

Seung Yang (SBN 249857)
seung.yang@thesentinelfirm.com
Tiffany Hyun (SBN 311743)
tiffany.hyun@thesentinelfirm.com
Jeffrey P. Jackson (SBN 290364)
jeffrey.jackson@thesentinelfirm.com
THE SENTINEL FIRM, APC
355 S. Grand Ave., Suite 1450
Los Angeles, California 90071
Telephone: (213) 985-1150
Facsimile: (213) 985-2155

Attorneys for Plaintiff JUANITA RODRIGUEZ CHAVEZ

MARTIN LAW FIRM, PC
DAVID L. MARTIN (SBN: 253858)
dave@employmentdefenselaw.com
JEREMY W. WILSON (SBN: 356446)
jeremy.wilson@employmentdefenselaw.com
2 Park Plaza, Suite 620
Irvine, CA 92614
Telephone: (949) 868-2838

Attorneys for Defendants

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

JUANITA RODRIGUEZ CHAVEZ, solely in her
representative capacity under the Private Attorneys
General Act of 2004 (“PAGA”),

Plaintiff,

vs.

ALAL, LLC DBA KEI-AI LOS ANGELES
HEALTHCARE CENTER, a California limited
liability company; ASPEN HEALTHCARE
SERVICES, LLC, a California limited liability
company; ASPEN SKILLED HEALTHCARE,
INC, a California corporation; and DOES 1
through 10, inclusive,

Defendants.

Case No.: 24STCV24762

Assigned for All Purposes to:
Hon. Joseph Lipner, Dept. 72

PAGA SETTLEMENT AGREEMENT

Complaint Filed: September 24, 2024
Trial Date: None Set

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff JUANITA RODRIGUEZ CHAVEZ (“Plaintiff”) and Defendants ALAL, LLC DBA KEI-AI LOS ANGELES HEALTHCARE CENTER (“ALAL”), a California limited liability company; ASPEN HEALTHCARE SERVICES, LLC, a California limited liability company; ASPEN SKILLED HEALTHCARE (“Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s PAGA lawsuit alleging wage and hour violations against Defendants captioned *Juanita Rodriguez Chavez, solely in her representative capacity under the Private Attorneys General Act of 2004 (“PAGA”) vs. ALAL, LLC dba Kei-Ai Los Angeles Healthcare Center, a California limited liability company; Aspen Healthcare Services, LLC, a California limited liability company; Aspen Skilled Healthcare, Inc, a California corporation; and DOES 1 through 10, inclusive*, Case No. 24STCV24762 initiated on September 24, 2024, and pending in Superior Court of the State of California, County of Los Angeles.
- 1.2. “Administrator” means Apex Class Action Administration (“Apex”), the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Approval of the Settlement.
- 1.4. “Approval Order” means the proposed Court Order Granting Approval of this PAGA Settlement.
- 1.5. “Aggrieved Employee” means all non-exempt employees who worked at ALAL, LLC in California at any time during the PAGA Period.
- 1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and search

for current or last-known Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.

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

1.8. “Court” means the Superior Court of California, County of Los Angeles.

1.9. “Defendants” means ALAL, LLC dba Kei-Ai Los Angeles Healthcare Center; Aspen Healthcare Services, LLC; and Aspen Skilled Healthcare, Inc.

1.10. “Defense Counsel” means MARTIN LAW FIRM, PC.

1.11. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) the day the Court enters Judgment if no objections are filed to this settlement or if all objections are withdrawn prior to the Court ruling on them; or (b) sixty-one (61) days after the date of entry of the settlement approval order if objections are filed and overruled and no appeal is taken from the order approving the settlement; or (c) if a timely appeal is made, ten (10) business days after the final resolution of that appeal if the appeal is rejected, the settlement is upheld, and the settlement approval order is no longer subject to further judicial review.

1.12. “Gross Settlement Amount” means **Two Hundred Fifteen Thousand Dollars and Zero Cents (\$215,000.00)** which is the total amount Defendant ALAL agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees, PAGA Counsel Litigation Expenses, the PAGA General Release Fee and the Administrator’s Expenses.

1.13. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during

the PAGA Period.

1.14. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled to receive penalties under Labor Code § 2699(i).

1.15. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code § 2699(m).

1.16. “PAGA Counsel” means THE SENTINEL FIRM, APC.

1.17. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.

1.18. “PAGA Representative” means the named Plaintiff Juanita Rodriguez Chavez in the operative complaint in the Action seeking Court approval to serve as a Representative on behalf of the Labor and Workforce Development Agency and the State of California.

1.19. “PAGA General Release Fee” means the payment to the PAGA Representative for initiating the Action and providing services in support of the Action.

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

1.21. “Net Settlement Amount” means the Gross Settlement Amount after deducting the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, PAGA General Release Fee Payment and the Administration Expenses Payment.

1.22. “PAGA Period” means the period from December 29, 2023, through the date the Court approves the PAGA Settlement, July 13, 2025, or as modified pursuant to Paragraph 8 of the Agreement, whichever is earliest.

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

1.24. “PAGA Notice” means Plaintiff’s June 12, 2024, letter to Defendants and the LWDA providing notice pursuant to Labor Code § 2699.3(a).

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

1.26. “Plaintiff” means Juanita Rodriguez Chavez, the named plaintiff in the Action.

1.27. “Released PAGA Claims” means the claims being released as described in Paragraph 5.2 below.

1.28. “Released Parties” means: Defendants ALAL, LLC, Aspen Healthcare Services, LLC; and Aspen Skilled Healthcare, Inc., and each of their respective former, present and future owners, parents, and subsidiaries, and all of their current, former and future representatives, affiliates, spouse(s), children, officers, directors, members, managers, employees, consultants, partners, shareholders, joint venturers, agents, predecessors, successors, assigns, accountants, insurers, reinsurers, and legal representatives.

1.29. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

2. **RECITALS.**

2.1. On September 24, 2024, Plaintiff commenced this Action by filing a Complaint in Los Angeles Superior Court alleging a single cause of action against Defendants for Civil Penalties Under PAGA [Cal. Lab. Code §§ 2699, et seq.]. The Complaint is the operative complaint in the Action (the “Operative Complaint”). Defendants deny the allegations in the Operative Complaint and in the PAGA Notice, deny any failure to comply with the laws identified in in the Operative Complaint and/or the PAGA Notice, and deny any and all liability for the causes of action alleged.

2.2. Pursuant to Labor Code § 2699.3(a), Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notice on June 12, 2024.

2.3. On May 14, 2025, the Parties participated in an all-day mediation presided over by Michael Ludwig, Esq. and reached an agreement to settle the Action.

2.4. Prior to the mediation, Plaintiff obtained, through informal discovery, employee and payroll data, policy documents, and additional information regarding Defendants’ non-exempt, hourly employees in California, which Plaintiff’s Counsel reviewed and analyzed.

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

1 **3. MONETARY TERMS.**

2 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant
3 ALAL, LLC promises to pay a maximum of **\$215,000.00** as the Gross Settlement Amount. Defendant
4 ALAL, LLC has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the
5 deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross
6 Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition
7 of payment. None of the Gross Settlement Amount will revert to Defendant ALAL, LLC.

8 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the
9 following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final
10 Approval:

11 3.2.1. To Plaintiff: A PAGA General Release Fee to the PAGA Representative of not more than
12 \$7,500.00, in addition to any Individual PAGA Payment the PAGA Representative is entitled to
13 receive as an Aggrieved Employee. Defendants will not oppose Plaintiff's request for a PAGA
14 General Release Fee that does not exceed this amount. Plaintiff will seek Court approval for any
15 PAGA General Release Fee in the Approval Motion. If the Court approves a PAGA General Release
16 Fee less than the amount requested, the Administrator will retain the remainder in the Net Settlement
17 Amount. The Administrator will pay the PAGA General Release Fee Payment using the appropriate
18 IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the
19 PAGA General Release Fee Payment, and agrees to indemnify Defendants and hold it harmless for
20 any responsibility, liability, claim, complaint, damages, penalties, interest or any other actual or
21 potential damages arising from Plaintiff's obligations to pay taxes owed on the PAGA General
22 Release Fee Payment.

23 3.2.2. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third of the Gross
24 Settlement Amount, and PAGA Counsel Litigation Expenses Payment of not more than \$21,000.
25 Defendants will not oppose requests for Court approval of these payments provided that they do not
26 exceed these amounts. Plaintiff and/or PAGA Counsel will file a motion for PAGA Counsel Fees
27 Payment and PAGA Litigation Expenses Payment with the motion for approval of the Settlement.
28 If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses

1 Payment less than the amounts requested, the Administrator will allocate the remainder to the Net
2 Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other
3 Plaintiff's Counsel arising from any claim to any portion of any PAGA Counsel Fee Payment and/or
4 PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees
5 Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA
6 Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment
7 and the PAGA Counsel Litigation Expenses Payment and holds Defendants harmless, and
8 indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any
9 of these Payments.

10 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$6,945.00 except
11 upon a showing of good cause and as approved by the Court. To the extent the Administration
12 Expenses are less than, or the Court approves payment less than this amount, the Administrator will
13 retain the remainder in the Net Settlement Amount. Apex Class Action Administration has been
14 selected as the Administrator, based upon its "not to exceed" bid of \$6,945.00.

15 3.2.4. To the LWDA and Aggrieved Employees: PAGA Penalties which shall be paid from the
16 Gross Settlement Amount, with 75% allocated to the LWDA PAGA Payment and 25% allocated to
17 Individual PAGA Payments.

18 3.2.4.1. The Administrator will calculate each Individual PAGA Payment by (a)
19 dividing the amount of the Aggrieved Employees' 25% share of PAGA
20 Penalties by the total number of PAGA Period Pay Periods worked by all
21 Aggrieved Employees during the PAGA Period and (b) multiplying the
22 result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved
23 Employees assume full responsibility and liability for any taxes owed on
24 their Individual PAGA Payments and agree to indemnify Defendant ALAL,
25 LLC and hold it harmless for any responsibility, liability, claim, complaint,
26 damages, penalties, interest or any other actual or potential damages arising
27 from Aggrieved Employees' obligations to pay taxes owed on these
28 Payments.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee Pay Periods. As of May 14, 2025, the number of Pay Periods worked by the estimated 696 Aggrieved Employees during the PAGA Period is estimated to be 12,652.

4.2. Aggrieved Employee Data. Not later than thirty (30) days after the Court grants Approval of the Settlement, Defendant ALAL will deliver the Aggrieved Employee Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform required tasks under this Agreement. Defendant ALAL, LLC has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted Aggrieved Employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant ALAL, LLC must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3. Funding of Gross Settlement Amount. Defendant ALAL, LLC shall fund the Gross Settlement Amount by transmitting the funds to the Administrator within 30 days of the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendant ALAL, LLC funds the settlement as provided for in Paragraph 4.3, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the PAGA General Release Fee Payment.

4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date when the check will be voided, which date shall be one hundred eighty (180) days after the date of mailing. The

Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all other Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within ten (10) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the State Bar of California's Justice Gap Fund thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure § 384(b).

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

5. **RELEASES OF CLAIMS.**

As of the Effective Date of this Settlement, Plaintiff and the Aggrieved Employees will release claims against all Released Parties as follows:

5.1. Plaintiff's Release.

5.1.1. Scope of Plaintiff's Release. Plaintiff agrees to further release the Released Parties from any and all claims, demands, rights, liabilities, and/or causes, of any form

1 whatsoever whether known or unknown, unforeseen, unanticipated, unsuspected or
2 latent, which Plaintiff now owns or holds or has at any time owned or held, that have
3 been or could have been asserted by Plaintiff, their heirs, family members, executors,
4 administrators, attorneys, agents, representatives, successors, and/or assigns,
5 whether directly, indirectly, representatively, derivatively or in any other capacity,
6 arising at any time prior to the date that the court grants approval of the settlement,
7 including but not limited to those which arose out of or are in any way connected
8 with Plaintiff's employment with any Defendant, including but not limited to any
9 and all claims: (i) which are related to or concern any law, including but not limited
10 to (i) discrimination, harassment, and retaliation under local, state, or federal law
11 based on age, sex, race, color, national origin, religion, disability status, or any other
12 category protected by an such law including, but not limited to, the Americans with
13 Disabilities Act, 42 U.S.C. § 12112, *et seq.*, and all other Federal and State Civil
14 rights Statutes; (ii) wrongful termination, breach of express and implied-in-fact-
15 contract, breach of the covenants of good faith and fair dealing, intentional and
16 negligent infliction of emotional distress, defamation and self-compelled
17 defamation, invasion of privacy, breach of employment contract, fraud or negligent
18 misrepresentation, assault, battery, intentional interference with contractual relations
19 and prospective economic advantage, violation of public policy, and other torts; and
20 (iii) those arising under federal, state or local wage-and-hour laws, rules, or
21 regulations, including but not limited to, claims for failure to pay wages, overtime,
22 meals and rest breaks, penalties, interest, severance pay, commissions, bonuses, sick
23 leave, holiday pay, and vacation pay, either individually or as part of a class action,
24 collective action, and/or representative action; (3) which are related to or concern
25 any violation of California *Business and Professions Code* Section 17200, *et seq.*,
26 and/or the California *Labor Code*, including *Labor Code* section 1102.5; the
27 California Fair Employment and Housing Act; the California Industrial Welfare
28 Commission Wage Orders; and the California Private Attorney General Act;

(4) which are related to or concern any violation of the CFRA or the FMLA or other leave statute, or; (5) which are related to allegations of sexual harassment, discrimination based on sex, retaliation, failure to prevent sexual harassment, failure to prevent retaliation, failure to accommodate, failure to engage in a good faith interactive process, and wrongful termination, or; (6) which arose out of or are in any way connected with any transactions, occurrences, acts, omissions, loss, damage or injury whatsoever resulting from any act committed or omission made prior to the date of this Agreement ("Plaintiff's Release"). As to Plaintiff's Released Claims, upon receipt of the considerations set forth in this Agreement, Plaintiff agrees to waive all rights and benefits under the terms of section 1542 of the California Civil Code. Section 1542 reads as follows:

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

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

5.2. Released PAGA Claims: Upon approval by the Court and upon funding of the Gross Settlement Amount, Plaintiff Juanita Rodriguez Chavez and each member of the Aggrieved Employee Group shall release the Released Parties, which includes ALAL, LLC, Aspen Healthcare Services, LLC, Aspen Skilled Healthcare, Inc., and each of their respective former, present and future owners, parents, and subsidiaries, and all of their current, former and future representatives, affiliates, spouse(s), children, officers, directors, members, managers, employees, consultants, partners, shareholders, joint venturers, agents, predecessors, successors, assigns, accountants, insurers, reinsurers, and legal representatives, from any and all claims under PAGA that Plaintiff Juanita Rodriguez Chavez, the aggrieved employees, and the State of California alleged or could have alleged based on the facts contained in the Complaint and the PAGA Notice Letter dated June 12, 2024, including but not limited to any claims for failure to pay minimum wages, pay overtime, provide meal periods and rest periods, failure to maintain accurate records of all meal

periods taken or missed, failure to pay meal period premiums and rest period premiums, failure to indemnify employees for business expenses, failure to timely pay wages during employment, failure to timely pay wages at termination, failure to pay accrued vacation wages at termination, provide accurate itemized wage statements, and failure to maintain accurate records of the hours that employees worked, and any and all claims arising out of California Labor Code sections 2699, 2699.3, 2699(f)(2), 210, 226.3, 1197.1, 1174(d), 1174.5 and IWC Order § 7(A)(5).

5.3. Release by PAGA Counsel: Upon approval by the Court and funding of the Gross Settlement Amount, PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

6. MOTION FOR APPROVAL

Plaintiff shall prepare and file a motion for approval of the Settlement (“Motion for PAGA Settlement Approval”) that complies with any applicable and current checklist for Approval.

6.1. Plaintiff’s Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Approval that includes an analysis of the Settlement’s terms and a request for approval of the PAGA Settlement under Labor Code § 2699(f)(2)); (ii) a draft proposed Order Granting Approval of the PAGA Settlement; (iii) a draft proposed Notice Letter to the Aggrieved Employees; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve as PAGA Representative and disclosing all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the Administrator; (v) a signed declaration from PAGA Counsel firm attesting to its competency; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code §

2699.3(a)), Operative Complaint (Labor Code § 2699(l)(1)), this Agreement (Labor Code § 2699(l)(2)) and (vi) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees or the Administrator. In their Declarations, Plaintiff and PAGA 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.

6.2. Responsibilities of Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Approval of this Settlement no later than thirty (30) days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Approval; and for appearing in Court to advocate in favor of the Motion for Approval. PAGA Counsel is responsible for delivering the Court's Approval and any other necessary documents to the Administrator. Plaintiff and PAGA Counsel will ensure that the PAGA Claims are dismissed with prejudice upon the Court's approval of the settlement.

6.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Approval and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Approval or conditions Approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1. Selection of Administrator. The Parties have jointly selected Apex Class Action Administration ("Apex") to serve as the Administrator and verified that, as a condition of appointment, Apex agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

federal tax authorities.

7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation § 468B-1.

7.4. Receipt of Data. No later than three (3) business days after receipt of the Aggrieved Employee Data, the Administrator shall notify PAGA Counsel that the list has been received and state the number of Aggrieved Employees and PAGA Pay Periods in the Aggrieved Employee Data.

7.5. Objections to Settlement. Pursuant to their understanding of California law, the Parties agree that Aggrieved Employees and/or other PAGA Representatives other than those named in this Settlement may not and have no right to object to or intervene in any components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment and/or PAGA General Release Fee Payment.

7.6. 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.

7.6.1. Final Report by Settlement Administrator. Within fourteen (14) days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide PAGA Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fourteen (14) days before any deadline set by the Court, the Administrator will prepare, and submit to PAGA Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. PAGA Counsel is responsible for filing the Administrator's declaration in Court.

8. AGGRIEVED EMPLOYEE ESTIMATES and ESCALATOR CLAUSE.

Based on its records, Defendants estimate that there are 12,652 pay periods worked by Aggrieved Employees during the PAGA Period as of May 14, 2025. If the number of PAGA Pay Periods worked by Aggrieved Employees during the PAGA Period exceeds 13,917 (i.e., 10% more than the number of pay periods estimated as of May 14, 2025), then, at Defendants’ option, the PAGA Settlement will either increase

by 1 % for every 1 % over the 10 % threshold, or the PAGA Period will end on the date the number of pay periods exceeds 13,917.

9. AMENDED JUDGMENT.

If any amended judgment is required under Code of Civil Procedure § 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

10. ADDITIONAL PROVISIONS.

10.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Settlement in this matter is a compromise of highly disputed claims and shall not be construed as an admission that Plaintiff was employed by Aspen Skilled Healthcare, Inc. or Aspen Healthcare Services, LLC at any point in time. Defendants contend that Plaintiff was solely employed by ALAL, LLC, and that she was not employed by Aspen Skilled Healthcare, Inc. or Aspen Healthcare Services, LLC at any point in time. Plaintiff acknowledges that she is not a current employee of ALAL, LLC, Aspen Skilled Healthcare, Inc., or Aspen Healthcare Services, LLC. Plaintiff agrees not to proceed on a class basis against ALAL, LLC, Aspen Skilled Healthcare, Inc., or Aspen Healthcare Services, LLC. Plaintiff agrees to dismiss any individual claims against ALAL, LLC, Aspen Skilled Healthcare, Inc., and Aspen Healthcare Services, LLC with prejudice. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

10.2. Court Approval. In the event that the Court fails to approve the settlement notwithstanding the good faith efforts of the Parties pursuant to Paragraph 10.6 of this Agreement, or if the appropriate appellate court fails to approve the settlement, or if the Settlement Agreement is otherwise terminated: (1) the Settlement Agreement shall have no force and effect and the Parties shall be restored to their respective positions prior to entering into it, and no Party shall be bound by any of the terms of the Settlement Agreement; (2) Defendants shall have no obligation to make any payments to the Aggrieved Employees,

the LWDA, Plaintiff or Plaintiff's counsel; (3) any existing approval order or judgment shall be vacated; and (4) the Settlement Agreement and all negotiations, statements, proceedings and data relating thereto shall be deemed confidential mediation settlement communications and not subject to disclosure for any purpose in any proceeding.

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

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

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

10.6. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement

Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

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

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

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

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

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

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

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

10.14. Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Evidence Code § 1152, and all copies and summaries of the Aggrieved Employee Data provided

to PAGA Counsel by Defendant ALAL, LLC in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Aggrieved Employee Data received from Defendant ALAL, LLC.

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

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

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

To Plaintiff:

Seung L. Yang
seung.yang@thesentinelfirm.com
 Tiffany Hyun
tiffany.hyun@thesentinelfirm.com
 Jeffrey P. Jackson
jeffrey.jackson@thesentinelfirm.com
THE SENTINEL FIRM, APC
 355 S Grand Ave. Suite 1450
 Los Angeles, California 90071
 Telephone: (213) 985-1150
 Facsimile: (213) 985-2155

To Defendants:

David L. Martin
dave@employmentdefenselaw.com
 Jeremy W. Wilson
jeremy.wilson@employmentdefenselaw.com
MARTIN LAW FIRM, PC
 2 Park Plaza, Suite 620
 Irvine, CA 92614
 Telephone: (949) 868-2838

10.18. Execution in Counterparts. This Agreement may be executed in one or more counterparts

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

5 10.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation
6 shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the
7 signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial
8 under CCP section 583.310 for the entire period of this settlement process.

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10 **[SIGNATURES ON NEXT PAGE]**
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1 **IT IS SO AGREED.**

2
3 **Plaintiff & PAGA Representative:**

4 Dated: 07 / 25 / 2025

By: 

JUANITA RODRIGUEZ CHAVEZ

5
6 **Plaintiff's Counsel:**

7 Dated: July 25, 2025

THE SENTINEL FIRM, APC

8 By: 

9 Seung L. Yang
10 Tiffany Hyun
11 Jeffrey P. Jackson

12 Attorneys for Plaintiff
JUANITA RODRIGUEZ CHAVEZ

13 **Defendant:**

14 Dated: ____

ALAL, LLC

15 By: _____

Print Name

16
17 _____
Signature

18
19 _____
Title

20 **Defendant's Counsel:**

21 Dated: ____

MARTIN LAW FIRM, PC

22
23 By: _____

24 David L. Martin
25 Jeremy W. Wilson
26 Attorneys for Defendants
27
28

IT IS SO AGREED.

Plaintiff & PAGA Representative:

Dated: ____

By: _____
JUANITA RODRIGUEZ CHAVEZ

Plaintiff's Counsel:

Dated: ____

THE SENTINEL FIRM, APC

By: _____

Seung L. Yang
Tiffany Hyun
Jeffrey P. Jackson

Attorneys for Plaintiff
JUANITA RODRIGUEZ CHAVEZ

Defendant:

Dated: 8/7/2025

ALAL, LLC

By: _____ Brad Heap

Print Name

Signed by:

Brad Heap

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Signature

Administrator

Title

Defendant's Counsel:

Dated: 8/11/2025

MARTIN LAW FIRM, PC

By: _____

DocuSigned by:

David L. Martin

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David L. Martin
Jeremy W. Wilson
Attorneys for Defendants