

John G. Yslas (SBN 187324)
john.yslas@wilshirelawfirm.com
Eugene Zinovyev (SBN 267245)
Eugene.zinovyev@wilshirelawfirm.com
John Brown (SBN 233605)
John.brown@wilshirelawfirm.com
Gabriella Solé (SBN 346164)
Gabriella.sole@wilshirelawfirm.com
WILSHIRE LAW FIRM
3055 Wilshire Blvd., 12th Floor
Los Angeles, California 90010
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Attorneys for Plaintiff Jennifer Orellana

James S. Cooper (SBN 162469)
jcooper@lakklawyers.com
LEVINSON ARSHONSKY
KURTZ & KOMSKY, LLP
15303 Ventura Blvd., Suite 1650
Sherman Oaks, CA 91403
Telephone: (818) 382-3434
Facsimile: (818) 382-3433

Attorneys for Defendant KF Rinaldi, LLC,
dba Rinaldi Convelescent Hospital

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

JENNIFER ORELLANA, individually, and
on behalf of the State of California and other
aggrieved persons,

Plaintiff,

vs.

KF RINALDI, LLC, DBA RINALDI
CONVALESCENT HOSPITAL, a California
limited liability company; and DOES 1
through 10, inclusive,

Defendants.

Case No. 24CHCV02084
Case No. 24STCV07850 (Related Case)

*Assigned for all purposes to: Hon. Carolyn B.
Kuhl, Dept. 12*

PAGA SETTLEMENT AGREEMENT

1 This binding Settlement Agreement (“Agreement”) is made by and between plaintiff
2 Jennifer Orellana (“Plaintiff”) and defendant KF Rinaldi, LLC, dba Rinaldi Convalescent
3 Hospital (“KF Rinaldi,” or “Defendant”) under the California Labor Code Private Attorneys
4 General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”). The Agreement refers to
5 Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

6 **1. DEFINITIONS.**

7 1.1. “Administrator” means, the neutral entity the Parties have agreed to appoint to
8 administer the Settlement.

9 1.2. “Administration Expenses Payment” means the amount the Administrator will be paid
10 from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance
11 with the Administrator’s “not to exceed” bid submitted to the Court in connection with the
12 approval of the Settlement.

13 1.3. “Aggrieved Employee” means all persons who worked for KF Rinaldi as an employee
14 at any time during the period beginning March 28, 2023 to May 1, 2025.

15 1.4. “Aggrieved Employee Data” means Aggrieved Employee identifying information in
16 Defendant’s possession including the Aggrieved Employee’s name, last-known mailing address,
17 Social Security number, and number of PAGA Pay Periods.

18 1.5. “Aggrieved Employee Address Search” means the Administrator’s investigation and
19 search for current Aggrieved Employee mailing addresses using all reasonably available sources,
20 methods and means including, but not limited to, the National Change of Address database, skip
21 traces, and direct contact by the Administrator with Aggrieved Employees.

22 1.6. “Court” means the Superior Court of the State of California, County of Los Angeles.

23 1.7. “Defendants” mean named Defendant KF Rinaldi, LLC, dba Rinaldi Convalescent
24 Hospital.

25 1.8. “Defense Counsel” means Levinson Arshonsky Kurtz & Komsky, LLP.

26 1.9. “Effective Date” shall be the date when all of the following occurs: (1) the Agreement is
27 fully executed; and (2) the Court approves this Agreement through entry of an Order and
28 Judgment. No money will be distributed unless and until the Effective Date occurs.

1.10. “Final Judgment” means the Judgment entered by the Court upon granting approval of

the Settlement.

1.11. "Gross Settlement Amount" means \$200,000.00, 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, PAGA Counsel Expenses, the PAGA Representative Service Payment and the Administrator's Expenses.

1.12. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.13. "Judgment" means the judgment entered by the Court based upon the PAGA Approval.

1.14. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subdivision (i).

1.15. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).

1.16. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Representative Service Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment.

1.17. "PAGA" means the Labor Code Private Attorneys General Act of 2004 (Lab. Code, § 2698 et seq.).

1.18. "PAGA Action" means the Plaintiff's lawsuits alleging wage-and-hour violations against Defendant captioned *Orellana, et al. v. KF Rinaldi, LLC, dba Rinaldi Convalescent Hospital*, Case No. 24CHCV02084 initiated on June 4, 2024 with the Superior Court of the State of California, County of Los Angeles.

1.19. "PAGA Approval" means the Court's order granting approval of the Settlement.

1.20. "PAGA Counsel" means John G. Yslas, Eugene Zinovyev, John Brown, and Gabriella Solé of the Wilshire Law Firm, PLC.

1.21. "PAGA Notice" means Plaintiff Jennifer Orellana's March 28, 2024 letter to KF Rinaldi and the LWDA, providing notice pursuant to Labor Code section 2699.3, subdivision (a).

1.22. "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 PAGA Action.

1.23. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for KF Rinaldi for at least one day during the PAGA Period.

1.24. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Net Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to LWDA in settlement of PAGA claims.

1.25. "PAGA Period" means the period from March 28, 2023 through May 1, 2025.

1.26. "PAGA Representatives" or "Plaintiff" means plaintiff Jennifer Orellana.

1.27. "PAGA Representative Service Payment" means the payment to the PAGA Representative for initiating the PAGA Action and providing services in support of the PAGA Action.

1.28. "PAGA Settlement Notice" means the COURT APPROVED NOTICE OF PAGA SETTLEMENT, to be mailed to Aggrieved Employees in English without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.29. "Released PAGA Claims" means the claims being released as described in Paragraph 5.3 below.

1.30. "Released Parties" means Defendant and its officers, directors, employees and agents.

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

2. RECITALS.

2.1. On June 4, 2024, Plaintiff Jennifer Orellana filed a complaint for civil penalties under PAGA, alleging Defendant: (1) failed to pay for all hours worked, including minimum, straight time, and overtime wages; (2) failed to provide meal periods; (3) failed to authorize and permit rest periods; (4) failed to pay all earned wages twice per month; (5) failed to maintain accurate records of hours worked and meal periods; (6) failed to timely pay all wages at termination; (7) failed to furnish accurate itemized wage statements; (8) failed to indemnify for necessary expenditures; and (9) failed to produce requested employment records. Pursuant to Labor Code

1 section 2699.3, subdivision (a), Plaintiff Jennifer Orellana gave timely written notice to KF
2 Rinaldi and the LWDA by sending the PAGA Notice on March 28, 2024 (LWDA-CM-1019108-
3 24).

4 2.2. Defendant denies the allegations in the Actions, deny any failure to comply with the laws
5 identified in the complaints and deny any liability for the causes of action alleged.

6 2.3. On February 19, 2025, the Parties engaged in arms-length negotiations where they
7 participated in a full-day mediation presided over by respected mediator Steve Mehta. With the
8 help of Mr. Mehta, the Parties were able to reach an agreement on general settlement terms at
9 mediation.

10 2.4. In advance of mediation, PAGA Counsel conducted a thorough investigation into the
11 facts of, and applicable law to, the PAGA Action. Prior to mediation, Plaintiff obtained through
12 informal discovery a representative sampling of time and payroll data for Aggrieved Employees
13 and the necessary policy documents to properly evaluate the strengths and weakness of the claims
14 and engage in meaningful settlement discussions.

15 2.5. The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of
16 any other pending matter or action asserting claims that will be extinguished or affected by the
17 Settlement.

18 **3. MONETARY TERMS.**

19 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below,
20 Defendant promises to pay \$200,000.00 and no more as the Gross Settlement Amount. Defendant
21 has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph
22 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount
23 without asking or requiring Aggrieved Employees to submit any claim as a condition of payment.
24 None of the Gross Settlement Amount will revert to Defendants. Because the payments made
25 under this Agreement will be made with respect to only the PAGA claims for all Aggrieved
26 Employees, this Agreement is not subject to the rules governing the settlement of class or
27 collective actions. Accordingly, the settlement payments shall be distributed without a claims
28 process or an opportunity to object or opt out.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct

1 the following payments from the Gross Settlement Amount, in the amounts specified by the Court
2 in the PAGA Approval:

3 3.2.1 To Plaintiff: PAGA Representative Service Payment to the PAGA Representative
4 of not more than \$7,500.00, (in addition to any Individual PAGA Payment the PAGA
5 Representative is entitled to receive as Aggrieved Employees). Defendant will not oppose
6 Plaintiff's request for a PAGA Representative Service Payment that does not exceed this amount.
7 If the Court approves a PAGA Representative Service Payment less than the amount requested,
8 the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will
9 pay the PAGA Representative Service Payment using IRS Form 1099. Plaintiff assumes full
10 responsibility and liability for employee taxes owed on the PAGA Representative Service
11 Payment.

12 3.2.2 To PAGA Counsel: A PAGA Counsel Fees Payment of not more 1/3 (one-third) of
13 the GSA, which is currently estimated to be \$66,666.66, and a PAGA Counsel Litigation
14 Expenses Payment for actual costs not to exceed \$21,000.00. Defendant will not oppose requests
15 for these payments provided that they do not exceed these amounts. If the Court approves a PAGA
16 Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the
17 amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount.
18 Released Parties shall have no liability to PAGA Counsel arising from any claim to any portion
19 any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The
20 Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment
21 using one or more IRS 1099 Forms.

22 3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed \$4,250.00
23 except for a showing of good cause and as approved by the Court. If the Court approves
24 Administrator Expenses Payment of less than the amount requested, the Administrator will
25 allocate the remainder to the Net Settlement Amount.

26 3.2.4 Payments from the Net Settlement Amount ("NSA"). The NSA will be distributed
27 as PAGA Penalties with 75% of the NSA allocated to the LWDA PAGA Payment and 25% of
28 the NSA allocated to the Individual PAGA Payments.

Individual PAGA Payments: The Administrator will calculate each Individual PAGA

1 Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA
2 Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved
3 Employees during the PAGA Period and (b) multiplying the result by each Aggrieved
4 Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility
5 and liability for any taxes owed on their Individual PAGA Payment. The Administrator
6 will report the Individual PAGA Payments on IRS 1099 Forms.

7 **4. SETTLEMENT FUNDING AND PAYMENTS.**

8 4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant
9 estimates there are 260 Aggrieved Employees who worked a total of 5,600 PAGA Pay Periods.

10 4.2. Aggrieved Employee Data. Not later than seven (7) calendar days after the Court grants
11 PAGA Approval, Defendant will deliver the Aggrieved Employee Data to the Administrator, in
12 the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the
13 Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved
14 Employee Data only for purposes of this Settlement and for no other purpose, and restrict access
15 to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved
16 Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to
17 immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted
18 Aggrieved Employee identifying information and to provide corrected or updated Aggrieved
19 Employee Data as soon as reasonably feasible. The Parties and their counsel will expeditiously
20 use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or
21 omitted Aggrieved Employee Data.

22 4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement
23 Amount by transmitting the funds to the Administrator no later than thirty (30) calendar days after
24 the Effective Date.

25 4.4. Payments from the Gross Settlement Amount. Within fourteen (14) calendar days after
26 Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all
27 Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment,
28 the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the
PAGA Representative Service Payment. Disbursement of the PAGA Counsel Fees Payment, the

1 PAGA Counsel Litigation Expenses Payment and the PAGA Representative Service Payment
2 shall not precede disbursement of Individual PAGA Payments.

3 4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send
4 them to Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check
5 shall prominently state the date (not less than 180 days after the date of mailing) when the check
6 will be voided. The Individual PAGA payments will expire one hundred eighty (180) calendar
7 days from the date they are issued by the Administrator. The Administrator will cancel all checks
8 not cashed by the void date. The Administrator will send checks for Individual PAGA Payments
9 to all Aggrieved Employees along with the PAGA Settlement Notice. Before mailing any checks,
10 the Settlement Administrator must update the recipients' mailing addresses using the National
11 Change of Address Database.

12 4.4.2 The Administrator must conduct an Aggrieved Employee Address Search for all
13 other Aggrieved Employees whose checks are returned undelivered without United States Postal
14 Service ("USPS") forwarding address. Within seven (7) calendar days of receiving a returned
15 check the Administrator must re-mail checks to the USPS forwarding address provided or to an
16 address ascertained through the Aggrieved Employee Address Search. The Administrator need
17 not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are
18 returned as undelivered. The Administrator shall promptly send a replacement check to any
19 Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved
20 Employee prior to the void date.

21 4.4.3 For any Aggrieved Employee who's Individual PAGA Payment check is uncashed
22 and cancelled after the void date, the Administrator shall transmit the funds represented by such
23 checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved
24 Employee.

25 4.4.4 Payments to Aggrieved Employees, including Plaintiff, as referenced herein will not
26 be utilized to calculate any additional benefits under any benefit plans to which any Aggrieved
27 Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401 (k)
28 or 403(b) plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather,
it is the Parties' intention that this Agreement will not affect any rights, contributions, or amounts

to which any Aggrieved Employee may be entitled under any benefit plans.

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

5.1 Plaintiff's Release. Plaintiff and Plaintiff's respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors and assigns generally, release and discharge Released Parties from all claims that occurred during the PAGA Period, including all claims that were, or reasonably could have been, alleged, based on the facts contained in the PAGA Action; including under any legal theory that was alleged or that could have been alleged for any failure to pay all wages due (including minimum wage, straight time, and overtime wages), failure to pay for all hours worked, failure to provide meal or rest periods, failure to timely pay wages and final wages, failure to maintain accurate records of hours worked and meal periods, failure to furnish accurate wage statements, and failure to provide expense reimbursements; and claims under the Fair Employment and Housing Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the California Labor Code, and all equivalent claims under federal law ("Plaintiff's 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 PAGA Period. 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 agree, 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.

5.1.1 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.

1 5.2 Release by Aggrieved Employees: The claims released by Aggrieved Employees (the
2 “Released PAGA Claims”) are all claims for PAGA civil penalties that are alleged or reasonably
3 could have been alleged based on the facts alleged in the operative Complaint and the PAGA
4 letter. The Released PAGA Claims are those that accrued during the PAGA Period.

5 **6. MOTION FOR PAGA APPROVAL.** The Parties agree to jointly prepare and file a
6 motion for PAGA approval (“Motion for PAGA Approval”) that complies with the Court’s
7 current rules.

8 6.1. Plaintiff’s Responsibilities. Plaintiff will prepare and deliver to Defense Counsel within
9 a reasonable time prior to filing all documents necessary for obtaining approval of the Settlement,
10 including: (i) a draft of the notice, and memorandum in support, of the Motion for PAGA
11 Approval that includes an analysis of the underlying Labor Code violations giving rise to PAGA
12 civil penalties that is the subject of this Settlement including request for approval of the PAGA
13 Settlement under Labor Code section 2699, subdivision (f)(2); (ii) a draft proposed Order
14 Granting Approval of PAGA Settlement; (iii) a draft proposed PAGA Settlement Notice; (iv) a
15 signed declaration from Plaintiff confirming willingness and competency to serve and disclosing
16 all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees,
17 [and/or] the Administrator; (v) a signed declaration from PAGA Counsel firm attesting to its
18 competency to represent the Aggrieved Employees; its timely transmission to the LWDA of all
19 necessary PAGA documents (initial notice of violations (Lab. Code, § 2699.3, subd. (a))),
20 complaint (Lab. Code, § 2699, subd. (l)(1)), this Agreement (Lab. Code, § 2699, subd. (l)(2));
21 (vi) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees,
22 and/or the Administrator, if any.

23 6.2. Responsibilities of Counsel. PAGA Counsel and Defense Counsel are jointly responsible
24 for expeditiously finalizing and filing the Motion for PAGA Approval in a timely fashion;
25 obtaining a prompt hearing date for the Motion for PAGA Approval; and for appearing in Court
26 to advocate in favor of the Motion for PAGA Approval. PAGA Counsel is responsible for
27 delivering the Court’s PAGA Approval to the Administrator.

28 6.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
PAGA Approval 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 PAGA Approval or conditions PAGA 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. The Court's decision to award less than the amounts requested for the PAGA Representative Service Payment, PAGA Counsel Fees payment, PAGA Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

6.4. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, PAGA 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.

6.5. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically excluding the PAGA Representative Service Payment, PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment and/or Administrator Expenses Payment set forth in this Settlement, the Parties, 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. In the event of a timely appeal of the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

6.6. 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, but not limited to, the scope of release to be granted by Aggrieved Employees), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain

PAGA Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse or modify the Court's award of the PAGA Representative Service Payment or any payments to PAGA Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

7. AMENDED JUDGMENT. If any amended judgment is required by the Court, the Parties will work together in good faith to jointly submit and a proposed amended judgement.

8. SETTLEMENT ADMINISTRATION.

8.1. Selection of Administrator. The Parties have jointly selected Phoenix Class Action Administration Solutions ("Phoenix") to serve as the Administrator and verified that, as a condition of appointment, Phoenix 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.

8.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.

8.3. 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.

8.4. 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.

8.4.1 Final Report by Settlement Administrator. Within ten (10) calendar days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide PAGA 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 14 days before any deadline set by the Court, the Administrator will prepare, and submit to PAGA Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of

all payments required under this Agreement, the number of checks and total amount that remains uncashed, and the date (or expected date) when the total amount that remains uncashed is remitted to the California State Controller's Office in the name of the Aggrieved Employee. PAGA Counsel is responsible for filing the Administrator's declaration in Court.

9. AGGRIEVED EMPLOYEES SIZE ESTIMATE and ESCALATOR CLAUSE.

Defendant estimates that there are a total of 260 Aggrieved Employees that worked a total of 5,600 PAGA Pay Periods. If the total number of pay periods increases by more than 15% (i.e., more than 840 pay periods), then the GSA will be increased proportionally by the number of pay periods worked in excess of 15%. For example, if the final number of total pay periods increases by 16% over 5,600 pay periods, the GSA will increase by 1 %. If this provision is triggered, the Parties agree that the portion of the GSA allocated to attorneys' fees will increase proportionally such that the total amount of attorneys' fees remains one third of the GSA after the upward adjustment required by this provision is implemented.

10. ADDITIONAL PROVISIONS.

10.1. 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 complaint has 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 PAGA Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant approval of the Settlement, or enter Judgment, Defendant reserves all available defenses to the claims in the PAGA Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the PAGA 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).

10.2. Confidentiality Prior to PAGA Approval. Plaintiff, PAGA Counsel, Defendant and Defense Counsel separately agree that, until the Motion for PAGA Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit

another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency or other entity except: (1) to the Parties' attorneys, accountants or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, PAGA Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for PAGA Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict PAGA Counsel's communications with Aggrieved Employees in accordance with PAGA Counsel's ethical obligations owed to Aggrieved Employees.

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

10.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits 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.

10.5. 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.

10.6. Cooperation. The Parties and their counsel will cooperate with each other and use

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

7 10.7. No Prior Assignments. The Parties separately represent and warrant that they have
8 not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or
9 encumber to any person or entity and portion of any liability, claim, demand, action, cause of
10 action or right released and discharged by the Party in this Settlement.

11 10.8. No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel
12 are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be
13 relied upon as such within the meaning of United States Treasury Department Circular 230 (31
14 CFR Part 10, as amended) or otherwise.

15 10.9. Modification of Agreement. This Agreement, and all parts of it, may be amended,
16 modified, changed or waived only by an express written instrument signed by all Parties or their
17 representatives and approved by the Court.

18 10.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure
19 to the benefit of, the successors of each of the Parties.

20 10.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be
21 governed by and interpreted according to the internal laws of the State of California, without
22 regard to conflict of law principles.

23 10.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation
24 of this Agreement. This Agreement will not be construed against any Party on the basis that the
25 Party was the drafter or participated in the drafting.

26 10.13. Headings. The descriptive heading of any section or paragraph of this Agreement is
27 inserted for convenience of reference only and does not constitute a part of this Agreement.

28 10.14. 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.

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

10.16. Waiver. No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

10.17. 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 third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff: John G. Yslas
John.yslas@wilshirelawfirm.com
Eugene Zinovyev
Eugene.zinovyev@wilshirelawfirm.com
John Brown
John.brown@wilshirelawfirm.com
Gabriella Solé
Gabriella.sole@wilshirelawfirm.com
Wilshire Law Firm, PLC
3055 Wilshire Boulevard, 5th Fl
Los Angeles, California 90010

To Defendant: James S. Cooper
jcooper@lakklawyers.com
Levinson Arshonsky
Kurtz & Komsky, LLP
15303 Ventura Blvd., Suite 1650
Sherman Oaks, CA 91403

10.18. 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

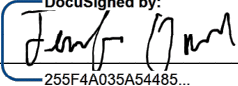
Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.19. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this settlement, and further intended that this Agreement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

10.20. 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.

By the Parties:

DATED: 8/19/2025

DocuSigned by:

 255F4A035A54485...
 Plaintiff Jennifer Orellana

DATED: _____

Defendant KF Rinaldi, LLC, dba Rinaldi Convalescent
 Hospital
 By: _____
 Position: _____

Approved as to form and substance:

DATED: August 19, 2025

WILSHIRE LAW FIRM, PLC

BY: 
 John G. Yelas
 Eugene Zinoviyev
 John Brown
 Gabriella Solé
 Counsel for Plaintiff Jennifer Orellana

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.

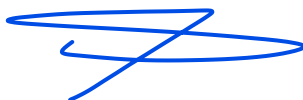
10.19. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this settlement, and further intended that this Agreement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

10.20. 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.

By the Parties:

DATED: _____

Plaintiff Jennifer Orellana



DATED: 9/24/25

Defendant KF Rinaldi, LLC, dba Rinaldi Convalescent Hospital

By: Staci L. Trang

Position: General Counsel

Approved as to form and substance:

DATED:

WILSHIRE LAW FIRM, PLC

BY: _____

John G. Yslas

Eugene Zinovyev

John Brown

Gabriella Solé

Counsel for Plaintiff Jennifer Orellana

1 DATED: 9/24/25

2 LEVINSON ARSHONSKY KURTZ &
3 KOMSKY, LLP

4 BY: _____ James S. Cooper /s/
5 James S. Cooper
6 Counsel for Defendant KF Rinaldi, LLC, dba Rinaldi
7 Convalescent Hospital
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit A

COURT APPROVED NOTICE OF PAGA SETTLEMENT
Orellana, et al. v. KF Rinaldi, LLC, dba Rinaldi Convalescent Hospital
Superior Court of the State of California, County of Los Angeles
Case No. 24CHCV02084

<<EmployeeName>>

<<Address1>>

<<Address2>>

<<City>>, <<State>> <<Zip Code>>

XX - XX - <<W9SSN>>

I. NOTICE OF PAGA SETTLEMENT

The Superior Court of the State of California, County of Los Angeles (the “Court”) has approved a settlement in the above-captioned action filed by Jeniffer Rinaldi (“Plaintiff”) on behalf of herself and all other aggrieved employees.

In this lawsuit, Plaintiff claim defendant KF Rinaldi, LLC, dba Rinaldi Convalescent Hospital (“KF Rinaldi,” or “Defendant”) violated California’s wage and hour laws and is therefore liable for penalties under the Private Attorneys General Act (“PAGA”). Specifically, Plaintiff alleges that Defendant: (1) failed to pay for all hours worked, including minimum, straight time, and overtime wages; (2) failed to provide meal periods; (3) failed to authorize and permit rest periods; (4) failed to pay all earned wages twice per month; (5) failed to maintain accurate records of hours worked and meal periods; (6) failed to timely pay all wages at termination; (7) failed to furnish accurate itemized wage statements; (8) failed to indemnify for necessary expenditures; and (9) failed to produce requested employment records and therefore was liable for waiting time penalties pursuant to Labor Code section 203. Plaintiff is solely seeking civil penalties on behalf of the California Labor and Workforce Development Agency (“LWDA”) and other Aggrieved Employees under PAGA.

The Court has not made a determination about Plaintiff’s claims. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of the claim.

Defendant maintains that they were in compliance with the California Labor Code at all times and enters into this Settlement with no admission of liability and solely for the purposes of compromising and settling the action to avoid the cost and operational burden of continued litigation.

You are receiving this Notice because you are in the group of employees referred to as “Aggrieved Employees,” which is defined as:

“All persons who worked for KF Rinaldi in California as an employee at any time during the period beginning March 28, 2023 to May 1, 2025.”

The “PAGA Period” is defined as March 28, 2023 to May 1, 2025.

1 **II. CALCULATION OF INDIVIDUAL PAGA PAYMENT**

2 You worked <<PayPeriods>> pay periods during the PAGA Period. The total amount of pay
3 periods worked by all Aggrieved Employees during the PAGA Period is [REDACTED].

4 Your individual PAGA payment is estimated to be <<CheckAmount>>.

5 Each individual PAGA payment was calculated on a pro rata basis (i.e., proportional) based on
6 the number of pay periods worked by each Aggrieved Employee in the PAGA Period divided by
the total number of pay periods worked by all Aggrieved Employees.

7 **III. RELEASE**

8 The Court has approved the parties' Settlement Agreement ("Settlement"). By operation of the
9 Settlement's terms, the claims released by Aggrieved Employees (the "Released PAGA Claims")
10 are all claims for PAGA civil penalties that are allegedly or reasonably could have been alleged
11 based on the facts alleged in the operative Complaint and the PAGA Notice. The Released PAGA
Claims are those that accrued during the PAGA Period.

12 **IV. SETTLEMENT ADMINISTRATOR**

13 **PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.**

14 You may call the Settlement Administrator, [REDACTED] toll free at 1() [REDACTED] with
15 any questions. You must inform the Settlement Administrator of any change of address to ensure
16 receipt of your settlement payment.

17 Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such
18 event, the Settlement Administrator shall direct all unclaimed funds to the California State
19 Controller's Office in the name of the Aggrieved Employee to whom the check was issued. If
your check is lost or misplaced, you should contact the Settlement Administrator immediately to
request a replacement.