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ROMAN SLYUSARCHUK

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF STANISLAUS
UNLIMITED JURISDICTION

ROMAN SLYUSARCHUK, a California
resident,

Plaintiff,

v.

NEWPORT LLC, a California limited
liability company, KALESTA
HEALTHCARE GROUP, LLC, a California
limited liability company, and HARRIS
LACHANCE, a California resident, and
DOES 1 through 20, inclusive,

Defendants.

Case No. CV-26-001568

**DECLARATION OF JEFFREY S. SLOAN
IN SUPPORT OF PLAINTIFF'S MOTION
FOR APPROVAL OF SETTLEMENT OF
CLAIM FOR PENALTIES PURSUANT TO
THE LABOR CODE PRIVATE
ATTORNEYS GENERAL ACT**

Date: November 13, 2026

Time: 8:30 a.m.

Dept.: 24

Judge: Hon. David Hood

Action Filed: February 13, 2026

Trial Date: None Set

I, Jeffrey S. Sloan, Esq., declare as follows:

1. I am an attorney at law duly licensed to practice before all courts of the State of
California. I am the Managing Shareholder at Workplace Legal, A Professional Law Corporation,

1 counsel of record for Plaintiff Roman Slyusarchuk (“Plaintiff”) in this action. I submit this declaration in
2 support of Plaintiff’s Motion for Approval of Settlement of Claim for Penalties Pursuant to the Labor
3 Code Private Attorneys General Act (the “Motion”). I have personal knowledge of the facts set forth in
4 this declaration, and if called as a witness, I could and would testify competently to them.

5 2. Our office first made contact with Defendants on December 23, 2025, before they were
6 represented by counsel, with a written request to receive a copy of Plaintiff’s personal file and payroll
7 records.
8

9 3. Thereafter, January 28, 2026, I drafted and sent a 15-page demand letter to Defendants
10 that contained 11 separate documents, photos, emails, and other admissible evidence supporting
11 Plaintiff’s claims.

12 4. The next day, January 29, 2026, Defendant Kalesta HealthCare Group Co-Founder, Ryan
13 Williams, emailed me and indicated that Defendants would “be in touch” about Plaintiff’s claims.
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15 5. On February 13, 2026, Plaintiff filed his PAGA Claim Notice with the California Labor
16 & Workforce Development Agency (“LWDA”) and paid the \$75 filing fee. Plaintiff’s PAGA Claim
17 Notice contained 6 full pages of factual details based on the extensive evidence Plaintiff compiled and
18 preserved throughout his employment. Our office served Defendants with Plaintiff’s PAGA Claim
19 Notice later that same day. A true and correct copy of the PAGA Claim Notice is attached as **Exhibit A**.
20

21 6. As a result of the February 13, 2026 LWDA filing date, Plaintiff’s deadline to amend his
22 complaint as a matter of right to add his PAGA cause of action was June 18, 2026 (65 days for the
23 LWDA to decide whether it wanted to take Plaintiff’s PAGA claim plus another 60 days thereafter).

24 7. On March 3, 2026, upon being served with a copy of Plaintiff’s PAGA Claim Notice,
25 Defendants’ General Counsel, Josh Sable, Esq., emailed me and explicitly stated Defendants’ desire to
26 engage in discussions to “explore whether this case can be resolved short of formal proceedings.” His
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1 clients were “not huge fans of mediation,” Mr. Sable explained, but they would welcome the opportunity
2 to engage in counsel-to-counsel talks to try to explore whether a negotiated compromise might be
3 possible.

4 8. Later that same day, March 3, 2026, I replied to Mr. Sable by email and told him that
5 Plaintiff was “always open to exploring whether early resolution is possible.”
6

7 9. On March 25, 2026, Fisher Phillips attorney Michael Saldana, Esq. emailed me to inform
8 me that his firm had been retained as counsel for all Defendants. Mr. Saldana also asked for an
9 extension until April 20, 2026 for all Defendants to file their answer. I granted Mr. Saldana’s request
10 and agreed to the extension.

11 10. On April 20, 2026, Fisher Phillips attorney Victor Xu, Esq. emailed me to ask if I would
12 be open to having a substantive discussion “before everything starts moving forward.” Presuming that
13 we would be agreeable to that, Mr. Xu also asked for an additional 30-day extension for all Defendants
14 to file their answer.
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16 11. On April 20, 2026, while I was out on vacation, my colleague, Cari A. Cohorn, Esq.,
17 responded to Mr. Xu in an email, telling him that Plaintiff would not agree to any further extensions
18 absent some confirmation that Defendants were serious about engaging in productive settlement talks.
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20 12. Five days later, on April 25, 2026, I returned from vacation and emailed Mr. Xu an
21 explicit invitation to commence substantive settlement conversations. Four days later, on April 29,
22 2026, Mr. Xu and I spoke for almost an hour about both sides sharing documents and other information
23 in an effort to try to self-mediate the case towards a resolution.

24 13. Following this first exchange of information, the next day, April 30, 2026, I conveyed
25 Plaintiff’s first formal settlement demand to Mr. Xu by email. That conveyance triggered an intense
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back-and-forth settlement dialogue between me and Mr. Xu, both by telephone conversation and email exchanges.

14. Following these calls and emails, on May 13, 2026, Mr. Xu conveyed Defendants' response to Plaintiff's settlement offer in an email to me.

15. The next day, May 14, 2026, Mr. Xu and I had another settlement call where we discussed Plaintiff's PAGA claim, the data obtained by Mr. Xu from Defendants as to the number of employees and pay periods in the PAGA pool, and both sides' respective view of likely PAGA penalties given this data.

16. Over the course of our discussions, the parties exchanged a significant amount of information and document. For example, and without limitation, we reviewed and analyzed extensive payroll and personnel records, employee handbooks and other written policy documents, and relevant employee-employer communications.

17. The next day, May 15, 2026, Mr. Xu informed me by email that he had requested his firm's "data analysis team [to] verify the PAGA aggrieved employee workweek data" that we discussed the day before.

18. Following numerous emails between our respective firms over the next couple of weeks, and the production by Mr. Xu of spreadsheet data showing the number of active and terminated PAGA pool members, as well as their workweeks and pay periods during the relevant PAGA period, Mr. Xu and I had another settlement discussion on June 9, 2026.

19. Days later, with our deadline approaching to file Plaintiff's amended complaint that included his PAGA claim, Mr. Xu and I had another substantive settlement discussion on June 12, 2026 about Plaintiff's PAGA claims. We made substantial progress towards a possible settlement framework during this discussion. Later that same day, as a result of the information that we had exchanged and the

1 settlement progress that we had made, counsel for both sides jointly filed a stipulation with this Court
2 requesting a continuance of the Case Management Conference that was scheduled for June 29, 2026.

3 20. On June 17, 2026, after considering the new information that was exchanged, I conveyed
4 to Mr. Xu by email Plaintiff's revised settlement demand.

5 21. Our deadline to file Plaintiff's amended complaint as a matter of right was, by this time,
6 one day away. Knowing that we were making progress towards a possible settlement, we chose not to
7 file Plaintiff's amended complaint by the June 18, 2026 deadline because we were concerned that any
8 such filing would threaten the settlement progress that we'd been working so hard to achieve. Given the
9 cooperation our office was getting from Mr. Xu and his firm, we trusted that further settlement progress
10 was likely, and that with such further progress Defendants would eventually agree to a stipulation
11 allowing Plaintiff to file the amended complaint after the June 18, 2026 deadline.
12

13 22. Following still more emails exchanged between our respective offices, on July 1, 2026 I
14 had another substantive settlement discussion with Mr. Xu. During this call, we again discussed
15 Plaintiff's PAGA claims, the numbers of employee and pay periods/workweeks at issue, and both sides'
16 differing views about the total PAGA penalties this Court could or would assess against Defendants.
17 Also during this calls, Mr. Xu conveyed to me Defendants' formal response to Plaintiff's revised
18 settlement demand conveyed on July 17, 2026.
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20 23. Five days later, on July 6, 2026, after Plaintiff's consideration of the information being
21 shared and exchanged by counsel, I conveyed Plaintiff's further revised settlement demand to Mr. Xu.
22 The next day, July 7, 2026, Mr. Xu and I had another substantive settlement discussion and, two weeks
23 later, on July 20, 2026, Mr. Xu conveyed by email Defendants' response to Plaintiff's settlement
24 demand.
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24. With Defendants' response, my colleagues and I felt that we had narrowed the settlement gap sufficiently enough to approach Mr. Xu and request that Defendants sign a joint stipulation allowing Plaintiff to file his amended complaint to include the PAGA cause of action. On July 21, 2026, Mr. Xu replied by email and explained that, once final settlement terms had been agreed on, our office and his office would jointly draft the required stipulation.

25. Later that same day, July 21, 2026, I conveyed to Mr. Xu by email Plaintiff's "last, best, and final" settlement offer.

26. Seven days later, on July 28, 2026, Mr. Xu and I had another substantive settlement discussion where we reached final agreement on the terms of the settlement of Plaintiff's PAGA claims.

27. A true and correct copy of the parties' agreement to settle the PAGA claims is attached as **Exhibit B**. My office is uploading a copy of the settlement agreement to the Labor and Workforce Development Agency's ("LWDA") online portal concurrently with the filing of the Motion.

28. The parties also entered into a separate, confidential agreement to settle Plaintiff's individual, non-PAGA claims for, among other things, discrimination, retaliation, wrongful termination, failure to reimburse expenses, and failure to pay all wages due upon termination. To the extent the Court requires additional information concerning the individual settlement, the parties respectfully request that they be permitted to provide such information under seal and/or in camera.

29. Following reaching agreement with defendants as to all settlement terms, my office began preparing the joint stipulation and proposed order to allow Plaintiff to file his amended complaint. We filed that on August 12, 2026, and this Court entered its order allowing Plaintiff to file his amended complaint on August 18, 2026. We subsequently filed our amended complaint on August 18, 2026 (though that filing was rejected by the clerk who incorrectly believed we had not obtained leave to file, and we resubmitted the amended complaint immediately after learning of the erroneous rejection).

Promptly after submitting our August 18, 2026 filing, we began drafting and preparing to file this Motion.

30. Based on my extensive experience in California employment law, including litigating PAGA matters, and in consultation with my colleague Ms. Cohorn, I believe that the settlement the parties have agreed to is fair and reasonable to Plaintiff, to all other allegedly aggrieved employees, and to the State of California. In my opinion, the counsel and parties have obtained and analyzed sufficient information to conduct a meaningful analysis of the relative strengths and weaknesses of the parties' positions and the range of potential outcomes were litigation to continue. The settlement terms were arrived at only after months of adversarial (at times contentious), arm's-length negotiations among knowledgeable and skilled counsel.

31. To briefly summarize the experience on which my opinion (and that of Ms. Cohorn) is based, I graduated from the UCLA School of Law in 1991 and have spent my entire legal career representing plaintiffs and defendants in both employment litigation and advice-and-counsel matters throughout California. Before founding Workplace Legal, I was an Associate with Heller Ehrman LLP, Co-Founder and Managing Partner of Sloan Pratt LLP (a labor and employment law boutique), and an Equity Partner at Sheppard Mullin LLP.

32. I hold an individual "AV-Preeminent" rating from Martindale (and has been individually AV-rated since 1998). I have been selected as a Northern California "Super Lawyer" in each year from 2021 to 2026 and as a "Best Lawyer" in Employment Litigation in 2021 and 2026. I was named a "Top Rated" Litigator in 2022 and a "Top Rated" Employment Lawyer in 2019 by ALM and Martindale. In addition to my law degree, I have a Master's business degree from Cornell University and an A.B. With Distinction from Stanford University.

33. My current hourly rate is \$825.

34. Ms. Cohorn earned her J.D. from the University of California, Berkeley School of Law (Boalt Hall), where she was a member of the California Law Review, in December 2006. Before graduating, she worked as a law clerk in the employment litigation practice group of Sedgwick, Detert, Moran & Arnold LLP (“Sedgwick”). She subsequently held positions as an Associate at Sedgwick, an Associate and later an Equity Partner at boutique firm Phillips, Erlewine, Given & Carlin LLP, and then as Founder and Principal of Cohorn Law for 8 years before joining Workplace Legal as Director of Litigation in 2023. Her practice has focused almost exclusively on employment litigation, representing both plaintiffs and defendants in PAGA matters and class actions (including serving as lead class counsel). In 2015-2017, Ms. Cohorn was recognized as a Northern California Super Lawyers “Rising Star” and as a Super Lawyer in 2024-2026.

35. Ms. Cohorn’s current hourly rate is \$740.

36. The \$30,000 in attorneys’ fees requested in the Motion represents a 10% discount from a one-third contingency fee often approved in similar cases. At our hourly rates, our firm’s fee for work focused solely on the PAGA claim would exceed \$50,000, but we have agreed to a sizeable reduction in an effort to encourage and facilitate a resolution. Given the extensive negotiations and analysis devoted to the PAGA claim, and the work required to obtain leave to file an amended complaint, file the amended complaint, work with a settlement administrator to obtain a reasonable cost estimate and make arrangements for handling the administration promptly upon the anticipated approval of the parties’ settlement, and prepare this Motion and supporting declaration, the requested fees are reasonable.

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Exhibit A

February 13, 2026

VIA CERTIFIED MAIL & ONLINE UPLOAD

Labor and Workforce Development Agency
Attn: PAGA Administrator
455 Golden Gate Ave., 10th Floor
San Francisco, CA 94102

Re: Roman Slyusarchuk v. Newport LLC et al.
Private Attorneys General Act ("PAGA") – Claim Notice

Dear PAGA Administrator:

We represent Roman Slyusarchuk ("Plaintiff") in connection with his PAGA and other employment-related claims against his former employers, Newport LLC d/b/a Almond Vista Healthcare ("Almond Vista"), Kalesta Healthcare, LLC ("Kalesta"), and Almond Vista's Administrator, Harris LaChance ("LaChance") (collectively "Defendants"). This letter, which is being uploaded to your website and served by certified mail on the Defendants, constitutes written notice of the numerous Labor Code violations endured by Plaintiff and other aggrieved current and former Newport and Kalesta employees, as well as the facts and theories supporting those violations.

Defendants' Unlawful Retaliation

Plaintiff was, by all accounts, an excellent employee of Defendants. Every single year, from his hiring in 2021 until his illegal, retaliatory termination in December 2025, Plaintiff received accolades and pay raises, as follows:

May 20, 2022 – promotion to Physical Therapist Assistant and a pay increase to \$36.00/hour

August 1, 2022 – pay increase to \$42.00/hour

March 26, 2023 – pay increase to \$43.00/hour

April 4, 2023 – outstanding annual review

May 26, 2023 – named "Employee of the Month"

May 31, 2024 – outstanding annual review

June 2, 2024 – pay increase to \$45.00/hour

February 23, 2025 – pay increase to \$46.50/hour

April 13, 2025 – promotion to Director of Rehab and a 45% pay increase to \$140,000/year

Following 4 years of promotions, pay raises, and accolades, however, things changed for Plaintiff. And it all started in **November 2025** when Plaintiff stood up to LaChance and refused to go along with his boss' scheme to commit Medicare fraud – by illegally pressuring Plaintiff and other Almond Vista employees to extend Medicare patients' stays in the facility even though Medicare guidelines required those patients to be discharged.

The incentive to increase Medicare patients' stays comes from the higher reimbursement amount that Almond Vista received from Medicare compared to other payors. Plaintiff is informed and believes, and thereon alleges, that the reimbursement to the facility from a Medicare patient's 1-night stay can be up to 250% more than the reimbursement that Almond Vista receives from a Kaiser patient or privately insured patient. Thus, by improperly extending a Medicare patient's stay when they were showing insufficient improvement to allow them to stay per Medicare guidelines, LaChance would earn a substantial amount of additional revenue for Almond Vista.

LaChance was so determined to increase Almond Vista's revenue, and his own compensation, that he routinely pressured Plaintiff and other Almond Vista employees to commit Medicare fraud by improperly extending patient stays. LaChance's pressure tactics came in the form of text messages or other communications reminding his team that they had to hit a certain pre-set number of Medicare nights that month. In one such communication, LaChance wrote that his team would not be allowed any more pizza or wings at their meetings unless "Medicare [stays] gets up past 18!" In another communication, LaChance texted Plaintiff and urged him to make the facility's Medicare patient-nights total for the month "as long [high] as it's ever been!!" In yet another text, LaChance told Plaintiff that Plaintiff had to hit 19 Medicare patient-nights that month if he wanted to get his bonus.

Other times, LaChance's pressure was verbal. LaChance was constantly reminding his team that "Our Medicare stay has to be X this month!" Plaintiff was not the only Almond Vista employee who endured LaChance's relentless pressure to extend patient's Medicare stays. Another employee, Respiratory Therapist Vanessa Evans, also felt so pressured to inflate her services for her Medicare patients – and thus drive-up revenue – that she complained directly to Kalesta's Chief Nursing Officer Jeff Murray.

Against this backdrop, on **November 17, 2025**, LaChance texted Plaintiff and questioned why a particular patient, R.H., was being discharged. Plaintiff replied by text and explained that the care team determined on November 12, 2025 that Patient R.H. no longer met Medicare guidelines and, thus, was required to be discharged. LaChance was clearly annoyed by this decision and by Plaintiff's insistence on strictly following Medicare guidelines. Indeed, Plaintiff was later told by Case Manager Shanae Reynolds ("Ms.

Reynolds”) that LaChance had tried to pressure her, too, into extending Patient R.H.’s stay. Ms. Reynolds told Plaintiff that LaChance got angry with her, too, when she mentioned to him the need to follow Medicare guidelines.

Four days later, on **November 21, 2025**, Plaintiff was sitting in his office, with his door open, when he heard LaChance march into the Case Management Office to question Ms. Reynolds and her assistant, Lisa Evans, why another patient, J.E., was being discharged. LaChance quickly became angry, raised his voice, and began demanding that they change Patient J.E.’s discharge date – again, to extend the patient’s stay beyond the Medicare guidelines to drive-up revenue for Almond Vista and to increase LaChance’s compensation.

LaChance was so aggressive and angry, and what he was demanding was so obviously Medicare fraud, that Plaintiff felt compelled to intervene to try and de-escalate the situation. Plaintiff walked over to the Case Managers Office and calmly explained to LaChance that Patient J.E. was required to be discharged because he no longer met the Medicare criteria. In addition, Plaintiff explained, that two days prior the Director of Nursing, Terry Raines (“Ms. Raines”), told Case Manager Ms. Reynolds to discharge Patient J.E. As a result, Plaintiff explained to LaChance, they were following the Director of Nursing’s instructions, as well, by discharging the patient.

Upon being confronted, LaChance erupted, “I am the boss here! I don’t care what [Director of Nursing] Terry says. I’ll be talking to her, too, right after this.” Plaintiff replied to this outburst by telling LaChance that it was “critical” to follow Medicare guidelines when making discharge determinations. In addition, Plaintiff told LaChance that he and the rest of the team would appreciate being supported by LaChance, rather than being attacked, because they were “doing their jobs” by making discharge determinations based solely on the Medicare guidelines.

Following this disturbing and stressful encounter with LaChance on **November 21, 2025**, Plaintiff went straight to HR and filed a formal whistleblower complaint against LaChance. In his complaint, Plaintiff explained how LaChance was attempting to force his subordinates to violate Medicare guidelines by extending Medicare patient stays. Despite Plaintiff’s complaint raising serious legal and regulatory issues, it was never investigated. No one contacted Plaintiff to learn more. Plaintiff’s complaint was ignored.

Just days later, on **December 9, 2025**, Plaintiff was summoned to LaChance’s office. When Plaintiff arrived to LaChance’s office, Plaintiff found LaChance waiting for him along with HR Manager, Rex Esguerra (“Mr. Esguerra”). LaChance first handed Plaintiff a form entitled “Corrective/Disciplinary Action Form” that had been back-dated to December 3, 2025 and incorporated herein, falsely accusing Plaintiff of “many instances” of “trying to get reimbursed without approval” and submitting reimbursement requests for “excessive amounts.” Then, LaChance handed Plaintiff a written performance improvement plan (“PIP”). The supposed justification for the PIP was a list of 6 vague, made-up performance “problems” that Plaintiff had never heard of, or been counseled about,

before – “time management,” “failure to hold staff accountable,” “proper execution of job,” “20% group – unable to achieve,” and “90% productivity – unable to achieve.”

After receiving this false, retaliatory write-up and PIP, Plaintiff again went to complain to HR Manager Mr. Esguerra about LaChance’s ongoing illegal conduct. During this meeting with HR, Plaintiff also informed Mr. Esguerra that Plaintiff was filing a new request to take his remaining baby-bonding leave in January 2026.

The next day, on **December 10, 2025**, while Plaintiff and others were attending their usual Patient-Driven Payment Model (“PDPM”) morning meeting, Director of Nursing Ms. Raines came in and asked the group if anyone knew anything about a complaint that had been anonymously filed with the State of California. That complaint, it turns out, raised with the State of California the very same Medicare fraud issue that Plaintiff had been complaining about.

Sue Thao, the Health Facilities Evaluator for the California Department of Public Health, was in the building that morning of December 10, 2025, and Ms. Raines was not happy about it. Everyone in the meeting, including Plaintiff, declined having made the complaint or knowing anything about it. Later that same day, at around 1:50pm, Ms. Raines marched into Plaintiff’s office. “We know you’re the whistleblower!” Ms. Raines declared. “I can’t believe you would go this route to hurt the facility!” Plaintiff was stunned by Ms. Raines’ obvious retaliation.

Immediately after enduring Ms. Raines’ inappropriate and illegal outburst, Plaintiff went to HR to report it and file a written complaint. During his meeting with HR, Plaintiff told Mr. Esguerra that he felt he was being illegally “targeted” and asked Mr. Esguerra what his “next steps” should be. Mr. Esguerra, who had already heard Plaintiff’s complaints about mistreatment from LaChance, agreed with Plaintiff. “I feel you’re being targeted, too,” Mr. Esguerra replied. “I’m going to escalate this situation to someone higher because I don’t think you’re being treated fairly, either,” Mr. Esguerra said. When Plaintiff told Mr. Esguerra that his doctor was going to put him out on medical leave because of the severe stress he was experiencing at work, Mr. Esguerra replied, “You should do whatever you believe is best for yourself.” With that, Mr. Esguerra ended the meeting with Plaintiff promising he would “talk to” Ms. Raines about her conduct and try to get her to “calm down.”

The next day, **December 11, 2025**, Plaintiff went back to HR to speak with Mr. Esguerra about the events of the last two days – being placed on an unfair PIP by LaChance, being confronted and falsely accused by Ms. Raines, and suffering severe stress and anxiety as a result. Plaintiff complained again how unfairly he was being treated and asked what Mr. Esguerra recommended that he do. Mr. Esguerra replied, “If you believe you are being treated unfairly, you should file another grievance report.” At 3:00pm that same day, Plaintiff followed HR’s advice and submitted another complaint of unfair treatment.

The next day, **December 12, 2025**, LaChance summoned Plaintiff to his office, fired him, presented him with a written severance agreement with a \$10,000.00 severance offer, and immediately started pressuring Plaintiff to sign it. Plaintiff asked how much time he had to consider the lengthy legal document, and Mr. Esguerra replied, "Five days." But then LaChance overruled Mr. Esguerra, saying "I would like your decision by 5:00pm today." Plaintiff declined to sign the agreement that day, and his successful 4-year career at Almond Vista ended.

Defendants' Failure to Pay Bonuses (Wages)

Starting in **October 2024**, Almond Vista announced that it was offering a "referral bonus" of \$5,000 to any employee who referred a full-time occupational therapist, a full-time physical therapist, or a full-time speech language pathologist. This referral bonus offer continued into 2025, and official notices titled "ATTENTION ALL STAFF" were posted throughout the facility in 2025 to remind employees about the bonus offer. The only condition to earning the bonus was that the referred employee had to work 1 month of full-time employment; following that, the bonus was earned and would be paid to the referring employee.

In **June 2025**, Plaintiff reached out to Carolyn Ly ("Ms. Ly"), a previous student at Almond Vista, about the opportunity to come to work for the facility. Ms. Ly expressed her interest, and Plaintiff formally referred her as a possible candidate. Almond Vista interviewed Ms. Ly and ultimately hired her on **June 24, 2025**. Following her hiring, when Plaintiff approached LaChance in his office to inquire about the referral bonus, LaChance replied, "There is no bonus. I would never sign off on something like that." Plaintiff then went to HR to report the issue. Plaintiff said to Mr. Esguerra, "How can there be no bonus when there are posters throughout the facility?" Mr. Esguerra had no response. No bonus was ever paid to Plaintiff – or to any other employee who referred someone. Moreover, when Defendants' wrongfully terminated Plaintiff on December 12, 2025, they continued to fail and refuse to pay these wages to Plaintiff, resulting in Defendants' now owing 30 days' "waiting time" penalties to Plaintiff pursuant to Labor Code §203.

Defendants' Failure to Reimburse Business Expenses

Plaintiff and other employees have incurred necessary expenditures or losses in the direct consequence of their duties and/or obedience to the directions of Defendants. For example, Plaintiff and other employees were required to download to their personal cell phone an app known as "Signal," which Plaintiff and other employees were required to check throughout the day for updates from Case Managers or other important messages. Plaintiff and other employees were also required to download another app known as "PayCom" in order to clock in/out, manage their schedule, submit time off requests, and check to see if other employees were calling in sick. At no time was Plaintiff or any other employee given any reimbursement for this necessary use of their personal phone or the accompanying data plan that was required for the cell phone to function.

As another example, Plaintiff and other employees were also frequently required to work from home. This was especially true for Plaintiff starting in **April 2025** when he was promoted to the exempt position of Director of Rehabilitation. But it was also true before that, when Plaintiff was in his various non-exempt positions – he frequently had to answer emails, respond to text messages, or do other work after hours and on weekends, all of which required him to have home internet access. So, too, did every other non-exempt employee. At no time was Plaintiff or any other employee given any reimbursement for the cost of their home internet service that was necessary to allow them to do their jobs.

As another example, Plaintiff and other employees were frequently required to purchase food for work-related meetings. Plaintiff was usually reimbursed for his purchases, but there were two expenses Plaintiff incurred on **December 4, 2025** for food for the “Triple Check” meeting that Defendants illegally refused to reimburse (one was for \$54.21 and the other was for \$281.70). Plaintiff is informed and believes, and thereon alleges, that other employees similarly have not been reimbursed for all of the food they have purchased for work-related meetings.

As another example, on multiple occasions Plaintiff was denied mileage reimbursement after using his personal vehicle to attend to business matters. For example, on **October 14, 2025**, Plaintiff was required to drive 1.2 miles to pick up food for a work event from Olive Garden, but he was never reimbursed for that. On **November 14, 2025**, Plaintiff was required to drive 8 miles to attend a meeting at Kaiser Hospital, but he was never reimbursed for that. There were several other occasions, most commonly for work parties being thrown co-workers’ birthday, when Plaintiff was requested to drive 20 miles combined to pick up sushi or other food for the event, but he was never reimbursed for those trips, either.

Defendants’ Failure to Produce Plaintiff’s Payroll Records

On **December 23, 2025**, Plaintiff’s counsel sent a letter to Mr. Esguerra requesting Plaintiff’s payroll records and personnel file.

On **December 31, 2025**, Mr. Esguerra produced Plaintiff’s personnel file, but his production of Plaintiff’s payroll records was incomplete. Mr. Esguerra produced payroll records for Plaintiff only going back only to 2023, improperly omitting Plaintiff’s 2021 and 2022 payroll records and, instead, illegally producing the W-2s for every other Newport and Kalesta employee from 2021 and 2022 – *almost 1,000 pages of sensitive financial information for every employee but Plaintiff.*

Immediately upon receiving Mr. Esguerra’s incomplete payroll records production, Plaintiff’s counsel emailed Mr. Esguerra, informed him of his massive error, requested the proper 2021 and 2022 payroll records for Plaintiff, and urged Mr. Esguerra to have the facility’s counsel contact him. As of this writing, Mr. Esguerra has never replied to that email, no one has ever contacted Plaintiff’s counsel, and no one has ever produced Plaintiff’s remaining payroll records.

Plaintiff is an "Aggrieved Employee" Under PAGA

As a result of enduring the numerous illegal practices outlined in this letter, Plaintiff is an "aggrieved employee" within the meaning of Labor Code §2699(c). Accordingly, Plaintiff is requesting the right to commence litigation against Defendants to collect, on behalf of the State of California, civil penalties for all Labor Code violations endured by him and all other Aggrieved Employees, as set forth below.

PAGA Penalties for Labor Code Violations With a Specific Penalty Amount Stated

California Labor Code §98.6(b)(3) Penalties

For Violations of California Labor Code §98.6

\$10,000 payable 100% to the employee who suffers illegal retaliation

Facts and Theories: As discussed herein, by retaliating against Plaintiff for reporting concerns about LaChance's illegal actions and comments, Defendants violated Labor Code §98.6, the violation of which triggers a \$10,000.00 civil penalty under Labor Code §98.6(b)(3), payable entirely to Plaintiff, plus attorneys' fees.

California Labor Code §210 Penalties

For Violations of California Labor Code §204

*\$100 for the first pay period of missed wages and \$200 per pay period thereafter,
plus 25% of the amount unpaid, per employee*

Facts and Theories: As discussed herein, by failing to pay Plaintiff and all other Aggrieved Employees all of their wages in each pay period by the deadlines set forth in Labor Code §204, Newport and Kalesta has repeatedly violated that statute. As a result, Newport and Kalesta are liable for the civil penalties mandated by Labor Code §210, plus attorneys' fees, for all violations of Labor Code §204 suffered by Plaintiff and all other Aggrieved Employees. LaChance is also personally liable for these penalties as well because he is a "person" within the meaning of Labor Code §210 who also committed the violation.

California Labor Code §225.5 Penalties

For Violations of California Labor Code §216

*\$100 for the first pay period and \$200 per pay period thereafter,
plus 25% of the amount withheld, per employee*

Facts and Theories: As discussed herein, by "willfully" refusing to pay Plaintiff and all other Aggrieved Employees after their demand was made, and by "falsely denying" the amount and validity of their claims, Newport and Kalesta have repeatedly violated Labor Code §216. As a result, Newport and Kalesta are liable for the civil penalties mandated by Labor Code §225.5, plus attorneys' fees, for all violations of Labor Code §216 suffered by Plaintiff and all other Aggrieved Employees.

California Labor Code §226.3 Penalties

For Violations of California Labor Code §226(a)

\$250 for the first violation and \$1,000 for subsequent violations, per employee

Facts and Theories: As discussed herein, by failing to pay Plaintiff and all other Aggrieved Employees all of her/his/their wages and reimbursements in each pay period, Newport and Kalesta have repeatedly violated Labor Code §226(a) because the pay stubs given to Plaintiff and all other Aggrieved Employees in each such pay period were, by definition, inaccurate. As a result, Newport and Kalesta are liable for the civil penalties mandated by Labor Code §226.3, plus attorneys' fees, for all violations of Labor Code §226(a) suffered by Plaintiff and all other Aggrieved Employees.

California Labor Code §256 Penalties

For Violations of California Labor Code §203

The amount of waiting time penalties as a "civil penalty" in addition to waiting time penalties themselves under California Labor Code §203

Facts and Theories: As discussed herein, by failing to timely pay Plaintiff and all other Aggrieved Employees all of their wages owed at the time of termination or resignation as required by Labor Code §201 or §202, Newport and Kalesta have repeatedly violated those statutes and, thus, owes "waiting time penalties" as required by Labor Code §203 with respect to each such Aggrieved Employee. As a result, Newport and Kalesta are liable for the civil penalties mandated by Labor Code §256, plus attorneys' fees, for all waiting time penalties owed to Plaintiff and all other Aggrieved Employees pursuant to Labor Code §203.

California Labor Code §1102.5(f) Penalties

For Violations of California Labor Code §1102.5(b)

\$10,000 payable 100% to the employee who suffers illegal retaliation

Facts and Theories: As discussed herein, by retaliating against Plaintiff for reporting his concerns regarding LaChance's illegal actions to Mr. Esguerra – a person "with authority over" the situation and the "authority to investigate, discover, or correct" his concerns – Newport and Kalesta have violated Labor Code §1102.5(b), the violation of which triggers a civil penalty under Labor Code §1102.5(f) in the amount of \$10,000.00, payable entirely to Plaintiff, plus attorneys' fees.

California Labor Code §1174.5 Penalties

For Violations of California Labor Code §1174

\$500 payable 100% to the affected employee

Facts and Theories: As discussed herein, by failing to timely produce all of Plaintiff's payroll records following his demand, Newport and Kalesta have violated Labor Code §1174, the violation of which triggers a civil penalty under Labor Code §1174.5 in the amount of \$500, payable entirely to Plaintiff, plus attorneys' fees. As a result, Newport

and Kalesta are liable for the civil penalties mandated by Labor Code §1174.5, plus attorneys' fees, for all violations of Labor Code §1102.5(b) suffered by Plaintiff and all other Aggrieved Employees.

PAGA Penalties for Labor Code Violations Without a Specific Penalty Amount Stated

California Labor Code §2699(f)(2) Penalties

For Violation of California Labor Code §201

\$100 or \$200 for each Aggrieved Employee, per pay period

Facts and Theories: As discussed above, by failing to pay Plaintiff and all other Aggrieved Employees all wages due at termination, Newport and Kalesta have repeatedly violated Labor Code §201. As a result, Newport and Kalesta are liable for the civil penalties mandated by Labor Code §2699(f)(2), plus attorneys' fees, for all violations of Labor Code §201 suffered by Plaintiff and all other Aggrieved Employees.

California Labor Code §2699(f)(2) Penalties

For Violation of California Labor Code §204

\$100 or \$200 for each Aggrieved Employee, per pay period

Facts and Theories: As discussed herein, by intentionally and willfully failing to pay Plaintiff and all other Aggrieved Employees all wages earned in each pay period by the deadlines set forth in Labor Code §204, Newport and Kalesta have repeatedly violated that statute. As a result, Defendants are liable for the civil penalties mandated by Labor Code §2699(f)(2), plus attorneys' fees, for all violations of Labor Code §204 suffered by Plaintiff and all other Aggrieved Employees.

California Labor Code §2699(f)(2) Penalties

For Violation of California Labor Code §216

\$100 or \$200 for each Aggrieved Employee, per pay period

Facts and Theories: As discussed herein, by (1) "willfully" refusing to pay Plaintiff and all other Aggrieved Employees their wages due while having "the ability to pay" those wages, and (2) "falsely denying" the amount and validity of Plaintiff's and the other Aggrieved Employees' wage claims with the "intent to annoy, harass, oppress, hinder, delay, or defraud" them, Newport and Kalesta are guilty of a misdemeanor under Labor Code §216. As a result, Newport and Kalesta are liable for the civil penalties mandated by Labor Code §2699(f)(2), plus attorneys' fees, for all violations of Labor Code §216 suffered by Plaintiff and all other Aggrieved Employees. LaChance is also personally liable for these penalties as well because he is a "person" within the meaning of Labor Code §216 who also committed the violation.

California Labor Code §2699(f)(2) Penalties
For Violation of California Labor Code §226
\$100 or \$200 for each Aggrieved Employee, per pay period

Facts and Theories: As discussed herein, by knowingly and intentionally failing to pay Plaintiff and all other Aggrieved Employees all of their wages and reimbursements earned and/or due in each pay period, Newport and Kalesta have repeatedly violated Labor Code §226(a) because the pay stubs given to Plaintiff and all other Aggrieved Employees in each such pay period were, by definition, inaccurate. As a result, Newport and Kalesta are liable for the civil penalties mandated by Labor Code §2699(f)(2), plus attorneys' fees, for all violations of Labor Code §226(a) suffered by Plaintiff and all other Aggrieved Employees.

California Labor Code §2699(f)(2) Penalties
For Violation of California Labor Code §558.1
\$100 or \$200 for each Aggrieved Employee, per pay period

Facts and Theories: As discussed herein, Newport and Kalesta have repeatedly violated Labor Code §203, §226, and §2802 with Plaintiff and all other Aggrieved Employees. As a result, Newport and Kalesta have repeatedly violated Labor Code §558.1 and, thus, are liable for the civil penalties mandated by California Labor Code §2699(f)(2), plus attorneys' fees, for all violations of Labor Code §558.1 suffered by Plaintiff and all other Aggrieved Employees. LaChance is also personally liable for these penalties as well because he is a "person" within the meaning of Labor Code §558.1 who also committed the violation.

California Labor Code §2699(f)(2) Penalties
For Violation of California Labor Code §1198
\$100 or \$200 for each Aggrieved Employee, per pay period

Facts and Theories: As discussed herein, Newport and Kalesta have engaged in numerous illegal actions that violate numerous provisions of the relevant California Wage Order that applies their employees' occupations. As a result, Newport and Kalesta have repeatedly violated Labor Code §1198 and, thus, are liable for the civil penalties mandated by California Labor Code §2699(f)(2), plus attorneys' fees, for all violations of Labor Code §1198 suffered by Plaintiff and all other Aggrieved Employees.

California Labor Code §2699(f)(2) Penalties
For Violation of California Labor Code §2802
\$100 or \$200 for each Aggrieved Employee, per pay period

Facts and Theories: As discussed herein, Newport and Kalesta have repeatedly failed to indemnify Plaintiff and all other Aggrieved Employees "for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer," in violation of Labor

Code §2802. As a result, Newport and Kalesta are liable for the civil penalties mandated by Labor Code §2699(f)(2), plus attorneys' fees, for all violations of Labor Code §2802 suffered by Plaintiff and all other Aggrieved Employees.

Very truly yours,

WORKPLACE LEGAL,
A PROFESSIONAL LAW CORPORATION



Jeffrey S. Sloan, Esq.

Courtesy Copy (By Email):

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Exhibit B

PAGA SETTLEMENT AGREEMENT

Subject to court approval, this PAGA Settlement Agreement (“Agreement”) is made by and between Roman Slyusarchuk, individually and on behalf of the State of California and other aggrieved employees (“Plaintiff”), and Defendants Newport LLC and Kalesta Healthcare Group, LLC (collectively, “Defendants”). The Agreement refers to Plaintiff and Defendant collectively as “Parties” or as a “Party.” As part of a global resolution, the Parties are also entering into a separate Individual Settlement and Release Agreement resolving Plaintiff’s individual, non-PAGA claims (“Individual Settlement Agreement”). This Agreement and the Individual Settlement Agreement are separate but interdependent components of the same global resolution. Neither agreement supersedes the other, and the payment and release obligations under each agreement are conditioned on both agreements being fully executed and the Court granting Final Approval of this Settlement.

1. RECITALS

1.1. Plaintiff was employed by Defendant Newport LLC from approximately December 2021 to December 2025. Plaintiff contends that he was also employed by Defendant Kalesta Healthcare Group. Defendants dispute this contention, but in order to avoid additional cost and the uncertainty of litigation, Defendant Kalesta Healthcare Group desires to resolve the Action and Released Claims

1.2. On February 13, 2026, Workplace Legal (“Plaintiff’s Counsel”), submitted a letter on behalf of Plaintiff to the California Labor and Workforce Development Agency (“LWDA”) and Defendants to notify the LWDA and Defendants, pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”) of Plaintiff’s intent to seek civil penalties under PAGA for Defendants’ alleged violations of California Labor Code sections 98.6, 98.6(b)(3), 201, 202, 203, 204, 210, 216, 225.5, 226, 226(a), 226.3, 256, 1102.5(b), 1102.5(f), 1174, 1174.5, 1198, 2699(c), 2699(f)(2), 2802, and 558.1 and Industrial Welfare Commission Wage Orders, thereby initiating LWDA Case Number LWDA-CM-1157303-26 (the “LWDA Notice”).

1.3. On February 13, 2026, Plaintiff filed a Complaint against Defendants Newport LLC, Kalesta Healthcare Group, LLC, and Harris Chance captioned *Roman Slyusarchuk v. Newport LLC, et al.*; Case No. CV-26-001568 in Stanislaus County Superior Court alleging (1) Whistleblower Retaliation in Violation of Labor Code section 1102.5; (2) Healthcare Whistleblower Retaliation in Violation of Health and Safety Code section 1278.5; (3) Unlawful Discrimination Based on Disability in Violation of FEHA; (4) Failure to Engage in the Interactive Process in Violation of FEHA; (5) Unlawful Retaliation Based on Disability in Violation of FEHA; (6) Failure to Timely Pay Wages Due in Violation of Labor Code sections 200, 204, and 210(a); (7) Failure to Reimburse Business Expenses in Violation of Labor Code section 2802; (8) Unlawful Retaliation in Violation of Labor Code section 98.6; (9) Wrongful Termination in Violation of Public Policy; (10) Failure to Pay Wages Owed at Termination in Violation of Labor Code sections 201 and 203; (11) Failure to Timely Produce Payroll Records in Violation of Labor Code section 226; (12) Failure to Provide Accurate Wage Statements in Violation of Labor Code section 226; and (13) Unfair Competition in Violation of Business and Professions Code section 17200.

1.4. There has been no determination on the merits of the Action or the LWDA Notice but, in order to avoid additional cost and the uncertainty of litigation, the Parties desire to resolve the Action and Released Claims

2. DEFINITIONS.

2.1. “Action” means Plaintiff’s lawsuit against Defendants captioned *Roman Slyusarchuk v. Newport LLC, et al.*; Case No. CV-26-001568, pending in Stanislaus County Superior Court.

2.2. “Address Search” means the Administrator’s search for Covered Employees’ mailing addresses using all reasonably available sources, including but not limited to the National Change of Address database, skip traces, and direct contact by the Administrator.

2.3. “Administrator” means “Phoenix Class Action Administrative Solutions”, the third-party settlement administrator jointly selected by the Parties and approved by the Court.

2.4. “Administration Expenses” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its costs in accordance with the Administrator’s bid submitted to the Court. The Administration Expenses shall not exceed the amount approved by the Court.

2.5. “Attorneys’ Fees” means Thirty Thousand Dollars and Zero Cents (\$30,000.00) under this Agreement. The Attorneys’ Fees will be deducted from the Gross Settlement Amount. Any attorneys’ fees payable under the Individual Settlement Agreement are separate from, and will not be administered under, this Agreement.

2.6. “Court” means the Stanislaus County Superior Court.

2.7. “Covered Employees” means all PAGA Members.

2.8. “Defense Counsel” means captioned counsel of record from the law firm of Fisher & Phillips LLP.

2.9. “Effective Date” means the date on which the Court enters Judgment on its order granting Final Approval of the PAGA settlement, provided that this Agreement and the Individual Settlement Agreement have both been fully executed.

2.10. “Employee Data” means all Covered Employees’ identifying information in Defendants’ possession, including their names, last-known mailing addresses, Social Security numbers, and number of PAGA Pay Periods.

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

2.12. “Final Approval Hearing” means the Court’s hearing on the final motion for approval of the Settlement.

2.13. “Gross Settlement Amount” means One Hundred Thousand Dollars and Zero Cents (\$100,000.00), which is the total amount Defendant agrees to pay under this Agreement and includes all Court-approved Administration Expenses, Attorneys’ Fees, and Litigation Costs. The Gross Settlement Amount is separate from, and does not include, any payment required under the Individual Settlement Agreement.

2.14. “Individual PAGA Payments” means the PAGA Members’ pro rata share of the Net PAGA Payment, calculated according to the number of PAGA Pay Periods.

2.15. “Individual Settlement Agreement” means the separate agreement resolving Plaintiff’s individual, non-PAGA claims (including but not limited to multiple causes of action for unlawful retaliation, discrimination, and wrongful termination, as well as individual wage-and-hour claims). Payments under the Individual Settlement Agreement are not part of the Gross Settlement Amount and will not be administered under this Agreement.

2.16. “Judgment” means the judgment entered by the Court based upon the Final Approval of the Settlement.

2.17. “Litigation Costs” means Two Hundred Fifty Dollars and Zero Cents (\$250.00) under this Agreement. The Litigation Costs will be deducted from the Gross Settlement Amount. Any litigation costs or expenses payable under the Individual Settlement Agreement are separate from, and will not be administered under, this Agreement.

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

2.19. “LWDA Payment” means the 65% share of the PAGA Payment allocated to be paid to the LWDA under Labor Code section 2699, subdivision (m).

2.20. “Net PAGA Payment” means the 35% share of the PAGA Payment allocated to be paid to PAGA Members under Labor Code section 2699, subdivision (m).

2.21. “Operative Complaint” means the most recently filed complaint, including amended complaints, filed by Plaintiff.

2.22. “PAGA” means California’s Private Attorneys General Act of 2004.

2.23. “PAGA Period” means one year and 65 days prior to the date Plaintiff files his First Amended Complaint, pursuant to the Court’s order granting leave for such filing, through the date of filing of the First Amended Complaint, as alleged in the PAGA Notice and Operative Complaint and subject to Court approval.

2.24. “PAGA Payment” means the amount remaining from the Gross Settlement Amount after deduction of the Court-approved Administration Expenses, Attorneys’ Fees, and Litigation Costs. Sixty-five percent (65%) of the PAGA Payment will constitute the LWDA Payment, and the remaining thirty-five percent (35%) will constitute the Net PAGA Payment to be allocated and paid to PAGA Members. The PAGA Payment may increase or decrease based

only on the final Court-approved Administration Expenses, but Defendants' total payment obligation under this Agreement will not exceed the Gross Settlement Amount.

2.25. "PAGA Counsel" or "Plaintiff's Counsel" means Workplace Legal.

2.26. "PAGA Members" means all individuals encompassed by the representative PAGA claim set forth in the PAGA Notice and Operative Complaint who were employed in California by one or more Defendants during the PAGA Period.

2.27. "PAGA Notice" means Plaintiff's letter to Defendants and the LWDA, including any amendments thereto, pursuant to Labor Code section 2699.3(a).

2.28. "PAGA Pay Period" means any pay period during which a PAGA Member worked for one or more Defendants for at least one day during the PAGA Period.

2.29. "PAGA Pay Period Estimate" means, based on a review of Defendants' records to date, a total of approximately 9,911 PAGA Pay Periods. The final number will be determined from the Employee Data provided to the Administrator.

2.30. "PAGA Representative" or "Named Plaintiff" refers to Roman Slyusarchuk.

2.31. "Released Claims" means the claims being released in connection with this Settlement, as set forth in full below.

2.32. "Released Parties" means: Defendants Newport LLC and Kalesta Healthcare Group, LLC, and all their subsidiaries, parents, predecessors, successors, assigns, investors, affiliates, current and former employees, including but not limited to, Harris LaChance, professional employer organizations (PEO), staffing agencies, managing agents, servants, consultants, agents, directors, members, officers, independent contractors, representatives, insurers and reinsurers and attorneys (and the current and former servants, agents, employees, PEOs, or staffing agencies, directors, officers, independent contractors, representatives, consultants, insurers, reinsurers and attorneys of any such subsidiaries, parents, predecessors, successors, or affiliates), and all persons acting by, through, under and/or in concert with any of them, and each of their respective heirs, successors, and assigns.

2.33. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Subject to all terms of this Agreement, Defendants shall pay the Gross Settlement Amount in connection with this Settlement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Covered Employees to submit any claim or form as a condition of payment. The Gross Settlement Amount is non-reversionary.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts approved by the Court:

3.2.1. To Named Plaintiff: Any Individual PAGA Payment to which he is entitled as a PAGA Member. No separate Service Payment is requested or payable under this Agreement. Payments required under the Individual Settlement Agreement are separate from, and will not be paid from or administered as part of, the Gross Settlement Amount.

3.2.2. To Plaintiff's Counsel: Attorneys' Fees and Litigation Costs will be paid from the Gross Settlement Amount as set forth above. Any attorneys' fees, litigation costs, or expenses payable under the Individual Settlement Agreement are separate from, and will not be administered under, this Agreement.

3.2.3. To the Administrator: Administration Expenses will be paid to the Administrator solely from the Gross Settlement Amount. To the extent the Administration Expenses are less than the amount estimated or approved by the Court, the remainder will be included in the PAGA Payment.

3.2.4. To the LWDA: Subject to Court approval, the PAGA Payment will be allocated to resolve claims for civil penalties under PAGA that were alleged in, or arise from the same facts and theories alleged in, the PAGA Notice and Operative Complaint during the PAGA Period. Sixty-five percent (65%) of the PAGA Payment will be paid to the LWDA as the LWDA Payment, and the remaining thirty-five percent (35%) will be distributed to PAGA Members as the Net PAGA Payment in exchange for the release set forth in Section 4. The Administrator will report the Individual PAGA Payments on IRS Forms 1099.

3.2.5. To Each PAGA Member/Tax Allocation: An Individual PAGA Payment calculated by: (a) dividing the Net PAGA Payment by the total number of PAGA Pay Periods worked by all PAGA Members during the PAGA Period; and (b) multiplying the result by each PAGA Member's PAGA Pay Periods. The Individual PAGA Payments are not subject to wage withholdings and will be reported on IRS Forms 1099. Covered Employees assume full responsibility and liability for any individual taxes owed on their Individual PAGA Payment.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Delivery of Employee Data to Administrator. Not later than 15 days after the Court grants Final Approval, Defendants will simultaneously deliver the Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Covered Employees' privacy, the Administrator must maintain the Employee Data in confidence, use the Employee Data only for purposes of this Settlement, and restrict access to the Employee Data to Administrator employees who need access to the Employee Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Plaintiff's Counsel if they discover that the Employee Data omitted Covered Employees' identifying information and to provide corrected or updated Employee Data as soon as reasonably feasible. Without any extension of the foregoing deadline, the Parties and their counsel must expeditiously use best

efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Employee Data.

4.2. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 30 days after Final Approval.

4.3. Payments from the Gross Settlement Amount. Within 10 days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments and make payment of the Administration Expenses and the LWDA Payment.

4.3.1. The Administrator will issue checks for the Individual PAGA Payments and send them to Covered Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date, not less than 180 days after the date of mailing, when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.3.2. The Administrator must conduct an Address Search for all other Covered Employees whose checks are returned undelivered without USPS forwarding addresses. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Address Search. The Administrator need not take further steps to deliver checks to Covered Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Covered Employee whose original check was lost or misplaced, requested by the Covered Employee prior to the void date.

4.3.3. For any Covered Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds, in the name of the Covered Employee, to the State of California's Unclaimed Property Division.

4.3.4. The payment of Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to Covered Employees beyond those specified in this Agreement.

4.3.5. The Administrator will send checks for Individual PAGA Payments to all PAGA Members, who have no right to opt-out or otherwise exclude themselves from the settlement and release of PAGA claims set forth in this Settlement.

5. RELEASES OF CLAIMS.

Effective on the date when Defendants fully fund the Gross Settlement Amount, the following release of claims will take effect:

5.1. Upon the date the Court has entered an order approving the Settlement in this Action and full funding of the Gross Settlement Amount, and except as to the rights and obligations created by this Settlement Agreement, Plaintiff and the State of California with respect

to Aggrieved Employees, will be deemed to have knowingly and voluntarily released and forever discharged Defendants Newport LLC and Kalesta Healthcare Group, LLC and their parent corporation, affiliates, subsidiaries, divisions, predecessors, insurers, successors and assigns, and their current and former employees, attorneys, officers, directors and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and the trustees, administrators, fiduciaries and insurers of such plans and programs (collectively, the “Released Parties”), to the full extent permitted by law, of and from the Action and from any and all claims, arising during the PAGA Period, for civil penalties under PAGA as well as any interest, fees, and costs available under PAGA, based on the factual allegations in the Complaint in the Action and Plaintiff’s LWDA Notice, including but not limited to, the allegations regarding failure to pay minimum, regular, and overtime wages, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to timely pay wages during employment, failure to timely pay wages upon termination, failure to provide compliant and accurate wage statements, failure to maintain complete and accurate payroll records, whistleblower retaliation, and failure to reimburse necessary business-related expenses and costs, in violation of California Labor Code sections California Labor Code sections 98.6, 98.6(b)(3), 201, 202, 203, 204, 210, 216, 225.5, 226, 226(a), 226.3, 256, 1102.5(b), 1102.5(f), 1174, 1174.5, 1198, 2699(c), 2699(f)(2), 2802, and 558.1 and Industrial Welfare Commission Wage Orders (collectively, the “Released Claims”).

5.2. Upon the date the Court has entered an order approving the Settlement Agreement in this Action and full funding of the Gross Settlement Amount, and except as to the rights and obligations created by this Settlement Agreement, Plaintiff, individually and on behalf of his heirs, executors, administrators, representatives, attorneys, successors and assigns, will be deemed to have knowingly and voluntarily released and forever discharged Defendant and Released Parties, to the full extent permitted by law, from any and all claims of every nature whatsoever, known or unknown, suspected or unsuspected, which Plaintiff has or may have as of the date the Court has entered an order approving the Settlement Agreement. This broader release includes, but is not limited to, all claims arising directly or indirectly from Plaintiff’s employment with Defendants and the termination of that employment, including without limitation claims arising under federal, state, or local laws and claims for unpaid wages, penalties, liquidated damages, breach of contract, breach of the implied covenant of good faith and fair dealing, infliction of emotional distress, wrongful or retaliatory discharge, harassment, discrimination, defamation, impairment of economic opportunity, and violations of public policy, the Fair Labor Standards Act, the California Labor Code, the California Fair Employment and Housing Act, the California Business and Professions Code, the California Constitution, the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, and the Americans with Disabilities Act of 1990. With respect to those claims released by Plaintiff in an individual capacity, Plaintiff acknowledges and waives any and all rights and benefits available under California Civil Code Section 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Plaintiff understands and agrees that claims or facts in addition to or different from those which are now known or believed by him to exist may hereafter be discovered. It is Plaintiff's intention to, upon the date the Court has entered an order approving the Settlement Agreement in this Action and full funding of the Gross Settlement Amount, settle fully and release all claims he now has against the Defendants and Released Parties, whether known or unknown, suspected or unsuspected. Notwithstanding the above, the general release by Plaintiff shall not extend to claims for workers' compensation benefits, claims for unemployment benefits, or other claims that may not be released by law.

5.3. MOTION FOR SETTLEMENT APPROVAL.

5.4. PAGA Approval. Following the execution of this Agreement, to implement the terms of the Settlement, Parties have agreed that Plaintiff will file a First Amended Complaint that will add PAGA as a cause of action in the Action against Defendants. Within 10 days after filing the amended complaint, Plaintiff will submit a file-stamped copy of the amended complaint, including the assigned case number, to the LWDA through the PAGA Filing Portal. Defense Counsel shall take preliminary responsibility for drafting the portion(s) of the document(s) necessary for obtaining approval of this PAGA Settlement under Labor Code section 2699, subdivision (s)(2) setting forth the number of pay periods worked by PAGA Members during the PAGA Period and why the PAGA Settlement is fair and reasonable. Plaintiff shall thereafter prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this PAGA Settlement. To effectuate Final Approval and Judgment of the Settlement of PAGA claims, Plaintiff shall prepare either a Joint Stipulation Approving PAGA Settlement, subject to Defense Counsel's review and revision, or a Motion for Approval of PAGA Settlement. Plaintiff shall file such declarations as are needed to support the Settlement. Plaintiff will submit the proposed settlement to the LWDA at the same time it is submitted to the Court and will submit the Judgment and any order awarding or denying PAGA civil penalties to the LWDA within 10 days after entry.

5.5. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Settlement or forthcoming motions or joint stipulations for approval, Plaintiff's Counsel and Defense Counsel will expeditiously work together in good faith on behalf of the Parties to resolve the disagreement. The Parties will endeavor, to the extent practicable, to maintain the confidentiality of the Individual Settlement Agreement. If the Court requires additional information about the Individual Settlement Agreement, the Parties will jointly request that any such information be provided in camera and/or under seal. If the Court does not grant settlement approval or conditions any approval or review on any material change to this Agreement, Plaintiff's Counsel and Defense Counsel will expeditiously work together in good faith on behalf of the Parties to modify the Agreement and satisfy the Court's concerns. Should the Court decline to approve all material aspects of the Settlement, this Agreement and the Individual Settlement Agreement will be null and void unless the Parties otherwise agree in a writing signed by all Parties.

6. SETTLEMENT ADMINISTRATION.

6.1. Selection of Administrator. The Parties have jointly selected the Administrator to administer this Settlement. The Administrator agrees to be bound by this

Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

6.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number to report payments to state and federal tax authorities.

6.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund under U.S. Treasury Regulation section 468B-1.

6.3.1. Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Plaintiff's Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, if applicable and if requested by either Party, the Administrator will prepare and submit to Plaintiff's Counsel and Defense Counsel a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement.

7. ESCALATION CLAUSE. Defendants represent that there are an estimated 9,911 PAGA Pay Periods worked by PAGA Members during the PAGA Period. If the number of PAGA Pay Periods is more than 10% greater than this figure (i.e., if there are more than 10,902 PAGA Pay Periods worked by PAGA Members during the PAGA Period), Defendants shall either (i) increase the Gross Settlement Amount on a proportional basis equal to the percentage increase in the number of PAGA Pay Periods (i.e., if there was an 11% increase in the total PAGA Pay Periods, Defendants would increase the Gross Settlement Amount by 1%), or (ii) limit the PAGA Period to a date in which the PAGA Pay Periods worked does not exceed 10,902.

8. EMPLOYEE ESTIMATE. Based on the records evaluated to date, there are an estimated 477 PAGA Members covered by this Agreement. The final number will be determined from the Employee Data provided to the Administrator.

9. MOTION FOR FINAL APPROVAL. Not later than 16 court days before the Final Approval Hearing, Named Plaintiff will file in Court and serve on Defendants a motion for approval of the Settlement that includes a Proposed Final Approval Order and a proposed Judgment, which shall specifically state and include a request for approval of the PAGA settlement under Labor Code section 2699, subdivision (s). Plaintiff's Counsel will provide drafts of these documents to Defense Counsel in advance of filing for Defense Counsel's review. Defendants shall accept service of the Motion for Final Approval, or any other motions, stipulations, declarations, proposed orders, exhibits, or other documents filed in connection with this Settlement, via electronic service at the email addresses set forth in this Agreement or, if an

electronic service agreement is already in place, at the email addresses in the Parties' electronic service agreement.

9.1. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement, the Parties will expeditiously work together through counsel in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval.

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

9.3. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, the Parties and their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs, or appeals filed by another person or entity.

9.4. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement, including the scope of the release, this Agreement shall be null and void unless the Parties agree otherwise in a writing signed by all Parties. The Parties will expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment. Any additional Administration Expenses incurred after remittitur will be paid from the Gross Settlement Amount, and Defendants will not be required to pay any amount above the Gross Settlement Amount unless they separately agree in writing.

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

11. ADDITIONAL PROVISIONS.

11.1. Invalid Without Court Approval. In the event this Agreement is not approved by the Court, it shall be deemed null and void, of no force and effect, and of no probative or evidentiary value, and the Parties represent, warrant, and covenant that it will not be used or referred to for any purpose whatsoever. In the event the Agreement does not become final for any reason, this Agreement and the Individual Settlement Agreement shall be null and void, unless the Parties otherwise agree in a writing signed by all Parties, and any order entered by the Court in furtherance of this Agreement shall be treated as void ab initio. In such a case, the Parties shall return to the status quo as if they had not entered into either agreement. The Administrator will be paid for reasonable, documented costs incurred through the date it is notified that the Settlement will not proceed, but only to the extent those costs were approved in writing by the Parties before

they were incurred. Any such costs will count toward, and will not increase, the Gross Settlement Amount.

11.2. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by the Parties that any of the allegations or the defenses in the Operative Complaint have merit or that there is any liability for any claims asserted or that any claims may proceed on a class, collective, or representative basis. The Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

11.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Covered Employee to object to the Settlement or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Plaintiff's Counsel's ability to communicate with Covered Employees in accordance with Plaintiff's Counsel's ethical obligations owed to Covered Employees.

11.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement, the Individual Settlement Agreement, and any exhibits attached to either agreement collectively constitute the entire agreement between the Parties relating to the global settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party. This Agreement governs only the PAGA settlement, and the Individual Settlement Agreement governs Plaintiff's individual, non-PAGA claims and payments. Neither agreement supersedes the other.

11.5. Attorney Authorization. Plaintiff's Counsel and Defense Counsel separately warrant and represent that they are authorized by the Parties, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms and to execute other documents reasonably required to effectuate the terms of this Agreement, provided that no counsel may agree to a material amendment except as permitted by Section 11.10. Plaintiff acknowledges he has read this Settlement, fully understands his rights, privileges, and duties under the Settlement, and enters into this Settlement freely and voluntarily, and without duress. Plaintiff further acknowledges he had the opportunity to consult with his attorney to explain the terms of this Settlement and the consequences of signing this Settlement.

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

11.7. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,

transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

11.8. No Tax Advice. Neither the Parties, Plaintiff's Counsel, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise. IRS Forms 1099 will be issued by the Administrator for Individual PAGA Payments, if applicable. Nothing in this Settlement is intended to constitute legal advice regarding federal, state, and/or local tax obligations. Defendants, Defense Counsel, Plaintiff, and Plaintiff's Counsel are not responsible for any PAGA Member's tax obligations regarding settlement payments. The tax treatment of payments under the Individual Settlement Agreement is governed solely by that agreement.

11.9. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS OR ITS OWN, INDEPENDENT LEGAL AND TAX ADVISERS FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

11.10. Modification of Agreement. Any material amendment, modification, change, or waiver concerning the Gross Settlement Amount, the PAGA Period, the definition of PAGA Members, the Released Claims, the allocation of settlement funds, the funding deadline, or the relationship between this Agreement and the Individual Settlement Agreement must be set forth in an express written instrument signed by all Parties. Plaintiff's Counsel and Defense Counsel may agree in writing to nonmaterial procedural or administrative changes that do not alter the Parties' economic obligations or the scope of any release.

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

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

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

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

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

11.16. Notice. All notices or other communications between the Parties required in connection with this Agreement shall be in writing and shall be deemed to have been duly given as of the 3rd business day after mailing by U.S. Mail or the same day if sent by email, addressed as follows:

To Plaintiff:

Workplace Legal
Attn: Jeffrey S. Sloan
870 Market St., Suite 1152
San Francisco, CA 94102
At the electronic service address of record in the Action.

To Defendants:

Fisher & Phillips LLP
Attn: Victor T. Xu
2050 Main Street, Suite 1000
Irvine, CA 92614
At the electronic service address of record in the Action.

11.17. Execution in Counterparts. This Agreement may be executed using physical and/or electronic signatures (i.e. DocuSign, SignRequest, Adobe Sign, etc.), which shall be accepted as originals for purposes of this Agreement. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

11.18. Severability. If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the Agreement that can be given effect without the invalid provisions or application, and to this end, the provisions of

this Agreement are declared to be severable. Notwithstanding the foregoing, no portion of any release contained herein may be deemed severed or deleted from this Agreement, except upon waiver in writing by the applicable Released Party.

SIGNATURES

I have read this Agreement and agree to its terms.

Plaintiff Roman Slyusarchuk

Date: 8/12/2026



Roman Slyusarchuk

Defendant Newport LLC

Date:



Name:

Title:

Defendant Kalesta Healthcare Group, LLC

Date: 08/19/2026



Name:

Title: