

## JOINT STIPULATION AND SETTLEMENT AGREEMENT

Subject to final approval by the Court, this Settlement Agreement is between Plaintiff Sarah Blount (“Plaintiff”) and Defendant Host Healthcare, Inc. (“Defendant”). Plaintiff and Defendant collectively are referred to in this Agreement as the “Parties.”

### I. DEFINITIONS

In addition to the other terms defined in this Agreement, the terms below have the following meaning:

- A. **Administration Costs**: The costs incurred by the Settlement Administrator to administer this Settlement, which is currently estimated at \$10,000, shall not exceed \$15,000. All Administration Costs shall be paid from the Qualified Settlement Fund.
- B. **Agreement, Settlement Agreement, Joint Stipulation, or Settlement**: The settlement agreement reflected in this document, titled “Joint Stipulation and Settlement Agreement.”
- C. **Attorney Fee Award**: The amount, not to exceed 30% of the Gross Settlement Amount, finally approved by the Court and awarded to Class Counsel. The Attorney Fee Award shall be paid from the Qualified Settlement Fund and will not be opposed by Defendant.
- D. **Case, Lawsuit or Class Action**: The lawsuit filed by Plaintiff Sarah Blount on November 16, 2020 entitled *Sarah Blount v. Host Healthcare, Inc.*, Case No. 37-2020-00041775-CU-OE-CTL in the State of California, San Diego County Superior Court, which case was removed by Defendant on February 19, 2021 to United States District Court - Southern District of California, and bears Case No. 21-CV-310-MMA (WVG).
- E. **Class**:
  - i. **Class Definition**: All individuals who worked for Host Healthcare in California as a non-exempt or hourly employee at any time during the Class Period, including corporate employees and travel nurses.
  - ii. Defendant represents that there are approximately 926 Class Members in the Class who worked approximately 42,490 workweeks as of May 16, 2021.
- F. **Class Counsel**: Nicholas J. Ferraro and Lauren Vega of Ferraro Vega Employment Lawyers, Inc.

- G. **Class Member**: Each person eligible to participate in this Settlement who is a member of the Class as defined above.
- H. **Class Notice or Notice**: The Notice of Class Action Settlement, substantially similar to the form attached hereto as **Exhibit A**, subject to Court approval.
- I. **Class Period**: The time period from November 16, 2016 to the date of the Preliminary Approval.
- J. **Class Representative or Plaintiff**: Sarah Blount.
- K. **Class Representative Service Payment**: The amount the Court awards to Plaintiff Sarah Blount for her service as a Class Representative, which will not exceed \$10,000. The payment shall be paid from the Qualified Settlement Fund and will not be opposed by Defendant. This Service Payment is subject to approval of the Court. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.
- L. **Complaint**: The complaint filed by Plaintiff Sarah Blount in the case entitled *Sarah Blount v. Host Healthcare, Inc.*, Case No. 37-2020-00041775-CU-OE-CTL in the State of California, San Diego County Superior Court, which include the original complaint filed on November 16, 2020, and the First Amended Complaint filed on January 4, 2021.
- M. **Cost Award**: The amount that the Court awards Class Counsel for payment of actual litigation costs, which shall not exceed \$10,000.00. The Cost Award will be paid from the Qualified Settlement Fund and will not be opposed by Defendant. The Cost Award is subject to Court approval. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.
- N. **Counsel for Defendant**: Attorney Craig Schloss of Cozen O'Connor.
- O. **Court**: United States District Court – Southern District of California.
- P. **Defendant**: Host Healthcare, Inc.
- Q. **Effective Final Settlement Date**: The effective date of this Settlement will be when the final approval of the settlement can no longer be appealed, or, if there are no objectors and no Plaintiff in intervention at the time the Court grants final approval of the settlement, the date the court enters judgment granting final approval of the settlement.
- R. **Eligible Aggrieved Employees**: The aggrieved employees eligible to recover the PAGA payment shall consist of all current and former hourly-paid or non-

exempt employees, including those employed as travel nurses and corporate employees, employed by Defendant within the State of California between October 22, 2019 through the Preliminary Approval (“PAGA Period”).

- S. **Exclusion Form**: The Election Not To Participate or Opt-out Form, substantially similar to the form attached hereto as **Exhibit B**, subject to Court approval.
- T. **Judgment or Final Approval**: The final order entered by the Court finally approving this Agreement.
- U. **Gross Settlement Amount or GSA**: The total value of the Settlement is a non-reversionary One Million Five Hundred Fifty Thousand Dollars and Zero Cents (\$1,550,000.00). This is the gross amount Defendant can be required to pay under this Settlement Agreement subject to the pro rata provisions of this Agreement, which includes without limitation: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) Attorney Fee Award and Cost Award to Class Counsel for attorneys’ fees and costs, as approved by the Court; (3) the Class Representative Service Payment paid to the Class Representative, as approved by the Court; (4) Administration Costs, as approved by the Court; and (5) the PAGA Payment to the LWDA and to Participating Class Members, as approved by the Court. No portion of the Gross Settlement Amount will revert to Defendant for any reason. Defendant’s portion of payroll taxes on the wage portion of the Class Members’ Individual Settlement Shares is not included in the Gross Settlement Amount and shall be paid separate from the Gross Settlement Amount.
- V. **Individual Settlement Share(s)**: The amount payable to each Participating Class Member under the terms of this Settlement Agreement. Class Members are not required to submit a claim form to receive their Individual Settlement Shares pursuant to this Agreement. Rather, Participating Class Members will receive an Individual Settlement Share automatically, without the return of a claim form.
- W. **LWDA**: California Labor and Workforce Development Agency.
- X. **Net Settlement Amount or NSA**: The total amount of money available for payout to Participating Class Members, which is the GSA less the Attorney Fee Award, Cost Award, Class Representative Service Payment, and the portion of the PAGA Payment paid to the LWDA and Administration Costs. In other words, the NSA is the portion of the GSA that will be distributed to Class Members who do not request exclusion from the Settlement.
- Y. **PAGA**: The California Labor Code Private Attorneys General Act of 2004 (Cal. Labor Code §§ 2698 *et seq.*).

- Z. PAGA Payment:** The PAGA Payment consists of \$50,000 of the Gross Settlement Amount allocated to satisfy the PAGA penalties claim as alleged in the Class Action. Seventy-five percent (75%) of the PAGA Payment (\$37,500) shall be paid to the LWDA, and twenty-five percent (25%) (\$12,500) of the PAGA Payment shall be part of the Net Settlement Amount distributed to Eligible Aggrieved Employees, on a pro rata basis, as set forth below.
- AA. Participating Class Members:** All Class Members who do not submit a valid and timely request to exclude themselves from this Settlement.
- BB. Parties:** Plaintiff Sarah Blount as an individual and as Class Representative, and Defendant Host Healthcare, Inc.
- CC. Preliminary Approval or Preliminary Approval Order:** The Court's order preliminarily approving the proposed Settlement.
- DD. Qualified Settlement Fund or QSP:** A fund within the meaning of Treasury Regulation § 1.46B-1, 26 C.F.R. § 1.468B-1 et seq., that is established by the Settlement Administrator for the benefit of Participating Class Members, Plaintiff and Class Counsel.
- EE. Released Claims as to All Participating Class Members:** Upon the Final Approval Date and payment by Defendant of the Gross Settlement Amount to the Settlement Administrator, Plaintiff and Participating Class Members waive, release, discharge, and promise never to assert in any forum against Defendant, its parents, subsidiaries, predecessors or successors in interest, joint employers, or the officers, directors, shareholders, or employees, of any of them, all claims that are asserted, or could have been reasonably asserted, against Defendant based on the factual allegations in the First Amended Complaint, arising or accruing during the Class Period, including but not limited to, that Defendant (a) failed to pay overtime wages; (b) failed to pay minimum wages or to pay wages for all hours worked; (c) failed to provide compliant meal and rest periods and pay associated premium pay; (d) failed to timely pay all wages upon termination; (e) failed to timely pay wages during employment; (f) failed to provide legally-compliant or accurate wage statements; (g) failed to pay employee expenses or reimbursements incidental to employment; (h) unlawfully manipulated time clock and time sheets to deduct from hours work or avoid meal period violations; (i) failed to correctly pay overtime wages by failing to include bonuses, commissions, or any other forms of remuneration including stipend payments which are required to be included in calculating the overtime premium rate; (i) engaged in any or all of the aforementioned conduct and violated or is liable under the California Labor Code, as alleged or could have been reasonably alleged in the First Amended Complaint including the PAGA claims (causes of action 10 through 18) including but not limited to, Sections 200, 201, 202, 203, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 2802, or is recoverable under Cal Code tit. 5 section

110959 (California Wage Order 5-2001) or California Business & Professions Code § 17200 et seq. (in connection with the Labor Code violations asserted or that could have been asserted based on the factual allegations in the First Amended Complaint), California Civil Code § 3278, and California Code of Civil Procedure § 1021.5; and (l) for individuals employed during the PAGA Period, all asserted PAGA claims arising out of the Labor Code violations alleged in the First Amended Complaint or the LWDA notice under California Labor Code § 2698 et seq. (hereinafter collectively referred to as the “Released Claims”). The release only applies to periods of time when Class Members were members of the Class (i.e., excluding periods of time in an exempt position or when employed outside of California).

- FF. **Released Parties:** Defendant and its past or present officers, directors, shareholders, employees, joint employers, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys.
- GG. **Response Deadline:** Forty-five (45) calendar days from the initial mailing of the Notice.
- HH. **Settlement Administration:** The Settlement Administrator will conduct a skip trace for the address of all former employee Class Members. The Settlement Administrator will mail the Notice by first class U.S. mail to all Class Members at the address Defendant has on file for those Class Members or at the address resulting from a skip trace. The Notice will inform Class Members that they have until the Response Deadline to either object to the Settlement or to opt-out of the Settlement. Any Class Member who does not receive Notice after the steps outlined above have been taken will still be bound by the Settlement and/or Judgment.
- II. **Settlement Administrator:** The third party administrator agreed upon by Parties to administer this Settlement is Simpluris, Inc.

## II. **RECITALS**

- A. **Benefits of Settlement to Class Members.** Plaintiff and Class Counsel recognize the expense and length of continued proceedings necessary to continue the litigation against Defendant through trial and through any possible appeals. Plaintiff and Class Counsel also have taken into account the uncertainty and risk of further litigation, the potential outcome, and the difficulties and delays inherent in such litigation. Plaintiff and Class Counsel have conducted extensive evaluation and settlement negotiations, including before, during, and after two Early Neutral Evaluation conferences conducted before Magistrate Judge William V. Gallo on April 14, 2021 and May 18, 2021.

Based on the foregoing, Plaintiff and Class Counsel believe the Settlement set forth in this Agreement is a fair, adequate, and reasonable settlement, and is in the best interests of the Class Members.

- B. Defendant's Reasons for Settlement.** Defendant recognizes that the defense of this litigation will be protracted and expensive. Substantial amounts of time, energy, and resources of Defendant have been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiff. Defendant, therefore, has agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the Released Claims.
- C. Defendant's Denial of Wrongdoing.** Defendant generally and specifically 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 contends that for any purpose other than settlement, the Complaint is not appropriate for class treatment. Defendant asserts a number of defenses to the claims, and has denied any wrongdoing or liability arising out of any of the alleged facts or conduct in the Complaint. Neither this Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Agreement, is or may be construed as, or may be used as an admission, concession, or indication by or against Defendant or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. Nor should the Agreement be construed as an admission that Plaintiff can serve as an adequate Class Representative in the event the Settlement is not approved by the Court and the matter is litigated instead of resolved. There has been no final determination by any court as to the merits of the claims asserted by Plaintiff against Defendant or as to whether a class or classes should be certified, other than for settlement purposes only.
- D. Plaintiff's Claims.** 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 Class Action. However, in the event that this Settlement is finally approved by the Court, none of Plaintiff, Class Members, or Class Counsel will oppose Defendant's efforts to use this Agreement to prove that Plaintiff and Class Members have resolved and are forever barred from re-litigating the Released Claims under the terms of this Settlement.

### **III. SETTLEMENT TERMS AND CONDITIONS**

- A. Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the Gross Settlement Amount that Defendant is obligated to pay under this Settlement Agreement is One Million Five Hundred Fifty Thousand Dollars and Zero Cents (\$1,550,000.00).

- B. Notice to the Labor and Workforce Development Agency (“LWDA”).** On October 22, 2020, Plaintiff filed and served her Notice of Labor Code Violations Pursuant to Labor Code Section 2699.3 and did not receive notice from the LDWA that it will investigate. Thus, Plaintiff has satisfied her notice and administrative exhaustion obligations under the PAGA.
- C. Class Certification.** Solely for the purposes of this Settlement, the Parties stipulate and agree to certification of the claims asserted on behalf of Class Members. As such, the Parties stipulate and agree that in order for this Settlement to occur, the Court must certify the Class as defined in this Agreement.
- D. 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 purposes of this Settlement only. If the Settlement does not become effective, the fact that the Parties were willing to stipulate to certification as part of the Settlement 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 Class Action or in any other lawsuit. If the Settlement does not become effective, Defendant reserves the right to contest any issues relating to class certification and liability.
- E. Appointment of Class Representative.** Solely for the purposes of this Settlement, the Parties stipulate and agree Plaintiff shall be appointed as the representative for the Class.
- F. Appointment of Class Counsel.** Solely for the purpose of this Settlement, the Parties stipulate and agree that the Court appoint Class Counsel to represent the Class.
- G. Individual Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay an Individual Settlement Share from the Net Settlement Amount to each Participating Class Member.

**1. Calculation.**

- a. Individual Settlement Share Calculation.** Each Participating Class Member will receive a proportionate share of the Net Settlement Amount that is equal to (i) the number of weeks he or she was employed as a non-exempt employee or hourly worker by Defendant in California during the Class Period based on the Class data provided by Defendant, divided by (ii) the total number of weeks worked by any and all Participating Class Members during the Class Period based on the same Class data, which is then multiplied by the Net Settlement Amount. One day worked in a

given week will be credited as a week for purposes of this calculation. Therefore, the value of each Participating Class Member's Individual Settlement Share ties directly to the amount of weeks that he or she worked.

2. **Tax Withholdings.** Each Participating Class Member's Individual Settlement Share will be apportioned as follows: 20% wages and 80% interest, penalties, and reimbursements. The amounts paid as wages shall be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and shall be reported by W-2 forms. Payment of all amounts will be made subject to backup withholding unless a duly executed W-9 form is received from the payee(s). The amounts paid as penalties and interest shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and shall be reported by IRS 1099 forms. The employees' share of payroll tax withholdings shall be withheld from each persons' Individual Settlement Share.

**H. Pro Rata Adjustment to GSA.** As of May 16, 2021, Defendant represents that there are approximately 926 Class Members in the Class who worked approximately 42,490 workweeks. However, if the total workweeks increases by more than 10% (in excess of 46,739 workweeks) as of the end of the Class Period, there will be a pro rata adjustment to the Gross Settlement Amount per additional workweek over 42,490.

**I. Settlement Disbursement.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will make the following payments out of the Gross Settlement Amount:

1. **To the Plaintiff, Sarah Blount** In addition to her Individual Settlement Share, and subject to the Court's approval, Plaintiff Sarah Blount will receive up to Ten Thousand Dollars and Zero Cents (\$10,000.00) as a Class Representative Service Payment. The Settlement Administrator will pay the Class Representative Service Payment out of the Qualified Settlement Fund. An IRS Form 1099 will be issued to Plaintiff with respect to her Class Representative Service Payment. In the event the Court does not approve the entirety of the application for the Class Representative Service Payment, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendant nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. 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.
2. **To Class Counsel.** Class Counsel will apply to the Court for, and Defendant agrees not to oppose, a total Attorney Fee Award not to exceed thirty

percent (30%) of the GSA and a Cost Award not to exceed \$10,000.00. The Settlement Administrator will pay the court-approved amounts for the Attorney Fee Award and Cost Award out of the Gross Settlement Fund. The Settlement Administrator may purchase an annuity to utilize US treasuries and bonds or other attorney fee deferral vehicles for Class Counsel. Payroll tax withholding and deductions will not be taken from the Attorney Fee Award or the Cost Award. IRS Forms 1099 will be issued to Class Counsel with respect to these payments.. If the amount awarded for the Attorney Fee and/or Cost Award is less than the amount requested by Class Counsel for the Attorney Fee Award and/or Cost Award, the difference shall become part of the NSA and be available for distribution to Participating Class Members and neither Defendant nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded.

3. **To the Responsible Tax Authorities.** The Settlement Administrator will pay the amount of the Participating Class Members' portion of normal payroll withholding taxes out of each person's Individual Settlement Share. The Settlement Administrator will calculate the amount of the Participating Class Members' and Defendant's portion of payroll withholding taxes. The Settlement Administrator will submit Defendant's portion of payroll withholding tax and forward those amounts along with each person's Individual Settlement Share withholdings to the appropriate taxing authorities.
4. **To the Settlement Administrator.** The Settlement Administrator will pay to itself Administration Costs (reasonable fees and expenses) approved by the Court not to exceed \$15,000. This will be paid out of the Qualified Settlement Fund. If the actual amount of Administration Costs 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.
5. **To Class Members.** The Settlement Administrator will pay Participating Class Members according to the Individual Settlement Share calculations set forth above. All payments to Participating Class Members shall be made from the Qualified Settlement Fund.
6. **To Eligible Aggrieved Employees.** The Settlement Administrator shall pay each eligible aggrieved employee according to their proportional share, which will be calculated and will be based upon the total number of workweeks he or she worked during the PAGA Period. The individual share will be calculated by determining the total number of workweeks the Eligible Aggrieved Employees were employed during the PAGA Period (i.e., the sum of all workweeks of employment for each eligible aggrieved employee), and then the \$12,500 amount allocated to Eligible Aggrieved Employees will be divided by that number to determine the monetary value

assigned to each workweek. That number will then be multiplied by the individual eligible aggrieved employee's total number of workweeks employed during the PAGA Period to determine that individual's proportional share.

**J. Appointment of Settlement Administrator.** Solely for the purposes of this Settlement, the Parties stipulate and agree that Simpluris, Inc. shall be retained to serve as Settlement Administrator. The Settlement Administrator shall be responsible for preparing, printing, and mailing the Notice to the Class Members; keeping track of any objections or requests for exclusion from Class Members; performing skip traces and re-mailing Notices and Individual Settlement Shares to Class Members; calculating any and all payroll tax deductions as required by law; calculating each Class Member's Individual Settlement Share; providing weekly status reports to Defendant's Counsel and Class Counsel, which is to include updates on any objections or requests for exclusion that have been received; providing a due diligence declaration for submission to the Court prior to the Final Approval hearing; mailing Individual Settlement Shares to Participating Class Members; calculating and mailing the aggrieved employees Payment to the LWDA; distributing the Attorney Fee Award and Cost Award to Class Counsel; printing and providing Class Members and Plaintiff with W-2s and 1099 forms as required under this Agreement and applicable law; providing a due diligence declaration for submission to the Court upon the completion of the Settlement; providing any funds remaining in the QSF as a result of uncashed checks to the California State Controller's Office's Unclaimed Property Division, including the administration of related tax reimbursements; and for such other tasks as the Parties mutually agree. The Parties each represent that they do not have any financial interest in Simpluris, Inc. or otherwise have a relationship with Simpluris, Inc. that could create a conflict of interest.

**K. CIRCULAR 230 DISCLAIMER.** Each Party to this Agreement (for purposes of this section, the "Acknowledging Party" and each Party to this Agreement other than the Acknowledging Party, an "Other Party") acknowledges and agrees that:

- (1) No provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisors, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of U.S. Treasury Dept. Circular 230 (31 C.F.R. Part 10, as amended);
- (2) The Acknowledging Party (a) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any Other Party or any attorney or advisor to any Other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any Other Party to avoid any tax penalty that may be imposed on the Acknowledging Party; and
- (3) No attorney or advisor to any Other Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies

(regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

## **L. 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 date for the Final Approval hearing, and approving the Class Notice and Exclusion Form. Class Counsel will submit to Defendant's counsel for approval drafts of the Motion for Preliminary Approval of settlement and the Class Notice and Exclusion Form ("Notice Packets") to Class Members at least five business days prior to filing.
- b.** At the Preliminary Approval hearing, the Plaintiff will appear, support the granting of the motion, and submit a proposed Order granting conditional certification of the Class and Preliminary Approval of the Settlement; appointing the Class Representative, Class Counsel, and Settlement Administrator; approving the Class Notice; and setting the Final Approval hearing.
- c.** Should the Court decline 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 under it, unless Plaintiff is permitted to file a renewed motion or provide supplemental briefing, in which case Plaintiff shall be permitted to file the same without the Agreement becoming null and void in the interim period. .

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

- a.** Within Fifteen (15) calendar days after entry of the Preliminary Approval Order, Defendant shall deliver to the Settlement Administrator an electronic database, which will list for each Class Member: (1) first and last name; (2) last known mailing address and e-mail address; (3) social security number; (4) hire and termination dates; (5) the total number of weeks during which the Class Member performed any actual work during the Class Period as a member of the Class; and (6) number of weeks worked during the PAGA Period. ("Database"). If any or all of this information is unavailable to Defendant, Defendant will so inform

Class Counsel and the Parties will make their best efforts to reconstruct or otherwise agree upon how to deal with the unavailable information. The Settlement Administrator will conduct a skip trace for the address of all former employee Class Members. The Database shall be based on Defendant's payroll, personnel, and other business records. The Settlement Administrator shall maintain the Database and all data contained within the Database as private and confidential.

- b.** Within twenty-one (21) calendar days after entry of the Preliminary Approval Order, the Settlement Administrator will mail the Class Notice to all identified Class Members via first-class regular U.S. Mail using the mailing address information provided by Defendant and the results of the skip trace performed on all former employee Class Members.
- c.** If a Class Notice is returned because of an incorrect mailing address, within ten (10) days from receipt of the returned Notice, the Settlement Administrator will conduct a search for a more current address for the Class Member and re-mail the Class Notice to the Class Member. The Settlement Administrator will use the National Change of Address Database and skip traces to attempt to find the current address. The Settlement Administrator will be responsible for taking reasonable steps to trace the mailing address of any Class Member for whom a Class Notice is returned by U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum, the tracking of all undelivered mail; performing address searches for all mail returned without a forwarding address; and promptly re-mailing to Class Members for whom new addresses are found. If the Settlement Administrator is unable to locate a better address, the Class Notice shall be re-mailed to the original address. If the Class Notice is re-mailed, the Settlement Administrator will note for its own records the date and address of each re-mailing. Those Class Members who receive a re-mailed Class Notice, whether by skip-trace or forwarded mail, will have between the later of (a) an additional ten (10) days or (b) the Response Deadline to postmark an Exclusion Form, or file and serve an objection to the Settlement. The Settlement Administrator shall mark on the envelope whether the Class Notice is a re-mailed notice.
- d.** Class Members may dispute the information provided in their Class Notice, but must do so in writing, via first class mail, and it must be postmarked by the Response Deadline. To the extent Class Members dispute the number of weeks to which they have been credited or the amount of their Individual Settlement Share,

Class Members must produce evidence to the Settlement Administrator showing that such information is inaccurate. Absent evidence rebutting Defendant's records, Defendant's records will be presumed determinative. However, if a Class Member produces evidence to the contrary, the Parties will evaluate the evidence submitted by the Class Member and will make the final decision as to the number of eligible weeks that should be applied and/or the Individual Settlement Share to which the Class Member may be entitled.

- e. If any Exclusion Form received is incomplete or deficient, the Settlement Administrator shall send a letter informing the Class Member of the deficiency and allow fourteen (14) days to cure the deficiency. If after the cure period the Exclusion Form is not cured, it will be determined that the Class Member did not exclude himself or herself from the Settlement and will be bound by the Settlement.
- f. The Settlement Administrator shall provide a weekly status report to the Parties. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Defendant's Counsel of the number of Notice Packets mailed, the number of Notice Packets returned as undeliverable, the number of Notice Packets re-mailed, and the number of Exclusion Forms received.
- g. No later than fourteen (14) calendar days after the Response Deadline, the Settlement 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 Settlement Administrator shall also be filed with the Court by Class Counsel no later than ten (10) calendar days before the Final Approval hearing. Before the Final Approval hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

**3. Objections to Settlement.** The Class Notice will provide that the Class Members who wish to object to the Settlement must do so in writing, signed, dated, and mailed to the Settlement Administrator postmarked no later than the Response Deadline. The timeframe to submit an objection will not be increased for returned mailings.

- a. **Format.** Any Objections shall state: (a) the objecting person's full name, address, and telephone number; (b) the words "Notice of Objection" or "Formal Objection;" (c) describe, in clear and concise terms, the legal and factual arguments supporting the

objection; (d) list identifying witness(es) the objector may call to testify at the Final Approval hearing; and (e) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval hearing.

- b. Notice of Intent to Appear.** Class Members who file objections to the Settlement may (though are not required to) appear at the Final Approval Hearing, either in person or through the objector's own counsel.

- 4. Request for Exclusion from the Settlement ("Opt-Out").** The Class Notice will provide that Class Members who wish to exclude themselves from the Settlement must mail to the Settlement Administrator an Exclusion Form. The written request for exclusion must: (a) include the Class Member's name, address, and last four digits of the social security number; (b) be addressed to the Settlement Administrator; (c) be signed by the Class Member or his or her lawful representative; and (d) be postmarked no later than the Response Deadline.

- a. Confirmation of Authenticity.** If there is a question about the authenticity of a signed request for exclusion, the Settlement Administrator may demand additional proof of the Class Member's identity. Any Class Member who returns a timely, valid, and executed Exclusion Form will not participate in or be bound by the Settlement and Judgment and will not receive an Individual Settlement Share. A Class Member who does not complete and mail a timely Exclusion Form will automatically be included in the Settlement, will receive an Individual Settlement Share, and be bound by all terms and conditions of the Settlement, if the Settlement is approved by the Court, and by the Judgment, regardless of whether he or she has objected to the Settlement.
- b. Report.** No later than seven (7) calendar days after the Response Deadline, the Settlement Administrator will provide the Parties with a complete and accurate accounting of the number of Notices mailed to Class Members, the number of Notices returned as undeliverable, the number of Notices re-mailed to Class Members, the number of re-mailed Notices returned as undeliverable, the number of Class Members who objected to the Settlement and copies of their submitted objections, the number of Class Members who returned valid requests for exclusion, and the number of Class Members who returned invalid requests for exclusion.
- c. Defendant's Option to Terminate.** If more than ten percent (10%) of the Class Members submit Exclusion Forms, Defendant,

at its sole option, may withdraw from the Settlement and this Agreement is null and void.

**5. No Solicitation of Objection or Requests for Exclusion.** Neither the Parties nor their respective counsel will solicit or otherwise encourage directly or indirectly any Class Member to object to the Settlement, request exclusion from the Settlement, or appeal from the Judgment.

**6. Motion for Final Approval.**

- a.** Class Counsel will file an unopposed motion and memorandum in support thereof for Final Approval of the Settlement and the following payments in accord with the terms of the Settlement: (1) the Attorney Fee Award; (2) the Cost Award; (3) Administrative Costs; (4) the Class Representative Service Payment; and (5) PAGA Payment. Class Counsel will also move the Court for an order of Final Approval (and associated entry of Judgment) releasing and barring any Released Claims of the Class Members who do not opt out of the Settlement.
- b.** If the Court does not grant Final Approval of the Settlement, or if the Court's Final Approval of the Settlement is reversed or materially modified on appellate review, then either Party shall have the independent right, but not the obligation, to void the Settlement, thus rendering it null and void. If that occurs, the Parties will have no further obligations under the Settlement, including any obligation by Defendant to pay the Gross Settlement Amount or any amounts that otherwise would have been owed under this Agreement. Further, should this occur, the Party electing to void the Settlement shall bear the Settlement Administrator's Administration Costs through that date, unless the Parties mutually agree to void the Settlement, in which case they shall be equally responsible for the Settlement Administrator's Administration Costs through that date. An award by the Court of a lesser or higher amount than requested by Plaintiff and Class Counsel for the Class Representative Service Payment, the Attorney Fee Award, and/or the Cost Award, will not constitute a material modification to the Settlement within the meaning of this paragraph.
- c.** Upon Final Approval of the Settlement, the Parties shall present to the Court a proposed Final Approval Order, approving the Settlement and entering Judgment in accordance therewith. After entry of Judgment, the Court shall have continuing jurisdiction over the Class Action for purposes of: (1) enforcing this Settlement Agreement; (2) addressing settlement administration

matters, and (3) addressing such post-Judgment matters as may be appropriate under Court rules and applicable law.

7. **Vacating, Reversing, or Modifying Judgment on Appeal.** If, after a notice of appeal, the reviewing court vacates, reverses, or modifies the Judgment such that there is a material modification to the Settlement, and that court's decision is not completely reversed and the Judgment is not fully affirmed on review by a higher court, then either Party shall have the right but not the obligation to void this Settlement, thus rendering it null and void, in which case the Parties will have no further obligations under it. A material modification would include, but not necessarily be limited to, any alteration of the Gross Settlement Amount, except as provided in the pro rata increase portions of this Agreement.
8. **Disbursement of Settlement Shares and Payments.** Subject to the Court finally approving the Settlement, the Settlement Administrator shall distribute funds pursuant to the terms of this Agreement and the Court's Final Approval Order and Judgment. The maximum amount Defendant can be required to pay under this Settlement for any purpose is the Gross Settlement Amount. The Settlement Administrator shall keep Defendant's Counsel and Class Counsel apprised of all distributions from the Gross Settlement Amount. The Settlement Administrator shall respond to questions from Defendant's Counsel and Class Counsel.
  - a. **Funding the Settlement:** No later than twenty-one (21) calendar days after the date the court enters judgment granting final approval of the settlement, Defendant shall deposit the Gross Settlement Amount of One Million Five Hundred Fifty Thousand Dollars and Zero Cents (\$1,550,000.00) needed to pay the entire GSA and an amount for Defendant's portion of payroll taxes on the wage portion of the Class Members' Individual Settlement Shares which is not included in the Gross Settlement Amount, by wiring the funds to the Settlement Administrator. In the event there are objectors to the Joint Stipulation and Settlement Agreement, payment shall be made within twenty-one (21) calendar days after the time to appeal has run or all appeals have been exhausted, whichever occurs later. Defendant shall also at this time provide any tax information that the Settlement Administrator may need to calculate each Participating Class Members' Individual Settlement Share.
  - b. **Disbursement:** Within fourteen (14) calendar days after the Funding of the Settlement, the Settlement Administrator shall calculate and pay all payments due under the Settlement Agreement, including all Individual Settlement Shares, the Attorney Fee Award, the Cost Award, the Class Representative

Service Payment, the PAGA Payment, and the Administration Costs. The Settlement Administrator will forward a check for 75% of the PAGA Payment to the LWDA for settlement of the PAGA claim. After such payment, Defendant shall have no liability for PAGA claims by or on behalf of Participating Class Members during the Class Period, which are released under this Agreement.

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

**9. Uncashed Checks.** Participating Class Members must cash or deposit their Individual Settlement Share 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 Settlement 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, and offer to replace the check if it was lost or misplaced. If any checks remain uncashed or not deposited by the expiration of the 90-day period after mailing the reminder notice, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, pay the amount of the Individual Settlement Share in the Participating Class Member’s name to the California State Controller’s Office’s Unclaimed Property Division so that the Participating Class Member will have his or her Individual Settlement Share available to him or her per the applicable claim procedure to request that money from the State of California.

**10. Final Report by Settlement Administrator.** Within ten (10) calendar days after the disbursement of all funds, the Settlement Administrator will serve on the Parties a declaration providing a final report on the disbursements of all funds.

**11. Defendant’s Legal Fees.** Defendant is responsible for paying for all of Defendant’s own legal fees, costs, and expenses incurred in this Class Action outside of the Gross Settlement Fund.

**M. Release of Claims.** As of the Effective Final Settlement Date, Class Members, who do not submit a timely and valid request for exclusion, hereby release, remise and forever discharge the Released Parties from the Released Claims for the respective

Class Periods. Participating Class Members agree not to sue or otherwise make a claim against any of the Released Parties for any of the Released Claims.

**N. Release of PAGA Claims.** As of the Effective Final Settlement Date, this settlement forever bars Plaintiff, the LWDA, and any other representative, proxy, or agent thereof, including, but not limited to, any and all Eligible Aggrieved Employees during the PAGA Period, from pursuing any action under the California Labor Code Private Attorneys General Act of 2004 (“PAGA”), Labor Code §§ 2698, *et seq.*, against, the Released Parties based on or arising out of alleged violations of Labor Code sections alleged in the Case.

**O. Plaintiff’s Release of Claims.** As of the Effective Final Settlement Date, and in exchange for the Class Representative Service Payment to the Plaintiff in an amount not to exceed \$10,000.00 (Ten Thousand Dollars and No Cents) in recognition of her work and efforts in obtaining the benefits for the Class, and undertaking the risk for the payment of costs in the event this matter had not successfully resolved, Plaintiff hereby waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a claim in which Defendant or any of the other Released Parties identified in this Settlement Agreement is a party.

**P. Miscellaneous Terms**

**1. No Admission of Liability.** Defendant makes no admission of liability or wrongdoing by virtue of entering into this Agreement. Additionally, Defendant reserves the right to contest any issues relating to class certification and liability if the Settlement is not approved. Defendant denies that it has engaged in any unlawful activity, has failed to comply with the law in any respect, has any liability to anyone under the claims asserted in the Complaint, or that but for the Settlement, a Class should be certified in the Class Action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant of liability or wrongdoing. This Settlement and Plaintiff’s and Defendant’s willingness to settle the Class Action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with this Settlement).

**2. No Effect on Employee Benefits.** The Class Representative Service Payment and/or Individual Settlement Shares paid to Plaintiff and Participating Class Members shall not be deemed to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (*e.g.*, vacation, holiday pay, retirement plans, etc.) of Plaintiff or the Participating Class Members. The Parties agree that any Class Representative Service Payment and/or Individual

Settlement Shares paid to Plaintiff or the Participating Class Members under the terms of this Agreement do not represent any modification of Plaintiff's or Participating Class Members' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendant. Further, any Class Representative Service Payment shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by Defendant.

3. **Publicity.** Class Counsel and Plaintiff agree to discuss the terms of this Settlement only in declarations submitted to a court to establish Class Counsel's adequacy to serve as class counsel, in declarations submitted to a court in support of motions for preliminary approval, Final Approval, for attorneys' fees/costs, and any other pleading filed with the Court in conjunction with the Settlement, and in discussions with Class Members in the context of administering this Settlement until the Final Approval Order is issued, and after to direct Participating Class Members to the Settlement Administrator. Class Counsel and Plaintiff agree to decline to respond to any media inquiries concerning the Settlement.
4. **Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire Agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any party concerning this Agreement or its exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits.
5. **Authorization to Enter Into Settlement Agreement.** Class Counsel and Defendant's Counsel warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties under this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Court, and in all cases, all such documents, supplemental provisions, and assistance of the Court will be consistent with this Agreement.
6. **Exhibits and Headings.** The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral

part of the Settlement and must be approved substantially as written. 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.

- 7. Amendment or Modification of 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.
- 8. 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.
- 9. No Prior Assignment.** Plaintiff hereby represents, covenants, and warrants that she 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.
- 10. 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.
- 11. Fair, Adequate, and Reasonable Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Class Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, current and potential.
- 12. 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, and that Class Members will assume any such tax obligations or consequences that may arise from this Agreement, and that Class Members shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, in the event that any taxing body determines that additional taxes are due from any Class Member, such Class Member assumes all responsibility for the payment of such taxes.
- 13. Jurisdiction of the Federal Court.** 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, and the Parties and their counsel hereto submit to the jurisdiction of the United States District Court – Southern District of California for

purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments in connection therewith.

**14. Invalidity of Any Provision; 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. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

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

**16. Execution in Counterparts.** 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 that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

#### **IV. EXECUTION BY PARTIES AND COUNSEL**

The Parties execute this Agreement.

Dated: Jul 9, 2021, 2021

**SARAH BLOUNT**

*Sarah Blount*

Dated: July 9, 2021

**HOST HEALTHCARE, INC.**



Chief Executive Officer

**Approved as to Form:**

Dated: July 9, 2021

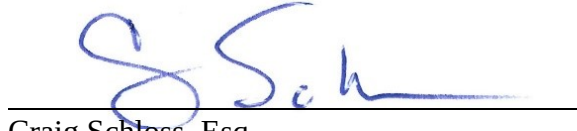
**FERRARO VEGA EMPLOYMENT  
LAWYERS, INC.**



Nicholas J. Ferraro, Esq.  
Lauren N. Vega, Esq.  
Attorneys for Plaintiff Sarah Blount

Dated: July 9, 2021

**COZEN O'CONNOR**



Craig Schloss, Esq.  
Attorneys for Host Healthcare, Inc.