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on behalf of the State of California and all Aggrieved Employees

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA

10 COUNTY OF SAN DIEGO

11 TERESA CARDENAS, on behalf of the
State of California and all Aggrieved
12 Employees,

13 Plaintiff,

14 v.

15 SHIELDS SKILLED CARE LLC, a
16 California Limited Liability Company; and
DOES 1-100, inclusive,

17 Defendant.
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Case No.: 24CU025473C

*Assigned for all purposes to:
Hon. Robert C. Longstreth*

JOINT STIPULATION OF PAGA
SETTLEMENT AGREEMENT

Action Filed: November 27, 2024
Trial Date: None Set

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1 PAGA SETTLEMENT AGREEMENT

2 This PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Teresa
3 Cardenas (“Plaintiff”) and defendant Shields Skilled Care LLC (“Defendant”). The Agreement
4 refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

5 1. DEFINITIONS.

6 1.1. “Action” means the Plaintiff’s PAGA lawsuit alleging various Labor Code violations
7 against Defendant captioned *Teresa Cardenas v. Shields Skilled Care LLC*, case number
8 24CU025473C, initiated on November 27, 2024, and pending in Superior Court of the
9 State of California, County of San Diego.

10 1.2. “Administrator” means Apex Class Action, LLC (“Apex”), the neutral entity the Parties
11 have agreed to appoint to administer the Settlement.

12 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid
13 from the Gross Settlement Amount to reimburse its reasonable fees and expenses in
14 accordance with the Administrator’s “not to exceed” bid submitted to the Court in
15 connection with approval of this Settlement.

16 1.4. “Aggrieved Employee” means all non-exempt, hourly employees who worked for
17 Defendant in California during the PAGA period.

18 1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in
19 Defendant’s possession including the Aggrieved Employee’s name, last-known mailing
20 address, Social Security number, and number of PAGA Pay Periods.

21 1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and
22 search for current Aggrieved Employee mailing addresses using all reasonably available
23 sources, methods and means including, but not limited to, the National Change of
24 Address database, skip traces, and direct contact by the Administrator with Aggrieved
25 Employees.

26 1.7. “Court” means the Superior Court of California, County of San Diego.

27 1.8. “Defense Counsel” means José-Manuel A. de Castro, David G. Larmore, and Lori V.
28 Minassian of De Castro Law Group, P.C.

1.9. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters and Plaintiff serves notice of a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final and is no longer appealable. The Judgment is final and no longer appealable upon the later of: (i) the day after the last date by which a notice of appeal to the applicable Court of Appeal of the approval order may be timely filed, and none is filed (i.e., 61 days after Judgment is entered); (ii) if an appeal is filed, and the appeal is finally disposed of by ruling, dismissal, denial, or otherwise, the day after the last date for filing a request for further review of the order approving the settlement passes, and no further review is requested; or (iii) if an appeal is filed and there is a final disposition by ruling, dismissal, denial, or otherwise by the Court of Appeal, and further review of the order approving the Settlement is requested, the day after the review is finally dismissed or denied with prejudice and/or no further review of the order can be requested..

1.10. "Gross Settlement Amount" means \$185,000.00, which is the total amount Defendant 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 Payment, PAGA Counsel Litigation Expenses Payment, PAGA Representative General Release Fee, and the Administrator's Expenses Payment.

1.11. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 35% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

1.12. "Judgment" means the judgment entered by the Court based upon the order granting approval of the Settlement.

1.13. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (m) to the LWDA PAGA Payment.

1.14. "LWDA PAGA Payment" means the 65% of the PAGA Penalties.

- 1.15. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.
- 1.16. “PAGA Counsel” means Brandon Brouillette, Esq., Chad Saunders, Esq., and Zachary Crosner, Esq. of Crosner Legal, P.C. the attorneys representing the Plaintiff in the Action.
- 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 Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.19. “PAGA Period” means the period from September 16, 2023, to November 24, 2025.
- 1.20. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698 et seq.).
- 1.21. “PAGA Notice” means Plaintiff’s September 16, 2024 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.22. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 35% to the Aggrieved Employees (\$32,845.00) and the 65% to LWDA (\$60,998.00) in settlement of PAGA claims.
- 1.23. “PAGA Representative General Release Fee” means the Court-approved payment to Plaintiff, in addition to Plaintiff’s Individual PAGA Payment, in exchange for the general release and waiver of claims specified in this Agreement.
- 1.24. “Plaintiff” means Teresa Cardenas, the named plaintiff in the Action.
- 1.25. “Approval Order” means the proposed Order Granting Approval of PAGA Settlement.

- 1 1.26. “Released PAGA Claims” means the claims being released by the Plaintiff and
2 PAGA Counsel and as described in Paragraph 5 below.
- 3 1.27. “Released Parties” means: Defendant and each of its respective former and present
4 officers, directors, members, employees, and agents.
- 5 1.28. “Settlement” means the disposition of the Action effected by this Agreement and
6 the Judgment.
- 7 1.29. “Defendant” means named Defendant Shields Skilled Care LLC.
- 8 2. RECITALS.
- 9 2.1. On or about September 16, 2024, Plaintiff sent the PAGA Notice to the LWDA, alleging
10 that Defendant violated various provisions of the California Labor Code and seeking
11 authorization to recover civil penalties against Defendant pursuant to the PAGA. On
12 November 27, 2024, Plaintiff commenced this Action by filing a Complaint alleging a
13 cause of action against Defendant for civil penalties under the PAGA. The Complaint is
14 the operative complaint in the Action (the “Operative Complaint”). Defendant denies the
15 allegations in the Operative Complaint, denies any failure to comply with the laws
16 identified in the Operative Complaint, and denies any and all liability for the cause of
17 action alleged.
- 18 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to
19 Defendant and the LWDA by sending the PAGA Notice.
- 20 2.3. On August 26, 2025, the Parties participated in an all-day mediation presided over by
21 Jeffrey Fuchsman, Esq. The Action did not settle at mediation, but the Parties
22 subsequently accepted a mediator’s proposal, which led to this Agreement to settle this
23 Action.
- 24 2.4. Prior to mediation, Plaintiff obtained, through informal discovery: (1) detailed
25 information about the number of employees and the number of pay periods during the
26 PAGA period; (2) relevant policy and procedure documents, including Defendant’s meal
27 and rest break and timekeeping policies that were in place during the PAGA period; (3)
28

1 Plaintiff's complete personnel file and payroll records; (4) pay and time records for
2 Aggrieved Employees.

3 3. MONETARY TERMS.

4 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below,
5 Defendant promises to pay \$185,000.00, and no more, as the Gross Settlement Amount.
6 Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline
7 stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire
8 Gross Settlement Amount without asking or requiring Aggrieved Employees to submit
9 any claim as a condition of payment. None of the Gross Settlement Amount will revert
10 to Defendant.

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

14 3.2.1. To Plaintiff: A PAGA Representative General Release Fee to Plaintiff of
15 not more than \$10,000.00 (in addition to any Individual PAGA Payment Plaintiff is
16 entitled to receive). Defendant will not oppose Plaintiff's request for a PAGA
17 Representative General Release Fee that does not exceed the amount of \$10,000.00.
18 The Administrator will pay the PAGA Representative General Release Fee using
19 IRS Form 1099. Plaintiff assumes full responsibility and liability for taxes owed on
20 the PAGA Representative General Release Fee. If the Court approves a PAGA
21 Representative General Release Fee less than the amount requested, this Agreement
22 shall not be voidable on that basis and the Administrator will allocate the remainder
23 to the Net Settlement Amount.

24 3.2.2. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-
25 third (1/3) of the Gross Settlement Amount which is currently estimated to be
26 \$61,667.00 and PAGA Counsel Litigation Expenses Payment of not more than
27 \$15,000. Defendant will not oppose requests for Court approval of these payments
28 provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will

request approval of the PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, this Agreement will be voidable on that basis and the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion of any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. Any reduction by the Court of Plaintiff's Counsel's claimed attorneys' fees and/or reasonable costs/expenses shall not be sufficient grounds to void the Settlement or appeal the Judgment.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$4,490.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$4,490.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$93,843.00 to be paid from the Gross Settlement Amount, with 65% (\$60,998.00) allocated to the LWDA PAGA Payment and 35% (\$32,845.00) allocated to the Individual PAGA Payments.

3.2.4.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties (\$32,845.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.2. The Parties agree there is no statutory right for any PAGA Representative Action Members to object, opt out or otherwise exclude themselves from the Settlement. Except as otherwise stated, the Parties will jointly defend against any attempt by any PAGA Representative Action Members or by any entity or agency to intervene in this matter or object to/opt-out of this Settlement. The Parties will jointly defend against any appeal filed with respect to the Court's Order approving this Settlement.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 367 Aggrieved Employees who worked a total of 6,586 PAGA Pay Periods.

4.2. Aggrieved Employee Data. Within 15 days of the Effective Date, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee's 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 under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if they discover that the Aggrieved Employee Data omitted 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 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 shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 30 days after the Effective Date.

1 4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the
2 Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA
3 Payments, the LWDA PAGA Payment, the Administration Expenses Payment, PAGA
4 Counsel Expenses Payment, and the PAGA Representative General Release Fee.
5 Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede
6 disbursement of Individual PAGA Payments.

7 4.4.1. The Administrator will issue checks for the Individual PAGA Payments and
8 send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid.
9 The face of each check shall prominently state the date (not less than 180 days after
10 the date of mailing) when the check will be voided. The Administrator will cancel
11 all checks not cashed by the void date. Before mailing any checks, the Settlement
12 Administrator must update the recipients' mailing addresses using the National
13 Change of Address Database.

14 4.4.2. The Administrator must conduct an Aggrieved Employee Address Search
15 for all Aggrieved Employees whose checks are returned undelivered without USPS
16 forwarding address. Within 7 days of receiving a returned check the Administrator
17 must re-mail checks to the USPS forwarding address provided or to an address
18 ascertained through the Aggrieved Employee Address Search. The Administrator
19 need not take further steps to deliver checks to Aggrieved Employees whose re-
20 mailed checks are returned as undelivered. The Administrator shall promptly send a
21 replacement check to any Aggrieved Employee whose original check was lost or
22 misplaced, as requested by the Aggrieved Employee prior to the void date.

23 4.4.3. For any Aggrieved Employee who's Individual PAGA Payment check is
24 uncashed and canceled after the void date, the Administrator shall transmit the funds
25 represented by such checks to the California Controller's Unclaimed Property Fund
26 in the name of the Aggrieved Employee.

27 4.4.4. The payment of Individual PAGA Payments shall not obligate Defendant to
28 confer any additional benefits or make any additional payments to the Aggrieved

1 Employees (such as 401(k) contributions or bonuses) beyond those specified in this
2 Agreement.

3 5. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross
4 Settlement Amount, Plaintiff and the State of California will be deemed to release claims
5 against all Released Parties as follows:

6 5.1 Release of PAGA Claims. Upon funding of the Gross Settlement Amount, the State of
7 California and Plaintiff hereby do and shall be deemed to have fully, finally, and
8 forever released, settled, compromised, relinquished and discharged Released Parties
9 from the claims for civil penalties that could have been sought by the Labor
10 Commissioner for the violations of the California Private Attorneys General Act of
11 2004 ("PAGA") identified in the PAGA Notice and alleged in the Operative
12 Complaint, including but not limited to those predicated on the violation of Labor
13 Code §§ 201-203, 204, 208, 212, 213, 216, 218.5, 221-223, 226, 225.5, 226.6, 226.7,
14 227.3, 245-248.6, 432, 432.5, 432.6, 432.7, 510, 511, 512, 558, 558.1, 1174, 1174.5,
15 1194, 1197, 1197.1, 1198, 1198.5, 1199, 2100-2112, 2802, 2810.5 and Industrial
16 Welfare Commission Orders, based on the facts as alleged in the Complaint, that
17 accrued at any time during the PAGA Period ("Released Claims"). To the extent the
18 LWDA has released the PAGA claims in connection with this Agreement, no
19 Aggrieved Employee may pursue these same PAGA claims released here in another
20 action. The Aggrieved Employees are collaterally estopped from pursuing the PAGA
21 claims released and compromised by the LWDA. After the Court grants final approval
22 of the settlement, Plaintiff will provide the LWDA with a copy of the Judgment. The
23 Aggrieved Employees will be issued checks for their share of the Net Settlement
24 Amount and will not have the opportunity to opt out of, or object to, their Individual
25 PAGA Payments and release of the PAGA Claims set forth in this Paragraph. The
26 Aggrieved Employees are bound by the release of the Released Claims regardless of
27 whether they cash or deposit their Individual PAGA Payments. The express purpose of
28 this Agreement and the Judgment to be entered by the Court following approval of this

1 settlement is to forever bar Plaintiff, the LWDA, and any other individual or entity
2 acting on behalf of or purporting to act on behalf of the LWDA (including all
3 Aggrieved Employees) from asserting any of the Released Claims in any future
4 litigation. It is the intent of the Parties that, to the greatest extent provided by law,
5 including under the holding of *Arias v. Superior Court*, 46 Cal. 4th 969, 986 (2009),
6 the ability of Plaintiff, the State of California or any Aggrieved Employee to bring a
7 PAGA claim on behalf of the LWDA based on the Released Claims is completely and
8 forever foreclosed. Any Party to this Agreement may use the Agreement to assert that
9 this Settlement and the Judgment to be entered by the Court following approval by this
10 settlement bars any later-filed action asserting any of the Released Claims against any
11 of the Released Parties at any time during the PAGA Period.

12 5.2 Plaintiff's General Release of Known and Unknown Claims. Plaintiff and her
13 respective former or present spouse, representatives, agents, attorneys (including
14 PAGA Counsel), heirs, administrators, successors, and assigns generally, release and
15 discharge Released Parties from all claims, transactions, or occurrences without
16 limitation, any and all claims whatsoever regarding Plaintiff's employment and/or the
17 termination of her employment including, but not limited to, any claims for wages,
18 bonuses, severance pay, employment benefits, stock options, violation of any
19 personnel policy, any claims based on discrimination, harassment, unlawful
20 retaliation, violation of public policy, or damages of any kind whatsoever, arising out
21 of any common law torts, contracts, express or implied, any covenant of good faith
22 and fair dealing, any theory of wrongful discharge, any theory of negligence, any
23 theory of retaliation, any legal restriction on Defendant's right to terminate the
24 employment relationship, or any federal, state, or other governmental statute,
25 executive order, regulation or ordinance, or common law, or any other basis
26 whatsoever, to the fullest extent provided by law ("Plaintiff's Release"). Plaintiff's
27 Release does not extend to any claims or actions to enforce this Agreement, or to any
28 claims for vested benefits, unemployment benefits, disability benefits, social security

benefits, workers' compensation benefits that arose at any time. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.2.1 Plaintiff's Waiver of Rights Under California Civil Code Section 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.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) 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 or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents, Operative Complaint, this Agreement, and all facts relevant to any actual or potential conflict of interest with Aggrieved Employees

1 and/or the Administrator. In their Declarations, Plaintiff and PAGA Counsel shall aver
2 that they are not aware of any other pending matter or action asserting claims that will
3 be extinguished or adversely affected by the Settlement.

4 6.2 Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly
5 responsible for expeditiously finalizing and filing the application or motion for
6 approval of this Settlement and, if necessary, obtaining a prompt hearing date for the
7 motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is
8 responsible for delivering the Court's order approving the Settlement to the
9 Administrator.

10 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or
11 motion for approval of this Settlement and/or the supporting declarations and
12 documents, PAGA Counsel and Defense Counsel will expeditiously work together on
13 behalf of the Parties by meeting in person or by telephone, and in good faith, to
14 resolve the disagreement. If the Court does not grant the motion for approval of this
15 Settlement or conditions its approval on any material change to this Agreement,
16 PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the
17 Parties by meeting in person or by telephone, and in good faith, to modify the
18 Agreement and otherwise satisfy the Court's concerns.

19 7. SETTLEMENT ADMINISTRATION.

20 7.1 Selection of Administrator. The Parties have jointly selected Apex to serve as the
21 Administrator and verified that, as a condition of appointment, Apex agrees to be
22 bound by this Agreement and to perform, as a fiduciary, all duties specified in this
23 Agreement in exchange for payment of Administration Expenses. The Parties and
24 their Counsel represent that they have no interest or relationship, financial or
25 otherwise, with the Administrator other than a professional relationship arising out of
26 prior experiences administering settlements.

1 7.2 Employer Identification Number. The Administrator shall have and use its own
2 Employer Identification Number for purposes of calculating payroll tax withholdings
3 and providing reports state and federal tax authorities.

4 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that
5 meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury
6 Regulation section 468B-1.

7 7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to
8 be performed or observed by the Administrator contained in this Agreement or
9 otherwise.

10 8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE.

11 Based on its records, Defendant estimates that there are 367 Aggrieved Employees who
12 worked a total of 6,586 PAGA Pay Periods as of August 26, 2025. If the number of pay
13 periods worked by aggrieved employees during the PAGA Period exceeds 7,245 (i.e., 10 %
14 more than the number of pay periods estimated by Defendant as of August 26, 2025),
15 then, at Defendant’s option, the PAGA Settlement will either increase by 1% for every 1%
16 over the 10% threshold, or the PAGA Period will end on the date the number of pay periods
17 equals 7,245 pay periods.

18 9. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of
19 Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely
20 for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement
21 administration matters, and (iii) addressing such post-Judgment matters as are permitted by
22 law.

23 9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
24 conditions of this Agreement, the Parties, their respective counsel waive all rights to appeal from
25 the Judgment, including all rights to post-judgment and appellate proceedings, the right to file
26 motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver
27 of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If
28 another party appeals the Judgment, the Parties’ obligations to perform under this Agreement will

1 be suspended until such time as the appeal is finally resolved and the Judgment becomes final,
2 except as to matters that do not affect the amount of the Net Settlement Amount.

3 10. ADDITIONAL PROVISIONS.

4 10.1 No Admission of Liability or Representative Manageability for Other Purposes. This
5 Agreement represents a compromise and settlement of highly disputed claims.
6 Nothing in this Agreement is intended or should be construed as an admission by
7 Defendant that any of the allegations in the Operative Complaint have merit or that
8 Defendant have any liability for any claims asserted; nor should it be intended or
9 construed as an admission by Plaintiff that Defendant' defenses in the Action have
10 merit. The Parties agree that representative treatment is for purposes of this Settlement
11 only. If, for any reason the Court does not approve this Settlement, Defendant reserves
12 all available defenses to the claims in the Action, and Plaintiff reserves the right to
13 contest Defendant' defenses. The Settlement, this Agreement and Parties' willingness
14 to settle the Action will have no bearing on, and will not be admissible in connection
15 with, any litigation (except for proceedings to enforce or effectuate the Settlement and
16 this Agreement).

17 10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this
18 Agreement together with its attached exhibits shall constitute the entire agreement
19 between the Parties relating to the Settlement, superseding any and all oral
20 representations, warranties, covenants, or inducements made to or by any Party.

21 10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and
22 represent that they are authorized by Plaintiff and Defendant, respectively, to take all
23 appropriate action required or permitted to be taken by such Parties pursuant to this
24 Agreement to effectuate its terms, and to execute any other documents reasonably
25 required to effectuate the terms of this Agreement including any amendments to this
26 Agreement.

27 10.4 Cooperation. The Parties and their counsel will cooperate with each other and use
28 their best efforts, in good faith, to implement the Settlement by, among other things,

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

7 10.5 No Prior Assignments. The Parties separately represent and warrant that they have not
8 directly or indirectly assigned, transferred, encumbered, or purported to assign,
9 transfer, or encumber to any person or entity and portion of any liability, claim,
10 demand, action, cause of action, or right released and discharged by the Party in this
11 Settlement.

12 10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel
13 are providing any advice regarding taxes or taxability, nor shall anything in this
14 Settlement be relied upon as such within the meaning of United States Treasury
15 Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

16 10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended,
17 modified, changed, or waived only by an express written instrument signed by all
18 Parties or their representatives, and approved by the Court.

19 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure
20 to the benefit of, the successors of each of the Parties.

21 10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be
22 governed by and interpreted according to the internal laws of the state of California,
23 without regard to conflict of law principles.

24 10.10 Cooperation in Drafting. The Parties have cooperated in the drafting and
25 preparation of this Agreement. This Agreement will not be construed against any
26 Party on the basis that the Party was the drafter or participated in the drafting.

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

10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code § 1152 and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendant in connection with 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 Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendant unless, prior to the Administrator's payment of all Settlement Funds, Defendant makes a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data.

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

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

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

To Plaintiff:
Brandon Brouillette
bbrouillette@crosnerlegal.com
Chad Saunders
chad@crosnerlegal.com

1 Zachary M. Crosner
2 zach@crosnerlegal.com
3 CROSNER LEGAL, PC
4 9940 Santa Monica Blvd., Suite 301
5 Beverly Hills, CA 90210
6 Tel: (866) 276-7637
7 Fax: (310) 510-6429

8 To Defendant:

9 Jose-Manuel A. de Castro
10 Tel: 310.270.9877
11 *jmdcastro@decastrolawgroup.com*

12 David G. Larmore
13 Tel: 310.270.9826
14 *dlarmore@decastrolawgroup.com*

15 Lori V. Minassian
16 Tel: 310.270.9879
17 *lminassian@decastrolawgroup.com*

18 DE CASTRO LAW GROUP, P.C.
19 7590 N. Glenoaks Blvd., Suite 201,
20 Los Angeles, CA 91504
21 Fax: 310.341.2330

22 10.16 Execution in Counterparts. This Agreement may be executed in one or more
23 counterparts by facsimile, electronically (i.e., DocuSign), or by email, which, for
24 purposes of this Agreement, shall be accepted as an original. All executed
25 counterparts and each of them will be deemed to be one and the same instrument if
26 counsel for the Parties will exchange between themselves, signed counterparts. Any
27 executed counterpart will be admissible in evidence to prove the existence and
28 contents of this Agreement.

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

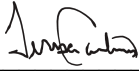
10.18 Subject to the obligation(s) of mutual full cooperation set out in the Settlement
Agreement, either Plaintiff or Defendant may nullify this Settlement: (1) if after
submitting to settle as set forth in the Settlement any Court declines to enter Approval

1 or judgment in substantially the form submitted by the Parties; or (2) if the Settlement
2 as agreed does not become final because of appellate court action. The nullifying party
3 shall give to the other party (through its/their counsel) written notice of its decision to
4 nullify no later than fourteen (14) calendar days after receiving notice that one of the
5 enumerated events has occurred. However, prior to nullifying this Settlement, the
6 Parties will first make a good faith effort to address the issues brought up by the Court
7 and/or appellate court. Nullification shall have the following effects:

- 8 • The Settlement shall be terminated and shall have no force or effect, and no
9 party shall be bound by any of its terms.
- 10 • If the Settlement is terminated, Defendant shall have no obligation to make
11 any payments to any party, class member, or attorney.
- 12 • Approval shall be vacated.
- 13 • The Settlement and all negotiations, statements and proceedings relating
14 thereto shall be without prejudice to the rights of any of the Parties, all of
15 whom shall be restored to their respective positions prior to the Settlement.
- 16 • Except as otherwise discoverable, neither the Settlement nor any ancillary
17 documents, actions, statements or filings in furtherance of settlement
18 (including all matters associated with the mediation) shall be admissible or
19 offered into evidence in the Action or any other action for any purpose
20 whatsoever.

21
22 Plaintiff:

23 Dated: November 21, 2025

By: 

24 Teresa Cardenas
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Dated: November 24, 2025

CROSNER LEGAL, PC

By: 

Chad Saunders

Attorneys for Plaintiff

Defendant:

Shields Skilled Care LLC

Dated: October __, 2025

By: _____

[Name, Title]

APPROVED AS TO FORM:

DE CASTRO LAW GROUP, P.C.

Defendant's Counsel:

By: _____

Dated: October __, 2025

Jose-Manuel A. de Castro

Attorneys for Defendant

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Chad Saunders
Attorneys for Plaintiff

Defendant:
SSC
Dated: ~~October~~ *November*, 2025
19

Shields Skilled Care LLC

By: *[Signature]*
[Name, Title]

APPROVED AS TO FORM:

Defendant's Counsel:

Dated: October __, 2025

DE CASTRO LAW GROUP, P.C.

By: _____
Jose-Manuel A. de Castro

Attorneys for Defendant