AMENDED JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

Subject to final approval by the Court, it is stipulated by and between Plaintiff David Heath ("Plaintiff") and Defendant Rainbow Home Care Services, Inc. ("Defendant") that the Action is compromised and settled pursuant to the terms and conditions set forth in this Amended Joint Stipulation of Class Action and PAGA Settlement ("Settlement Agreement," "Settlement," or "Agreement"). Plaintiff and Defendant are collectively referred to in this Agreement as the "Parties".

I. DEFINITIONS

A. **Action**: The lawsuit originally filed by Plaintiff Heath on December 6, 2024, entitled *Heath v. Rainbow Home Care Services, Inc.*, Case No. 30-2024-01444583-CU-OE-CXC, in the Superior Court of California, County of Orange.

B. **Administration Expenses Payment**: The amount awarded to the Administrator for administering this Action. The Administration Expenses Payment shall be unopposed by Defendant and paid from the Qualified Settlement Fund. If the Court awards less than the amount requested, the difference will become part of the Net Settlement Amount for distribution to Participating Class Members.

C. **Administrator**: The third-party administrator agreed upon by the Parties to administer this Settlement is ILYM Group, Inc.

D. **Agreement, Settlement Agreement, or Settlement**: The settlement agreement reflected in this document that is titled "Amended Joint Stipulation of Class Action and PAGA Settlement".

E. **Aggrieved Employees**: All current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time during the PAGA Period. Defendant estimates that there are 380 Aggrieved Employees who worked 6,820 pay periods during the PAGA Period.

F. **Class**: All current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time during the Class Period. Defendant estimates that there are 728 Class Members who worked 44,033 workweeks during the Class Period.

G. **Class Counsel**: Douglas Han, Shunt Tatavos-Gharajeh, and Jamie Nguyen of Justice Law Corporation.

H. **Class Counsel Fees Payment**: The amount to awarded to Class Counsel for litigating this matter. The Class Counsel Fees Payment shall be paid from the Qualified Settlement Fund and will not be opposed by Defendant. If the Court awards less than the amount requested, the difference will become part of the Net Settlement Amount for distribution to Participating Class Members.

I. **Class Counsel Litigation Expenses Payment**: The amount awarded to Class Counsel for payment of actual litigation costs and expenses. The Class Counsel Litigation Expenses Payment will be paid from the Qualified Settlement Fund and will not be opposed by Defendant. If the Court awards less than the amount requested, the difference will become part of the Net Settlement Amount for distribution to Participating Class Members.

J. **Class Data**: Class Members' identifying information in Defendant's possession including the Class Members; (a) full name; (b) last-known mailing address; (c) Social Security number; and (d) number of workweeks and pay periods.

K. **Class Member**: Each person eligible to participate in this Settlement who is a member of the Class as defined above.

L. **Class Notice**: The "Notice of Class Action and PAGA Settlement" provided to all Class Members regarding the terms of this Settlement, substantially similar to the form attached hereto as **Exhibit A**, subject to Court approval. The Class Notice shall constitute notice to the Class pursuant to Rule of Court, rule 3.769(f) and, once approved by the Court, shall be deemed compliant with Rule of Court, rule 3.766.

M. **Class Period**: The period from December 6, 2020 through the date of preliminary approval.

N. **Class Representative or Plaintiff**: David Heath.

O. **Class Representative Service Payment**: The amount awarded to Plaintiff for the services as the Class Representative. The Class Representative Service Payment shall be unopposed by Defendant and paid from the Qualified Settlement Fund. If the Court awards less than the amount requested, the difference will become part of the Net Settlement Amount for distribution to Participating Class Members.

P. **Counsel for Defendant**: Robert E. King of Legally Nanny® and Joel Van Parys and Renate Fessler of CDF Labor Law.

Q. **Court**: The Superior Court of California, County of Orange.

R. **Defendant**: Rainbow Home Care Services, Inc.

S. **<u>Dispute Form</u>**: The Dispute Form, substantially similar to the form attached hereto as **Exhibit D**, subject to Court approval.

T. **<u>Effective Date</u>**: The later of the following dates: (1) if no objection to the settlement is made, then no later than thirty (30) calendar days after entry of the order granting final approval; (2) if an objection is made but no appeal filed, then no later than thirty (30) calendar days after the running of the appeal period; or (3) if an appeal is filed, then no later than thirty (30) calendar days after the final judgment becomes final and is no longer subject to appeal.

U. **<u>Exclusion Form</u>**: The Request for Exclusion Form, substantially similar to the form attached hereto as **Exhibit B**, subject to Court approval.

V. **<u>Final Approval, Final Approval Order, Judgment, and Final Judgment</u>**: "Final Approval" or "Final Approval Order" means the final order entered by the Court, following the Final Approval Hearing, approving this Agreement. "Judgment" or "Final Judgment" means the final judgment entered by the Court following the Final Approval Hearing.

W. **<u>Gross Settlement Amount or GSA</u>**: The value of the Settlement is a fixed total non-reversionary amount of $950,000. This is the gross amount Defendant shall be required to pay under this Settlement Agreement, which includes: (1) Net Settlement Amount; (2) Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, as approved by the Court; (3) Class Representative Service Payment, as approved by the Court; (4) Administration Expenses Payment, as approved by the Court; and (5) PAGA Penalties, as approved by the Court. Defendant's share of employer payroll taxes on the wage portion of the settlement will be paid by Defendant separate from and in addition to the GSA. No portion of the Gross Settlement Amount will revert to Defendant for any reason.

X. **<u>Individual Settlement Payment(s)</u>**: The amount payable to each Participating Class Member under the terms of this Settlement Agreement. Participating Class Members will automatically receive an Individual Settlement Payment without the return of a claim form unless the Class Member timely submits a valid Exclusion Form.

Y. **<u>LWDA</u>**: California Labor and Workforce Development Agency.

Z. **<u>Net Settlement Amount or NSA</u>**: The total amount of money available for payout to Participating Class Members, which is the GSA less the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, Administration Expenses Payment, and PAGA Penalties.

AA. **<u>Notice Packet</u>**: The Class Notice, Exclusion Form, Objection Form, and Dispute Form that will be mailed to all identified Class Members by the Administrator in English, Spanish, and Tagalog.

BB. **<u>Objection Form</u>**: The Notice of Objection, substantially similar to the form attached hereto as **Exhibit C**, subject to Court approval.

CC. **<u>PAGA</u>**: The Labor Code Private Attorneys General Act of 2004 (Labor Code section 2698, *et seq.*).

DD. **<u>PAGA Penalties</u>**: The amount awarded to the LWDA and Aggrieved Employees for the settlement and release of claims for civil penalties under PAGA. Sixty-five percent (65%) of the PAGA Penalties shall be paid to the LWDA, and thirty-five percent (35%) of the PAGA Penalties shall be distributed to Aggrieved Employees, on a pro rata basis, as set forth below.

EE. **<u>PAGA Period</u>**: The period from September 11, 2023 through the date of preliminary approval.

FF. **<u>Participating Class Members</u>**: All Class Members who do not submit a valid and timely request to exclude themselves from the Settlement. Participating Class Members will release all the Released Class Claims and will be bound by all terms of this Settlement and any final judgment entered in this Action.

GG. **<u>Parties</u>**: Plaintiff and Defendant.

HH. **<u>Preliminary Approval or Preliminary Approval Order</u>**: The Court's order preliminarily approving the Settlement following the Preliminary Approval Hearing.

II. **<u>Qualified Settlement Fund or QSF</u>**: A fund within the meaning of Treasury Regulation section 1.46B-1, 26 C.F.R. section 1.468B-1, *et seq.*, that is established by the Administrator for the benefit of Participating Class Members, Aggrieved Employees, LWDA, Plaintiff, and Class Counsel.

JJ. **<u>Released Class Claims</u>**: Upon Defendant's fulfillment of its payment obligations, Plaintiff and Participating Class Members release the Released Parties from all claims that were alleged, or could have been alleged, based on the facts contained in the Operative Complaint and that occurred during the Class Period. This includes: (1) failure to pay overtime wages; (2) failure to provide meal breaks and pay applicable premium wages; (3) failure to provide rest breaks and pay applicable premium wages; (4) failure to pay minimum wage; (5) failure to timely pay wages during employment and at separation; (6) failure to provide accurate wage statements; (7) failure to maintain accurate payroll records; (8) failure to reimburse business-related expenses; and (9) unfair business practices. The Released Parties shall be entitled to a release of the Released Class Claims that occurred only during the Class Period and during such time that the Participating Class Member was classified as hourly-paid and/or non-exempt. Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

KK. **Released PAGA Claims**: Upon Defendant's fulfillment of its payment obligations, Plaintiff, on behalf of the LWDA, and Aggrieved Employees release the Released Parties from all claims for PAGA penalties that were alleged, or could have been alleged, based on the facts stated in the Operative Complaint and written notice sent to the LWDA that occurred during the PAGA Period. These are all claims for civil penalties based upon or arising out of Defendant's alleged: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal breaks and pay applicable premium wages; (4) failure to provide rest breaks and pay applicable premium wages; (5) failure to timely pay wages during employment and at separation; (6) failure to provide accurate wage statements; (7) failure to maintain accurate payroll records; (8) failure to reimburse business-related expenses; and (9) claims for civil penalties arising under or based upon alleged violations of Labor Code sections 201, 202, 203, 204, 210, 218.5, 221, 226(a), 226.3, 226.7, 246, 432.5, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and/or those arising under applicable Industrial Welfare Commission Wage Orders. The Released Parties shall be entitled to a release of the Released PAGA Claims that occurred only during the PAGA Period and during such time that the Aggrieved Employee was classified as hourly-paid and/or non-exempt.

LL. **Released Parties**: Defendant and its parents, shareholders, members, predecessors, successors, all affiliates, subsidiaries, officers, directors, members, agents (including any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present, or future officers, directors, and employees), employees, and stockholders.

MM. **Response Deadline**: Sixty (60) calendar days from the initial mailing of the Notice Packet and the last date on which Class Members may request exclusion from or object to the Settlement. Class Members who receive a remailed Notice Packet will have an additional thirty (30) calendar days to request exclusion from or object to the Settlement.

II. RECITALS

Procedural History. On September 11, 2024, Plaintiff provided written notice to the LWDA and Defendant of the specific provisions of the Labor Code he contends were violated and the theories supporting his contentions.

On December 6, 2024, Plaintiff filed a wage-and-hour class action and representative PAGA action lawsuit in the Superior Court of California, County of Orange, alleging violations of: (1) Labor Code sections 510 and 1198 (unpaid overtime); (2) Labor Code sections 226.7 and 512(a) (unpaid meal period premiums); (3) Labor Code section 226.7 (unpaid rest period premiums); (4) Labor Code sections 1194 and 1197 (unpaid minimum wages); (5) Labor Code sections 201 and 202 (final wages not timely paid); (6) Labor Code section 226(a) (non-compliant wage statements); (7) Labor Code sections 2800 and 2802 (unreimbursed business expenses); (8) Labor Code section 2698, *et seq*. (PAGA); and (9) Business & Professions Code section 17200, *et seq*. ("Operative Complaint").

After engaging in discovery, investigations, and negotiation, on May 28, 2025, the Parties attended mediation with mediator Steven R. Denton that resulted in a settlement via a mediator's proposal.

The Parties, Class Counsel, and Counsel for Defendant represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement Agreement.

A. **Investigation and Discovery.** The Parties conducted investigation and discovery of the relevant facts and law. Prior to mediation, Defendant produced documents relating to the wage-and-hour policies, practices, and procedures. Plaintiff reviewed time and pay records and information relating to the size and scope of the Class, as well as data permitting Plaintiff to understand the number of workweeks in the Class Period. Plaintiff also located and interviewed putative class members who worked for Defendant. The Parties agree that the investigation and evaluation, as well as the information exchanged during the settlement negotiations, are more than sufficient to assess the merits of the Parties' positions and to compromise the issues on a fair and equitable basis.

B. **Benefits of Settlement to the Class Members.** Plaintiff and Class Counsel recognize the expense and length of additional proceedings necessary to continue the litigation against Defendant through trial and any possible appeals. Plaintiff and Class Counsel have considered the uncertainty and risks of further litigation, potential outcome, and difficulties and delays inherent in such litigation. Plaintiff and Class Counsel believe that this Settlement is fair, adequate, and reasonable and is in the best interests of the Class Members.

C. **Defendant's Reasons for Settlement.** Defendant recognizes the defense of this litigation will be protracted and expensive for all Parties. Defendant considered risks of further litigation in deciding to enter this Settlement. Despite continuing to contend that it is not liable for any of the allegations, Defendant agreed to settle in the manner and upon the terms set forth in this Agreement to put these allegations to rest.

D. **Defendant's Denial of Wrongdoing.** Defendant denies any and all liability or wrongdoing of any sort with regard to any of the claims alleged, makes no concessions or admissions of liability of any sort, and makes no concessions or admissions that any Class Member is or was employed by Defendant. Defendant contends that for any purpose other than settlement, the case is not appropriate for class or representative treatment.

E. **Plaintiff's Claims.** Plaintiff asserts that Defendant's defenses are without merit. Neither this Agreement nor any documents referred to or contemplated herein, nor any action taken to carry out this Agreement is, may be construed as, or may be used as an admission, concession, or indication by or against Plaintiff, Class Members, or Class Counsel as to the merits of any claims or defenses asserted, or lack thereof, in the Action.

III. <u>SETTLEMENT TERMS AND CONDITIONS</u>

A. **Conditional Nature of Stipulation for Certification.** The Parties stipulate and agree to the certification of the claims asserted on behalf of Plaintiff and Class Members for settlement purposes only. This Agreement is contingent upon Preliminary and Final Approval. If the Settlement does not become final and effective, the fact that the Parties were willing to stipulate to certification as part of the Settlement shall have no bearing on and shall not be admissible or used in any way in connection with the question of whether the Court should certify any claims in a non-settlement context in this Action or any other lawsuit.

B. **Appointment of the Class Representative.** For the purposes of this Settlement, the Parties stipulate and agree that Plaintiff shall be appointed as the representative for the Class.

C. **Class Certification.** For the purposes of this Settlement, the Parties stipulate and agree to certification of the claims asserted on behalf of the Class Members.

D. **Appointment of Class Counsel.** For the purposes of this Settlement, the Parties stipulate and agree that Class Counsel shall be appointed to represent the Class.

E. **Settlement Disbursement.**

1. **Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the Gross Settlement Amount, excluding employer share of payroll taxes, that Defendant is obligated to pay under this Settlement Agreement is a fixed total non-reversionary amount of $950,000. Defendant shall not be required to pay more than the Gross Settlement Amount other than its share of payroll taxes on the wage portion of the settlement.

2. **Funding of the Gross Settlement Amount.** Defendant shall deposit the Gross Settlement Amount into the QSF in two (2) equal payments. Defendant shall also provide any tax information that the Administrator may need to calculate the Individual Settlement Payments.

   a. **First Payment.** No later than the Effective Date, Defendant will deposit \$475,000 (50% of the Gross Settlement Amount) into the QSF.

   b. **Second Payment.** No later than three hundred sixty-five (365) calendar days after funding of the First Payment, Defendant shall deposit the remaining \$475,000 (50% of the Gross Settlement Amount) and employer share of payroll taxes into the QSF.

3. **Disbursement.** No later than fourteen (14) calendar days after Defendant deposit \$475,000 (50% of the Gross Settlement Amount) into the QSF, the Administrator will mail fifty percent (50%) of the settlement payments to the appropriate persons and entities. This first disbursement will NOT take place prior to Final Approval. No later fourteen (14) calendar days after deposits the remaining \$475,000 (50% of the Gross Settlement Amount) and employer share of payroll taxes into the QSF, the Administrator will mail the remaining fifty percent (50%) of the settlement payments to the appropriate persons and entities. The Administrator will first disburse the settlement payments to the Participating Class Members, Aggrieved Employees, and LWDA. Afterwards, the Administrator will disburse the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and Administration Expenses Payment.

4. **Settlement Payments.** Subject to the terms and conditions of this Agreement, the Administrator will make the following payments out of the GSA:

   a. **Class Counsel.** Class Counsel will apply for the Class Counsel Fees Payment not to exceed thirty-five percent (35%) of the GSA and Class Counsel Litigation Expenses Payment not to exceed \$30,000.

      i. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment out of the QSF. The Administrator may also purchase an annuity to utilize U.S. treasuries and bonds or other attorney fee deferral vehicles for Class Counsel.

      ii. Payroll tax withholding and deductions will not be taken from the Class Counsel Fees Payment or Class Counsel Litigation Expenses Payment. The Administrator shall issue an IRS Forms to Class Counsel with respect to the Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment and hold harmless

Defendant from any dispute or controversy regarding any division or sharing of the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment.

iii. If the Court does not approve the entirety of the application for the Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment, the Administrator shall pay whatever amount the Court awards, and neither Defendant nor the Administrator shall be responsible for paying the difference. If the amount awarded is less than the amount requested by Class Counsel for the Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment, the difference shall become part of the NSA and be available for distribution to Participating Class Members.

b. **Plaintiff.** In addition to the Individual Settlement Payment, Plaintiff will apply for the Class Representative Service Payment not to exceed $10,000.

i. The Administrator will pay the Class Representative Service Payment out of the QSF.

ii. Payroll tax withholdings and deductions will not be taken from the Class Representative Service Payment. The Administrator shall issue an IRS Form 1099 to Plaintiff for the Class Representative Service Payment. Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on the Class Representative Service Payment and shall hold Defendant harmless from any claim or liability for taxes, penalties, or interest arising as a result of the Class Representative Service Payment.

iii. If the Court does not approve the entirety of the application for the Class Representative Service Payment, the Administrator shall pay whatever amount the Court awards, and neither Defendant nor the Administrator shall be responsible for paying the difference. If the amount awarded is less than the amount requested by Plaintiff, the difference shall become part of the NSA and be available for distribution to Participating Class Members.

c. **Administrator.** The Administrator will pay itself Administration Expenses Payment in an amount not to exceed $20,000.

i. The Administration Expenses Payment will be paid out of the QSF.

ii. If the Court does not approve the entirety of the Administration Expenses Payment, the Administrator shall pay itself whatever amount the Court awards, and neither Defendant nor Plaintiff shall be responsible for paying the difference. If the actual amount of

Administration Expenses Payment is less than the amount estimated and/or requested, the difference shall become part of the NSA and be available for distribution to Participating Class Members.

d. **LWDA and Aggrieved Employees.** PAGA Penalties in an amount not to exceed $75,000 to be paid to the LWDA and Aggrieved Employees, sixty-five percent (65%) of which ($48,750) will be allocated to the LWDA and thirty-five percent (35%) of which ($26,250) will be allocated to the Aggrieved Employees.

i. The Administrator shall pay each Aggrieved Employee according to his or her proportional share of the PAGA Penalties allocated to the Aggrieved Employees, which will be based on the total number of pay periods the Aggrieved Employee was employed during the PAGA Period. Aggrieved Employees' portion of the PAGA Penalties will be calculated by: (i) dividing the thirty-five percent (35%) share of PAGA Penalties by the total number of pay periods worked by all Aggrieved Employees during the PAGA Period; and (b) multiplying the result by each Aggrieved Employee's pay periods during the PAGA Period.

ii. The Aggrieved Employees' portion of the PAGA Penalties will be allocated as one hundred percent (100%) penalties and shall be reported by IRS Form 1099.

e. **Individual Settlement Payments.** The Administrator will pay an Individual Settlement Payment from the Net Settlement Amount to each Participating Class Member.

i. Each Participating Class Member will receive a proportionate share of the NSA that is calculated by: (a) dividing the NSA by the total number of workweeks worked by all Participating Class Members during the Class Period; and (b) multiplying the result by each Participating Class Member's workweeks during the Class Period.

ii. Individual Settlement Payments will be apportioned twenty percent (20%) as wages and eighty percent (80%) as interest and penalties. The employees' share of payroll tax withholdings and other legally required withholdings shall be withheld from the portion of the Individual Settlement Payments attributed to wages. The amounts paid as wages shall be subject to all tax withholdings made from an employee's wages and all other authorized and required withholdings and shall be reported by IRS Form W-2. The amounts paid as interest and penalties shall be subject to all authorized and required withholdings other than the tax withholdings made from employees' wages and shall be reported by IRS Form 1099.

5. **Uncashed Checks.** Participating Class Members and Aggrieved Employees must cash or deposit their checks within one hundred eighty (180) calendar days after the checks are mailed to them. If any checks are not redeemed or deposited within ninety (90) calendar days after mailing, the Administrator will send a reminder postcard indicating that unless the check is redeemed or deposited in the next ninety (90) calendar days, it will expire and become non-negotiable. The reminder postcard will also offer to replace the check if it was lost or misplaced. The Administrator shall skip trace any checks issued to the Participating Class Members and Aggrieved Employees that are returned as undeliverable. If any checks remain uncashed or not deposited by the expiration of the 90-day period after mailing the reminder notice, the Administrator will, within two hundred (200) calendar days after the checks are initially mailed, pay the amount of the uncashed checks to the California State Controller's Unclaimed Property Division in accordance with California Unclaimed Property Law so that the Participating Class Member and Aggrieved Employees will have his or her payments available to him or her per the applicable claim procedure to request that money from the State of California.

6. **Responsible Tax Authorities.** The Administrator will calculate the amount of the Participating Class Members and Defendant's portions of payroll withholding taxes. The Administrator will pay the amount of each Participating Class Member's portion of normal payroll withholding taxes out of their Individual Settlement Payments. The Administrator will also submit Defendant's portion of payroll withholding tax calculation to Defendant for funding and forward that amount, along with the Participating Class Members' withholdings, to the appropriate taxing authorities.

7. **Qualified Settlement Fund.** The Parties agree the QSF is intended to be a "Qualified Settlement Fund" under section 468B of the Code and Treasury Regulations section 1.4168B-1, 26 C.F.R. section 1.468B-1, *et seq.*, and will be administered by the Administrator. The Parties and Administrator shall treat the QSF as coming into existence on the earliest date permitted as set forth in 26 C.F.R. section 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law.

8. **Final Report by Administrator.** No later than ten (10) calendar days after the disbursement of all settlement funds, the Administrator will serve on the Parties a declaration providing a final report on the disbursements of all settlement funds.

F. **Appointment of Administrator.** By accepting the role as the Administrator, the Administrator is bound to all of the terms, conditions, and obligations described in this Settlement Agreement. The Administrator shall be responsible for: (1) preparing, translating, printing, and mailing the Notice Packet; (2) keeping track of any objections or requests for exclusion; (3) calculating the Individual Settlement Payments; (4) calculating any and all payroll tax deductions as required by law; (5)

mailing the Individual Settlement Payments; (6) performing skip traces and remailing the Notice Packets and Individual Settlement Payments; (7) providing weekly status reports to the Parties' counsel; (8) providing a due diligence declaration for submission prior to the Final Approval Hearing; (9) mailing the portion of the PAGA Penalties to the LWDA; (10) distributing the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment to Class Counsel; (11) printing and providing IRS Forms W-2 and 1099 as required under the Settlement and applicable law; (12) providing a due diligence declaration for submission upon the completion of the Settlement; (13) providing any funds remaining in the QSF as a result of uncashed checks to the California State Controller's Unclaimed Property Division; and (14) performing such other tasks as the Parties agree and/or the Court orders.

1. **No Relationship with the Administrator.** The Parties represent that they do not have any financial interest in the Administrator or otherwise have a relationship with the Administrator that could create a conflict of interest. Plaintiff, Class Counsel, Defendant, and Counsel for Defendant shall not bear any responsibility for errors or omissions in the calculation or distribution of the Individual Settlement Payments or any other distribution of monies contemplated by this Settlement Agreement.

G. **Procedure for Approving Settlement.**

1. **Motion for Preliminary Approval and Conditional Certification**.

   a. Plaintiff will move for an order conditionally certifying the Class for settlement purposes only, giving Preliminary Approval of the Settlement, setting a Final Approval Hearing, and approving the Notice Packet.

   b. At the Preliminary Approval Hearing, Plaintiff will appear, support the motion, and submit an order granting conditional certification of the Class and Preliminary Approval of the Settlement; appointing the Class Representative, Class Counsel, and Administrator; approving the Notice Packet; and setting the Final Approval Hearing.

   c. If the Court declines to conditionally certify the Class or to Preliminarily Approve all material aspects of the Settlement, the Settlement will be null and void, and the Parties will have no further obligations. The amounts of the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and Administration Expenses Payment shall be determined by the Court, and the Court's determination on these amounts shall be final and binding. The Court's approval or denial of any amount requested for these items is not a condition of the Settlement and shall be considered separate and apart from the fairness, reasonableness, and adequacy of the Settlement. Any order or proceeding relating to an application for Class Counsel Fees Payment, Class

Counsel Litigation Expenses Payment, Class Representative Service Payment, and/or Administration Expenses Payment shall not operate to terminate or cancel this Agreement.

2. **Notice to the Class Members.** After the Court enters its Preliminary Approval Order, every Class Member will be provided with the Notice Packet in accordance with the following procedure:

   a. No later than fourteen (14) calendar days after entry of the Preliminary Approval Order, Defendant shall deliver the Class Data to the Administrator. If any or all of the Class Data is unavailable to Defendant, then Defendant will so inform Class Counsel, and the Parties will make their best efforts to reconstruct or agree upon how to deal with the unavailable information. The Class Data shall be based on Defendant's payroll, personnel, and other business records. The Administrator will conduct a National Change of Address Database search for all Class Members to obtain the most up-to-date address information. The Administrator shall maintain the Class Data and all information contained therein as private and confidential. This provision shall not impede Class Counsel's ability to discharge their fiduciary duties, including effectuating the terms of this Settlement.

   b. Within fourteen (14) calendar days after receiving the Class Data, the Administrator will mail the Notice Packet to all identified Class Members via first-class regular U.S. Mail, using the most current mailing address information available.

   c. If a Notice Packet is returned because of an incorrect address, within ten (10) calendar days after receipt of the returned Notice Packet, the Administrator will conduct a search for a more current address for the Class Member and remail the Notice Packet to the Class Member. The Administrator will conduct a skip trace to attempt to find the Class Member's current address. The Administrator will be responsible for taking reasonable steps to trace the mailing address of any Class Member for whom a Notice Packet is returned by U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum: (i) tracking of all undelivered mail; (ii) performing address searches for all mail returned without a forwarding address; and (iii) promptly remailing Notice Packets to Class Members for whom new addresses are found. If the Administrator is unable to locate a better address, the Notice Packet shall be remailed to the original address. If the Notice Packet is remailed, the Administrator will note for its own records the date and address of each remailing. The Administrator shall mark on the envelope whether the Notice Packet is a remailed Notice Packet.

d. The Administrator shall provide a weekly status report to the Parties. The weekly status reports will inform the Parties' counsel of the number of: (i) Notice Packets mailed to Class Members; (ii) Notice Packets returned as undeliverable; (iii) Notice Packets remailed to Class Members; (iv) remailed Notice Packets returned as undeliverable; (v) Class Members who objected to the Settlement and copies of their submitted Objection Forms; (vi) Class Members who returned valid and timely Exclusion Forms and copies of their Exclusion Forms; and (vii) Class Members who returned invalid Exclusion Forms.

e. No later than fourteen (14) calendar days after the Response Deadline, the Administrator will serve on the Parties a declaration of due diligence setting forth its compliance with its obligations under this Agreement. The declaration from the Administrator shall also be filed by Class Counsel with the Court no later than sixteen (16) court days before the Final Approval Hearing. If any material changes occur after the date of the filing of Administrator's declaration of due diligence but before the Final Approval Hearing, the Administrator will supplement its declaration.

3. **Disputing the Allocated Workweeks and/or Pay Periods.** Class Members will have the opportunity to dispute the information provided in their Notice Packets. All Dispute Forms must be in writing, postmarked or dated by the Response Deadline, and sent via first-class U.S. mail, fax, or email to the Administrator.

a. To the extent that a Class Member disputes the number of workweeks and/or pay periods with which he or she has been credited or the amount of his or her Individual Settlement Payment, the Class Member may produce and submit evidence to the Administrator showing the disputed information is inaccurate. The Administrator will evaluate any evidence submitted by the Class Member and will make the initial decision.

b. The Court shall have the right to review any decision made by the Administrator regarding such a dispute and will make the final determination. The Court will resolve any workweek and/or pay period disputes not resolved by the Administrator and the Parties. The Parties will file with the Court any and all Dispute Forms submitted, evidence submitted in support of such disputes, and resolution of those disputes.

4. **Objections.** The Notice Packet will provide Class Members who wish to object to the Settlement may do so by mailing, faxing, or emailing an Objection Form (signed and dated) to the Administrator, postmarked or dated within the Response Deadline. Class Members who object to this Settlement or any of its terms may not also submit Exclusion Forms.

a. For an Objection Form to be valid, it must: (i) be signed by the objecting Class Member or his or her lawful representative; (ii) include the objecting Class Member's full name, address, telephone number, and last four digits of the Social Security number, as well as the name and address of counsel, if any; (iii) include the words "Notice of Objection" or "Formal Objection;" (iv) state the case name and case number; (v) provide a concise, factual written statement of the reasons for objecting; and (vi) include a statement indicating whether the objecting Class Member (or someone on his or her behalf) intends to appear at the Final Approval Hearing.

b. The Class Members may (but are not required to) appear at the Final Approval Hearing, either in person or through their own counsel, at their own expense, and may orally object to the Settlement. The Class Members' valid and timely written objections to the Settlement will still be considered even if the objector does not appear at the Final Approval Hearing. The Class Members are permitted to make objections without a showing of good cause at the Final Approval Hearing, in person or through counsel, whether or not they submit an Objection Form.

c. A Class Member who objects to the Settlement will remain a Participating Class Member. If the Court approves the Settlement Agreement, the objecting Class Member will be bound by the terms of the Settlement Agreement in the same way and to the same extent as those Participating Class Members who do not object to the Settlement Agreement.

d. The Administrator shall send all Objection Forms to the Parties' counsel. Class Counsel will be responsible for filing the objections with the Court in advance of the Final Approval Hearing. The Parties' counsel will be permitted to respond in writing to any properly submitted objections within nine (9) court days before the Final Approval Hearing.

e. If a Class Member submits both an Exclusion Form and Objection Form prior to the Response Deadline, the Administrator will first attempt to contact this Class Member to determine if they intended to submit only the Exclusion Form or Objection Form. If the Administrator is unable to contact the Class Member within ten (10) calendar days of receiving both the Exclusion Form and Objection Form or the Class Member fails to respond to the Administrator within ten (10) calendar days of being contacted, then only the Exclusion Form will be deemed valid. The Class Member's Objection Form will be invalid, and the Class Member will no longer be considered a Class Member, will not receive his or her Individual Settlement Payment, and will not be bound by the Released Class Claims.

5. **Request for Exclusion.** The Notice Packet will indicate that Class Members who wish to exclude themselves from the Settlement must mail, fax, or email an Exclusion Form to the Administrator by the Response Deadline.

a. For an Exclusion Form to be valid, it must: (a) include the Class Member's name, address, and last four digits of the Social Security number; (b) be addressed to the Administrator; (c) be signed by the Class Member or his or her lawful representative; and (d) be postmarked or dated within the Response Deadline. An Exclusion Form will not be valid if it is not timely submitted, not signed by the Class Member, and/or does not contain the name and address of the Class Member. The date of postmark on the return mailing envelope, date of the fax, and date of the email for the Exclusion Form shall be the exclusive means used to determine whether the Exclusion Form was timely submitted.

b. The Class Members who do not submit valid and timely Exclusion Forms will automatically be included in the Settlement and will become Participating Class Members upon expiration of the Response Deadline. The Participating Class Members shall be bound by all terms of the Settlement and any Final Judgment entered if the Settlement is approved by the Court and shall receive Individual Settlement Payments regardless of whether the Participating Class Member submitted an Objection Form.

c. Any Class Member who returns a valid and timely Exclusion Form will not participate in or be bound by the terms of the class portion of the Settlement or any Final Judgment entered if the Settlement is approved by the Court and will not have any right to object to, appeal, or comment thereon. Class Members who return valid and timely Exclusion Forms will not be entitled to any payment from the Net Settlement Amount.

d. The Parties agree for purposes of this Settlement that there is no statutory or other right for Aggrieved Employees to opt out from the PAGA portion of the Settlement. An Aggrieved Employee who submits a valid and timely Exclusion Form shall still receive his or her share of the PAGA Penalties and shall be bound by the Released PAGA Claims.

e. If there is a question about the authenticity of a signed Exclusion Form, the Administrator may demand additional proof from the purported Class Member establishing their identity. If the Administrator receives an incomplete or deficient Exclusion Form, the Administrator shall send a letter informing the Class Member of the deficiency and shall provide the Class Member fourteen (14) calendar days with which to cure the deficiency. If the Administrator does not receive a cured Exclusion Form, postmarked by the last and fourteenth (14th) day of the cure period, the Class Member will be deemed not to have excluded himself or herself from the Settlement and will be bound by the Settlement. While the Administrator may make the initial determination, the Court will ultimately decide any unresolved dispute regarding the authenticity and/or validity of an opt-out request.

6. **No Solicitation of Objections or Exclusion Forms.** Neither the Parties nor their counsel will solicit or encourage, directly or indirectly, any Class Member to object to the Settlement, request exclusion from the Settlement, or appeal the Final Approval Order or Judgment.

7. **Motion for Final Approval.**

    a. No later than sixteen (16) court days before the Final Approval Hearing, Class Counsel will file a motion and memorandum in support thereof for Final Approval of the Settlement and the following payments: (i) Class Counsel Fees Payment; (ii) Class Counsel Litigation Expenses Payment; (iii) Class Representative Service Payment; (iv) Administration Expenses Payment; and (v) PAGA Penalties. Class Counsel will also move the Court for an order of Final Approval (and associated entry of Judgment).

    b. The Administrator shall submit a declaration in support of the Motion for Final Approval of this Settlement detailing the number of Notice Packets mailed and remailed to Class Members, number of undeliverable Notice Packets, number of valid and timely Exclusion Forms received, number of valid and timely Ojection Forms received, *average*, *highest*, and *lowest* amount of the Individual Settlement Payments, Administration Expenses Payment, and any other information as the Parties mutually agree or the Court orders the Administrator to provide.

    c. Upon Final Approval of the Settlement, the Parties shall present to the Court a Final Approval Order. After entry of Judgment, the Court shall have continuing jurisdiction over the Action for purposes of: (i) enforcing this Settlement Agreement; (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as may be appropriate under Court rules and applicable law.

H. **Release of Claims by the Participating Class Members.** Upon Defendant's fulfillment of its payment obligations, all Participating Class Members will be bound by the Released Class Claims.

I. **Release of PAGA Claims by the Aggrieved Employees.** Upon Defendant's fulfillment of its payment obligations, Plaintiff, on behalf of the LWDA, and Aggrieved Employees will be bound by the Released PAGA Claims. The Released PAGA Claims are effective regardless of whether the Aggrieved Employee submits a valid and timely Exclusion Form.

J. **Plaintiff's General Release of Claims.** Upon Defendant's fulfillment of its payment obligations and in exchange for the Class Representative Service Payment, Plaintiff and his former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally release and discharge the Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to: (1) all claims that were, or could have been, alleged based on the facts contained in the Operative Complaint; and (2) all PAGA claims that were, or could have been, alleged based on facts contained in the written notice to the LWDA.

1. This release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period.

2. Plaintiff acknowledges that he may discover facts or law different from, or in addition to, the facts or law Plaintiff now knows or believes to be true. Plaintiff agrees that this release shall remain effective in all respects, notwithstanding such different or additional facts or the discovery of them.

3. Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the 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.

K. **Miscellaneous Terms.**

1. **Publicity.** Plaintiff and Class Counsel agree that they have not and will not publish the Settlement Agreement. In response to any inquiries, Plaintiff will state that "the case was resolved and it was resolved confidentially". Class Counsel shall not report the Settlement Agreement in any medium or in any publication, shall not post or report anything regarding the claims of Plaintiff on their website, and shall not contact any reporters or media regarding the Settlement Agreement. Despite this provision, Class Counsel can discuss the Settlement with Plaintiff and Class Members and in any filings with the Court. Nothing in this Settlement Agreement is intended to limit Plaintiff or any other individual's discussion of factual information regarding unlawful acts in the workplace or to interfere with the exercise of rights guaranteed by the National Labor Relations Act, including section 7 thereof.

2. **No Unalleged Claims.** Plaintiff and Class Counsel represent that they, as of the date of execution of this Settlement, have no current intention of pursuing any claims against Defendant in any judicial, administrative, or arbitral forum, including, but not limited to, any and all claims relating to or arising from Plaintiff's employment with Defendant. Plaintiff and Class Counsel also represent that they are not currently aware of any facts or legal theories upon which any claims or causes of action could be brought against Defendant,

excepting those facts or legal theories alleged in the Operative Complaint. Plaintiff and Class Counsel represent and agree that they do not currently know of or represent any persons who have expressed any interest in pursuing litigation or seeking any recovery against Defendant.

3. **No Effect on Employee Benefits.** The amounts paid herein do not represent a modification of any previously credited hours of service under any employee benefit plan, policy, or bonus program sponsored by Defendant. Such amounts will not form the basis for more contributions to, benefits under, or any other monetary entitlement under, benefit plans sponsored by Defendant's policies or bonus programs. Any payments made herein shall not be applied retroactively as salary, earnings, wages, or any other form of compensation for the purposes of Defendant's benefit plans, policies, or bonus programs.

4. **Integrated Agreement.** After this Agreement is signed by all Parties and their counsel, this Agreement and its exhibits will constitute the entire Agreement between the Parties It will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any party regarding this Agreement or its exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits. The Parties agree that this Agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence.

5. **No Admission of Liability.** Defendant makes no admission of liability or wrongdoing by virtue of entering into this Agreement, including, but not limited to, admitting that it was the employer of any Class Member at any time. Defendant reserves the right to contest any issues relating to class certification and liability if the Settlement is not approved. This Agreement is entered solely for the purpose of compromising highly disputed claims. This Settlement and the willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation.

6. **Authorization to Enter This Agreement.** The Parties' counsel warrant and represent that they are authorized to take all the appropriate actions required or permitted to be taken to effectuate this Agreement's terms and to execute any other documents required to effectuate its terms. The Parties and their counsel will cooperate with each other and will use their best efforts to effect the implementation of the Settlement. If the Parties cannot reach an agreement needed to implement this Agreement, or on any supplemental provisions that may become necessary, the Parties will seek the assistance of the Court.

7. **Severability.** Before declaring any provision of this Agreement invalid, the Parties request that the Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable. If a provision of this Agreement is found unenforceable, the unenforceable provision shall be

deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

8. **No Tax or Legal Advice.** The Parties understand and agree that the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, that the Class Members will assume any such tax obligations or consequences that may arise from this Agreement, and that the Class Members shall not seek any indemnification from the Parties or any of the Released Parties in this regard.

9. **Jurisdiction.** The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgment entered in connection therewith. The Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied herein and all orders and judgments in connection therewith. The Court's continuing jurisdiction is pursuant to the Code of Civil Procedure section 664.6 and Rules of Court, rule 3.769(h).

10. **Execution in Counterpart.** This Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided the Parties' counsel exchange between themselves original signed counterparts. Facsimile or PDF signatures are acceptable. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

11. **Exhibits and Headings.** The terms of this Agreement include the terms set forth in the exhibits. Any exhibits to this Agreement are an integral part of the Settlement. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

12. **Fair, Adequate, and Reasonable Settlement.** The Parties and their counsel believe and warrant this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arm's-length negotiations, considering all relevant factors, current and potential.

13. **No Assignments.** Plaintiff represents, covenants, and warrants that he has not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights herein released and discharged.

14. **Amendment or Modification of the Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument, signed by counsel for all Parties or their successors-in-interest and subject to Court approval.

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

16. **Waiver of Certain Appeals.** The Parties agree to stipulate to class certification for purposes of implementing this Settlement only and agree to waive all appeals from the Court's final approval of the Settlement unless the Court modifies the Settlement.

17. **Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.

18. **Notice of Settlement to LWDA.** Plaintiff represents that at the same time that the Motion for Preliminary Approval is filed, Plaintiff will provide notice of this Agreement and settlement to the LWDA as required by Labor Code section 2699(s)(2).

19. **Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval Hearing.

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

21. **Agreement Binding on Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the successors and assigns of the Parties, as previously defined.

22. **Escalator Clause.** If it is determined that the number of workweeks exceeds ten percent (10%) of 44,033 workweeks (*i.e.*, more than 48,436 workweeks), then, at Defendant's option, either the: (a) Gross Settlement Amount shall proportionally increase over the ten percent (10%) increase (*i.e.*, if the number of workweeks increases by 11%, then the Gross Settlement Amount shall proportionally increase by 1%); or (b) Class Period shall end on the date that the number of workweeks reaches 48,436 workweeks.

IV. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel execute this Agreement.

Dated: 12/01/2025

DAVID HEATH

David Heath

Dated: 12/02/2025

RAINBOW HOME CARE SERVICES, INC.

Name:
Title:

APPROVED AS TO FORM

Dated: 12/01/2025

JUSTICE LAW CORPORATION

Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Jamie Nguyen, Esq.
Attorneys for Plaintiff

Dated: 12/2/25

LEGALLY NANNY®

Robert E. King, Esq.
Attorney for Defendant

Dated: 12/3/2025

CDF LABOR LAW

Joel Van Parys, Esq.
Renate Fessler, Esq.
Attorneys for Defendant

PROOF OF SERVICE
1013A(3) CCP

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Avenue, Suite 101, Pasadena, CA 91103 and my electronic service address is ccastro@justicelawcorp.com

On December 12, 2025, I served the foregoing document described as

AMENDED JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

for the following case:	**Heath v. Rainbow Home Care Services, Inc.**
LWDA/Court Case No.:	**LWDA Case No.: CM- 1050060-24**
	Court Case No.: 30-2024-01444583-CU-OE-CXC
	Orange County Superior Court

on interested parties in this action by electronically submitting as follows:

State of California
Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, California 95814

[X] BY ELECTRONIC SUBMISSION
Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

[X] STATE
I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on December 12, 2025, at Pasadena, California.

Christina Castro