

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between plaintiff Paulette McGee ("Plaintiff") and defendant West Gardena Care Center, LLC dba West Gardena Post Acute ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

- 1.1. "Action" means the Plaintiff's PAGA lawsuit alleging wage and hour violations against Defendant captioned *Paulette McGee v. West Gardena Care Center, LLC, et al.* initiated on August 25, 2023 and pending in Superior Court of the State of California, County of Los Angeles, Case No. 23STCV20510.
- 1.2. "Administrator" means Simpluris, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees.
- 1.4. "Aggrieved Employees" means all current and former non-exempt or hourly paid employees of Defendant that have worked for Defendant in the State of California at any time from August 25, 2022, through March 31, 2024, or such earlier date as the total pay periods worked by Aggrieved Employees since August 25, 2022, reaches 2,500 pay periods.
- 1.5. "Aggrieved Employee Data" means Aggrieved Employees' identifying information in Defendant's possession including the Aggrieved Employee's name, last-known mailing address, Social Security number, and number of PAGA Pay Periods and/or hire and termination dates.
- 1.6. "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.
- 1.7. "Court" means the Superior Court of California, County of Los Angeles.
- 1.8. "Defense Counsel" means De Castro Law Group, PC.
- 1.9. "Effective Date" means the date the Court enters a Judgment on its Order Approving the PAGA Settlement.
- 1.10. "Gross Settlement Amount" means \$110,000 which is the total amount Defendant agrees to pay under the Settlement. The Gross Settlement Amount will be used to pay

Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator's Expenses Payment.

- 1.11. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.12. "Judgment" means the judgment entered by the Court based upon the Final Approval.
- 1.13. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.14. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.15. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Enhancement Award to Plaintiff, and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.
- 1.16. "PAGA Counsel" means The Nourmand Law Firm, APC, the attorneys representing the Plaintiff in the Action.
- 1.17. "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.
- 1.18. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.19. "PAGA Period" means the period from August 25, 2022 through March 31, 2024, or such earlier date as the total pay periods worked by Aggrieved Employees since August 25, 2022, reaches 2,500 pay periods.
- 1.20. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.21. "PAGA Notice" means Plaintiff's August 25, 2023 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a), as amended thereafter.
- 1.22. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to LWDA in settlement of PAGA claims.
- 1.23. "PAGA Payment Letter" means a letter that the Settlement Administrator will send

to each Aggrieved Employee with his or her Individual PAGA Payment, which explains the reason for the Individual PAGA Payment, substantially in the form attached hereto as Exhibit A, including any revisions required by the Court.

- 1.24. "Plaintiff" means Paulette McGee, the named plaintiff in the Action.
- 1.25. "Plaintiff's Wage Claims Release Payment" is the amount to be paid to Plaintiff, in the amount of \$15,000 which Defendant shall pay in addition to the Gross Settlement Amount, in exchange for a general release of all claims.
- 1.26. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.27. "Released PAGA Claims" means the claims being released by the Plaintiff and Aggrieved Employees and as described in Paragraph 5 below.
- 1.28. "Released Parties" means: Defendant and any past and present owners, officers, directors, shareholders, unit holders, managers, employees, agents, principals, heirs, representatives, accountants, auditors, attorneys, insurers, consultants, and their respective successors and predecessors in interest, subsidiaries, affiliates, and parents and attorneys.
- 1.29. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.
- 1.30. "Defendant" means named Defendant West Gardena Care Center, LLC dba West Gardena Post Acute.

1. RECITALS.

- 1.1. On August 25, 2023 and amended on November 20, 2024, Plaintiff submitted a Private Attorney General Act ("PAGA") notice to the Labor Workforce Development Agency ("LWDA") on behalf of herself and all aggrieved non-exempt employees of Defendant in California. Plaintiff's PAGA notice alleged violations of the following Labor Code sections: 200-203, 204, 210, 226, 226.3 226.7, 510, 512, 558, 1194, 1194.2, 1197, 1197.1, 1199, and 2699, et seq. On August 25, 2023, Plaintiff filed her class action lawsuit in Los Angeles County Superior Court, case no. 23STCV20510 (the "Action"). On November 9, 2023, Plaintiff filed a First Amended Complaint to add a PAGA claim based on the same alleged causes of action. The Action alleges that Defendant failed to pay overtime wages, failure to pay minimum wages, failed to provided inaccurate wage statements, failed to timely pay wages upon termination, unfair competition, and civil penalties under PAGA. On January 8, 2024, Plaintiff dismissed class allegations, without prejudice. On November 26, 2024, Plaintiff filed a Second Amended Complaint adding meal break as an underlying Labor Code claim for PAGA ("Operative Complaint").
- 1.2. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all

liability for the causes of action alleged.

- 1.3. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 1.4. On March 25, 2024, the Parties participated in an all-day mediation presided over by Michael J. Loeb, Esq., which led to this Agreement to settle the Action.
- 1.5. Prior to mediation, Plaintiff obtained, through discovery, statistical data, including records of Defendant's employees, which consisted of wage statements, clock in and clock out times, wages earned during the relevant pay periods, written policies and procedures on meal breaks, and overtime compensation, the number of pay periods in the PAGA Period, and the total number of aggrieved employees.
- 1.6. The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

2. MONETARY TERMS.

- 2.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay \$110,000.00 and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 2.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
 - 2.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 33.333% which is currently estimated to be \$36,666.67 and PAGA Counsel Litigation Expenses Payment of not more than \$20,000.00. Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment.
 - 2.2.2. To the Administrator: An Administrator Expenses Payment not to exceed

\$2,750.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$2,750.00, the Administrator will retain the remainder in the Net Settlement Amount.

2.2.3. Incentive Payment: shall mean a payment of \$2,500 to Plaintiff for bringing the instant action. The Incentive Payment is in addition to Plaintiff's share of the Individual PAGA Payment and Plaintiff's Wage Claims Release Payment.

2.2.4. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of approximately \$48,083.33 to be paid from the Gross Settlement Amount, with 75% (approximately \$36,062.49) allocated to the LWDA PAGA Payment and 25% (approximately \$12,020.84) allocated to the Individual PAGA Payments.

2.2.4.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (approximately \$12,020.84) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

3. SETTLEMENT FUNDING AND PAYMENTS.

3.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 153 Aggrieved Employees who worked a maximum total of 2,500 PAGA Pay Periods.

3.2. Aggrieved Employee Data. Within 14 days of the Court's Order approving the Settlement, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

3.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement

Amount by transmitting the funds to the Administrator no later than 30 days after the Court issues an Approval Order granting approval of the PAGA Settlement.

- 3.4. **Payments from the Gross Settlement Amount.** Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, and the PAGA Counsel Fees and Expenses Payments. Disbursement of the PAGA Counsel Fees and Expenses Payments shall not precede disbursement of Individual PAGA Payments.

- 3.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved 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 Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
- 3.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. 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 Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.
- 3.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee and their social security number.
- 3.4.4. The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

4. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount Plaintiff and Aggrieved Employees will release claims against all Released Parties as follows:

- 4.1 **Plaintiffs' Release.** Plaintiff and her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims; transactions, or occurrences that occurred during Plaintiff's employment with Defendant, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and the PAGA Notice ("Plaintiffs'

Release”). Plaintiff’s Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers’ compensation benefits that arose at any time, or based on occurrences outside the period of Plaintiff’s employment with Defendant. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff’s Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff’s discovery of them.

- 4.2 Plaintiff’s Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff’s Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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.

- 4.3 Release by Aggrieved Employees. All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice, including, but not limited to Labor Code sections, 200, 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1194, 1194.2, 1197, 1197.1, and 2699, and the applicable IWC Wage Order, and Business and Professions Code sections 17200 et seq.

5. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.

- 5.1 Plaintiff’s Responsibilities. Plaintiff will prepare all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)).

- 5.2 Responsibilities of Counsel. PAGA Counsel will prepare and file the application or motion for approval of this Settlement no later than 30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court’s Preliminary Approval to the Administrator.

- 5.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement

or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

6. SETTLEMENT ADMINISTRATION.

- 6.1 Selection of Administrator. The Parties have jointly selected Simpluris, Inc. to serve as the Administrator and verified that, as a condition of appointment, Simpluris, Inc. 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 for purposes of providing reports to state and federal tax authorities regarding payments issued by the Administrator under this Agreement.
- 6.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 6.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

7. CONTINUING JURISDICTION OF THE COURT.

- 7.1 The Parties agree that, 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.

8. ADDITIONAL PROVISIONS.

- 8.1 No Admission of Liability 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 Defendant that any of the allegations in the Operative Complaint and/or PAGA Notice have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement and 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).

- 8.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibit shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 8.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately 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 pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 8.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. 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.
- 8.5 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.
- 8.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant 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.
- 8.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 8.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 8.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 8.10 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.
- 8.11 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.

8.12 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.

8.13 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the day sent by email.

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

8.15 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.



Plaintiff Paulette McGee

Dated: 12/12/2024



Jay Gewirtz, For
Defendant West Gardena Care Center LLC

Dated: 12/13/2024

EXHIBIT “A”

NOTICE OF SETTLEMENT OF PAGA REPRESENTATIVE ACTION

Paulette McGee v. West Gardena Care Center, LLC, et al.

Superior Court for the State of California, County of Los Angeles, Case No. 23STCV20510

Aggrieved Employee

Address

Address

You are receiving this notice in connection with a Court-approved settlement (the “Settlement”) in a lawsuit brought on a representative basis under the Labor Code Private Attorneys General Act of 2004, California Labor Code §§ 2698, *et seq.* (“PAGA”). The plaintiff in the lawsuit is Paulette McGee (“Plaintiff”) and the defendant is West Gardena Care Center, LLC dba West Gardena Post Acute (“Defendant”). The Settlement provides for recovery of civil penalties for purported violations of the California Labor Code on behalf of all individuals who worked for Defendant as non-exempt hourly employee within the State of California during the PAGA Period (“Aggrieved Employees”). The PAGA Period is the period from August 25, 2022 through Marcy 31, 2024 or such earlier date as the total pay periods worked by Aggrieved Employees since August 25, 2022, reaches 2,500 pay periods. The PAGA statute provides that 75% of any recovery pursuant to the Settlement, net of attorneys’ fees, administration costs, and other such costs, be paid to the State of California and 25% of any such recovery be paid to the “aggrieved employee” group, which in this case is the group of Aggrieved Employees.

Defendant denies all claims and allegations in the lawsuit, denies that it owes any penalties, and asserts that it has fully complied with all applicable Labor Code provisions. Nevertheless, to avoid further costs and time in defending the lawsuit, Defendant has settled the lawsuit. By settling the lawsuit, Defendant is not admitting that it has done anything wrong.

The Settlement resolves all claims seeking the PAGA penalties available to the California Labor and Workforce Development Agency (“LWDA”) under the California Labor Code predicated on the claims, allegations, contentions, and representations asserted in the Action, during the PAGA Period, against Defendant and the Released Parties, including, but not limited to, Labor Code sections 200, 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1194, 1194.2, 1197, 1197.1 and 2699 and the applicable IWC Orders that were alleged, or reasonably could have been alleged, based on the facts in the PAGA Notice and the Second Amended Complaint filed by Plaintiff in this action (the “Released PAGA Claims”). This Settlement excludes all other legal claims.

By an Order dated Approval Date, the Superior Court approved the Settlement of the PAGA claims. By approving the Settlement, the Court did not decide in favor of either Plaintiff or Defendant.

According to Defendant’s records, you are an Aggrieved Employee and are therefore entitled to a share of the Settlement based upon the Court-approved allocation. Enclosed with this Notice is your check for your share. The settlement check shall remain valid for one hundred eighty (180) days. Thereafter, all uncashed checks shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law in the name of, and for the benefit of, the Aggrieved Employee that did not cash his or her settlement check.

Please Note: One hundred percent (100%) of the payment you are receiving in connection with the Settlement will be considered penalties and may be subject to local, state, or federal tax withholdings and will be reported to the IRS and state tax authorities. You should rely on your own tax advisors as to the tax consequences of your settlement payment. Neither Plaintiff nor Defendant have made any representations or warranties regarding the taxation of your settlement payment. Nothing in this Notice or any other communication shall constitute or be construed or relied upon as tax advice.

PLEASE DO NOT CALL OR WRITE THE COURT OR OFFICE OF THE CLERK TO ASK QUESTIONS ABOUT THE SETTLEMENT. IF YOU HAVE ANY QUESTIONS, YOU MAY CALL OR WRITE TO THE SETTLEMENT ADMINISTRATOR AT:

[ADMIN NAME]

[ADDRESS]

[ADDRESS]