

John G. Yslas (SBN 187324)
John.yslas@wilshirelawfirm.com
William M. Pao (SBN 219846)
William.pao@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
660 S. Figueroa Street, Sky Lobby
Los Angeles, CA 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Attorneys for Plaintiffs
[Additional Counsel Listed on Next Page]

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO**

DEMITA PINCHBACK, GERMAINE ANE
CARTER, ELAINE MARIE SMITH,
ANTHONY SERRANO, FELECIA
HERNANDEZ, MONICA MADOLORA,
PUNEM KAUR, and ANNA ORIORDAN,
individually, and on behalf of all others
similarly situated,
Plaintiffs,

v.

SACRAMENTO REHABILITATION
HOSPITAL, LLC, a Delaware limited
liability company; BAKERSFIELD
REHABILITATION HOSPITAL, LLC, a
Delaware limited liability company;
STOCKTON REGIONAL
REHABILITATION HOSPITAL, LLC, a
Delaware Limited Liability Company;
REHABILITATION HOSPITAL OF
SOUTHERN CALIFORNIA, LLC, a
Delaware Limited Liability Company;
ERNEST HEALTH HOLDINGS, LLC, a
Delaware Limited Liability Company;
ERNEST HEALTH ES, LLC, a
Delaware Limited Liability Company;
ERNEST HEALTH, INC., a Delaware
Corporation; and
DOES 1 through 10, inclusive,
Defendants.

Case No. 24CV005943

*Assigned for All Purposes To:
Hon. Jill Talley, Dept. 23*

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT**

1 Chad Saunders, Esq. (SBN 257810)

2 chad@crosnerlegal.com

3 Zachary M. Crosner, Esq. (SBN 272295)

4 zach@crosnerlegal.com

5 Brandon Brouillette, Esq. (SBN 273156)

6 bbrouillette@crosnerlegal.com

7 Chad Saunders, Esq. (SBN 257810)

8 chad@crosnerlegal.com

9 **CROSNER LEGAL, PC**

10 9440 Santa Monica Blvd, Suite 301

11 Beverly Hills, CA 90210

12 Tel: (866) 276-7637

13 Fax: (310) 510-6429

14 **BOKHOUR LAW GROUP, P.C.**

15 Mehrdad Bokhour, Esq. (SBN 285256)

16 mehrdad@bokhourlaw.com

17 1901 Avenue of the Stars, Suite 520

18 Los Angeles, California 90067

19 Tel: (310) 975-1493; Fax: (310) 675-0861

20 **FALAKASSA LAW, P.C.**

21 Joshua S. Falakassa (SBN 295045)

22 josh@falakassalaw.com

23 1901 Avenue of the Stars, Suite 520

24 Los Angeles, California 90067

25 Tel: (818) 456-6168; Fax: (888) 505-0868

26 Attorneys for Plaintiffs

27 Barbara A. Blackburn (SBN 253731)

28 bblackburn@littler.com

29 Douglas L. Ropel (SBN 300486)

30 dropel@littler.com

31 Rachel E. Simons (SBN 322804)

32 resimons@littler.com

33 **LITTLER MENDELSON, P.C.**

34 500 Capitol Mall, Suite 2000

35 Sacramento, CA 95814

36 Tel.: 916.830.7200

37 Fax: 916.561.0828

38 Attorneys for Defendant

1 This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between
2 Plaintiff Demita Pinchback (“Pinchback”), Plaintiff Elaine Marie Smith (“Smith”), Plaintiff
3 Germaine Carter (“Carter”), Plaintiff Anthony Serrano (“Serrano”), Plaintiff Felicia Hernandez
4 (“Hernandez”), Plaintiff Monica Madolora (“Madolora”), Plaintiff Punem Kaur (“Kaur”),
5 Plaintiff Anna Oriordan (“Oriordan”) (collectively “Plaintiffs”) and Defendants Sacramento
6 Rehabilitation Hospital, LLC, Defendant Bakersfield Rehabilitation Hospital, LLC, Defendant
7 Ernest Health ES, LLC, Defendant Stockton Regional Rehabilitation Hospital, LLC,
8 Rehabilitation Hospital of Southern California, LLC, Ernest Health Holdings, LLC, and
9 Defendant Ernest Health, Inc. (collectively “Defendants”). The Agreement refers to Plaintiffs and
10 Defendants collectively as “Parties,” or individually as “Party.”

11 **1. DEFINITIONS.**

12 1.1 “Action” means Plaintiffs’ lawsuit alleging class and representative action wage and
13 hour violations against Defendants originally captioned *Demita Pinchback v. Sacramento*
14 *Rehabilitation Hospital, LLC*, case number 24CV005943, filed on March 28, 2024, in Sacramento
15 County Superior Court and subsequently amended to include all Plaintiffs and all of their asserted
16 claims against Defendants, and consolidated with case number 24CV017244 (which asserts
17 Plaintiffs’ PAGA claim).

18 1.2 “Administrator” means Phoenix Class Action Administration Solutions, the neutral
19 entity the Parties have agreed to appoint to administer the Settlement.

20 1.3 “Administration Costs” means the amount the Administrator will be paid from the Gross
21 Settlement Amount to reimburse its reasonable fees and expenses in accordance with the
22 Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary
23 Approval of the Settlement.

24 1.4 “Aggrieved Employee” means all persons who worked for Defendants in California as
25 an employee at any time during the PAGA Period.

26 1.5 “Class” means all persons who worked for Defendants in California as an employee at
27 any time during the Class Period.
28

1.6 “Class Counsel” means John G. Yslas, Eugene Zinovyev, John Brown, Gabriella Sole, and William Pao of Wilshire Law Firm, PLC; Mehrdad Bokhour of Bokhour Law Group, P.C. and Joshua Falakassa of Falakassa Law, PC.; and Brandon Brouillette and Chad Saunders of Crosner Legal, P.C.

1.7 “Class Counsel Fees Payment” means an award of attorneys’ fees granted to Class Counsel and paid from the Gross Settlement Amount. The Parties have agreed Plaintiffs will request approval from the Court of up to one-third (1/3) of the GSA (the GSA is currently \$2,250,000.00 (Two Million Two Hundred and Fifty Thousand Dollars and Zero Cents).

1.8 “Class Counsel Litigation Expenses Payment” means the amount allocated to Class Counsel for reimbursement of reasonable expenses and costs incurred to prosecute the Action, not to exceed \$60,000.00 (Sixty Thousand Dollars and Zero Cents) and paid from the Gross Settlement Amount.

1.9 “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Workweeks and PAGA Pay Periods.

1.10 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.11 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member 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 Class Members.

1.12 “Class Notice” means the Court approved Notice of Settlement and hearing date for Final Approval, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.13 “Class Period” or “Class Settlement Period” means the period from October 2, 2019, through June 30, 2025 (“Settlement Class Period”).

1.14 “Class Representative” means the named Plaintiffs in the Action, including: Demita Pinchback, Elaine Marie Smith, Germaine Carter, Anthony Serrano, Felicia Hernandez, Monica Madolora, Punem Kaur, and Anna Oriordan.

1.15 “Class Representative Service Payment” or “Enhancement Award” means the payment to the Class Representatives for initiating the Action and providing services in support of the Action.

1.16 “Court” means the Superior Court of California, County of Sacramento.

1.17 “Defendants” means Sacramento Rehabilitation Hospital, LLC, Bakersfield Rehabilitation Hospital, LLC, Ernest Health ES, LLC, Stockton Regional Rehabilitation Hospital, LLC, Rehabilitation Hospital of Southern California, LLC, Ernest Health Holdings, LLC, and Ernest Health, Inc.

1.18 “Defense Counsel” means Barbara A. Blackburn, Douglas L. Ropel and Rachel C. Werner of Littler Mendelson, P.C.

1.19 “Effective Date” means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

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

1.21 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.22 “Final Judgment” means the Judgment entered by the Court upon granting Final Approval of the Settlement.

1.23 “Gross Settlement Amount” or “GSA” means Two Million Two Hundred Fifty Thousand Dollars and Zero cents (\$2,250,000.00), which is the total amount Defendants agree to pay under the Settlement, except as provided in Paragraph 8 below.

1.24 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.25 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 35% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.26 “Judgment” means the judgment entered by the Court based upon the Final Approval.

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

1.28 “LWDA PAGA Payment” means the 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.29 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Penalties payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Costs Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.30 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.31 “Operative Complaint” means the operative Second Amended Class Action Complaint filed on February 11, 2026 in the Action.

1.32 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.

1.33 “PAGA Period” means the period from June 20, 2023, through June 30, 2025.

1.34 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.35 “PAGA Notice” means Plaintiffs’ June 20, 2024, and July 3, 2025, letters to the LWDA and Defendants providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.36 "PAGA Penalties" means the total amount of \$50,000.00 in PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 35% (\$17,500.00) to the Aggrieved Employees and 65% (\$32,500.00) to the LWDA in settlement of PAGA claims.

1.37 "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.38 "Plaintiffs" mean Demita Pinchback, Elaine Marie Smith, Germaine Carter, Anthony Serrano, Felicia Hernandez, Monica Madolora, Punem Kaur, and Anna Oriordan, the named plaintiffs in the Action.

1.39 "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

1.40 "Released Class Claims" means the claims being released as described in Paragraph 5.2 below.

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

1.42 "Released Parties" means Defendants and each of their former and present directors, officers, shareholders, owners, parents, subsidiaries, insurers, predecessors, successors, and assigns.

1.43 "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.44 "Response Deadline" means sixty (60) days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.

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

1.46 “Workweek” means any week during which a Class Member worked for Defendants for at least one day, during the Class Period.

2. **RECITALS.**

2.1 On March 28, 2024, Plaintiff Pinchback filed a Class Action Complaint alleging causes of action against Defendant Sacramento Rehabilitation Hospital, LLC, for (1) Failure to Pay Minimum and Straight Time Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Periods; (5) Failure to Timely Pay Final Wages at Termination; (6) Failure to Provide Accurate Itemized Wage Statements; (7) Failure to Indemnify Employees for Expenditures; (8) Failure to Produce Requested Employment Records; and (9) Unfair Business Practices. Plaintiffs Pinchback and Carter subsequently filed an amended Class Action Complaint (adding Carter as a named plaintiff) and a representative PAGA Action Complaint seeking civil penalties for the same alleged violations of the Labor Code identified in the Class Action Complaint. On June 26, 2024, Plaintiffs Smith, Serrano, and Hernandez filed a Class Action Complaint alleging against Defendant Bakersfield Rehabilitation Hospital, LLC, the same nine causes of action asserted in the Pinchback Class Action Complaint. Plaintiffs Smith, Serrano, and Hernandez subsequently filed a representative PAGA Action Complaint seeking civil penalties for the same alleged violations of the Labor Code identified in their Class Action Complaint. On July 25, 2024, Plaintiff Madolora filed a Class Action Complaint alleging causes of action against Defendants Sacramento Rehabilitation Hospital, LLC, Ernest Health ES, LLC, and Ernest Health, Inc., for (1) Failure to Furnish Accurate Itemized Wage Statements, (2) Failure to Timely Pay All Wages Due Upon Separation of Employment, (3) Failure to Reimburse Business Expenses, and (4) Unfair Competition. On July 31, 2024, Plaintiff Kaur filed a Class Action Complaint alleging causes of action against Defendants Sacramento Rehabilitation Hospital, LLC, and Ernest Health ES, LLC, for (1) Failure to Pay Overtime Wages, (2) Meal Period Violations, (3) Rest Period Violations, (4) Failure to Pay Sick Time, (5) Wage Statement Violations, (6) Waiting Time Penalties, (7) Failure to Reimburse Business Expenses, and (8) Unfair Competition.

1 2.2 On June 20, 2024, and July 3, 2025, pursuant to Labor Code §2699.3, subd.(a), Plaintiffs
2 gave notice to the LWDA and Defendants that Plaintiffs intended to proceed with a representative
3 action under PAGA (LWDA-CM-1035098-24) seeking civil penalties for all of the violations of
4 the Labor Code allegedly committed by Defendants.

5 2.3 Plaintiffs amended the Class Action Complaint in *Demita Pinchback and Germaine Ane*
6 *Carter v. Sacramento Rehabilitation Hospital, LLC*, case number 24CV005943, on February 11,
7 2026. The Operative Complaint consolidated all of Plaintiffs' Class and PAGA claims, and
8 included an additional Plaintiff (Anna Oriordan) and Defendants (Ernest Health Holdings, LLC,
9 Stockton Regional Rehabilitation Hospital, LLC, and Rehabilitation Hospital of Southern
10 California, LLC).

11 2.4 Defendants deny the allegations in the Action, deny any failure to comply with the laws
12 identified in the Action, and deny any and all liability for the causes of action alleged in the
13 Action.

14 2.5 On February 24, 2025, the Parties participated in an all-day mediation presided over by
15 mediator Francis "Tripper" Ortman. The Parties accepted a mediator's proposal and agreed on
16 general settlement terms. The Parties memorialized their agreement in a Memorandum of
17 Understanding in April 2025.

18 2.6 In advance of the mediation, Class Counsel conducted a thorough investigation into the
19 facts of, and applicable law to, the Action. Prior to mediation, Plaintiffs obtained and analyzed a
20 representative sampling of time and payroll data for Class Members and the necessary policy
21 documents through informal discovery to properly evaluate the strengths and weaknesses of the
22 claims and engage in meaningful settlement discussions. Plaintiffs' investigation was sufficient
23 to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*, 48
24 Cal.App.4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 129-
25 130 (2008) ("*Dunk/Kullar*").

26 2.7 The Court has not granted class certification because the Parties engaged in mediation
27 before any class certification.
28

1 2.8 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any
2 other pending matters or actions asserting claims that will be extinguished or affected by the
3 Settlement.

4 3. **MONETARY TERMS.**

5 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below,
6 Defendants will pay Two Million Two Hundred Fifty Thousand Dollars and Zero cents
7 (\$2,250,000.00), to fully settle, resolve, and extinguish all claims asserted in the Action, including
8 without limitation all claims asserted in the PAGA Notice. The Gross Settlement Amount is non-
9 reversionary and does not include employer payroll taxes owed on the wage portions of the
10 Individual Class Payments, which Defendants will pay separately.

11 3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct
12 the following payments from the Gross Settlement Amount, in the amounts specified by the Court
13 in the Final Approval:

14 3.2.1 To Plaintiffs: Payments for the Class Representative Service Payments to Plaintiffs
15 of not more than \$10,000.00 (Ten Thousand Dollars and Zero Cents) each (for a total of \$80,000),
16 in addition to any Individual Class Payment and any Individual PAGA Payment the Class
17 Representative is entitled to receive as a Participating Class Member. Defendants will not oppose
18 Plaintiffs' request for Class Representative Service Payments that do not exceed this amount. As
19 part of the motion for the Class Counsel Fees and Litigation Expenses Payments, Plaintiffs will
20 seek Court approval for any Class Representative Service Payment no later than sixteen (16) court
21 days prior to the Final Approval Hearing, or as otherwise ordered by the Court. If the Court
22 approves Class Representative Service Payments at less than the amount requested, the
23 Administrator will retain the remainder in the Net Settlement Amount to be distributed to
24 Participating Class Members. The Administrator will pay the Class Representative Service
25 Payment using IRS Form 1099. Plaintiffs assume full responsibility and liability for taxes owed
26 on the Class Representative Service Payments.

27 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third of the
28 Gross Settlement Amount, which is currently estimated to be Seven Hundred Fifty Thousand

Dollars and Zero Cents (\$750,000.00) and a Class Counsel Litigation Expenses Payment for actual costs, not to exceed \$60,000.00 (Sixty Thousand Dollars and Zero Cents). Defendants will not oppose requests for these payments. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees and Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment at less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount for distribution to Participating Class Members. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' counsel arising from any claim to any portion of Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments. Distribution of the approved attorneys' fees shall be made pursuant to Class Counsel's Joint Prosecution Agreement and in accordance with the amounts disclosed to and approved by the Court pursuant to the California Rules of Court.

3.2.3 To the Administrator: An Administrator Costs Payment not to exceed \$15,500.00 (Fifteen Thousand Five Hundred Dollars and Zero Cents) except for a showing of good cause and as approved by the Court. To the extent the Administration Costs are less or the Court approves payment of less than \$15,500.00, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members.

3.2.4 To Each Participating Class Member: An Individual Class Payment is calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period, and (b) multiplying the result by each individual Participating Class Member's Workweeks.

3.2.4.1 Tax Allocation of Individual Class Payments. Twenty percent (20%) of each Participating Class Member's Individual Class Payment will be allocated to the Settlement

of wage claims (the “Wage Portion”). The Wage Portion is subject to tax withholding and will be reported on an IRS W-2 Form. The remaining eighty percent (80%) of each Participating Class Member’s Individual Class Payment will be allocated to the settlement of claims for interest, reimbursement, and penalties (the “Non-Wage Portion”). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro-rata basis.

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of Fifty Thousand Dollars and Zero Cents (\$50,000.00) to be paid from the Gross Settlement Amount, with 65% (\$32,500.00) allocated to the LWDA PAGA Payment and 35% (\$17,500.00) allocated to the Individual PAGA Payments.

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees’ 35% share of PAGA Penalties of \$17,500.00 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each individual Aggrieved Employee’s PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records, Defendants represent there are 1,554 Class Members who collectively worked a total of

65,907 workweeks during the Class Period, and 1,361 Aggrieved Employees who worked a total of 29,571 PAGA Pay Periods during the PAGA Period.

4.2 Class Data. Not later than ten (10) days after the Court grants Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class 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 Class Data.

4.3 Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount and the amounts necessary to fully pay Defendants' share of payroll taxes by transmitting the funds to the Administrator no later than fourteen (14) days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within ten (10) days after Defendants fully fund the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Costs Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail. The face of each check shall prominently state the date (180 days after the date of mailing) when the check will be voided ("Void Date"). The Administrator will cancel all checks not cashed by the

1 Void Date. The Administrator will send checks for Individual Settlement Payments to all
2 Participating Class Members (including those for whom the Class Notice was returned
3 undelivered). The Administrator will send checks for Individual PAGA Payments to all
4 Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved
5 Employees (including those for whom Class Notice was returned undelivered). The Administrator
6 may send Participating Class Members a single check combining the Individual Class Payment
7 and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator
8 must update the recipients' mailing addresses using the National Change of Address Database.

9 4.4.2 The Administrator must conduct a Class Member Address Search for all other Class
10 Members whose checks are returned undelivered without USPS forwarding address. Within seven
11 (7) days of receiving a returned check, the Administrator must re-mail checks to the USPS
12 forwarding address provided or to an address ascertained through the Class Member Address
13 Search. The Administrator need not take further steps to deliver checks to Class Members whose
14 re-mailed checks are returned as undelivered. The Administrator shall promptly send a
15 replacement check to any Class Member whose original check was lost or misplaced, requested
16 by the Class Member prior to the void date.

17 4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA
18 Payment check is uncashed and canceled after the void date, the Administrator shall transmit the
19 funds represented by such checks to Access Reproductive Justice, subject to the requirements of
20 California Code of Civil Procedure Section 384, subd. (b).

21 4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall
22 not obligate Defendants to confer any additional benefits or make any additional payments to
23 Class Members (such as 401(k) contributions or bonuses) beyond those specified in this
24 Agreement.

25 5. **RELEASES OF CLAIMS.** Effective on the date when Defendants fully fund the Gross
26 Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual
27 Class Payments, the Plaintiffs, Class Members, Aggrieved Employees and the LWDA, and Class
28 Counsel will release claims against all Released Parties as follows:

1 5.1 Plaintiffs' Release. Plaintiffs and their respective former and present spouses,
2 representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release
3 and discharge Released Parties from all claims, transactions, or occurrences, that occurred during
4 the Class Period, including, without limitation, any and all claims whatsoever regarding Plaintiffs'
5 respective employment and/or the termination of employment; arising from any common law
6 torts and contracts (express or implied), under the Fair Employment and Housing Act, Americans
7 with Disabilities Act, Title VII of the Civil Rights Act of 1964, the California Labor Code
8 (including any PAGA claims), and any federal, state, or other governmental statute, executive
9 order, regulation or ordinance, or common law ("Plaintiffs' Release"). Plaintiffs' Releases do not
10 extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits,
11 unemployment benefits, disability benefits, social security benefits, workers' compensation
12 benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs
13 acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts
14 or law that Plaintiffs now know or believe to be true but agrees, nonetheless, that Plaintiffs'
15 Release shall be and remain effective in all respects, notwithstanding such different or additional
16 facts or Plaintiffs' discovery of them.

17 5.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For
18 purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights,
19 and benefits, if any, of section 1542 of the California Civil Code, which reads:

20 A general release does not extend to claims that the creditor or releasing party does
21 not know or suspect to exist in his or her favor at the time of executing the release,
22 and that if known by him or her would have materially affected his or her settlement
23 with the debtor or Released Party.

24 5.2 Released Class Claims: All Participating Class Members, on behalf of themselves and
25 their respective former and present representatives, agents, attorneys, heirs, administrators,
26 successors, and assigns, will release all claims, rights, demands, liabilities, and causes of action,
27 alleged or which could have reasonably been alleged based on the facts alleged in the Operative
28 Complaint. The Released Class Claims are those that accrued during the Class Period.

1 5.3 Released PAGA Claims: All Aggrieved Employees and the LWDA will release all
2 claims for PAGA civil penalties that are alleged or reasonably could have been alleged based on
3 the facts alleged in the Operative Complaint and in Plaintiffs' June 20, 2024 and July 3, 2025
4 PAGA Notices, including claims for violations of Labor Code sections 98.6, 201, 201.3, 201.5,
5 201.6, 201.9, 202, 203, 204, 208, 210, 216, 218, 218.5, 218.6, 221, 222, 223, 224, 225.5, 226,
6 226.3, 226.6, 226.7, 227.3, 232, 232.5, 233, 234, 245, 245.8, 246, 247, 247.5, 248.2, 248.5, 248.6,
7 256, 432, 432.5, 432.6, 432.7, 510, 511, 512, 516, 551, 552, 558, 558.1, 1024.5, 1102.5, 1174,
8 1174.4, 1174.5, 1194, 1194.2, 1197 *et seq.*, 1197.1, 1197.5, 1198, 1198.5, 1199, 1527, 2698 *et*
9 *seq.*, 2699, 2800 *et seq.*, 2802, 2803, 2804, 2810.3, 2810.5, 3366, 3457, 6401, 6402, 6403, 8397.4
10 and applicable IWC Wage Orders, and California Code of Regulations, Title 8, section 11000 *et*
11 *seq.* The Released PAGA Claims are those that accrued during the PAGA Period.

12 6. **MOTION FOR PRELIMINARY APPROVAL**. Plaintiffs will prepare and file a motion
13 for preliminary approval ("Motion for Preliminary Approval").

14 6.1 Defendants' Declaration in Support of Preliminary Approval. Within ten (10) days of
15 the full execution of this Agreement, Defendants will prepare and deliver to Class Counsel a
16 signed Declaration from Defendants and Defense Counsel disclosing all facts relevant to any
17 actual conflicts of interest with the Administrator.

18 6.2 Plaintiffs' Responsibilities. Plaintiffs will prepare all documents necessary for obtaining
19 Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the
20 Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar*
21 and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2));
22 (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement;
23 (iii) a draft proposed Class Notice; (iv) a signed declaration from Plaintiffs confirming willingness
24 and competency to serve and disclosing all facts relevant to any actual or potential conflicts of
25 interest with Class Members, and/or the Administrator; (v) a signed declaration from Class
26 Counsel firm attesting to its competency to represent the Class Members; its timely transmission
27 to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section
28 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement

(Labor Code section 2699, subd. (l)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members, and/or the Administrator. In their Declarations, Plaintiffs and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing the Motion for Preliminary Approval. Class Counsel will obtain a prompt hearing date for the Motion for Preliminary Approval, file the Motion for Preliminary Approval no later than sixteen (16) court days before the hearing, unless otherwise ordered by the Court, and deliver the Court's Preliminary Approval Order to the Administrator.

6.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class 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 Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class 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 Costs. 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 and providing reports to state and federal tax authorities.

1 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that
2 meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation
3 section 468B-1 for the funding of the GSA. Any interest that accrues on the GSA sums paid into
4 the QSF prior to distribution by the Administrator will become part of the NSA for distribution
5 to Participating Class Members.

6 7.4 Notice to Class Members.

7 7.4.1 No later than five (5) calendar days after receipt of the Class Data, the Administrator
8 shall notify Class Counsel that the list has been received and state the number of Class Members,
9 Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

10 7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14
11 (fourteen) days after receiving the Class Data, the Administrator will send to all Class Members
12 identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class
13 Notice with Spanish translation substantially in the form attached to this Agreement as Exhibit
14 A. The first page of the Class Notice shall prominently estimate the dollar amounts of any
15 Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and
16 the number of Workweeks and PAGA Pay Periods used to calculate these amounts. Before
17 mailing Class Notices, the Administrator shall update Class Member addresses using the National
18 Change of Address database.

19 7.4.3 Not later than five (5) calendar days after the Administrator’s receipt of any Class
20 Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice
21 using any forwarding address provided by the USPS. If the USPS does not provide a forwarding
22 address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class
23 Notice to the most current address obtained. The Administrator has no obligation to make further
24 attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the
25 USPS a second time.

26 7.4.4 The deadlines for Class Members’ written objections, challenges to Workweeks
27 and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen days (14)
28 days beyond the sixty (60) days otherwise provided in the Class Notice for all Class Members

1 whose notice is re-mailed. The Administrator will inform the Class Member of the extended
2 deadline with the re-mailed Class Notice.

3 7.4.5 If the Administrator, Defendants, or Class Counsel is contacted by or otherwise
4 discovers any persons who believe they should have been included in the Class Data and should
5 have received Class Notice, the Parties will expeditiously meet and confer in person or by
6 telephone, and in good faith in an effort to agree on whether to include them as Class Members.
7 If the Parties agree, such persons will be Class Members entitled to the same rights as other Class
8 Members, and the Administrator will send, via email or overnight delivery, a Class Notice
9 requiring them to exercise options under this Agreement not later than fourteen (14) days after
10 receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

11 7.5 Requests for Exclusion (Opt-Outs).

12 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement
13 must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not
14 later than sixty (60) days after the Administrator mails the Class Notice (plus an additional
15 fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion
16 is a letter from a Class Member or his/her representative that reasonably communicates the Class
17 Member's election to be excluded from the Settlement and includes the Class Member's name,
18 address and email address or telephone number. To be valid, a Request for Exclusion must be
19 timely faxed, emailed, or postmarked by the Response Deadline.

20 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails
21 to contain all the information specified in the Class Notice. The Administrator shall accept any
22 Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the
23 person as a Class Member and the Class Member's desire to be excluded. The Administrator's
24 determination shall be final and not appealable or otherwise susceptible to challenge. If the
25 Administrator has reason to question the authenticity of a Request for Exclusion, the
26 Administrator may demand additional proof of the Class Member's identity. The Administrator's
27 determination of authenticity shall be final and not appealable or otherwise susceptible to
28 challenge.

1 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion
2 is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and
3 bound by all terms and conditions of the Settlement, including the Participating Class Members'
4 Releases under paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating
5 Class Member actually receives the Class Notice or objects to the Settlement.

6 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a
7 Non-Participating Class Member and shall not receive an Individual Class Payment or have the
8 right to object to the class action components of the Settlement. Because future PAGA claims are
9 subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who
10 are Aggrieved Employees are deemed to release the Released PAGA Claims identified in
11 Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

12 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have sixty (60) days
13 after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class
14 Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and
15 PAGA Pay Periods allocated to the Class Member in the Class Notice. The Class Member may
16 challenge the allocation by communicating with the Administrator via fax, email or mail. The
17 Administrator must encourage the challenging Class Member to submit supporting
18 documentation. In the absence of any contrary documentation, the Administrator is entitled to
19 presume that the Workweeks contained in the Class Notice are correct so long as they are
20 consistent with the Class Data. The Administrator's determination of each Class Member's
21 allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise
22 susceptible to challenge. The Administrator shall promptly provide copies of all challenges to the
23 calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the
24 Administrator's determination of the challenges.

25 7.7 Objections to Settlement.

26 7.7.1 Only Participating Class Members may object to the class action components of the
27 Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or
28

amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than sixty (60) days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).

7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish, maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement; Motion for Preliminary Approval; Preliminary Approval Order; Class Notice; Motion for Final Approval; Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment; the Final Approval Order; and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

1 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports
2 to Class Counsel and Defense Counsel that, among other things, tally the number of: Class
3 Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether
4 valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods
5 received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA
6 Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment
7 of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and
8 objections received.

9 7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to
10 address and make final decisions consistent with the terms of this Agreement on all Class Member
11 challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision
12 shall be final and not appealable or otherwise susceptible to challenge.

13 7.8.5 Administrator’s Declaration. Not later than fourteen (14) days before the date by
14 which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the
15 Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable
16 for filing in Court attesting to its due diligence and compliance with all of its obligations under
17 this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices
18 returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the
19 total number of Requests for Exclusion from Settlement it received (both valid or invalid), the
20 number of written objections and attach the Exclusion List. The Administrator will supplement
21 its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible
22 for filing the Administrator’s declaration(s) in Court.

23 7.8.6 Final Report by Settlement Administrator. Within ten (10) days after the
24 Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide
25 Class Counsel and Defense Counsel with a final report detailing its disbursements by employee
26 identification number only of all payments made under this Agreement. At least fifteen (15) days
27 before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel
28 and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement

of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. **CLASS SIZE and ESCALATOR CLAUSE.** Based on its records, Defendants represent there are 1,554 Class Members who collectively worked a total of 65,907 Workweeks during the Class Period. If, on final calculation (*e.g.*, after resolving any Class Member challenges to individual workweek counts included in distributed Class Notices), the total number of Workweeks is greater than 5% higher than 65,907 Workweeks (*i.e.*, greater than 69,202 Workweeks), then the Gross Settlement Amount will be proportionally increased by the Workweeks worked in excess of 69,202 by multiplying the excess Workweeks by the per Workweek value. If this provision is triggered so as to increase the Gross Settlement Amount, the Parties agree that the portion of the Gross Settlement Amount allocated to attorneys' fees will increase proportionally such that the total amount of attorneys' fees remains one-third of the Gross Settlement Amount after the upward adjustment required by this provision is implemented.

9. **DEFENDANTS' RIGHT TO WITHDRAW.** Defendants represent, as of the date of this Settlement Agreement, there are 1,554 Class Members. If the number of valid Requests for Exclusion identified in the Exclusion List is greater than 10%, Defendants may, but are not obligated, to elect to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be *void ab initio*, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Costs incurred to that point. Defendants must notify Class Counsel and the Court of their election to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the calendared Final Approval Hearing, unless otherwise scheduled by the Court, Plaintiffs will file in Court, a Motion for Final Approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l); a Proposed Final Approval Order; and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide

1 drafts of these documents to Defense Counsel prior to filing the Motion for Final Approval. Class
2 Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and
3 in good faith, to resolve any disagreements concerning the Motion for Final Approval.

4 10.1 Response to Objections. Each Party retains the right to respond to any objection raised
5 by a Participating Class Member, including the right to file responsive documents in Court no
6 later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or
7 accepted by the Court.

8 10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final
9 Approval on any material change to the Settlement (including, but not limited to, the scope of
10 release to be granted by Class Members), the Parties will expeditiously work together in good
11 faith to address the Court's concerns by revising the Agreement as necessary to obtain Final
12 Approval. The Court's decision to award less than the amounts requested for the Class
13 Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation
14 Expenses Payment, and/or Administrator Costs Payment shall not constitute a material
15 modification to the Agreement within the meaning of this paragraph.

16 10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
17 Court will retain jurisdiction over the Parties, the Actions, and the Settlement solely for purposes
18 of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration
19 matters, and (iii) addressing such post-Judgment matters as are permitted by law.

20 10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
21 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
22 Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective
23 counsel, and all Participating Class Members who did not object to the Settlement as provided in
24 this Agreement, waive all rights to appeal from the Judgment, including all rights to post-
25 judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new
26 trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the
27 right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties'
28 obligations to perform under this Agreement will be suspended until such time as the appeal is

1 finally resolved and the Judgment becomes final, except as to matters that do not affect the amount
2 of the Net Settlement Amount.

3 10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
4 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material
5 modification of this Agreement (including, but not limited to, the scope of release to be granted
6 by Class Members), this Agreement shall be null and void. The Parties shall nevertheless
7 expeditiously work together in good faith to address the appellate court's concerns and to obtain
8 Final Approval and Entry of Judgment, sharing, on a 50-50 basis, any additional Administration
9 Costs reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the
10 Court's award of the Class Representative Service Payment or any payments to Class Counsel
11 shall not constitute a material modification of the Judgment within the meaning of this paragraph,
12 as long as the Gross Settlement Amount remains unchanged.

13 11. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil
14 Procedure §384, the Parties will work together in good faith to jointly submit a proposed amended
15 judgment.

16 12. **ADDITIONAL PROVISIONS.**

17 12.1 No Admission of Liability, Class Certification or Representative Manageability for
18 Other Purposes. This Agreement represents a compromise and settlement of highly disputed
19 claims. Nothing in this Agreement is intended or should be construed as an admission by
20 Defendants that any of the allegations in the Operative Complaint has merit or that Defendants
21 have any liability for any claims asserted; nor should it be intended or construed as an admission
22 by Plaintiffs that Defendants' defenses in the Actions have merit. The Parties agree that class
23 certification and representative treatment is for purposes of this Settlement only. If, for any
24 reason, the Court does grant Preliminary Approval, Final Approval, or enter Judgment,
25 Defendants reserve the right to contest certification of any class for any reason, Defendants
26 reserve all available defenses to the claims in the Actions, and Plaintiffs reserve the right to move
27 for class certification on any grounds available and to contest Defendants' defenses. The
28 Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on,

1 and will not be admissible in connection with, any litigation (except for proceedings to enforce
2 or effectuate the Settlement and this Agreement).

3 12.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendants, and
4 Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement
5 is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit
6 another person to disclose, disseminate or publicize, any of the terms of the Agreement directly
7 or indirectly, specifically or generally, to any person, corporation, association, government
8 agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom
9 will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the
10 extent necessary to report income to appropriate taxing authorities; (4) in response to a court order
11 or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government
12 agency. Each Party agrees to immediately notify the other Party of any judicial or agency order,
13 inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendants, and Defense
14 Counsel separately agree not to, directly or indirectly, initiate any conversation or other
15 communication, before the filing of the Motion for Preliminary Approval, with any third party
16 regarding this Agreement or the matters giving rise to this Agreement except to respond only that
17 "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's
18 communications with Class Members in accordance with Class Counsel's ethical obligations
19 owed to Class Members.

20 12.3 No Solicitation. The Parties separately agree that they and their respective counsel and
21 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal
22 from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability
23 to communicate with Class Members in accordance with Defense Counsel's and Class Counsel's
24 ethical obligations and Class Counsel's fiduciary duties owed to Class Members.

25 12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
26 together with its attached exhibits shall constitute the entire agreement between the Parties
27 relating to the Settlement, superseding any and all oral representations, warranties, covenants, or
28 inducements made to or by any Party.

1 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
2 represent that they are authorized by Plaintiffs and Defendants, respectively, to take all
3 appropriate action required or permitted to be taken by such Parties pursuant to this Agreement
4 to effectuate its terms, and to execute any other documents reasonably required to effectuate the
5 terms of this Agreement including any amendments to this Agreement.

6 12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their
7 best efforts, in good faith, to implement the Settlement by, among other things, modifying the
8 Settlement Agreement, submitting supplemental evidence and supplementing points and
9 authorities as requested by the Court. In the event the Parties are unable to agree upon the form
10 or content of any document necessary to implement the Settlement, or on any modification of the
11 Agreement that may become necessary to implement the Settlement, the Parties will seek the
12 assistance of a mediator and/or the Court for resolution.

13 12.7 No Prior Assignments. The Parties separately represent and warrant that they have not
14 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
15 encumber to any person or entity and portion of any liability, claim, demand, action, cause of
16 action, or right released and discharged by the Party in this Settlement.

17 12.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendants nor Defense Counsel are
18 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied
19 upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR
20 Part 10, as amended) or otherwise.

21 12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended,
22 modified, changed, or waived only by an express written instrument signed by all Parties or their
23 representatives, and approved by the Court.

24 12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure
25 to the benefit of, the successors of each of the Parties.

26 12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be
27 governed by and interpreted according to the internal laws of the state of California, without
28 regard to conflict of law principles.

1 12.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation
2 of this Agreement. This Agreement will not be construed against any Party on the basis that the
3 Party was the drafter or participated in the drafting.

4 12.13 Confidentiality. To the extent permitted by law, all agreements made, and orders
5 entered during Action and in this Agreement relating to the confidentiality of information shall
6 survive the execution of this Agreement.

7 12.14 Headings. The descriptive heading of any section or paragraph of this Agreement is
8 inserted for convenience of reference only and does not constitute a part of this Agreement.

9 12.15 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement
10 shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
11 weekend or federal legal holiday, such date or deadline shall be on the first business day
12 thereafter.

13 12.16 Notice. All notices, demands, or other communications between the Parties in
14 connection with this Agreement will be in writing and deemed to have been duly given as of the
15 third business day after mailing by United States mail, or the day sent by email or messenger,
16 addressed as follows:

17
18 To Plaintiff:

19 John G. Yslas
20 john.yslas@wilshirelawfirm.com
21 Eugene Zinovyev
22 eugene.zinovyev@wilshirelawfirm.com
23 John Brown
24 john.brown@wilshirelawfirm.com
25 Gabriella Sole
26 gabriella.sole@wilshirelawfirm.com
27 **WILSHIRE LAW FIRM**
28 660 S. Figueroa Street, Sky Lobby
 Los Angeles, CA 90017
 Telephone: (213) 381-9988
 Facsimile: (213) 381-9989

To Defendants:

 Barbara A. Blackburn (SBN 253731)
 bblackburn@littler.com
 Douglas L. Ropel (SBN 300486)
 dropel@littler.com

Rachel C. Werner (SBN 362297)
rwerner@littler.com
LITTLER MENDELSON, P.C.
500 Capitol Mall, Suite 2000
Sacramento, CA 95814
Tel.: 916.830.7200
Fax: 916.561.0828

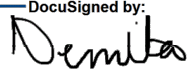
12.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or by email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same 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.

12.18 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 pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

IT IS SO AGREED.

By the Parties:

DATED: 4/13/2026

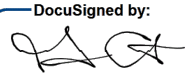
DocuSigned by:

8A7D953F5591442...

Plaintiff Demita Pinchback

DATED: _____

Plaintiff Elaine Maire Smith

DATED: 4/13/2026

DocuSigned by:

4812BEEA69B54F4...

Plaintiff Germaine Carter

Rachel C. Werner (SBN 362297)
rwerner@littler.com
LITTLER MENDELSON, P.C.
500 Capitol Mall, Suite 2000
Sacramento, CA 95814
Tel.: 916.830.7200
Fax: 916.561.0828

12.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or by 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.

12.18 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 pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

IT IS SO AGREED.

By the Parties:

DATED: _____

Plaintiff Demita Pinchback

DATED: 4/9/2026

Signed by:

8444AB22881A458...

Plaintiff Elaine Maire Smith

DATED: _____

Plaintiff Germaine Carter

1
2 DATED: 4/11/2026

DocuSigned by:

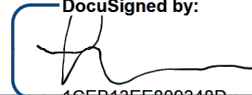


0AEB9F537569444...

3 Plaintiff Anthony Serrano

4
5 DATED: 4/10/2026

DocuSigned by:



1CEB13EE809348D...

6 Plaintiff Felicia Hernandez

7
8 DATED: _____

9 Plaintiff Monica Madolora

10
11 DATED: _____

12 Plaintiff Punem Kaur

13
14 DATED: _____

15 Plaintiff Anna Oriordan

16
17
18
19 DATED: _____

20 Defendants Sacramento Rehabilitation Hospital, LLC;
21 Bakersfield Rehabilitation Hospital, LLC; Stockton Regional
22 Rehabilitation Hospital, LLC; Rehabilitation Hospital of
23 Southern California, LLC; Ernest Health ES, LLC; Ernest
24 Health Holdings, LLC; and Ernest Health, Inc.

25 By: _____

26 Position: _____

DATED: _____

Plaintiff Anthony Serrano

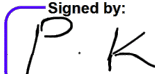
DATED: _____

Plaintiff Felicia Hernandez

DATED: _____

Plaintiff Monica Madolora

DATED: 4/14/2026

Signed by:

258C4999D60D47C...

Plaintiff Punem Kaur

DATED: _____

Plaintiff Anna Oriordan

DATED: _____

Defendants Sacramento Rehabilitation Hospital, LLC;
Bakersfield Rehabilitation Hospital, LLC; Stockton Regional
Rehabilitation Hospital, LLC; Rehabilitation Hospital of
Southern California, LLC; Ernest Health ES, LLC; Ernest
Health Holdings, LLC; and Ernest Health, Inc.

By: _____

Position: _____

1
2 DATED: _____

3 Plaintiff Anthony Serrano

4
5 DATED: _____

6 Plaintiff Felicia Hernandez

7
8 DATED: 04 / 23 / 2026 *Monica C. Madolora BSN, RN*

9 Plaintiff Monica Madolora

10
11 DATED: _____

12 Plaintiff Punem Kaur

13
14 DATED: _____

15 Plaintiff Anna Oriordan

16
17
18
19 DATED: _____

20 Defendants Sacramento Rehabilitation Hospital, LLC;
21 Bakersfield Rehabilitation Hospital, LLC; Stockton Regional
22 Rehabilitation Hospital, LLC; Rehabilitation Hospital of
23 Southern California, LLC; Ernest Health ES, LLC; Ernest
24 Health Holdings, LLC; and Ernest Health, Inc.

25 By: _____

26 Position: _____

DATED: _____

Plaintiff Anthony Serrano

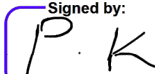
DATED: _____

Plaintiff Felicia Hernandez

DATED: _____

Plaintiff Monica Madolora

DATED: 4/14/2026

Signed by:

258C4999D60D47C...

Plaintiff Punem Kaur

DATED: _____

Plaintiff Anna Oriordan

DATED: _____

Defendants Sacramento Rehabilitation Hospital, LLC;
Bakersfield Rehabilitation Hospital, LLC; Stockton Regional
Rehabilitation Hospital, LLC; Rehabilitation Hospital of
Southern California, LLC; Ernest Health ES, LLC; Ernest
Health Holdings, LLC; and Ernest Health, Inc.

By: _____

Position: _____

1
2 DATED: _____

3 Plaintiff Anthony Serrano

4
5 DATED: _____

6 Plaintiff Felicia Hernandez

7
8 DATED: _____

9 Plaintiff Monica Madolora

10
11 DATED: _____

12 Plaintiff Punem Kaur

13
14 DATED: _____

15 Plaintiff Anna Oriordan

16
17
18
19 DATED: 04/23/2026 

20 Defendants Sacramento Rehabilitation Hospital, LLC;
21 Bakersfield Rehabilitation Hospital, LLC; Stockton Regional
22 Rehabilitation Hospital, LLC; Rehabilitation Hospital of
23 Southern California, LLC; Ernest Health ES, LLC; Ernest
24 Health Holdings, LLC; and Ernest Health, Inc.

25
26
27
28
By: Jake Socha
Position: President

1
2 DATED: _____

3 Plaintiff Anthony Serrano

4
5 DATED: _____

6 Plaintiff Felicia Hernandez

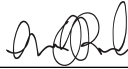
7
8 DATED: _____

9 Plaintiff Monica Madolora

10
11 DATED: _____

12 Plaintiff Punem Kaur

13
14 DATED: 05 / 07 / 2026



15 Plaintiff Anna Oriordan

16
17
18
19 DATED: _____

20 Defendants Sacramento Rehabilitation Hospital, LLC;
21 Bakersfield Rehabilitation Hospital, LLC; Stockton Regional
22 Rehabilitation Hospital, LLC; Rehabilitation Hospital of
23 Southern California, LLC; Ernest Health ES, LLC; Ernest
24 Health Holdings, LLC; and Ernest Health, Inc.

25 By: _____

26 Position: _____

1 Approved by counsel:

2 Dated: 5/8/2026

WILSHIRE LAW FIRM

3 By: 
4 _____

5 John G. Yslas
6 William M. Pao
7 Eugene Zinovyev
8 John Brown
9 Gabriella Solé
10 William Pao

11 Dated: _____, 2026

BOKHOUR LAW GROUP, P.C.

12 By: _____

13 Mehrdad Bokhour

14 Dated: 4/23/2026, 2026

CROSNER LEGAL

15 By: 
16 _____

17 Chad Saunders
18 Zachary Crosner

19 Dated: _____, 2026

FALAKASSA LAW, P.C.

20 By: _____

21 Joshua S. Falakassa
22 *Attorneys for Plaintiffs*

23 Dated: _____, 2026

LITTLER MENDELSON, P.C.

24 By: _____

25 Barbara A. Blackburn
26 Douglas L. Ropel
27 Rachel C. Werner

28 *Attorneys for Defendants*

Approved by counsel:

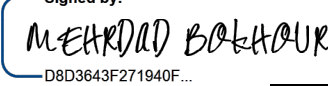
Dated: _____, 2026

WILSHIRE LAW FIRM

By: _____
John G. Yslas
William M. Pao
Eugene Zinovyev
John Brown
Gabriella Solé
William Pao

4/13/2026
Dated: _____, 2026

BOKHOUR LAW GROUP, P.C.

Signed by:

By: _____
D8D3643F271940F...
Mehrdad Bokhour

Dated: _____, 2026

CROSNER LEGAL

By: _____
Chad Saunders
Zachary Crosner

4/13/2026
Dated: _____, 2026

FALAKASSA LAW, P.C.

DocuSigned by:

By: _____
15A628B2C5A149C...
Joshua S. Falakassa
Attorneys for Plaintiffs

Dated: _____, 2026

LITTLER MENDELSON, P.C.

By: _____
Barbara A. Blackburn
Douglas L. Ropel
Rachel C. Werner

Attorneys for Defendants

1 Approved by counsel:

2 Dated: _____, 2026

WILSHIRE LAW FIRM

3 By: _____

4 John G. Yslas
5 William M. Pao
6 Eugene Zinovyev
7 John Brown
8 Gabriella Solé
9 William Pao

10 Dated: _____, 2026

BOKHOUR LAW GROUP, P.C.

11 By: _____

12 Mehrdad Bokhour

13 Dated: _____, 2026

CROSNER LEGAL

14 By: _____

15 Chad Saunders
16 Zachary Crosner

17 Dated: _____, 2026

FALAKASSA LAW, P.C.

18 By: _____

19 Joshua S. Falakassa
20 *Attorneys for Plaintiffs*

21 Dated: April 23 _____, 2026

LITTLER MENDELSON, P.C.

22 By:  _____

23 Barbara A. Blackburn
24 Douglas L. Ropel
25 Rachel C. Werner

26 *Attorneys for Defendants*

EXHIBIT A

**COURT APPROVED NOTICE OF CLASS ACTION AND PAGA SETTLEMENT AND
HEARING DATE FOR FINAL COURT APPROVAL**

*Demita Pinchback et al. v. Sacramento Rehabilitation Hospital, LLC, et al..
Case No. 24CV005943 (Sacramento County Superior Court)*

***The Sacramento County Superior Court authorized this notice.
It is not junk mail, spam, an advertisement, or solicitation by a lawyer.
Please read it carefully! You are not being sued.***

You may be eligible to receive money from an employee class and a representative action lawsuit (“Action”) against Sacramento Rehabilitation Hospital, LLC, Bakersfield Rehabilitation Hospital, LLC, Stockton Regional Rehabilitation Hospital, LLC, Rehabilitation Hospital of Southern California, LLC, Ernest Health ES, LLC, Ernest Health Holdings, LLC, and Ernest Health, Inc. (“Defendants”) for alleged wage and hour violations. The Action was filed by former employees Demita Pinchback, Elaine Marie Smith, Germaine Carter, Anthony Serrano, Felicia Hernandez, Monica Madolora, Punem Kaur, and Anna Oriordan, and seeks (1) payment of back wages and other relief for a class of all persons currently or formerly employed by Defendants in the State of California (“Class Members”) who worked for Defendants during the Class Period (October 2, 2019 through June 30, 2025); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all Class Members who worked for Defendant during the PAGA Period (June 20, 2023, through June 30, 2025) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class settlement requiring Defendants to fund Individual Class Payments to Class Members, and (2) a PAGA settlement requiring Defendants to fund Individual PAGA Payments to Aggrieved Employees and pay PAGA Penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendants’ records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ [REDACTED] (less withholding) and your Individual PAGA Payment is estimated to be \$ [REDACTED]**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendants’ records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Defendants’ records showing that **you worked [REDACTED] Workweeks during the Class Period and you worked [REDACTED] Pay Periods during the PAGA Period**. If you believe that you worked more during either period, you can submit a challenge by the deadline date.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval of the Settlement. Your legal rights are affected whether you act or not act. READ THIS NOTICE CAREFULLY. You will be deemed to have read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement, and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

QUESTIONS? CALL **1-800-XXX-XXXX** TOLL FREE

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	Receive money. Give up rights to sue Defendants for claims released in the Settlement.
EXCLUDE YOURSELF	Receive no money from the Class settlement. You will retain the right to pursue your own legal claims against Defendants. However, even if you exclude yourself from the Class settlement, you will still receive a portion of the PAGA settlement and be bound by it if you worked during the PAGA Period.
OBJECT	Write to the Court about why you object to the Settlement. If the Settlement receives Final Approval, you will receive money and give up rights to sue Defendants for claims released in the Settlement.
CHALLENGE YOUR NUMBER OF WORKWEEKS AND/OR PAY PERIODS	Challenge your number of Workweeks or Pay Periods listed in this Notice and provide supporting evidence. If you challenge your workweeks or pay periods, you will still be part of the Settlement and will give up rights to sue Defendants for claims released in the Settlement.

BASIC INFORMATION

1. WHY AM I RECEIVING THIS NOTICE?

Defendants’ records indicate that you worked for one or more Defendants at some point(s) between October 2, 2019, and June 30, 2025, and are therefore a member of the Class for purposes of this Settlement.

You received this Notice because you have a right to know about a proposed Settlement of the Action, and about all of your options, before the Court decides whether to finally approve the Settlement. The Settlement will resolve all Class Members’ claims, which are described below, during the Class Period. The Settlement will also resolve claims for civil penalties brought under the California Private Attorneys’ General Act (“PAGA”). If you are a Class Member, you are also an “Aggrieved Employee” if you worked for Defendant during the “PAGA Period,” which is June 20, 2023, through June 30, 2025.

If the Court grants Final Approval to the Settlement, a settlement Administrator appointed by the Court will issue the payments provided for by the Settlement to Class Members. You are encouraged to always keep your address up to date with the Administrator (the Administrator’s contact information can be found in Section 12, below).

This Notice package explains the allegations and background regarding the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to receive those benefits.

The Court in charge of the Action is the Sacramento County Superior Court, and the case is titled
Demita Pinchback et al. v. Sacramento Rehabilitation Hospital, LLC, et al.

QUESTIONS? CALL **1-800-XXX-XXXX** TOLL FREE

Case No. 24CV005943. The persons who sued, Demita Pinchback, Elaine Marie Smith, Germaine Carter, Anthony Serrano, Felicia Hernandez, Monica Madolora, Punem Kaur, and Anna Oriordan, are the Plaintiffs, and the companies sued, Sacramento Rehabilitation Hospital, LLC, Defendant Bakersfield Rehabilitation Hospital, LLC, Stockton Regional Rehabilitation Hospital, LLC, Rehabilitation Hospital of Southern California, LLC, Ernest Health ES, LLC, Ernest Health Holdings, LLC, and Ernest Health, Inc. are the Defendants.

2. WHAT IS THE LAWSUIT ABOUT?

In the Operative Complaint, the Plaintiffs allege wage and hour violations against Defendants for: (1) Failure to Pay Minimum and Straight Time Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Periods; (5) Failure to Pay All Sick Time; (6) Failure to Timely Pay Final Wages at Termination; (7) Failure to Provide Accurate Itemized Wage Statements; (8) Failure to Indemnify Employees for Expenditures; (9) Failure to Maintain and Produce Employment Records; and (10) Unfair Business Practices. In addition, Plaintiffs seek to recover civil penalties pursuant to PAGA (“PAGA Penalties”) based on the alleged violations of the California Labor Code listed above. Defendants deny Plaintiffs’ claims and deny any wrongdoing.

3. WHY IS THIS A CLASS ACTION?

In an employment class action, one or more people called “Class Representatives” (in this case, the Plaintiffs) sue on behalf of all workers who they contend have similar claims. All of these workers are a Class or Class Members. Bringing one lawsuit, as opposed to many small ones, saves money, time and court resources. The court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

4. WHY IS THERE A SETTLEMENT?

The Court has not decided in favor of the Plaintiffs or Defendants on the merits of the claims alleged in the lawsuit. Plaintiffs believe Plaintiffs would win at trial. Defendants think that Plaintiffs’ lawsuit would not proceed to a trial and/or that Plaintiffs would not win at trial. However, there has been no trial. Instead, in acknowledgement of the risk that all Parties face should the case proceed, the Parties have agreed to a negotiated settlement. This way, all Parties avoid the cost of preparing for and conducting a trial, the risk of losing the right to a trial, and the workers affected by the alleged violations receive compensation. The Settlement represents a compromise and settlement of highly disputed claims. The Plaintiffs, as well as Plaintiffs’ lawyers (called “Class Counsel”), believe the Settlement is fair and reasonable and in the best interests of all Class Members.

WHO IS INCLUDED IN THE SETTLEMENT?

5. WHO IS INCLUDED IN THE SETTLEMENT?

If you received this Notice, you are a Class Member for settlement purposes. The Class includes: All employees of Defendants who worked within the State of California at any time from October 2, 2019, through June 30, 2025.

6. ARE THERE EXCEPTIONS TO BEING INCLUDED?

QUESTIONS? CALL [1-800-XXX-XXXX](tel:1-800-XXX-XXXX) TOLL FREE

You are not a Class Member if you already have resolved the claims asserted in this lawsuit, whether by settlement or a separate legal proceeding (i.e., another lawsuit).

THE SETTLEMENT BENEFITS—WHAT YOU GET

7. WHAT DOES THE SETTLEMENT PROVIDE?

Defendants have agreed to pay a Gross Settlement Amount (“GSA”) of \$2,250,000 (Two Million Two Hundred Fifty Thousand Dollars with Zero Cents) to settle the lawsuit. From the GSA, Class Counsel will apply to the Court for attorneys’ fees of up to one-third of the GSA, currently \$750,000 and up to \$60,000.00 in costs; a Class Representative Service Payment of \$10,000.00 to each Plaintiff (for Plaintiffs’ work and efforts prosecuting this case); a PAGA Penalties payment of \$50,000.00 to resolve the PAGA claims; and Settlement Administration Costs to Phoenix Class Action Administration Solutions, not to exceed \$15,500. The exact amount of the Class Counsel’s Fees and Litigation Expenses, Class Representative Service Payment, and Administration Costs will be determined by the Court at the Final Approval hearing. The remaining portion of the Settlement amount, the “Net Settlement Amount” or the “NSA,” is currently estimated to be approximately **\$1,294,500**. The NSA will be apportioned and paid out as Individual Class Payments to the Settlement Class Members, who are the Class Members that do not request to be excluded (“opt out”) of the Settlement.

PAGA Penalties payment: As part of the PAGA portion of the Settlement, the Parties will ask the Court to approve a \$50,000.00 PAGA Penalties payment in settlement of claims for civil penalties under PAGA. As required under PAGA, 65% of the PAGA Penalties payment, or \$32,500.00, will be paid to the California Labor and Workforce Development Agency. The remaining 35% of the PAGA Penalties payment, or \$17,500.00, will be distributed to the Aggrieved Employees as Individual PAGA Payments.

8. HOW MUCH WILL MY PAYMENT BE?

An approximation of your Individual Class Payment appears on the first page of this Notice. If you are also an Aggrieved Employee, an approximation of your Individual PAGA Payment will also appear on the first page of this Notice.

Individual Class Payment: Your Individual Class Payment is based on the number of Workweeks you worked, as represented in Defendants’ records, in comparison to the total number of Workweeks worked by all Class Members during the Class Period (October 2, 2019 through June 30, 2025). Eighty percent (80%) of each Class Member’s Individual Class Payment will be treated as a payment in settlement of the alleged claims for penalties and interest and will be reported on a Form 1099 by the Settlement Administrator, and twenty percent (20%) of each Class Member’s Individual Class Payment will be treated as a payment in settlement of alleged claims for unpaid wages. The 20% allocated as unpaid wages will be reduced by applicable payroll tax withholdings and deductions and reported on a Form W-2.

Individual PAGA Payment: If you worked for Defendants from June 20, 2023, through June 30, 2025 (“PAGA Period”), you are also an “Aggrieved Employee” and will receive an Individual PAGA Payment in addition to your Individual Class Payment. The Individual PAGA Payments are based on the number of PAGA Pay Periods worked by each Aggrieved Employee in comparison to the total amount of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period. One hundred percent (100%)

QUESTIONS? CALL **1-800-XXX-XXXX** TOLL FREE

of each Aggrieved Employees' Individual PAGA Payment will be characterized as penalties and will not be reduced by payroll tax withholdings and deductions. The Individual PAGA Payment will be reported on a Form 1099 by the Settlement Administrator. An approximation of your anticipated Individual PAGA Payment appears on the first page of this Notice.

For the Class Members who are also Aggrieved Employees, their Individual Class Payment will be combined with their Individual PAGA Payment, and they will receive a single check for the combined payments. If a Class Member chooses to opt-out of the Settlement, they will still receive an Individual PAGA Payment, as Aggrieved Employees cannot opt-out of the PAGA portion of the Settlement under California law.

HOW YOU GET A PAYMENT

9. HOW DO I RECEIVE A PAYMENT?

You do not need to do anything to receive a payment. However, if you believe that the number of Workweeks or PAGA Pay Periods you worked is incorrect, please correct it and provide any supporting evidence to the settlement Administrator, whose contact information is listed in Section 12 below.

10. WHEN WOULD I GET MY PAYMENT?

The Court will hold a Final Fairness Hearing on [REDACTED], to decide whether to approve the Settlement. If the Judge approves the Settlement, and anyone objects, there may be appeals. It is always uncertain when these objections and appeals can be resolved and resolving them can take time. If there is no objection, the Effective Date of the Settlement will be the date of entry of the Court's Order granting final approval.

Following the Effective Date, Individual Class Payments and Individual PAGA Payments will be mailed to Participating Class Members and Aggrieved Employees approximately 30 days after the Court's approval of the Settlement becomes final so long as there are no appeals.

Settlement checks should be cashed promptly upon receipt. Proceeds of checks which remain uncashed after 180 days from the date of issuance will be forwarded to a non-profit, Access Reproductive Justice. If your settlement check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

For an update on the status of payments, please contact the Settlement Administrator (see Section 12).

11. WHAT AM I GIVING UP TO GET A PAYMENT?

If the Court approves this Settlement and unless you exclude yourself, you will become a Participating Class Member, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against Defendant concerning the legal claims being resolved in this Settlement. Specifically, you will be giving up or "releasing" the Released Class Claims described below against Defendants and all of Defendants' subsidiaries, affiliates, shareholders, members, employees, agents, predecessors, successors, owners, and assigns ("Released Parties"). The releases become effective once the GSA is fully funded by Defendant.

Released Class Claims: The “Released Class Claims” are all claims, rights, demands, liabilities, and causes of action, in law or in equity, arising at any time during the Class Period for the claims brought by Plaintiffs in the Operative Complaint, or that could have been brought by Plaintiffs against Defendants in the Operative Complaint based on the facts alleged therein.

Released PAGA Claims: If you an Aggrieved Employee (i.e. if you worked for Defendants during the PAGA Period), you will also release all claims for civil penalties that were alleged or could have been alleged in the Operative Complaint and the PAGA Notice based on the facts alleged therein during the PAGA Period.

EXCLUDING YOURSELF FROM THE SETTLEMENT

12. HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT?

To exclude yourself from the Settlement, you must send the Settlement Administrator a written and signed request for exclusion which must be postmarked no later than 60 days after Class Notice is Mailed. Be sure to include your name, address, and telephone number, and any other information you think would be helpful to the settlement Administrator to identify you. You can send your request for exclusion to the settlement Administrator at:

[ADMINISTRATOR]
Demita Pinchback et al. v. Sacramento Rehabilitation Hospital, LLC, et al.
Settlement
XXXXX
City, State, XXXXX
Email:

If you ask to be excluded from the Settlement, you will not be legally bound by anything that happens in the Action, except as it relates to settlement of the PAGA claim. If you ask to be excluded from the Settlement you will not be able to object to the Settlement and you will not receive an Individual Class Payment, but you will still receive an Individual PAGA Payment if you worked for Defendants during the PAGA Period (June 20, 2023, through June 30, 2025). If you ask to be excluded, you may be able to sue (or continue to sue) Defendants in the future.

13. IF I DON'T EXCLUDE MYSELF, CAN I SUE DEFENDANTS FOR THE SAME THING LATER?

No. Unless you exclude yourself, you give up any right to sue Defendants for the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion deadline is 60 days after Class Notice is Mailed.

14. IF I EXCLUDE MYSELF, CAN I GET MONEY FROM THIS SETTLEMENT?

If you exclude yourself, you will not receive an Individual Class Payment. However, you will still receive an Individual PAGA Payment if you worked for Defendants during the PAGA Period (June 20, 2023,

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

through June 30, 2025). Further, if you timely exclude yourself from the Settlement, you will retain the right to pursue your own legal action against Defendants, if you desire.

THE LAWYERS REPRESENTING YOU IN THIS LAWSUIT

15. DO I HAVE A LAWYER IN THIS CASE?

The Court has determined that Wilshire Law Firm is qualified to represent you and the Class Members in the lawsuit. These lawyers are called Class Counsel and their contact information is listed below. If you want to be represented by your own lawyer, you may hire one at your own expense.

John G. Yslas (SBN 187324)
John.yslas@wilshirelawfirm.com
William M. Pao (SBN 219846)
William.pao@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
660 S. Figueroa Street, Sky Lobby
Los Angeles, CA 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

16. HOW WILL THE LAWYERS BE PAID?

Class Counsel will ask the Court to approve up to 1/3rd of the GSA (currently \$750,000.00) for attorneys' fees incurred in investigating the facts, litigating the case, and negotiating the Settlement. Class Counsel will also seek Court-approval of up to \$60,000.00 in litigation expenses incurred in this matter. The Court may award Class Counsel less than what they request. Class Counsel will also ask the Court to approve payments to Plaintiffs Demita Pinchback, Elaine Marie Smith, Germaine Carter, Anthony Serrano, Felicia Hernandez, Monica Madolora, Punem Kaur, and Anna Oriordan in the amount of \$10,000 each in addition to Plaintiffs' Individual Class Payments and Individual PAGA Payments for the initiative, risk, and time and energy Plaintiffs have spent in service to the Class as the Class Representatives. The Court may award the Class Representatives less than what is requested.

OBJECTING TO THE SETTLEMENT

You can and have the right to tell the Court you do not agree with the Settlement or some part of it.

17. HOW DO I TELL THE COURT THAT I OBJECT TO THE SETTLEMENT?

If you don't think the Settlement is fair, you can object to some or all of the Settlement. You can either object to the Settlement in person at the Final Approval Hearing or you can submit a written objection. Written objections and notices of intent to appear at the Final Approval Hearing must be mailed to the Settlement Administrator and postmarked on or before [REDACTED], at the following address:

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

[ADMINISTRATOR]

Demita Pinchback et al. v. Sacramento Rehabilitation Hospital, LLC, et al.

XXXXXX

City, State, XXXXX

Email:

The written objection should state your name and address and describe all legal and factual reasons that you object to the terms of the Settlement. You should also include or attach any documents upon which your objection is based. If the Court overrules the objection at the Final Approval hearing, the Settlement Agreement will be approved, and you will receive your payment. If you do not submit a written objection, you may still appear at the Final Approval hearing to voice your objection or to otherwise observe the proceedings.

18. WHAT'S THE DIFFERENCE BETWEEN OBJECTING AND REQUESTING EXCLUSION?

Objecting is simply telling the Court that you do not agree with something about the Settlement. You can object only if you stay in the Class.

Requesting exclusion is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you, and you do not get any money from this Settlement. If you submit both an objection and a request to be excluded from the settlement, the request to be excluded will control and you will not get any money from this settlement.

THE COURT'S FAIRNESS HEARING

The Court will hold a Final Approval Hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you don't have to.

19. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Court will hold a Final Approval Hearing at _____ on _____ in Department 23 of the Sacramento County Superior Court located at _____ to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. If there are objections, the Court will consider them at that time. The Court will also be asked to approve the requests for the Class Representative Service Payments and the Class Counsel Fees and Litigation Expenses Payments.

20. DO I HAVE TO COME TO THE HEARING?

No. Class Counsel will answer questions the Court may have. However, you are welcome to attend. If you send an objection, you do not have to come to the Court to talk about it. As long as you mailed your written objection to the settlement administrator on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

IF YOU DO NOTHING

21. WHAT IF I DO NOTHING AT ALL?

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

If you do nothing, you will receive a Settlement payment, and you will be bound by the terms of Settlement, which means that you will not be able to start a lawsuit, continue a lawsuit, or be a part of any other lawsuit against the Defendants about the legal issues in the Action.

GETTING MORE INFORMATION

22. HOW DO I GET MORE INFORMATION?

You may contact Class Counsel at the contact information listed above in Section 15 if you have any questions about the Settlement. You may also contact the Court-appointed Settlement Administrator, Phoenix Settlement Administrators, Inc., by calling toll free 1-800-XXXX-XXXX, or you can write to the Administrator at the following address:

[ADMINISTRATOR]

Demita Pinchback et al. v. Sacramento Rehabilitation Hospital, LLC, et al.

Settlement

XXXXX

City, State, XXXXX

Email:

PLEASE DO NOT TELEPHONE THE COURT OR DEFENDANTS' COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS. YOU MAY, HOWEVER, CALL CLASS COUNSEL OR THE SETTLEMENT ADMINISTRATOR, LISTED ABOVE.

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE