LLC dba Hillcrest Post Acute* Class Action Settlement when calling the Settlement Administrator or Class Counsel.

To view the case documents on the Court's website, access the website <https://sonoma.courts.ca.gov/online-services/case-portal>. Once at this website, click on the "Access the Portal" link. At the bottom of the page, click on the link "Accept." Then, click on the link "Smart Search." On the next page, type the case number "SCV-273468" into the search box. Check the box next to "I'm not a robot." Then, click the "Submit" button. On the next page, click the link for the case number. This will take you to the case information.

All inquiries by Class Members regarding this Notice of Class Action Settlement and/or the Settlement should be directed to Class Counsel or the Settlement Administrator.

PLEASE DO NOT TELEPHONE THE COURT OR COURT'S CLERK FOR INFORMATION ABOUT THIS SETTLEMENT.

Exhibit 2