

FARIAS v. JOHN MUIR HEALTH
SETTLEMENT ADMINISTRATOR
PHOENIX SETTLEMENT ADMINISTRATORS
IMPORTANT LEGAL MATERIALS

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF CONTRA COSTA

Renato Farias v. John Muir Health

Case No. MSC20-02454

NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT

**YOU ARE ESTIMATED TO RECEIVE APPROXIMATELY THROUGH
THIS CLASS ACTION SETTLEMENT.**

To: All current and former non-exempt California employees of John Muir Health and related entities John Muir Behavioral Health, John Muir Physician Network, John Muir Health Foundation and John Muir Health Community Benefit Fund (collectively “JM”) who: (a) were employed by JM from May 23, 2019 through November 8, 2021; and/or (b) received paid sick leave pay (PSL) or PTO-Sick pay from June 8, 2016 through November 8, 2021.

PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED.
YOU MAY BE ENTITLED TO RECEIVE MONEY FROM THIS PROPOSED SETTLEMENT.

TO RECEIVE YOUR SHARE, YOU DO NOT NEED TO DO ANYTHING.

This Notice is Court Approved. This is not a solicitation from an attorney.

1. WHY DID I GET THIS NOTICE?

You received this Notice because a proposed settlement (the “Settlement”) has been reached in the class action and representative lawsuit entitled *Renato Farias v. John Muir Health*, Case No. MSC20-02454 (hereinafter referred to as the “Action”).

The Notice explains the nature of the Action, the general terms of the proposed Settlement, and your legal rights and obligations. To obtain more information about the Settlement, including information about how you can see a copy of the Settlement Agreement, see Section 15, below.

2. WHAT IS THE ACTION ABOUT?

On December 3, 2020, Plaintiff Renato Farias (“Plaintiff” or “Farias”) filed his class action Complaint in the Superior Court of California, County of Contra Costa, against Defendant John Muir Health (“Defendant” or “John Muir Health”). The class action complaint alleged failure to (1) pay sick pay wages based on the regular rate of pay; (2) failure to provide accurate wage statements for not identifying the rates and hours for wages paid as “Details Not Displayed” (3) reimburse employees for business expenses, including without limitation, the use of personal cell phones for work-related calls; (4) violation of Business & Professions Code § 17200, *et seq.* (the Unfair Competition Law, or the UCL) and (5) Violation of Labor Code § 2698, *et. seq.* (the Private Attorneys General Act of 2004) (“Action”).

John Muir Health denies the allegations in the Action, denies the allegations are appropriate for class treatment, and is prepared to continue to defend the action vigorously. No court has made any ruling on the merits in the Action.

3. WHAT IS A CLASS ACTION?

In a class action lawsuit, one or more persons sue on behalf of other people who have similar claims. Farias brought his case as a class and representative PAGA action.

In the Action, the Plaintiff seeks to represent you on a class and representative basis. John Muir Health is the Defendant. A class action allows the Court to resolve the claims of all the class members at the same time. A class member is bound by the determination or judgment entered in the case, whether the class wins or loses, and may not file their own lawsuit on the same claims that were decided in the class action. A class action allows one court to resolve all of the issues in a lawsuit for all the class members who choose not to exclude themselves from the class.

4. WHO IS INCLUDED IN THE SETTLEMENT CLASS?

All current and former non-exempt California employees of John Muir Health and related entities John Muir Behavioral Health, John Muir Physician Network, John Muir Health Foundation and John Muir Health Community Benefit Fund (collectively “JMHS”) who: (a) were employed by JMHS from May 23, 2019 through November 8, 2021 (the “PAGA Period”); and/or (b) received paid sick leave pay (PSL) or PTO-Sick pay from June 8, 2016 through November 8, 2021 (the “Class Period”).

If you were employed during the PAGA Period, you are a “PAGA Member” as that term is used below. If you received PSL or PTO-Sick during the Class Period, you are a “Class Member” as that term is used below. You can be both a PAGA Member and a Class Member.

5. WHAT ARE THE TERMS OF THE SETTLEMENT AND HOW MUCH AM I ENTITLED TO UNDER THIS SETTLEMENT??

There was a hearing on May 12, 2022 in the Superior Court of the State of California for the County of Contra Costa, at which time the court preliminarily approved the Settlement. The Settlement will resolve the Class Members’ claims for failure to pay sick pay wages based on the regular rate of pay, failure to provide accurate wage statements, failure to provide all wages due upon termination (final pay), and for Private Attorneys General Act claims predicated on the same alleged facts (this subject is covered in more detail in Section 6 below). Any claims regarding the failure to reimburse business expenses will be dismissed without prejudice, and not be released by this Settlement. In other words, by participating in this settlement, you will **NOT** be waiving any rights under Labor Code § 2802, including any penalties arising from a violation of Section 2802.

The Settlement represents a compromise of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by John Muir Health that the claims in the Actions have merit or that John Muir Health has any liability to the Plaintiff or the Class Members on those claims. No court has made any ruling on the merits of the Action.

The parties have agreed to settle the case for a maximum total payment of \$3,250,000.00 (“Total Settlement Amount” or “TSA”). Under the terms of the settlement, the following payments have been agreed to: (1) attorneys’ fees not to exceed \$1,083,333.33 (33 1/3%) of the TSA; (2) all reasonable litigation costs incurred of up to \$30,000.00; (3) service payment to the Named Plaintiff for services in the Action and for executing a general release, in an amount not to exceed \$10,000.00; (4) Settlement Administration Costs are currently estimated to \$43,000; and (5) \$162,500.00 for PAGA penalties, 75% of which, or \$121,875, shall be paid to the California Labor Workforce Development Agency (the “LWDA Payment”). The amount of money remaining after these payments is the Class Member Allocation that that will be distributed to individuals who are Participating Settlement Class Members. This amount is known as the “Individual Settlement Payments.”

The Class Member Allocation (the TSA, minus attorneys’ fees and costs (including expert fees), Plaintiff’s enhancement award/general release payment, the PAGA Allocation, and Administration Costs) shall be paid to all Settlement Class Members who do not opt out of the settlement. First, you will receive an Individual Settlement Base Payment of \$100.00. Then, you will receive an Individual Settlement Sick Payment, which will be based on your number of pay periods where PTO-Sick and PSL hours were paid at below the regular rate of pay during the Class Period according to Defendant’s records, as a fraction of all pay periods where PTO-Sick and PSL hours were paid at below the regular rate of pay to all Settlement Class Members during the Class Period. According to JMHS’s records, you were paid PTO-Sick and PSL wages below the regular rate of pay in pay periods during the Class Period. Based on the foregoing, you are estimated to receive approximately as your Individual Settlement Payment, which is in addition to your Individual Settlement Base Payment of \$100.00.

Finally, Each PAGA Member will receive an “Individual PAGA Payment,” which shall be paid from the “PAGA Employee Allocation” amount of \$40,625.00. The Individual PAGA Payment will be calculated by adding the number of pay periods, rounded up to the nearest whole number, in which the PAGA Members were employed by Defendant during the PAGA Period, to calculate the total number of pay periods of employment by all PAGA Members. The respective pay periods employed for each individual PAGA Member during the PAGA Period will be divided by the total pay periods of employment by PAGA Members, resulting in the payment ratio for each PAGA Member. Each PAGA Member’s payment ratio will then be multiplied by the PAGA Employee Allocation to determine the Individual PAGA Payment for each PAGA Member. According to JMH’S records, you worked pay periods during the PAGA Period. Based on the foregoing, you are estimated to receive approximatel as your Individual PAGA Payment.

6. HOW DOES THE SETTLEMENT AFFECT MY RIGHTS?

If the Settlement is approved, the Court will enter a Final Order and Judgment in the Action.

If you are a PAGA Member, you will release for the entire PAGA Period, of any and all claims, rights, demands, liabilities, and causes of action for the recovery of civil penalties, attorneys’ fees and costs permissible under the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*, which Plaintiff and/or the PAGA Members had, or may claim to have, against Released Parties, for any and all claims that were alleged or reasonably related to the facts pleaded in the Lawsuit or the PAGA Letter, except claims under Labor Code Section 2802, including civil penalties, attorneys’ fees, and costs arising under the PAGA for violations of California Labor Code Sections 201, 202, 203, 204, 210, 218, 218.6, 226, 226.3, 233, 246, 246.5, and 248.5 (“PAGA Members’ Released Claims”).

PAGA Members will be bound by the above-release and cannot opt out of the PAGA release.

If you do not opt out and you are a Settlement Class Member, you will release the following claims, and will be barred from prosecuting any and all such claims against John Muir Health, as follows:

“Any and all claims that were alleged or reasonably related to the facts pleaded in the Lawsuit, except claims under Labor Code Section 2802. Released Claims also include all claims under the pleaded sections of the California Labor Code, Business and Professions Code and/or IWC Wage Orders, namely: Labor Code Sections 201, 202, 203, 204, 210, 218, 218.6, 226, 226.3, 233, 246, 246.5, 248.5, and 2698-2699.5 (PAGA); and the Unfair Competition Law (B&PC Section 17200, *et seq.*). To the extent not already covered by the foregoing, Released Claims also include all claims brought in the Lawsuit (or that could have been brought in the Lawsuit based on the facts pleaded in the Lawsuit, and except for claims under Labor Code Section 2802) for civil penalties, statutory penalties, wages, interest, restitution, injunctive relief and attorneys’ fees and costs (including fees and costs per Labor Code Section 218.5 and Code of Civil Procedure Section 1021.5). The “Settlement Class Members’ Released Claims” are released from June 8, 2016 through and including November 8, 2021 (the “Release Period”).

The precise definitions of the capitalized terms above can be found in the Class Action Settlement and Release, which can be viewed at the Courthouse (Superior Court of the State of California for the County of Contra Costa, 725 Court Street, Martinez, CA 94553) during normal business hours.

7. WHAT DO I NEED TO DO TO RECEIVE A SETTLEMENT PAYMENT?

You do not need to do anything to participate in the settlement. You will receive a monetary award from this Settlement in approximately, if the Settlement is approved and no appeals are filed. Class Counsel have been appointed and approved by the Court and Class Counsel will represent you.

NOTE: It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your settlement payment. If you fail to keep your address current, you may not receive your settlement payment.

8. WHAT IF I WANT TO OBJECT TO THIS SETTLEMENT?

You can object to any of the terms of the Settlement before the Final Approval Hearing. Failure to take the steps below will be deemed a waiver of your objections. If the Court rejects your objection, you will still be bound by the terms of the Settlement, but you will also receive a monetary award.

To object in writing, you must: (1) refer to this lawsuit by name and case number; (2) include your name, address, and phone number; (3) state all factual and legal reasons for the objection; and (4) be signed by you even if you have an attorney. You must mail your written objection to the Settlement Administrator by **July 25, 2022**. If your written objection is not postmarked by this date, it will be considered late.

- Settlement Administrator:
FARIAS v. JOHN MUIR HEALTH, INC.
SETTLEMENT ADMINISTRATOR
Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773
Facsimile: (949) 209-2503
Email: notice@phoenixclassaction.com

If you hire your own counsel, you are responsible for paying him/her at your own expense and your own counsel must file and serve a notice of appearance on the same date the written objection is mailed to the Settlement Administrator, or if no written objection is submitted, at least five (5) business days before the final approval hearing.

**IF YOU DO NOT MAKE YOUR OBJECTION AS DESCRIBED ABOVE,
YOU WILL BE DEEMED TO HAVE WAIVED ALL OBJECTIONS.**

9. WHAT IF I DON'T WANT TO PARTICIPATE IN THIS SETTLEMENT?

If you are a PAGA Member, you do not have a right to request exclusion from the PAGA Release. You will receive an Individual PAGA Payment and you will release Defendants from the PAGA Members' Released Claims set forth above.

If you are a Settlement Class Member, you have the right to request exclusion from the class portion of the settlement. To do so, you must submit a written request for exclusion to the Settlement Administrator at the following address:

- FARIAS v. JOHN MUIR HEALTH, INC.
SETTLEMENT ADMINISTRATOR
Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773
Facsimile: (949) 209-2503
Email: notice@phoenixclassaction.com

To be valid, a written request for exclusion must state that you wish to be excluded, and must: (1) include your name, address, and phone number; (2) an affirmative statement that the you wish to be excluded from the settlement; and (3) be signed by the you; and (4) be postmarked on or before **July 25, 2022** to the Settlement Administrator at the address listed above.

Unless you timely request to be excluded from the settlement, you will be bound by the judgment upon final approval of the Settlement, including the Released Claims described in this Notice. Class Counsel will not represent your interests if you request to be excluded.

10. WILL THE NAMED PLAINTIFF BE COMPENSATED FOR BRINGING THIS LAWSUIT?

Plaintiff will request a class representative payment of up to \$10,000.00 for his services as the Class Representative, for his efforts in bringing the Action and for providing a complete release of his claims. The Court will make the final decision as to the amount to be paid to the Plaintiff. Plaintiff's Application for his enhancement can be viewed at the Courthouse after August 22, 2022, during normal business hours (as well as Class Counsel's Application for Attorneys' Fees and Costs as discussed below). Plaintiff's Application will be available for review by no later than August 22, 2022.

11. DO I HAVE A LAWYER IN THIS CASE?

Yes. The Court has ordered that the interests of Named Plaintiff and the Class Members are represented by counsel for Named Plaintiff as follows:

Larry W. Lee
DIVERSITY LAW GROUP, P.C.
515 South Figueroa Street, Suite 1250
Los Angeles, California 90071
Telephone: (213) 488-6555
Facsimile: (213) 488-6554
Email: lwlee@diversitylaw.com

Edward W. Choi, Esq.
LAW OFFICES OF CHOI & ASSOCIATES
515 S. Figueroa St., Suite 1250
Los Angeles, California 90071
Telephone: (213) 381-1515
Facsimile: (213) 465-4885
Email: edward.choi@choiandassociates.com

Dennis S. Hyun (SBN 224240)
HYUN LEGAL, APC
515 S. Figueroa St., Suite 1250
Los Angeles, California 90071
Telephone: (213) 488-6555
Facsimile: (213) 488-6554
Email: dhyun@hyunlegal.com

(Collectively, “Class Counsel”). Class Members will not be separately charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense. If you have questions about the case or the settlement, you should ask Class Counsel.

12. HOW WILL THE LAWYERS BE PAID?

Class Counsel will be requesting from the Court an amount not to exceed 33 1/3% of the total settlement amount (in other words, up to \$1,083,333.33) for their attorneys’ fees and litigation costs up to \$30,000.00. A copy of Class Counsel’s application for attorneys’ fees and costs can be viewed at the Courthouse after August 22, 2022, during normal business hours. Class Counsel’s Application will be available for review by no later than August 22, 2022. The actual amount awarded to Class Counsel will be determined by the Court.

13. WHAT IS THE FINAL APPROVAL HEARING?

The Court has preliminarily approved the Settlement and will hold a hearing to decide whether to give final approval to the Settlement. The purpose of the Final Approval Hearing will be for the Court to determine whether the Settlement should be approved as fair, reasonable, adequate, and in the best interests of the Class; to consider the award of attorneys’ fees and expenses to Class Counsel; and to consider the request for a service award to Named Plaintiff.

14. WHEN AND WHERE IS THE FINAL APPROVAL HEARING?

The Court will hold the Final Approval Hearing on September 15, 2022 at 9:00 a.m., in Department 39 of the Superior Court of the State of California for the County of Contra Costa, 725 Court Street, Martinez, CA 94553 (“Final Approval Hearing”).

The Final Approval Hearing may be continued without further notice to the Class Members. It is not necessary for you to appear at the Final Approval Hearing. However, you have the right to attend the Final Approval Hearing on your own, or you can choose to be represented by your own counsel at your own expense. If you plan to attend the Final Approval Hearing, you may contact Class Counsel to confirm the date and time. If the Settlement is not approved by the Court or does not become final for some reason, the Action will proceed as though no settlement was reached.

15. MAY I SPEAK AT THE FINAL APPROVAL HEARING?

At the hearing, the Court will be available to hear any objections and arguments concerning the Settlement. You may attend, but you do not have to attend. You may speak at the Final Approval Hearing. If you have requested exclusion from the Settlement, however, you may not speak at the Final Approval Hearing.

16. HOW DO I GET MORE INFORMATION?

To see a copy of the Class Action Settlement and Release (which defines the capitalized terms used in this Notice and provides a brief summary of what has happened in the Action), the Court’s Preliminary Approval Order, Class Counsel’s application for attorneys’ fees and costs, the operative Complaint filed in the *Farias* lawsuit, and other filed documents related to *Farias*’s lawsuit and this Settlement, you may view all such files at the Clerk’s office at the Superior Court of the State of California for the County of Contra Costa, 725 Court Street, Martinez, CA 94553.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact the Settlement Administrator at the address and telephone number listed below, toll free. Please refer to the John Muir Health Class Action Settlement.

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PHOENIX SETTLEMENT ADMINISTRATORS
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Facsimile: (949) 209-2503
Email: notice@phoenixclassaction.com

You may also contact the attorneys for the Class, whose names and contact information are listed above or visit the Settlement Administrator's website at <http://www.phoenixclassaction.com/>.

17. WHAT IF MY INFORMATION CHANGES?

If, after you receive this Notice, you change your postal address or telephone number, it is your responsibility to inform the Settlement Administrator of your updated information.

**DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR
THE LITIGATION TO THE CLERK OF THE COURT OR THE JUDGE**