PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff Sandra Monzon-Morales ("Plaintiff") and Defendant Garden Grove Convalescent Hospital, Inc. ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as the "Parties," or individually as a "Party."

1. <u>DEFINITIONS</u>.

1.1. "Action" means the Plaintiff's PAGA lawsuit alleging wage and hour violations against Defendants captioned *Monzon-Morales v. Garden Grove Convalescent Hospital, Inc.*, Case No. 30-2024-01409546-CU-OE-CXC initiated on June 24, 2024 and pending in Superior Court of the State of California, County of Orange.

1.2. "Administrator" means Phoenix Class Action Administration Solutions, 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 and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with approval of this Settlement.

1.4. "PAGA Group Members" means all non-exempt employees who were employed by Defendant in California during the PAGA Period.

1.5. "PAGA Group Members Data" means identifying information in Defendant's possession for each PAGA Group Member including name, last-known mailing address, Social Security number, and number of Pay Periods worked during the PAGA Period.

1.6. "PAGA Group Member Address Search" means the Administrator's investigation and search for a PAGA Group Member's current 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 PAGA Group Members.

1.7. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.

1.8. "Court" means the Superior Court of California, County of Orange.

1.9. "Defense Counsel" means Daniel Whang and Hanna Jolkovsky of Seyfarth Shaw LLP located at 2029 Century Park East, Suite 3500, Los Angeles, California 90067-3021.

1.10. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the day the latest the following occurs: (i) if there is an appeal of the Judgment, the date the Judgment is affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file a petition for writ of certiorari to the United States Supreme Court or California Supreme Court; (ii) if a petition for writ of certiorari is filed, the date of denial of the petition for writ of certiorari, or the date the Judgment is affirmed pursuant to such petition; or (iii) if no appeal is filed, the expiration date for filing or noticing any appeal of the Judgment.

1.11. "Gross Settlement Amount" means $175,000.00, which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. Any increase of the Gross Settlement Amount pursuant to Paragraph 8 shall become effective by operation of this Agreement alone, including all amounts calculated herein based on the Gross Settlement Amount, or by order of the Court. 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.

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

1.13. "Judgment" means the judgment entered by the Court based upon the Order Granting Approval of PAGA Settlement.

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

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

1.16. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid 25% to PAGA Group Members as Individual PAGA Payments and 75% to the LWDA as the LWDA PAGA Payment.

1.17. "PAGA Counsel" means Daniel J. Hyun, Esq. and David Alami, Esq. of Torus LLP located at 2 Park Plaza, Suite 1260, Irvine, California 92614.

1.18. "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.

1.19. "PAGA Pay Period" means any Pay Period during which a PAGA Group Members worked for Defendant for at least one day during the PAGA Period.

1.20. "PAGA Period" means the period from May 31, 2023 through the date the Court grants approval of the Settlement, or June 2, 2025, whichever is earlier.

1.21. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698, et seq.).

1.22. "PAGA Notice" means Plaintiff's May 31, 2024 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

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

1.24. "Plaintiff" means Sandra Monzon-Morales, the named Plaintiff in the Action.

1.25. "Released Parties" means: Defendant and its former and present directors, officers, employees, shareholders, owners, members, attorneys, insurers, predecessors, successors, subsidiaries, related entities and assigns.

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

2. RECITALS.

2.1 On June 24, 2024, Plaintiff commenced this Action by filing a class action complaint alleging causes of action against Defendant for violations of the Labor Code for failure to pay all wages, failure to provide meal periods, failure to provide rest periods, failure to reimburse necessary business expenses, failure to timely pay wages due upon separation of employment, and failure to issue accurate itemized wage statements. On August 20, 2024, Plaintiff filed a First Amended Complaint adding a PAGA cause of action based on the same Labor Code violations alleged in the initial complaint (the "Operative Complaint."). Defendant expressly denies any liability or wrongdoing of any kind associated with the claims alleged in the Operative Complaint and those released as part of this settlement of the Action. Defendant denies all material allegations set forth in the Operative Complaint and has asserted numerous affirmative defenses. Defendant maintains, among other things, it has complied with federal and California law in all respects. Nothing in this Agreement shall be deemed an admission of liability, culpability, negligence or wrongdoing on the part of Defendant. Notwithstanding, in the interest in avoiding further litigation, Defendant desires to fully and finally settle the Action and Released PAGA Claims.

2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

On March 4, 2025, the Parties participated in an all-day mediation presided over by Jeffrey Fuchsman, Esq. After a full day mediation, mediator's proposal, and subsequent negotiations with the assistance of the mediator, the Parties agreed to settle the Action, which led to this Agreement.

2.3. Prior to mediation, Plaintiff obtained, through informal discovery, substantial data and documents pertaining to Plaintiff's PAGA claim against Defendant.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay $175,000.00 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 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring PAGA Group Members to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant unless the Court does not approve the Agreement.

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 specified by the Court in the Order Granting Approval of PAGA Settlement:

3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third (1/3) of the Gross Settlement Amount, which is currently estimated to be $58,333.33 and PAGA Counsel Litigation Expenses Payment of not more than $25,000.00. Defendant will not oppose Plaintiff's requests for Court approval of these payments provided that they do not exceed these amounts unless increased pursuant to Paragraph 8 below. 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. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms.

3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed $4,750.00, 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 $4,750.00, the Administrator will allocate the remainder to the Net Settlement Amount.

3.2.3. To the LWDA and PAGA Group Members: 75% of the PAGA Penalties will be allocated to the LWDA PAGA Payment and 25% of the PAGA Penalties will be allocated to the Individual PAGA Payments.

3.2.3.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the PAGA Group Members' 25% share of PAGA Penalties by the total number of PAGA Pay Periods worked by all PAGA Group Members during the PAGA Period and (b) multiplying the result by each PAGA Group Member's PAGA Pay Periods.

3.2.3.2. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. PAGA Group Member Pay Periods. Based on a review of its records to the date of mediation, Defendant estimates there are 191 PAGA Group Members who worked a total of 5,066 PAGA Pay Periods.

4.2. PAGA Group Member Data. Within 14 calendar days of the Order Granting Approval of PAGA Settlement, Defendant will deliver the PAGA Group Member Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect PAGA Group Members' privacy rights, the Administrator must maintain the PAGA Group Member Data in confidence, use the PAGA Group Member Data only for purposes of this Settlement and for no other purpose, and restrict access to the PAGA Group Member Data to Administrator employees who need access to the PAGA Group Member Data to effect and perform obligations under this Agreement. The Administrator will not provide PAGA Group Member Data to PAGA Counsel. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the PAGA Group Member Data omitted employee identifying information and to provide corrected or updated PAGA Group Member Data to the Administrator as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the PAGA Group Member 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 PAGA Group Member Data.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 7 calendar days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within 10 calendar 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, the PAGA Counsel Expenses Payment, and PAGA Counsel Litigation Expenses Payment.

4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the PAGA Group Members via First Class U.S. Mail, postage prepaid, along with a notice of PAGA settlement which is attached hereto as **Exhibit A**. 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.

4.4.2. The Administrator must conduct a PAGA Group Member Address Search for all PAGA Group Members whose checks are returned as 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 PAGA Group Member Address Search. The Administrator need not take further steps to deliver checks to PAGA Group Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any PAGA Group Member whose original check was lost or misplaced, requested by the PAGA

Group Member prior to the void date.

4.4.3. For any PAGA Group Member 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 State Controller's Office's Unclaimed Property Fund in the name of the PAGA Group Member.

4.4.4. The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the PAGA Group Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASE OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount, the claims against all Released Parties will be released as follows:

5.1 Release by Plaintiff and PAGA Group Members:

Plaintiff and all PAGA Group Members 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 arising during the PAGA Period that were or could have been asserted, based on the facts, Labor Code sections and IWC Wage Order sections alleged in the Operative Complaint and the PAGA Notice.

6. MOTION FOR APPROVAL OF SETTLEMENT.

6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft stipulation requesting that the Court grant approval of the Settlement with all supporting exhibits such as proof of transmission to the LWDA of all necessary PAGA documents pursuant to Labor Code Sections 2699.3, subd. (a) and 2699, subd. (l)(2)), or if required by the Court, motion for approval of this Settlement; and (ii) a draft proposed Order Granting Approval of PAGA Settlement.

6.2 Motion for Approval of Settlement. PAGA Counsel will prepare the motion for approval of the Settlement, and provide drafts of the motion to Defense Counsel for review prior to filing. PAGA Counsel will also file a request for dismissal of the class action claims alleged in the First Amended Complaint without prejudice.

6.3 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.

7. SETTLEMENT ADMINISTRATION.

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

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

7.3 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.

7.4 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. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE

Based on its records, Defendant estimates that, as of March 4, 2025, there are 191 PAGA Group Members who worked a total of 5,066 Pay Periods during the PAGA Period. The Parties agree that if the number of total number of Pay Periods ends up exceeding 5,066 Pay Periods by more than 10% (i.e., 5,573 or more pay periods), then Defendant agrees that either: 1) the Gross Settlement Amount shall increase by 1% for every 1% over the threshold of 5,573 Pay Periods; or (2) Defendant can change the end date for the "PAGA Period" to the date the total number of Pay Periods reached 5,573 as long as it makes the election before the Court enters the final Judgment.

9. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of an Order Granting Approval of PAGA Settlement or Judgment, pursuant to California Code of Civil Procedure Section 664.6, 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. The Parties agree that in the event litigation is initiated by any Party to enforce this Settlement, the prevailing party will be entitled to recover her or its costs and reasonable attorneys' fees incurred in conjunction with the litigation, in addition to any other relief granted.

9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and Gross Settlement Amount, the Parties 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. If another party appeals 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.

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. The Parties enter into this Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Agreement, Defendant does not admit, and specifically denies, that it has violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint 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. 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 or proceeding to establish any liability or admission of any nature on the part of Defendant, or to establish the existence of any condition constituting a violation of, or a non-compliance with any federal, state, local or other applicable law (except for proceedings to enforce or effectuate the Settlement and this Agreement).

10.2 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.

10.3 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.

10.4 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 the mediator and/or the Court for resolution.

10.5 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.

10.6 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.

10.7 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.

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

10.9 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.

10.10 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.

10.11 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

10.12 Use of PAGA Group Member Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the data provided to PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court.

10.13 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.

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 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:

Daniel J. Hyun
daniel@torusllp.com
David Alami
david@torusllp.com
TORUS LLP
2 Park Plaza, Suite 1260
Irvine, California 92614

To Defendant:

Daniel Whang
dwhang@seyfarth.com
Hanna Jolkovsky
hjolkovsky@seyfarth.com
SEYFARTH SHAW LLP
2029 Century Park East, Suite 3500
Los Angeles, California 90067-3021

10.16 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.

10.17 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 Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

10.18 Representation. Plaintiff represents and warrants that Plaintiff is not currently aware of any: (a) unalleged claims against Defendant in addition to, or different from, those which are finally and forever settled and released against Defendant by this settlement; or (b) unalleged facts or legal theories upon which any claims or causes of action could be brought against Defendant, except such facts and theories specifically alleged in the operative complaint in this Action. Plaintiff represents that, other than this Action, Plaintiff has no current intention of asserting any other claims against Defendant in any judicial or administrative forum.

Dated: 05/08/25 ________________________

Plaintiff Sandra Monzon-Morales

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Sandra Monzon Morales (May 8, 2025 15:25 PDT)

Dated: ________________________

Garden Grove Convalescent Hospital, Inc.

____

By: ________________________

Its: ________________________

Approved as to Form:

Dated: May 21, 2025 ________________________

TORUS LLP

____
Daniel Hyun
David Alami
Attorneys for Plaintiff Sandra Monzon-Morales

Dated: ________________________

SEYFARTH SHAW LLP

____
Daniel Whang
Hanna Jolkovsky
Attorneys for Defendant Garden Grove
Convalescent Hospital, Inc.

Dated: ______________________ Plaintiff Sandra Monzon-Morales

Dated: 5/9/2025 Garden Grove Convalescent Hospital, Inc.

By: ____________________________

Its: ____________________________

Approved as to Form:

Dated: _ TORUS LLP

Daniel Hyun
David Alami
Attorneys for Plaintiff Sandra Monzon-Morales

Dated: 5/9/2025 SEYFARTH SHAW LLP

Daniel Whang
Hanna Jolkovsky
Attorneys for Defendant Garden Grove Convalescent Hospital, Inc.

EXHIBIT A

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>
<<ADDRESS 1>>
<<ADDRESS 2>>

Re: Payment from the Settlement in *Monzon-Morales v. Garden Grove Convalescent Hospital, Inc.*, Orange County Superior Court Case No. 30-2024-01409546-CU-OE-CXC

Dear <<FIRST_NAME>> <<LAST_NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled *Monzon-Morales v. Garden Grove Convalescent Hospital, Inc.* that was filed in the Orange County Superior Court. The case number is 30-2024-01409546-CU-OE-CXC. The lawsuit was filed by Plaintiff Sandra Monzon-Morales ("Plaintiff"), on behalf of herself, other potentially aggrieved employees, and the State of California against Garden Grove Convalescent Hospital, Inc. ("Defendant") pursuant to the California Private Attorneys General Act of 2004, California Labor Code sections 2698, *et seq.* ("PAGA"). The PAGA lawsuit is limited to PAGA Group Members, which is defined under the settlement of the lawsuit to include all non-exempt hourly employees employed by Defendant in the State of California during the period of May 31, 2023 through the date the Court grants approval of the Settlement, or June 2, 2025, whichever is earlier ("PAGA Period"). You have been identified as one of the employees whose PAGA claim was settled in the lawsuit.

The Plaintiff in the case claimed that Defendant owed civil penalties under PAGA for certain California Labor Code violations. Defendant denies that it did anything wrong or that they owed any civil penalties. Plaintiff and Defendant (collectively the "Parties") agreed to resolve the PAGA claim for Plaintiff and all PAGA Group Members. The Parties agreed to resolve the case, and as part of that settlement, Defendant agreed to pay a certain amount of money categorized as PAGA civil penalties. The settlement of this action does not constitute an admission by Defendant of any of the matters alleged in the case or an admission of liability. Under the PAGA statute, the civil penalties are divided between the State of California (75%) and the PAGA Group Members (25%) after deducting settlement administration costs, and attorneys' fees and expenses. The enclosed check represents your portion of the civil penalties allocated to PAGA Group Members. It is your responsibility to apply any taxes payable on the amount you have received.

If you have any questions, you can contact the settlement administrator (whose contact information is at the top of this letter)

Very Truly Yours,

Phoenix Settlement Administrators