

NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT

Sharon Waldman, et. al. v EmpRes et.al.

If you were an hourly employee for one or more of the following skilled nursing facilities in California, you could get a payment from a class action settlement.

The Arbitrator has authorized this notice. This is not a solicitation from a lawyer.

- A settlement of a class action legal dispute for \$1,900,000, which will be used, in part, to pay claims by California hourly employees at Evergreen at Chico, LLC, Evergreen at Oroville, LLC/1000 Executive Parkway, LLC, Evergreen at Arvin, LLC, Evergreen at Bakersfield, LLC, Evergreen at Lakeport, LLC, Evergreen at Heartwood Avenue, LLC, Evergreen at Spring Road, LLC, Evergreen at Tracy, LLC, Evergreen at Petaluma, LLC Evergreen at Salinas, LLC, Evergreen at Fullerton, LLC, and EmpRes Healthcare Management, LLC. (collectively called “Respondents”) from November 1, 2013 through March 1, 2018.
- The settlement resolves a legal dispute over whether Respondents failed to pay all wages owed and failed to provide all due meal and rest periods; it avoids the costs and risks of pursuing a trial; pays money to hourly employees like you; and releases Respondents from liability.
- The Arbitrator in this case has not ruled on the claims. Both sides recognize, however, there are risks, expenses, and business disruption if the lawsuit continues and therefore, they have agreed to enter into a settlement.
- Your legal rights are affected whether you act or don’t act. Read this notice carefully. The Arbitrator in charge of this legal dispute still must decide whether to approve the settlement. Payments will be made if the Arbitrator approves the settlement and any appeals are resolved. Please be patient.
- These rights and options—**and the deadlines to exercise them**—are explained in this notice.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	Receive a settlement payment. In exchange for the settlement payment, give up your rights to sue any one of the above facilities over the issues in this case.
EXCLUDE YOURSELF BEFORE: (EXCLUSION DEADLINE)	Get no payment. This is the only option that allows you to be part of any other lawsuit against any one of the above facilities about the legal claims in this case.
OBJECT BEFORE: (OBJECTION DEADLINE)	Write to the Arbitrator about why you don’t like the settlement.
GO TO A HEARING	Ask to speak at a hearing before the Arbitrator about the fairness of the settlement.

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BASIC INFORMATION

1. Why did I get this notice package?

The records of Respondents indicate you were an hourly employee in California between November 1, 2013 and March 1, 2018. You were sent this notice because you have a right to know about a proposed settlement of a class action legal dispute and about all of your options before the Arbitrator decides whether to approve the settlement. If the Arbitrator approves the settlement and after objections and appeals are resolved a claims administrator appointed by the Arbitrator will make the payments that the settlement allows.

This package explains the legal dispute, the settlement, your legal rights, what benefits are available, who is eligible for them and how to get them.

The Arbitrator in charge of the case is the Honorable Robert Freedman (ret.) of JAMS and the case is known as *Sharon Waldman v. EmpRes Healthcare Management, LLC*. The persons who are pursuing the legal dispute are called the Claimants and the companies against which their allegations have been made are called the Respondents. Two other employees, David Rauch and Theresa Mascolina have joined as Claimants. Their combined allegations are referred to as the “legal dispute” which includes all the skilled nursing facilities affiliated with EmpRes Healthcare Management, LLC in California.

2. What is this legal dispute about?

The legal dispute claims that the named skilled nursing facilities failed to provide all required meal and rest periods to their hourly employees and failed to pay wages owed for missed meal and rest periods and wages for all work performed. The legal dispute also claims Respondents failed to timely and fully pay final wages at termination and failed to furnish accurate itemized wage statements from November 1, 2013 through March 1, 2018.

The Respondent facilities deny they did anything wrong. Each facility contends it properly paid all wages owed, properly provided all meal and rest periods, provided lawful itemized wage statements and properly paid wages upon termination of employment. Each facility contends that none of the claims alleged by the Claimants would succeed in trial or arbitration.

3. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case, Sharon Waldman, David Rauch and Theresa Mascolina) have presented their legal dispute on behalf of people who may have similar claims. All these people are a Class or Class Members. One Arbitrator will resolve the issues for all Class Members, except for those who exclude themselves from the Class.

4. Why is there a settlement?

The Arbitrator has not decided in favor of Claimants or Respondents. Claimants think they could have won a significant amount of wages, penalties and interest if they filed a complaint and won a trial or arbitration. Respondents think Claimants would not have won anything. But there was no formal trial or arbitration. Instead, both sides agreed to a settlement. That way they avoid the significant costs of litigation and the hourly employees affected will get compensation without any determination of wrongdoing by any of the Respondent facilities. The Class Representatives and Claimants’ attorneys think the settlement is best for all Class Members.

The Arbitrator has given his initial approval to the settlement and has approved Claimants Sharon Waldman, David Rauch and Theresa Mascolina as named Class Representatives and attorneys Robert S. Arns, The Arns Law Firm and Kathryn A. Stebner, of Stebner and Associates are the attorneys for the Class Members (the “Class Counsel”).

WHO IS IN THE SETTLEMENT

To see if you will get money from this settlement, you first have to decide if you are a Class Member.

5. How do I know if I am part of the settlement?

The Arbitrator decided that everyone who fits this description is a Class Member:

All persons in California who while an employee of a Respondent performed work as hourly, non-exempt registered nurses, licensed vocational nurses, certified nursing assistants, restorative nursing aides, physical, occupational and speech therapists, therapy assistants, and/or therapy aides at any time during the period from November 1, 2013 through March 1, 2018.

If you Received this notice it means that according to Respondents' records, you are a member of the Settlement Class

6. Are there exceptions to being included?

Yes. If you are a Class Member you have the option of excluding yourself as stated in Section 13 below.

7. I'm still not sure if I am included.

If you are still not sure whether you are included you can call the Claims Administrator at (888) 350-6948 or Class Counsel at (415) 495-7800 for more information.

THE SETTLEMENT BENEFITS—WHAT YOU GET

8. What does the settlement provide?

Respondents have agreed to pay up to \$1,900,000.00 to settle this legal dispute. Out of the settlement amount, Class Representatives Sharon Waldman, David Rauch and Theresa Mascolina will ask for \$7,500 each for their services as Class Representatives. Class Counsel will ask for \$632,700 for attorneys' fees and costs, and the Claims Administrator will charge fees associated with administering the settlement, in an amount estimated to be \$38,660. The Arbitrator may approve these payments or smaller amounts. The State of California, Labor & Workforce Development Agency will also receive \$15,000 for claims under the Private Attorneys General Act. The money remaining in the settlement fund, anticipated to be \$1,191,140 (the "Net Settlement Fund"), will be available for distribution to Class Members based on the number of days they worked from November 1, 2013 through March 1, 2018.

9. How much will my payment be?

Your share of the fund will depend on your position and how many days you worked during the class period as an hourly employee. The average payment for each day worked as an hourly employee depends on the job position held. The number of days that Respondents' records show that you worked is listed on your Information Form, which is attached at the end of this packet.

Your claim amount will be calculated based on 50% wages, for which you will receive a W-2, and 50% will be interest and penalties, for which you will receive a Form 1099. You are responsible for paying your taxes on any amount you receive. This Notice is not tax advice and you should consult your tax advisor. Checks will be valid for 120 days.

HOW YOU GET A PAYMENT

10. How can I get a payment

You need do nothing to get a payment.

11. When would I get my payment?

The Arbitrator will hold a hearing on June 21, 2018 at 10:00 a.m. to decide whether to approve the settlement. If the Arbitrator approves the settlement, there may be appeals. It's always uncertain whether these appeals can be resolved and resolving them can take time, perhaps more than a year. Please be patient. To check on the progress of the settlement look for updates and important dates on the settlement website: <http://phoenixclassaction.com/waldman-v-empres-healthcare/>, or you can call the Claims Administrator at 1-888-350-6948, or contact Class Counsel at the address or phone number in Section 18, below. Respondents will pay the settlement in two payments. If there are no appeals the first payment will be approximately March 1, 2019 and the second payment approximately November 1, 2019.

12. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself you are staying in the class and that means that you can't sue or file a claim with any government entity or be part of any other suit or claim against any of these Respondents about the legal issues in *this* case -- meaning unpaid wages and pay for missed meal or rest periods, wages and any of the penalties that come from those wage and meal and rest period claims. It also means that all of the Arbitrator's orders will apply to you and legally bind you. Unless you exclude yourself you are staying in the class and that means that you can't sue.

If you exclude yourself from this legal dispute you will not be bound by any final approval of this settlement.

EXCLUDING YOURSELF FROM THIS SETTLEMENT

If you don't want a payment from this settlement, but you want to keep the right to sue, file a claim with a government entity or continue to sue a Respondent facility on your own about the legal issues in this case, then you must take steps to get out of this case. This is called excluding yourself—or is sometimes referred to as “opting out” of the settlement Class.

13. How do I opt- out or exclude myself from the settlement?

To exclude yourself from this settlement you must send a letter by mail saying that you want to be excluded from the *Waldman v. EmpRes Healthcare, LLC* case. Your request must contain a statement that clearly conveys your request to be excluded from the Settlement, your full name, mailing address, telephone number, last four digits of your social security number, and must be signed and dated. Your right to sue a Respondent facility and/or be part of another class action will be preserved. Be sure to include your name, address, telephone number, and your signature. You must mail your exclusion request postmarked no later than **May 14, 2018** to:

EmpRes Settlement Claims Administrator
c/o Phoenix Settlement Administrators
PO Box 7208
Orange, CA 92863

If you ask to be excluded you will not get any settlement payment and you cannot object to the settlement. You will not be legally bound by anything that happens in this legal dispute. You may be able to sue (or continue to sue) one of the Respondent facilities in the future over the issues in this case.

14. If I don't exclude myself can I sue Respondents for the same thing later?

No. Unless you exclude yourself, in exchange for settlement benefits you give up any right to sue Respondents for the claims that this settlement resolves. If you have a pending claim or claims against Respondents, speak to your lawyer in that case immediately. You must exclude yourself from *this* Class to continue your own legal dispute if it involves the same issues. Remember, the exclusion deadline is **May 14, 2018**.

15. If I exclude myself can I get money from this settlement?

No. But, you may sue, continue to sue, or be part of a different claim against Respondents.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Arbitrator has appointed Robert S. Arns, The Arns Law Firm and Kathryn A. Stebner, of Stebner and Associates to represent you and other Class Members. These lawyers are called “Class Counsel.” You will not be charged for these lawyers, although they will be compensated from the Settlement fund as discussed in Section 8 and 17. If you want to be represented by your own lawyer you may hire one at your own expense.

17. How will the lawyers be paid?

Class counsel will ask the Arbitrator to approve payment of up to \$632,700 to them for attorney’s fees and costs. The fees will pay Class Counsel for investigating the facts and negotiating the settlement. The Arbitrator may award less than these amounts.

OBJECTING TO THE SETTLEMENT

You can tell the Arbitrator that you don’t agree with the settlement or some part of it.

18. How do I tell the Arbitrator that I don’t like the settlement?

If you’re a Class Member, you can object to the settlement if you don’t like any part of it. You can give reasons why you think the Arbitrator should not approve it. The Arbitrator will consider your views. To object, you must send a letter saying that you object to the *Waldman v. EmpRes* settlement. Be sure to include your name, address, telephone number, your signature, and state the factual and legal reasons you object to the settlement. Mail the objection to each of these three different places postmarked no later than **May 14, 2018**:

ARBITRATOR	CLASS COUNSEL	RESPONDENTS’ COUNSEL
Hon. Robert Freeman (ret.) JAMS Two Embarcadero Center Suite 1500 San Francisco, CA 94111	Robert S. Arns The Arns law Firm 515 Folsom St. 3rd Floor San Francisco, CA 94105 (415)495-7800 Kathryn A. Stebner Stebner and Associates 870 Market Street, Suite 1212 San Francisco, CA 94102 (415) 362-9800	Laura K. Sitar Pleiss Sitar McGrath Hunter & Hallack 5510 Trabuco Road Irvine, CA 92620

19. What’s the difference between objecting and excluding myself?

Objecting is simply telling the Arbitrator that you don’t like something about the settlement. You can object only if you stay in the Class. Excluding yourself is telling the Arbitrator that you don’t want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE FAIRNESS HEARING

The Arbitrator will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you don't have to.

20. When and where will the Arbitrator decide whether to approve the settlement

The Arbitrator will hold a Fairness Hearing at 10:00 a.m. on June 21, 2018, at JAMS at Two Embarcadero Center, Suite 1500, San Francisco, CA 94111. At this hearing the Arbitrator will consider whether the settlement is fair, reasonable and adequate. If there are objections, the Arbitrator will consider them. The Arbitrator will listen to people who have asked to speak at the hearing. At or after the hearing the Arbitrator will decide whether to approve the settlement. If you would like to speak at the hearing, please send a letter indicating you would like to speak to the Arbitrator, Class Counsel and Respondents' Counsel at the addresses above.

21. May I speak at the hearing?

You may ask the Arbitrator for permission to speak at the Fairness Hearing. To do so, you must send a letter saying that it is your "Notice of Intention to Appear" in the *Waldman v. EmpRes* settlement. Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be postmarked no later than **May 14, 2018** and be sent to the Arbitrator, Class Counsel, and Respondents' Counsel at the three addresses in question 18. You cannot speak at the hearing if you excluded yourself.

22. Do I have to come to the hearing?

No. Class Counsel will answer questions the Arbitrator may have. But you are welcome to come at your own expense. If you send an objection, you don't have to appear at the hearing unless you choose to do so. As long as you mailed your written objection on time the Arbitrator will consider it. You may also pay your own lawyer to attend, but it's not necessary.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing you will automatically receive a settlement payment under the settlement terms. But unless you exclude yourself you won't be able to start a lawsuit, continue with a lawsuit or be part of any other lawsuit against Respondents about the legal issues in this case ever again.

GETTING MORE INFORMATION

24. Are there more details about the settlement?

This notice summarizes the proposed settlement. You may call or contact Phoenix Settlement Administrators at notice@phoenixclassaction.com or by calling (888) 350-6948 (Toll Free) if you would like more information about the case.

PLEASE DO NOT CONTACT THE ARBITRATOR OR EMPRES WITH INQUIRIES.

Date: March 29, 2018

This Notice has been approved by the Honorable Robert Freedman (ret.), arbitrator for this matter.