AMENDED PAGA SETTLEMENT AGREEMENT

This Amended PAGA Settlement Agreement ("Settlement Agreement" or "Settlement") is made and entered into between Plaintiff Joaquin Munguia Cerda ("Plaintiff"), acting in a private attorney general capacity on behalf of the California Labor and Workforce Development Agency, and Defendant Pacific Care Nursing Center ("Pacific Care") (collectively, the "Parties").

I. DEFINITIONS

The following terms, when used in this Settlement Agreement, shall have the following meanings:

1. "Action" means the matter titled *Joaquin Munguia Cerda v. Pacific Care Nursing Center,* Los Angeles Superior Court, Case No. 24STCV15500, and as set forth in Plaintiff's correspondence to the California Labor and Workforce Development Agency ("LWDA Letter") dated June 21, 2024.

2. "Aggrieved Employees" consist of all current and former non-exempt employees who worked for Pacific Care in California at any time during the PAGA Period. The number of Aggrieved Employees, including Plaintiff, is estimated to be approximately 296 individuals.

3. "Settlement Administrator" means ILYM Group, Inc.

4. "Complaint" means the operative complaint in the Action, which is the First Amended Class and Representative Action Complaint.

5. "Court" means the Superior Court of California for the County of Los Angeles.

6. "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.

7. "Individual PAGA Payment" means the amount to be paid to each Aggrieved Employee based on the formula described herein.

8. "LWDA" means the California Labor and Workforce Development Agency.

9. "Gross Settlement Amount" is the non-reversionary sum of One Hundred Forty Thousand Dollars and Zero Cents ($140,000.00), which represents the total amount payable under this Settlement Agreement by Pacific Care (subject to the Escalator Clause described below), including, without limitation, payments to all Aggrieved Employees, payment to the LWDA, payment of Plaintiff's attorneys' fees and costs, payment of Plaintiff's enhancement payment, and payment to the Settlement Administrator for administration costs.

10. "Net Settlement Amount" is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts, if approved by the Court, are subtracted from the Gross Settlement Amount: (a) Plaintiff's attorneys' fees up to one third of the Gross Settlement Amount; (b) Plaintiff's litigation costs up to $20,000.00; (c) Plaintiff's enhancement payment up to $5,000.00; and (d) settlement administration costs up to $5,000.00.

11. "PAGA" means the California Labor Code Private Attorneys General Act, California Labor Code § 2698, *et seq.*

12. "PAGA Period" means the time period from June 21, 2023, through the date of the Court Order granting approval of the PAGA Settlement.

13. "PAGA Released Claims" means all claims for civil penalties that could have been sought by the LWDA for the violations identified in Plaintiff's letters to the LWDA and Plaintiff's operative First Amended Class and Representative Action Complaint ("FAC"). The violations identified in Plaintiff's letters to the LWDA and FAC included alleged violations of Labor Code §§ 201-204, 226, 226.7, 510, 512, 516, 558, 1174, 1182.12, 1194, 1194.2, 1197, and 1198 and the applicable IWC Wage Order. The PAGA Released Claims do not include any Aggrieved Employee's claim for wages or damages. The Parties understand and agree that provision is not intended in any way to expand or limit the *res judicata* impact of the Settlement in claims brought by other Aggrieved Employees under PAGA, wherein the State of California is the real party in interest.

14. "Plaintiff's Counsel" means Paul K. Haines, Sean M. Blakely, and Joel M. Gordon of Haines Law Group, APC.

15. "Released Parties" means Pacific Care and its former, present and future officers, directors, employees, agents, predecessors, successors, subsidiaries, related entities, and assigns.

II. **RECITALS**

1. Plaintiff performed work for Pacific Care as a non-exempt employee in California during the PAGA Period and is therefore an Aggrieved Employee.

2. On June 20, 2024, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Pacific Care for violations of the Labor Code on a class-wide basis. On June 21, 2024, Plaintiff also provided written notice to the LWDA and Pacific Care asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of various Labor Code sections and his intent to file a civil lawsuit under the PAGA. On August 26, 2024, after exhausting his administrative requirements for bringing a claim under the PAGA, Plaintiff filed the operative First Amended Class and Representative Action Complaint to add a cause of action pursuant to the PAGA. Following the execution of this Settlement Agreement, Plaintiff will seek dismissal without prejudice of the class claims alleged in the Action.

4. Prior to mediation, Plaintiff obtained, through informal discovery, information and documents pertaining to Plaintiff and other Aggrieved Employees in order for Plaintiff's Counsel to investigate Plaintiff's allegations and value the claims prior to mediation.

5. On March 10, 2025, the Parties participated in mediation before mediator Michael Ludwig, Esq. With the assistance of Mr. Ludwig, the Parties agreed to fully and finally resolve Plaintiff's PAGA claims.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission**. Nothing in this Settlement Agreement shall be construed to be an admission by Plaintiff that his claims do not have merit, or an admission by Pacific Care that Plaintiff's claims do have merit, or of any liability or wrongdoing as to Plaintiff, the Aggrieved Employees or any other person. In particular, but without limiting the generality of the foregoing, nothing about this Settlement shall be offered or construed as an admission that Pacific Care violated any obligations under the California Labor Code, applicable Industrial Welfare Commission Wage Orders, or Business and Professions Code, or of liability in general, or any wrongdoing, impropriety, responsibility, or fault whatsoever. Pacific Care specifically disclaims and denies any such liability or wrongdoing. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses and risks. This Settlement Agreement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

2. **Gross Settlement Amount**. Pacific Care shall pay One Hundred Forty Thousand Dollars and Zero Cents ($140,000.00) as the non-reversionary Gross Settlement Amount. Pacific Care will not pay more than the Gross Settlement Amount (subject to the Escalator Clause below). Pacific Care shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than fourteen (14) days after the Effective Date.

The Gross Settlement Amount shall be used to pay: (1) Amounts distributable to the LWDA and Aggrieved Employees; (2) Plaintiff's attorneys' fees and litigation costs; (3) Plaintiff's enhancement payment; and (4) Settlement administration costs.

3. **Escalator Clause.** Pacific Care represents that there are approximately 5,922 pay periods worked by Aggrieved Employees in California during the PAGA Period ("Affected Pay Periods"). If the actual number of Affected Pay Periods is more than 10% greater than this number (i.e., if there are more than 6,515 Affected Pay Periods), Pacific Care shall have the option of either (1) increasing the Gross Settlement Amount in proportion to the increase in Affected Pay Periods over and above 10% (e.g., if the number of Affected Pay Periods is 12% greater than 6,515, Pacific Care will increase the Gross Settlement Amount by 2%) or (2) changing the end date for the PAGA Period to the date when the total number of Affected Pay Periods does not exceed 6,515.

4. **Net Settlement Amount**. The Parties agree that the following amounts should be subtracted from the Gross Settlement Amount, if approved by the Court, resulting in a Net Settlement Amount to distribute to the LWDA and Aggrieved Employees:

a. Plaintiff's Attorneys' Fees and Costs. Pacific Care will not oppose Plaintiff's request for attorneys' fees in the amount up to one third of the Gross Settlement Amount (currently estimated to be $46,666.67) and costs up to $20,000.00 incurred in prosecuting this Action. In the event the Court approves less than these amounts, the difference will be added to the Net Settlement Amount (although Plaintiff may appeal an order granting less than the full amount sought for attorneys' fees and costs). Pacific Care, via the Settlement Administrator, will report these payments on IRS Form 1099 issued to Plaintiff's Counsel.

b. Plaintiff's Enhancement Payment. Pacific Care will not oppose Plaintiff's request for an enhancement payment of up to $5,000.00 for serving as the representative plaintiff in this Action. In the event the Court approves a payment of less than the requested amount, the difference will be added to the Net Settlement Amount (although Plaintiff may appeal an order granting less than the full amount sought for Plaintiff's enhancement payment). Pacific Care, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to Plaintiff.

c. Administration Costs. Pacific Care will not oppose the Settlement Administrator's costs in the amount up to $5,000.00 for administering the settlement. In the event the Court approves a payment of less than this amount, the difference will be added to the Net Settlement Amount. Pacific Care, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to the Settlement Administrator. If the Settlement Administrator's costs exceed $5,000.00, then such excess will be paid solely from the Gross Settlement Amount and Pacific Care will not be responsible for paying any additional funds in order to pay these additional costs.

5. **Allocation of Net Settlement Amount**. One hundred percent (100%) of the Net Settlement Amount shall be designated as "civil penalties" and shall be distributed 65% to the LWDA and 35% to Aggrieved Employees, pursuant to Labor Code § 2699(i). The 35% portion to be paid to Aggrieved Employees shall be paid to all Aggrieved Employees pro rata, based on the number of pay periods worked by each Aggrieved Employee during the PAGA Period.

a. The Parties agree that should the Court deny approval of the Settlement based on the allocation of the Gross Settlement Amount or the Net Settlement Amount, the Parties agree to re-negotiate in good faith in an effort to obtain approval of the Settlement.

6. **PAGA Released Claims**. Plaintiff agrees that upon entry of an Order approving the Settlement and judgment entered thereon, and upon the Settlement being fully funded, Plaintiff and the State of California will release the PAGA Released Claims against the Released Parties that arose during the PAGA Period. Upon entry of the Order approving the settlement and judgment entered thereon and the Settlement being fully funded, Plaintiff and the State of California will be forever barred from pursuing any and all of the PAGA Released Claims that arose during the PAGA Period against the Released Parties.

7. **Covenants and Representations by Plaintiff and Plaintiff's Counsel**.

a. Plaintiff represents and warrants that he has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement Agreement.

b. Plaintiff acknowledges that he has read this Settlement Agreement, that he fully understands his rights, privileges and duties under the Settlement Agreement, and enters into this Settlement Agreement freely and voluntarily. Plaintiff further acknowledges that he has had the opportunity to consult with his attorneys to explain the terms of this Settlement Agreement and the consequences of signing this Settlement Agreement.

8. **Confidentiality**. Except as provided below to the extent necessary to effectuate the settlement or as required by court or legal process, Plaintiff and Plaintiff's Counsel will keep the terms of this Settlement Agreement confidential. Neither Plaintiff nor Plaintiff's Counsel shall issue a press release, hold a press conference, publish information about the settlement on any website or through any social media or otherwise publicize the settlement or communicate its terms in public or in private, unless ordered by the Court. However, for the limited purpose of establishing adequacy of counsel in future actions, Plaintiff's counsel may reference the Action by referencing only "Anonymous" and case number in a declaration establishing adequacy as representative counsel.

To permit judicial review and approval of the Settlement, as required by Labor Code section 2698, *et seq.*, Plaintiff's Counsel will file the Settlement Agreement with the Court and submit the Settlement to the LWDA as part of the Parties' seeking Court approval of the Settlement, per Labor Code § 2699(l)(2).

9. **Motion for Approval of PAGA Settlement**. As a condition of settlement, Plaintiff shall be responsible for promptly preparing and filing the Motion for Approval of the PAGA Settlement. Following the Court's approval of the Settlement, Plaintiff will give notice to the LWDA of the Court's order approving the Settlement.

10. **Termination of Settlement Agreement**. If the Court does not approve the settlement, if the Court does not enter judgment as provided for in this Settlement Agreement, or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or if one or more of the material terms of the Settlement Agreement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right within ten (10) days of written notice thereof to elect to terminate the Settlement Agreement, in which case the Settlement Agreement shall have no force or effect, and the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement Agreement.

11. **Judgment**. As part of the Motion to approve the Settlement, Plaintiff shall submit a proposed judgment which enters judgment in the Action in accordance with the terms of the Settlement, retains jurisdiction over the Action under Cal. Code Civ. Proc. § 664.6 for the purpose of enforcing the terms of the Settlement following approval of the Settlement, and enjoins the prosecution of any of the PAGA Released Claims against any of the Released Parties upon the judgment being entered and the Settlement being fully funded. This Settlement Agreement is expressly conditioned upon the Court entering judgment as set forth herein. The judgment will not release or bar any claims other than the PAGA Released Claims as to Plaintiff and the Aggrieved Employees.

IV. ADMINISTRATION OF SETTLEMENT

1. **Settlement Administrator**. The Parties agree to engage ILYM Group, Inc. to handle the administration of this settlement.

2. **<u>Provision of Information for Aggrieved Employees</u>**. Within thirty (30) business days after entry of an order approving the settlement, Pacific Care shall provide the Settlement Administrator with information for Aggrieved Employees. Pacific Care will in good faith compile from its records a list of Aggrieved Employees that will be in a computer-readable format, such as a Microsoft Excel spreadsheet, and shall include each Aggrieved Employee's full name, last known mailing address, last known telephone number, number of pay periods worked during the PAGA Period, and Social Security numbers to the extent available from Pacific Care's records. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the Settlement. Within seven (7) calendar days of receiving the Aggrieved Employees' information from Pacific Care, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the Individual PAGA Payments to each Aggrieved Employee and the data used to calculate said payments. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual PAGA Payments.

3. **<u>Explanatory Letter and Individual PAGA Payments</u>**. Upon receipt of the information for Aggrieved Employees, the Settlement Administrator will perform a search on the National Change of Address database to update the Aggrieved Employees' addresses. Within twenty-one (21) calendar days after the Settlement has been fully funded and after receiving approval from Plaintiff's Counsel and Defendant's counsel of the payment calculations as provided above, the Settlement Administrator shall mail copies of the explanatory letter, which has been mutually approved by the Parties and is attached hereto as **Exhibit A**, in English and Spanish, along with Individual PAGA Payments to all Aggrieved Employees via regular First-Class U.S. Mail.

The Settlement Administrator will calculate the amount to be received by each Aggrieved Employee, which will be based on the formula set forth in Section III.5., *supra*. The Settlement Administrator will send each Aggrieved Employee a check for his or her Individual PAGA Payment along with the explanatory letter. Checks will remain negotiable for 180 days. Each Individual PAGA Payment shall be deemed penalties and reported using IRS Form 1099, with no withholdings taken. None of the payments called for by this Settlement are to be treated as earnings, wages, pay, or compensation for the purpose of any applicable benefit or retirement plan, unless expressly required by such plans.

Pacific Care shall be deemed to fully discharge its obligations under this Settlement to Aggrieved Employees to whom a check is mailed, regardless of whether such checks are actually received and/or negotiated by the recipient.

Neither Plaintiff nor Pacific Care, nor their respective counsel, shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

4. **<u>Undeliverable Notices</u>**. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Aggrieved Employee.

Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace or other reputable search method using the name, address or Social Security number of the Aggrieved Employee involved, and will perform up to a single re-mailing if a new address is located.

Funds represented by checks returned as undeliverable after a re-mailing, checks for whom the Settlement Administrator could not locate an updated address after performing a skip trace, and funds represented by checks remaining un-cashed more than 180 days after issuance (collectively, "Uncashed Checks"), shall be sent to the State Controller's Office Unclaimed Property Division in the name of the aggrieved employee.

5. **Distribution of Payments**. Within twenty-one (21) calendar days of the Settlement being fully funded, the Settlement Administrator shall issue payments to (1) Aggrieved Employees; (2) the LWDA; (3) Plaintiff's Counsel for Plaintiff's Counsel's Court-approved attorneys' fees and litigation costs and expenses; (4) Plaintiff for the Court-approved enhancement payment, and (5) the Settlement Administrator for Court-approved Settlement administration costs incurred in connection with the Settlement. Payments made by Pacific Care pursuant to this Settlement shall be held by the Settlement Administrator in an interest-bearing account until they are disbursed, with any accrued interest inuring to the benefit of the Aggrieved Employees in the form of pro rata increases to Aggrieved Employees' Individual PAGA Payments.

6. **Accounting**. Within 45 days after all payments have been made under the Settlement, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the settlement.

7. **Tax Consequences**. Neither Plaintiff nor Pacific Care, nor counsel for either of the Parties, makes any representations or warranties with respect to tax consequences of any payment under this Settlement Agreement. Aggrieved Employees are responsible for correctly characterizing compensation under this Settlement Agreement for tax purposes and paying any taxes owing on said amounts. The Administrator shall issue employees IRS 1099 Forms reflecting payment issued to them under this Settlement Agreement.

V. MISCELLANEOUS PROVISIONS

1. **Drafting**. The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that neither Party shall be considered the "drafter" of this Settlement Agreement for purposes of having terms construed against that Party.

2. **Successors**. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators and successors.

3. **Costs and Fees**. The Parties shall each bear their own costs and attorneys' fees incurred in connection with this Settlement Agreement, the Action and Plaintiff's claims, except as otherwise set forth specifically herein.

4. **Governing Law**. This Settlement Agreement shall be construed under and governed by the laws of the State of California. This Settlement Agreement shall be deemed to have been entered into in Los Angeles, California, and all questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the Parties to this Settlement Agreement shall be governed by California law. If any legal or equitable action is necessary to enforce the terms of this Settlement Agreement, it shall be brought in the State of California, County of Los Angeles.

5. **Complete Agreement**. The Parties each acknowledge and represent that no promise or representation not contained in this Settlement Agreement has been made to them with respect to the subject matter of this Settlement Agreement, and acknowledge and represent that this Settlement Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the PAGA claim in the Action.

6. **Nullification of Settlement Agreement**. In the event that: (i) the Court does not approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then this Settlement Agreement and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their respective positions before the Settlement was executed.

7. **Judgment and Continued Jurisdiction**. As noted above, after approval of this settlement, the Court will have continuing jurisdiction under Cal. Code Civ. Proc. § 664.6 for purposes of addressing: (i) the interpretation and enforcement of the terms of the settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

8. **Amendment or Modification**. This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest, or by counsel for all Parties.

9. **Authorization to Enter into Settlement Agreement**. Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this settlement, the Parties may seek the assistance of the mediator (Michael Ludwig) or the Court to resolve such disagreement.

10. **Execution and Counterparts**. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

11. **Acknowledgement that the Settlement is Fair and Reasonable**. The Parties

believe this Settlement Agreement is a fair, adequate and reasonable settlement of the Action, and have arrived at this settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this settlement.

12. **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.

13. **Severability**. If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, the remaining portions of this Settlement Agreement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Settlement Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

14. **Waiver**. No waiver of any condition or covenant contained in this Settlement 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.

15. **Enforcement Action**. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

16. **Mutual Preparation**. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

17. **Representation by Counsel**. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

18. **Cooperation and Execution of Necessary Documents**. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

19. **Binding Agreement**. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement 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.

20. **Deadlines Falling on Weekends or Holidays.** To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or legal holiday, that deadline shall be continued until the following business day.

IN WITNESS THEREOF, the Parties each acknowledge that she/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

Dated: Nov 11, 2025

Joaquin Munguia Cerda (Nov 11, 2025 15:15:51 PST)

Joaquin Munguia Cerda, Plaintiff

PACIFIC CARE NURSING CENTER

Dated: __________, 2025

By:
Its:

APPROVED AS TO FORM:

Dated: November 11, 2025

HAINES LAW GROUP, APC

By: ______________________

Paul K. Haines
Sean M. Blakely
Joel M. Gordon
Attorneys for Plaintiff Joaquin Munguia Cerda

Dated: __________, 2025

SEYFARTH SHAW LLP

By: ______________________

Daniel C. Whang
Hanna L. Jolkovsky
Attorneys for Defendant Pacific Care Nursing Center

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20. **Deadlines Falling on Weekends or Holidays.** To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or legal holiday, that deadline shall be continued until the following business day.

IN WITNESS THEREOF, the Parties each acknowledge that she/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

Dated: __________, 2025

____
Joaquin Munguia Cerda, Plaintiff

PACIFIC CARE NURSING CENTER

Dated: November 11, 2025

____
By:
Its:

APPROVED AS TO FORM:

Dated: __________, 2025

HAINES LAW GROUP, APC

By: ______________________________
Paul K. Haines
Sean M. Blakely
Joel M. Gordon
Attorneys for Plaintiff Joaquin Munguia Cerda

Dated: November 11, 2025

SEYFARTH SHAW LLP

By: Daniel Whang
Daniel C. Whang
Hanna L. Jolkovsky
Attorneys for Defendant Pacific Care Nursing Center

EXHIBIT A

Re: ***Joaquin Munguia Cerda v. Pacific Care Nursing Center***
Superior Court of California Los Angeles County; Case No. 24STCV15500

Date: __/__/2025

SIMID
Name
Address

Dear Name:

Enclosed, please find a check made payable to you. This is your payment from the settlement of a lawsuit titled *Joaquin Munguia Cerda v. Pacific Care Nursing Center*, Los Angeles Superior Court, Case No. 24STCV15500, pending in the Superior Court of the State of California for the County of Los Angeles (the "Action").

The Action was filed against Pacific Care Nursing Center ("Pacific Care") and includes a claim pursuant to the California Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* ("PAGA"). The Action was brought by Plaintiff Joaquin Munguia Cerda ("Mr. Cerda"), a former employee of Pacific Care, on behalf of the State of California and other alleged aggrieved employees. You have been identified as one of the employees on whose behalf the case was brought.

In the lawsuit, Mr. Cerda claimed that Pacific Care violated the California Labor Code by failing to pay minimum wages, failing to pay overtime wages, failing to provide compliant meal and/or rest breaks, and failing to provide employees with itemized wage statements. Pacific Care disputes all of Mr. Cerda's allegations and denies that it engaged in any of the alleged misconduct. The parties have reached a settlement of Mr. Cerda's representative PAGA claims, and on [DATE], the Court approved the settlement, including the amount of civil penalties to be paid under the settlement. A portion of the civil penalty settlement amount goes to the State of California's Labor and Workforce Development Agency. Another portion of the civil penalty settlement amount goes to employees of Pacific Care who were allegedly affected by the alleged violations of the Labor Code. In agreeing to enter into this settlement, Pacific Care does not admit that it is liable in any way to current or former employees for any violations of the California Labor Code, or any penalties, and has denied and disputed all of Mr. Cerda's contentions. The Court has not decided the merits of Mr. Cerda's claims or Pacific Care's defenses.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. This check will remain valid for 180 days from the date of issuance. Please note that no deductions/withholdings have been made from your settlement payment, and you will be responsible for any tax consequences arising from your receipt of the same (for which an IRS Form 1099 will issue). If you do not cash your check within 180 days of issuance, the funds will be sent to the State Controller's Office Unclaimed Property Division in your name. If you are still employed by Pacific Care, your decision to cash the check will not affect your employment in any way.

While you were not a party to the Action, you and the State of California have been bound by the settlement entered in this matter and approved by the Court, including the release contained in the settlement. The release pertains to civil penalties under PAGA only. The release includes all claims under the PAGA that were alleged in, or could have been alleged based on the facts alleged in, Mr. Cerda's complaint in the Action, during the time period June 21, 2023 through <THE DATE OF THE ORDER APPROVING THE PAGA SETTLEMENT> (the "PAGA Period").

If you have any questions, you can contact ILYM Group, Inc., the Settlement Administrator, at 1-___-____.