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JOINT STIPULATION OF CLASS ACTION SETTLEMENT

This Joint Stipulation of Class Action Settlement ("Agreement" or "Settlement Agreement") is made by and between Plaintiff DARLENE CABUAG ("Plaintiff"), on her own behalf and on behalf of all members of the Settlement Class, as defined below, on the one hand, and Defendant WESTGATE PREMIER HEALTHCARE SERVICES, INC. dba AMBERWOOD GARDENS HEALTHCARE CENTER ("Defendant") on the other hand (Plaintiff and Defendant collectively referred to as the "Parties"), in the lawsuit entitled Darlene Cabuag v. Westgate Premier Healthcare Services, Inc., et al., filed in the Superior Court of the State of California, County of Santa Clara, Case No. 19CV352173 (the "Litigation"). This Settlement resolves all claims that were asserted or could have been asserted against Defendant pertaining to the claims in the Litigation.

DEFINITIONS

- A. "Administration Costs" means all administrative costs of settlement, including costs of notice to the Class, settlement administration, and any fees and costs incurred or charged by the Settlement Administrator in connection with the execution of its duties under this Settlement.
- В. "Class Counsel" or "Plaintiff's Counsel" means Edwin Aiwazian, Arby Aiwazian, Joanna Ghosh, and Ovsanna Takvoryan of Lawyers for Justice, PC and all the lawyers of this firm acting on behalf of Plaintiff and the Class.
- C. "Class Notice" means the Notice of Class Action Settlement, substantially in the form attached hereto as Exhibit A, subject to Court approval.
- D. "Class Members" means all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California at any time during the Class Period (collectively referred to as the "Class").
 - Ε. "Class Period" means the period from August 1, 2015, through October 7, 2019.
- F. "Court" means the Superior Court of the State of California for the County of Santa Clara.
- G. "Defendant" means Westgate Premier Healthcare Services, Inc. d/b/a Amberwood Gardens Healthcare Center.

- **H.** "**Defense Counsel**" means attorneys Julie A. Vogelzang, Lisa Hird Chung, and Janelle Thornton of the law firm Schor Vogelzang & Chung LLP.
- objections are withdrawn, the date upon which the Court enters the Final Approval Order; (b) if an objection is filed and not withdrawn, the date for filing an appeal and no such appeal being filed; (c) if any timely appeals are filed, the date of the resolution (or withdrawal) of any such appeal in a way that does not alter the terms of the Settlement.
- J. "Enhancement Payment" means the sum of up to \$7,500.00, to be paid out of the Gross Settlement Amount, for which Plaintiff shall apply to the Court as an award for her services to the Class Members and in exchange for agreeing to a general release of all claims arising out of her employment with Defendant.
- **K.** "Final Approval Order" as used herein means the final formal judgment entered by the Court granting final approval of this Agreement, issuing an associated entry of final judgment.
- L. "Gross Settlement Amount" means the sum of Seven Hundred Thousand Dollars and Zero Cents (\$700,000.00), which shall be paid by Defendant, and from which all Individual Settlement Payments pursuant to Section XII, Court-approved Attorneys' Fees and Litigation Costs pursuant to Section XIV, Administration Costs pursuant to Section IX, and Enhancement Payment pursuant to Section XV, shall be paid. The employer's share of applicable payroll taxes (e.g., FICA, FUTA, etc.) shall be paid by Defendant separate and apart from the Gross Settlement Amount.
- M. "Individual Settlement Payments" means payments made to the Settlement Class
 Members from the Net Settlement Amount as part of the Settlement.
- N. "Net Settlement Amount" means the Gross Settlement Amount minus any Courtapproved award of Attorneys' Fees to Class Counsel, Litigation Costs to Class Counsel, Administration Costs to the Settlement Administrator, and Enhancement Payment to Plaintiff, and as provided in Sections VIII, IX, and XIV-XV.
 - **O.** "Plaintiff" as used herein means Darlene Cabuag.

- **P.** "Qualified Settlement Fund" or "QSF" means a fund within the meaning of Treasury Regulation § 1.468B-1, 26 CFR § 1.468B-1 et seq., that is established by the Settlement Administrator for the benefit of Settlement Class Members.
- Q. "Released Parties" means Defendant and all of its current, future and former divisions, affiliates, predecessors, successors, shareholders, officers, directors, members, employees, managers, agents, consultants, trustees, representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents, subsidiaries, joint employers, insurers, clients, customers, suppliers, vendors, related corporations, and legal representatives.
- R. "Response Deadline" means the sixty (60) calendar day period following the initial mailing of the Class Notice, during which time Class Members may elect to submit to the Settlement Administrator any Request for Exclusion from the Settlement, submit an objection to the Settlement, or submit a dispute to the Settlement Administrator over the number of Workweeks worked. If the sixtieth (60th) calendar day falls on a Sunday or federal holiday, then the Response Deadline will be extended to the next day on which the U.S. Postal Service is open.
 - **S.** "**Settlement**" means the disposition and agreement to resolve the Litigation.
- T. "Settlement Administrator" means Phoenix Class Action Administration Solutions, the settlement administrator selected by the Parties, and which will be responsible for the administration of the Gross Settlement Amount, as defined below, and all related matters. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.
- U. "Settlement Class Member" means a Class Member who does not submit a timely and valid Request for Exclusion.
- V. "Workweeks" means the number of weeks that a Class Member worked for Defendant as an hourly-paid or non-exempt employee in California during the Class Period (based on the number of workweeks in the Class List that Defendant provides to the Settlement Administrator). A Workweek includes any week in which a Class Member had a time worked entry in Defendant's timekeeping system.

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On August 1, 2019, Plaintiff filed a Class Action Complaint for Damages (the "Operative Complaint"), Case No. 19CV352173, in Santa Clara County Superior Court. In this putative class action, Plaintiff alleges, inter alia, on behalf of herself and all others similarly situated, that Defendant violated California state wage and hour laws and the California Business and Professions Code Section 17200 et seq. as a result of Defendant's alleged California wage and hour policies and practices. Specifically, Plaintiff alleged that Defendant violated the following provisions of the California Labor Code: (1) California Labor Code sections 510 and 1198 (failure to pay overtime); (2) California Labor Code sections 226.7 and 512(a) (failure to provide compliant meal periods and associated premiums); (3) California Labor Code section 226.7 (failure to provide rest periods and associated premiums); (4) California Labor Code sections 1194, 1197, and 1197.1 (failure to pay minimum wages); (5) California Labor Code sections 201-203 (failure to timely pay final wages); (6) California Labor Code section 204 (failure to timely pay wages during employment); (7) California Labor Code section 226(a) (failure to provide accurate wage statements); (8) California Labor Code section 1174(d) (failure to keep requisite payroll records); (9) California Labor Code sections 2800 and 2802 (failure to reimburse necessary business expenses); and (10) California Business & Professions Code sections 17200, et seq.

- **B.** Class Counsel conducted extensive investigation, discovery, review and analysis of data and documents, and evaluation concerning the claims set forth in the Litigation.
- C. Plaintiff and Class Counsel have engaged in good faith, arms-length negotiations with Defendant concerning possible settlement of the claims asserted in the Litigation. In June 2021, for example, the Parties attended private mediation with Steven Serratore, Esq., a distinguished mediator with extensive experience mediating labor and employment class action such as this one. These good faith, arms-length negotiations resulted in settlement of the Litigation memorialized in this Settlement Agreement after extensive negotiations about the terms and conditions of the Settlement.
- **D.** Class Counsel has conducted an investigation of the law and facts relating to the claims asserted in the Litigation and has concluded, taking into account the sharply contested issues

involved, the defenses asserted by Defendant, the expense and time necessary to pursue the Litigation through trial and any appeals, the risks and costs of further prosecution of the Litigation, the risk of an adverse outcome, the uncertainties of complex litigation, and the substantial benefits to be received by Plaintiff and the members of the Class pursuant to this Agreement, that a settlement with Defendant on the terms and conditions set forth herein is fair, reasonable, adequate, and in the best interests of the Class. Plaintiff, on her own behalf and on behalf of the Class, has agreed to settle the Litigation with Defendant on the terms set forth herein.

- **E.** Defendant has concluded that, because of the substantial expense of defending against the Litigation, the length of time necessary to resolve the issues presented herein, and the inconvenience involved, it is in Defendant's best interest to accept the terms of this Agreement. Defendant denies each of the allegations and claims asserted against it in the Litigation. However, Defendant nevertheless desires to settle the Litigation for the purpose of avoiding the burden, expense and uncertainty of continuing litigation and for the purpose of putting to rest the controversies engendered by the Litigation.
- **F.** This Agreement is intended to and does effectuate the full, final and complete settlement of all allegations and claims set forth in the Operative Complaint.

III. JURISDICTION

The Court has jurisdiction over the Parties and the subject matter of this Litigation. The Litigation includes claims that, while Defendant denies them in their entirety, would, if proven, authorize the Court to grant relief pursuant to the applicable statutes. After the Court has granted final approval of the Settlement and after the Court has ordered the entry of judgment, pursuant to California Code of Civil Procedure Section 664.6 the Court shall retain jurisdiction of the Litigation solely for the purpose of interpreting, implementing, and enforcing this Settlement consistent with the terms set forth herein.

IV. STIPULATION OF CLASS CERTIFICATION

A. The Parties stipulate to the certification of the Class for purposes of settlement only. This stipulation is contingent upon the preliminary and final approval and certification of the Class only for purposes of settlement. Should the Settlement not become final, for whatever reason, the

fact that the Parties were willing to stipulate provisionally to class certification as part of the Settlement shall have no bearing on, and shall not be admissible in connection with, the issue of whether a class should be certified in a non-settlement context in the Litigation. Defendant expressly reserves the right to oppose class certification and/or proactively move to deny certification should this Settlement be modified or reversed on appeal or otherwise not become final.

B. The Parties agree that class certification pursuant to California Code of Civil Procedure Section 382 under the terms of this Agreement is for settlement purposes only. Nothing in this Agreement will be construed as an admission or acknowledgement of any kind that any class should be certified or given collective treatment in the Litigation or in any other action or proceeding, or that Plaintiff is an adequate class representative. Further, neither this Agreement nor the Court's actions with regard to this Agreement will be admissible in any court or other tribunal regarding the propriety of class certification or collective treatment. In the event that this Agreement is not approved by the Court or any appellate court, is terminated, or otherwise fails to be enforceable, Plaintiff will not be deemed to have waived, limited, or affected in any way any claims, rights, or remedies in the Litigation, and Defendant will not be deemed to have waived, limited, or affected in any way any of its objections or defenses in the Litigation.

V. MOTION FOR PRELIMINARY APPROVAL

- **A.** Plaintiff will bring a motion before the Court for an order preliminarily approving the Settlement, including the Class Notice which is attached hereto as "**Exhibit A**," and including certification of the Class for settlement purposes only.
- **B.** The date that the Court enters an order granting preliminary approval of the Settlement will be the "Preliminary Approval Date."
- C. Class Counsel will prepare the motion for preliminary approval of the Settlement and will provide Defense Counsel the opportunity to review it and provide input before it is filed. Defendant agrees that it will not oppose Plaintiff's Motion for Preliminary Approval, nor shall it seek to delay the hearing on this motion for more than thirty (30) days from the date obtained by Plaintiff.

VI. <u>STATEMENT OF NO ADMISSION</u>

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A. Defendant denies liability for any claim or cause of action asserted in the Litigation. This Agreement does not constitute, and is not intended to constitute, an admission by Defendant as to the merits, validity, or accuracy of any of the allegations or claims made against it or any of the Released Parties in the Litigation.

В. Nothing in this Agreement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of the negotiations leading to this Agreement or the Settlement, is intended by the Parties to constitute, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in this case or any other judicial, arbitral, administrative, investigative or other forum or proceeding as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. The Parties themselves agree not to introduce, use, or admit this Agreement, directly or indirectly, in this case or any other judicial, arbitral, administrative, investigative, or other forum or proceeding, as purported evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity, or for any other purpose. Notwithstanding the foregoing, this Agreement may be used and filed in any proceeding before the Court that has as its purpose the interpretation, implementation, or enforcement of this Agreement or any orders or judgments of the Court entered in connection with implementation of this Agreement and/or the Settlement.

C. None of the documents produced or created by Plaintiff, Defendant, or the Class in connection with settlement procedures constitute, and they are not intended to constitute, an admission by either Plaintiff or Defendant regarding whether or not any violation of any federal, state, or local law, statute, ordinance, regulation, rule, or executive order, or any obligation or duty at law or in equity has occurred.

VII. WAIVER, RELEASE AND CONFIDENTIALITY

A. Release As to All Settlement Class Members.

Upon Defendant making the Third Installment payment as set forth in Section XII.B.1

below, Plaintiff and all Settlement Class Members shall waive, release, and discharge Defendant and the other Released Parties of any and all claims under state, federal, or local law, arising out of the facts pleaded in the Operative Complaint and all other claims, such as those under the California Labor Code, Wage Orders, regulations, and/or other provisions of law, that were or could have been asserted based on the facts pleaded in the Operative Complaint, including but not limited to the following claims: (1) failure to pay all wages owed at the correct rate of pay, including but not limited to overtime wages, double time, reporting time, off-the-clock work and related wages; (2) failure to provide meal breaks and pay meal period premiums; (3) failure to provide rest breaks and pay rest period premiums; (4) failure to pay minimum wages; (5) failure to timely pay wages upon termination or resignation; (6) failure to timely pay wages during employment; (7) failure to provide and retain accurate and compliant wage statements; (8) failure to provide and keep complete and accurate payroll records; (9) failure to reimburse necessary business expenses; (10) violation of California's unfair competition law based on the afore-referenced claims; and (11) any and all resulting damages, restitution, disgorgement, civil penalties, statutory penalties, taxes, interest or attorneys' fees or costs (collectively, "Released Claims").

The Released Claims will be binding upon all Settlement Class Members, including those who do not cash their Individual Settlement Payment checks, as of the date Defendant makes the Third Installment. Neither Defendant, Defense Counsel, Class Counsel, Plaintiff, nor the Settlement Administrator will have any liability for lost or stolen Individual Settlement Payments, forged signatures on Individual Settlement Payments, or unauthorized negotiation of the Individual Settlement Payments.

B. General Release by Plaintiff Only.

In addition to the releases made in Section VII.A, Plaintiff makes the additional following general release of all claims, known or unknown. Plaintiff releases the Released Parties from all claims, demands, rights, liabilities, damages and causes of action of every nature and description whatsoever, known or unknown, suspected or unsuspected, vested or contingent, asserted or that might have been asserted, past, present or future, whether in tort, contract, or for violation of any state, local or federal statute, rule, ordinance or regulation arising out of, relating to, or in connection

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27 28 with Plaintiff's relationship with Defendant as well as any and all acts or omissions by or on the part of Defendant, excluding only claims that, by law, may not be privately released. (The release set forth in this Section VII.B shall be referred to hereinafter as the "General Release.")

With respect to the General Release, Plaintiff stipulates and agrees that, upon distribution to Plaintiff of the Enhancement Payment, Plaintiff shall be deemed to have expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

This release specifically excludes claims for unemployment insurance, disability, social security, and workers' compensation benefits (with the exception of claims arising pursuant to California Labor Code Sections 132(a) and 4553). Accordingly, if the facts relating in any manner to this Settlement are found hereafter to be other than or different from the facts now believed to be true, the release of claims contained herein shall be effective as to all unknown claims.

VIII. MONETARY CONSIDERATION FOR SETTLEMENT

As consideration for this Agreement, Defendant will make a payment that totals the Gross Settlement Amount of \$700,000.00. The payment of the Gross Settlement Amount represents full and complete settlement of this matter. The Gross Settlement Amount includes all Attorneys' Fees to Class Counsel, Litigations Costs to Class Counsel, the Net Settlement Amount to Settlement Class Members, Administration Costs to the Settlement Administrator, and Enhancement Payment to Plaintiff. The balance of the Gross Settlement Amount, after deduction of Attorneys' Fees to Class Counsel, Litigations Costs to Class Counsel, Administration Costs to the Settlement Administrator, Enhancement Payment to Plaintiff, will be the Net Settlement Amount. Defendant's employer payroll taxes and contributions in connection with the wages portion of the Settlement shall be paid separately and in addition to the Gross Settlement Amount.

IX. <u>SETTLEMENT ADMINISTRATOR</u>

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Plaintiff and Defendant, through their respective counsel, have selected Phoenix Class Action Administration Solutions as a Settlement Administrator to administer the Settlement, which includes but is not limited to printing and mailing the Class Notice to Class Members as directed by the Court, distributing and responding to inquiries about the Class Notice, determining the timeliness, validity, and/or completion of any objections, Requests for Exclusion, and/or Workweeks Disputes, establishing and maintaining a QSF, calculating all amounts to be paid from the Net Settlement Amount, providing declaration(s) as necessary in support of preliminary and/or final approval of this Settlement, processing and mailing payments to Plaintiff, Class Counsel, and Settlement Class Members, issuing all required tax forms, and any other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities. Any legally mandated tax reports, tax forms, tax filings, or other tax documents required by administration of this Settlement Agreement shall be prepared by the Settlement Administrator. Charges and expenses of the Settlement Administrator, estimated to be no more than \$10,000.00, will be paid from the Gross Settlement Amount. Any charges and expenses of the Settlement Administrator greater than the allocated \$10,000.00, if approved by the Court, will be paid from the Gross Settlement Amount. If the actual Administration Costs awarded are less than the amount provided herein, the difference will be part of the Net Settlement Amount. The Parties agree that this Agreement may be provided to the Settlement Administrator to effectuate its implementation of the settlement procedures herein.

X. NOTICE, OBJECTIONS AND EXCLUSION RIGHTS

A. Notice to the Class.

Plaintiff and Defendant, through their respective attorneys, have jointly prepared the Class Notice, which in substance will be provided to the Class Members as follows:

1. As soon as practicable following preliminary approval of the Settlement, but no later than fourteen (14) calendar days after the Preliminary Approval Date, Defendant will provide to the Settlement Administrator in Excel format the following information for each Class

Member: (1) full name; (2) last known address; (3) the number of Workweeks worked during the Class Period; and (4) Social Security number (collectively, "Class List"). Plaintiff's Counsel shall receive from the Settlement Administrator a redacted Class List that shall only disclose an identification number attributed to each Class Member and their associated Workweeks during the Class Period.

- 2. The Settlement Administrator shall run all the addresses provided through the United States Postal Service NCOA database (which provides updated addresses for any individual who has moved in the previous four years who has notified the U.S. Postal Service of a forwarding address) to obtain current address information, and shall mail the Class Notice to the Class Members via first-class U.S. Mail using the most current mailing address information available, within ten (10) calendar days after the receipt of the Class List from Defendant.
- 3. The Class Notice will include information regarding the nature of the Litigation; a summary of the terms of the Settlement; the definition of the Class; a statement that the Court has preliminarily approved the Settlement; the nature and scope of the claims being released; the procedure and time period for objecting to the Settlement, the date and location of the Final Approval Hearing; information regarding the procedure for opting out of the Settlement; the number of Workweeks credited to each Class Member and the procedure for disputing the number of Workweeks credited; and the estimated Individual Settlement Payment for the Class Member.
- 4. If a Class Notice is returned as undeliverable within thirty (30) calendar days after the initial mailing, the Settlement Administrator will perform a skip trace in an attempt to locate a more current address within three (3) business days of receipt of the returned mail. If the Settlement Administrator is successful in locating an updated address, it will re-mail the Class Notice to the Class Member as soon as possible. Further, any Class Notices returned with a forwarding address to the Settlement Administrator before the Response Deadline, shall be remailed to the forwarding address affixed thereto.
- 5. With respect to any Class Notice that is re-mailed by the Settlement Administrator, the Response Deadline for the Class Member whose Class Notice is re-mailed will be extended an additional fifteen (15) calendar days from the original Response Deadline.

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6. No later than twenty-five (25) calendar days before the Final Approval Hearing, the Settlement Administrator shall provide Defense Counsel and Class Counsel with a

declaration attesting to the completion of the Settlement notice administration process, including the number of attempts to obtain valid mailing addresses for and re-sending of any returned Notices,

as well as the number of Workweeks Disputes, Requests for Exclusion, and objections received.

B. Objections.

Class Members who do not submit a Request for Exclusion may object to the Settlement. To object to the Settlement, a Settlement Class Member may send a written objection to the Settlement Administrator or appear at the Final Approval Hearing with or without submitting a written objection to the Settlement. The Settlement Class Member may appear personally or through an attorney, at his or her own expense, at the Final Approval Hearing to present his or her objection directly to the Court. However, any attorney who will represent an objector must file a notice of appearance with the Court and serve Class Counsel and Defense Counsel no later than the Response Deadline. A written objection to the Settlement must: (1) contain the case name and number of the Litigation; (2) contain the Settlement Class Member's full name and signature; (3) clearly state the grounds for the objection; (4) state whether the Settlement Class Member intends to appear at the Final Approval Hearing; and (5) be mailed to the Settlement Administrator, postmarked no later than the Response Deadline. If a Class Member objects to the Settlement, the Class Member will remain a Settlement Class Member and if the Court approves this Agreement, the Settlement Class Member will be bound by the terms of the Settlement in the same way and to the same extent as a Settlement Class Member who does not object to the Settlement. The date of mailing of the Class Notice to the objecting Settlement Class Member shall be conclusively determined according to the records of the Settlement Administrator. The Court retains final authority with respect to the consideration and admissibility of any objections to the Settlement from Settlement Class Members. The Class Notice shall contain instructions on how to object to the Settlement.

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C. Opportunity to Be Excluded from the Settlement and Defendant's Opt-Out Threshold.

- 1. In order for any Class Member to validly exclude himself or herself from the Settlement (i.e., to validly opt out of the Settlement), a written request for exclusion from the Settlement ("Request for Exclusion") must: (1) contain the case name and number of the Litigation; (2) contain the Class Member's full name; (3) be signed by the Class Member or his or her authorized representative; (4) contain a clear statement that the Class Member requests to be excluded from the Settlement; and (5) be sent to the Settlement Administrator, postmarked by no later than the Response Deadline. The Class Notice shall contain instructions on how to opt out.
- 2. The date of the initial mailing of the Class Notice, and the date the signed Request for Exclusion was postmarked, shall be conclusively determined according to the records of the Settlement Administrator. Any Class Member who timely and validly submits a Request for Exclusion will not be entitled to an Individual Settlement Payment, will not be bound by the Settlement, and will not have any right to object, appeal, or comment thereon.
- 3. Any Class Member who does not submit a timely and valid Request for Exclusion to the Settlement Administrator will be deemed bound to the Settlement in accordance with this Agreement.

D. Cooperation.

The Parties and their respective counsel agree not to encourage members of the Class to opt out of the Settlement or to object to the Settlement, directly or indirectly, through any means. However, if a Class Member contacts Class Counsel, Class Counsel may discuss the terms of the Settlement and the Class Member's options with respect to the Settlement.

XI. WORKWEEKS DISPUTE PROCEDURE

A. If a Class Member disputes the number of Workweeks credited to him or her for the Class Period, which will be set forth in the Class Notice, he or she must submit a written dispute ("Workweeks Dispute") that: (a) contains the case name and number of the Litigation; (b) contains the Class Member's full name, address, telephone number, signature, and last four digits of his or her Social Security number; (c) contains a statement setting forth the number of Workweeks during

the Class Period that he or she contends is correct and attaches any relevant documentation in support thereof; and (d) is submitted to the Settlement Administrator by mail, postmarked no later than the Response Deadline. If a Class Member does not dispute his or her number of Workweeks, the number of Workweeks set forth in the Class Notice will govern the Individual Settlement Payment to the Class Member, and such individual need not take further action to participate in the Settlement.

- **B.** Upon timely receipt of any such challenge, the Settlement Administrator, in consultation with Class Counsel and Defense Counsel, will review the pertinent records showing the dates the Class Member worked for Defendant in California and the number of Workweeks worked, which records Defendant agrees to make available to the Settlement Administrator and Class Counsel.
- After consulting with Class Counsel and Defense Counsel, the Settlement Administrator shall compute the number of Workweeks to be used in computing the Class Member's *pro rata* share of the Net Settlement Amount. In the event that there is a disparity between the number of Workweeks a Class Member claims he or she worked during the Class Period and the number of Workweeks indicated by Defendant's records, Defendant's records will control unless inconsistent with records provided by the Class Member (or bona fide copies thereof), in which case the records provided by the Class Member will control. The Settlement Administrator's decision as to the number of Workweeks to be credited to a Class Member shall be final and non-appealable. The Settlement Administrator shall send written notice of the decision on any such dispute to the Class Member, to Class Counsel, and to Defense Counsel within ten (10) calendar days of resolution of the Workweeks Dispute.

XII. COMPUTATION AND DISTRIBUTION OF PAYMENTS

A. Formula for Calculating Individual Settlement Payments.

Settlement Class Members (i.e., Class Members who do not submit a timely and valid Request for Exclusion) will receive payment as good and valuable consideration for the waiver and release of Released Claims set forth in Section VII.A, above, in an amount determined by the

Settlement Administrator in accordance with the provisions of this Agreement. Each Settlement Class Member's Individual Settlement Payment will be determined as follows:

- Defendant will calculate the number of Workweeks of each Settlement Class
 Member during the Class Period and include this information in the Class List.
- 2. The value of each Workweek shall be determined by the Settlement Administrator by dividing the Net Settlement Amount by the total number of Workweeks of all Settlement Class Members ("Class Workweek Point Value").
- 3. Each Settlement Class Member's individual Workweeks will be multiplied by the Class Workweek Point Value to arrive at his or her individual settlement share ("Individual Settlement Share"). The Individual Settlement Share of each Settlement Class Member will be reduced by any required legal deductions for the employee's share of taxes and withholdings on the wages portion of the Individual Settlement Share, and the remaining amount will be paid to the Settlement Class Member as his or her Individual Settlement Payment.

B. Funding of Settlement and Time for Distribution.

- 1. Within ten (10) calendar days following the Preliminary Approval Date (the "Initial Funding Date"), Defendant will make an initial deposit (the "First Installment") of one-third of the Gross Settlement Amount into an interest-bearing QSF established by the Settlement Administrator for administration of the Settlement. Within thirty (30) calendar days following the date upon which the Court enters the Final Approval Order (the "Second Funding Date"), Defendant will make a second deposit (the "Second Installment") of one-third of the Gross Settlement Amount, plus the employer's share of payroll taxes, into the QSF. Within six months after the Second Funding Date (the "Third Funding Date"), Defendant shall deposit a third and final payment (the "Third Installment") of one-third of the Gross Settlement Amount into the QSF.
- **2.** The Settlement Administrator will distribute funds as follows in the following order of priority:
- i. Within twenty (20) calendar days after the Effective Date, any available QSF funds shall be distributed by the Settlement Administrator in the following order: (1) payment to Plaintiff of the Court-approved Enhancement Payment; (2) the Individual Settlement

Payments to Settlement Class Members; and (3) payment of the Settlement Administration Costs to the Settlement Administrator. Any funds remaining after this distribution shall be retained in the QSF to be distributed in accordance with Section XII.B.2.ii below.

- ii. Within fourteen (14) calendar days after the Third Funding Date or the Effective Date, whichever is later, the Settlement Administrator shall distribute the QSF funds as follows: (1) payment of Court-approved Litigation Costs to Class Counsel; and (2) payment of Court-approved Attorneys' Fees to Class Counsel.
- 3. If an Individual Settlement Payment check is returned to the Settlement Administrator as undeliverable within thirty (30) calendar days of the mailing of the check, the Settlement Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace search and, if another address is identified, shall mail the check to the newly identified address.
- 4. Any checks issued by the Settlement Administrator to Settlement Class Members will be valid and negotiable for one hundred and eighty (180) days after issuance, and thereafter, the checks will be cancelled. The funds remaining and associated with cancelled Individual Settlement Payment checks will be sent by the Settlement Administrator as unclaimed funds to the California State Controller, in the name of the Settlement Class Member. The Released Claims will be binding upon all Settlement Class Members, including those who do not cash their Individual Settlement Payment checks, as of the Effective Date.

XIII. NO CONTRIBUTIONS TO EMPLOYEE BENEFIT PLAN

The amounts paid under this Agreement do not represent a modification of any previously credited hours of service under any employee benefit plan, policy, or bonus program sponsored by Defendant. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under, benefit plans (self-insured or not) sponsored by Defendant, policies or bonus programs. Any payments made under the terms of this Settlement shall not be applied retroactively, currently or on a going forward basis as salary, earnings, wages, or any other form of compensation for the purposes of Defendant's benefit plan, policy or bonus program. Defendant retains the right to modify the language of its benefit plan, policies and bonus programs

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to effect this intent and to make clear that any amounts paid pursuant to this Settlement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies and bonus programs for purpose of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement.

XIV. CLASS COUNSEL ATTORNEYS' FEES AND LITIGATION COSTS

Defendant shall not oppose an application by Class Counsel for an amount up to thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$245,000, if the Gross Settlement Amount is \$700,000) for all past and future attorneys' fees necessary to prosecute, settle, and administer the Litigation and this Settlement ("Attorneys' Fees"). Additionally, Defendant shall not oppose an application by Class Counsel for an amount up to \$30,000.00 for all past and future litigation costs and expenses necessary to prosecute, settle, and administer the Litigation and the Settlement ("Litigation Costs"). Any Attorneys' Fees or Litigation Costs awarded to Class Counsel by the Court as part of the Settlement shall be deducted from the Gross Settlement Amount for the purpose of determining the Net Settlement Amount. The "future" aspect of these amounts includes, without limitation, all time and expenses expended by Class Counsel in implementing the Settlement and securing preliminary and final approval (including any appeals therein). There will be no additional consideration paid by Defendant for such work; although such work may cause Class Counsel's lodestar to increase, Class Counsel will be limited to the Attorneys' Fees and Litigation Costs provided for under the Settlement. The Attorneys' Fees and Litigation Costs shall include all attorneys' fees, litigation costs, and expenses for which Plaintiff and Class Counsel could claim under any legal theory whatsoever with respect to the Litigation. Should the Court approve a lesser percentage or amount of Attorneys' Fees and/or Litigation Costs than the amount that Class Counsel ultimately seeks, then any such unapproved portion or portions shall be part of the Net Settlement Amount to be distributed to Settlement Class Members on a pro rata basis. The Settlement Administrator will issue an IRS Form 1099 to Class Counsel with respect to the Attorneys' Fees and Litigation Costs awarded to them.

XV. ENHANCEMENT PAYMENT TO PLAINTIFF

Defendant shall not oppose an application by Plaintiff, and Plaintiff shall not seek or receive - 17 -

an amount in excess of \$7,500.00 for her participation in and assistance with the Litigation ("Enhancement Payment"). Any Enhancement Payment awarded to Plaintiff by the Court as part of the Settlement shall be deducted from the Gross Settlement Amount for the purpose of determining the Net Settlement Amount, and shall be reported on IRS Form 1099. If the Court approves an Enhancement Payment of less than \$7,500.00 to Plaintiff, then the unapproved portion or portions shall be part of the Net Settlement Amount to be distributed to Settlement Class Members on a *pro rata* basis. The Enhancement Payment will be reported by the Settlement Administrator to the taxing authorities by means of an IRS Form 1099.

XVI. TAXATION AND ALLOCATION

- A. The Parties agree that all employees' share of employment taxes and other legally required withholdings will be withheld from payments to the Settlement Class Members and Plaintiff based on the Parties stipulated allocation of the Net Settlement Amount as provided for in this Section.
- **B.** In Defendant's sole discretion, and to which Plaintiff and Class Counsel do not object, the amount of federal income tax withholding will be based upon a flat withholding rate for supplemental wage payments in accordance with Treas. Reg. § 31.3402(g)-1(a)(2) as amended or supplemented. Income tax withholdings will also be made pursuant to applicable state and/or local withholding codes or regulations.
- C. For withholding tax characterization purposes and payment of taxes, the Individual Settlement Payments to Settlement Class Members shall be deemed twenty percent (20%) wages, for which Settlement Class Members shall receive an IRS form W-2, and eighty percent (80%) penalties, interest, and non-wage damages, for which Settlement Class Members shall receive an IRS form 1099.
- **D.** Forms W-2 and/or Forms 1099 will be distributed at times and in the manner required by the Internal Revenue Code of 1986 (the "Code") and consistent with this Agreement, by the Settlement Administrator. If the Code, the regulations promulgated thereunder, or other applicable tax law, is changed after the date of this Agreement, the processes set forth in this Section

may be modified in a manner to bring Defendant and this Agreement into compliance with any such changes.

E. The employer's share of payroll taxes and contributions on the wages portion of Individual Settlement Payments will be paid by Defendant in addition to and not as a deduction from the Gross Settlement Amount.

XVII. COURT APPROVAL

- A. This Agreement and the Settlement is contingent upon final approval by the Court and entry of judgment. Plaintiff and Defendant agree to take all steps as may be reasonably necessary to secure both preliminary approval and final approval of the Settlement, to the extent not inconsistent with the terms of this Agreement, and will not take any action adverse to each other in obtaining approval by the Court, and, if necessary, appellate approval, of the Settlement in all respects. Plaintiff and Defendant expressly agree that they will not file any objection to the terms of the Settlement or assist or encourage any person or entity to file any such objection.
- **B.** In the event it becomes impossible to secure approval of the Settlement, the Parties shall be restored to their respective positions in the Litigation, as of the date on which the Settlement was reached, except as otherwise provided in Section XVIII, below.

XVIII. <u>MISCELLANEOUS PROVISIONS</u>

A. Interim Stay of Litigation.

Plaintiff and Defendant agree to the stay of all proceedings in the Litigation, including with respect to California Code of Civil Procedure section 583.310, except such proceedings necessary to implement and complete the Settlement, pending final approval of the Settlement by the Court.

B. Interpretation of the Agreement.

This Agreement constitutes the entire agreement between Plaintiff and Defendant. Except as expressly provided herein, this Agreement has not been executed in reliance upon any other written or oral representations or terms, and no such extrinsic oral or written representations or terms shall modify, vary from or contradict its terms. In entering into this Agreement, the Parties agree that this Agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence. The Agreement will be interpreted and enforced under the laws

of the State of California, both in its procedural and substantive aspects, without regard to its conflict of laws provisions. Any claim arising out of or relating to the Agreement, or the subject matter hereof, will be resolved solely and exclusively in the Superior Court of the State of California for the County of Santa Clara, and Plaintiff and Defendant hereby consent to the personal jurisdiction of the Court over them solely in connection therewith. Plaintiff, on her own behalf, and on behalf of the Class, and Defendant participated in the negotiation and drafting of this Agreement and had available to them the advice and assistance of independent counsel. As such, neither Plaintiff nor Defendant may claim that any ambiguity in this Agreement should be construed against the other. The terms and conditions of this Agreement constitute the exclusive and final understanding and expression of all agreements between Plaintiff and Defendant with respect to the Settlement.

C. Further Cooperation.

Plaintiff and Defendant and their respective attorneys shall proceed diligently to prepare and execute all documents, to seek the necessary approvals from the Court, and to do all things reasonably necessary or convenient to consummate the Agreement as expeditiously as possible.

D. Confidentiality of Documents and Information.

Plaintiff, the Settlement Administrator, and Class Counsel shall maintain the confidentiality of all documents and other information obtained in the Litigation that were specifically designated as confidential at the time they were produced (formally or informally) in the Litigation, unless ordered to be disclosed by the Court or by a subpoena.

E. Publicity.

The Parties and their counsel agree that they will not issue any press releases or initiate any contact with the media about the fact, amount or terms of the Settlement. Unless required by applicable law, neither Plaintiff nor her counsel shall publicize the terms of this Agreement in any medium, or initiate or issue any press release or have any communications to the press or media concerning the Action, the Settlement of the Action, and/or this Agreement except as ordered by the Court. If counsel for any of the Parties receives an inquiry about the Settlement from the media, counsel may respond by confirming only the terms of the Settlement which are publicly available.

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F. Neutral Employment Reference.

Defendant agrees that it will follow or adopt a neutral reporting policy regarding any future employment references related to Plaintiff. In the event that any potential or future employers of Plaintiff request a reference regarding Defendant's employment of Plaintiff, Defendant shall only provide the requested Plaintiff's dates of employment and job titles during employment. Defendant shall not refer to the Litigation or this Settlement.

G. Counterparts.

The Agreement may be executed in one or more actual or non-original counterparts, either through a physical original, facsimile, electronic, or e-mail signature, all of which will be considered one and the same instrument and all of which will be considered duplicate originals.

H. Authority.

Each individual signing below warrants that he or she has the authority to execute this Agreement on behalf of the Party for whom or which that individual signs.

I. No Third-Party Beneficiaries.

Plaintiff, Settlement Class Members, Defendant, and Released Parties are intended beneficiaries of this Agreement, and there are no other third-party beneficiaries.

J. Modification.

Before this Agreement has been submitted to the Court in connection with seeking preliminary approval of the Settlement, it may not be changed, altered, or modified, except in a writing signed by the counsel for the Parties. After this Agreement has been submitted to the Court in connection with seeking preliminary approval of the Settlement, it may not be changed, altered, or modified, except in a writing signed by the counsel for the Parties, subject to approval by the Court. Notwithstanding the forgoing, the Parties agree that any dates contained or contemplated in this Agreement may be modified by agreement of counsel for the Parties in writing without approval by the Court if the Parties agree and cause exists for such modification. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties.

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K. **Deadlines Falling on Weekends or Holidays.**

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

L. California Law Governs.

All terms of this Settlement Agreement and Exhibits hereto will be governed and interpreted according to the laws of the State of California.

Μ. Waiver of Right to Appeal.

The Parties and their attorneys agree to waive all appeals from the Court's final approval of this Settlement, except as outlined herein.

N. Notices.

Unless otherwise specifically provided herein, all notices, demands, or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed as follows:

To Class Counsel: Lawyers for Justice, PC Edwin Aiwazian Arby Aiwazian Joanna Ghosh Ovsanna Takvoryan 410 West Arden Avenue, Suite 203 Glendale, CA 91203 Tel: (818) 265-1020 Facsimile: (818) 265-1021 Email: ovsanna@calljusticie.com

To Defense Counsel: SCHOR, VOGELZANG & CHUNG LLP Julie A. Vogelzang Lisa Hird Chung Janelle Thornton 2170 Fourth Avenue San Diego, California 32101 Telephone: 619.906.2400

Facsimile: 619.906.2401

Email: lisa@svclegal.com

O. 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. Neither Class Counsel nor Defense Counsel intend anything contained in this Settlement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement or any written communication or disclosure between or among the Parties or their

attorneys and other advisors, be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise;

- 2. The Acknowledging Party (i) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (ii) has not entered into this Agreement based upon the recommendation of any Other Party or any attorney or advisor to any Other Party, and (iii) 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.

P. Severability.

In the event that any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Defense Counsel and Class Counsel, on behalf of the Parties, and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

Q. Binding on Successors and Assigns.

This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

R. Waiver.

No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

S. Representation by Counsel.

The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement has been

1	executed with the consent and advice of counsel and reviewed in full. Further, Plaintiff and Class
2	Counsel warrant and represent that there are no liens on the Agreement.
3	T. Binding Agreement.
4	The Parties warrant that they understand and have full authority to enter into this Settlement,
5	and further intend that this Settlement Agreement will be fully enforceable and binding on all
6	Parties subject to Court approval, and agree that it will be admissible and subject to disclosure in
7	any proceeding to enforce its terms, notwithstanding any settlement confidentiality provisions that
8	otherwise might apply under federal or state law.
9	U. Entire Agreement.
10	After it is signed and delivered by all Parties and their counsel, this Agreement and its
11	exhibits will constitute the entire agreement between the Parties relating to the terms of Settlement,
12	and will supersede any prior or contemporaneous oral representations, warranties, covenants, or
13	inducements made to any Party concerning this Settlement and the terms of the Settlement.
14	IT IS SO AGREED:
15	DOC 12 F 12 DOC 24 S 21 45 49 UTC - 69 181 205 2407
16	Date: 08/25/2022, 2022 Notes: DARLENE CABUAG, Plaintiff
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18	Date:, 2022 WESTGATE PREMIER HEALTHCARE
19	SERVICES, INC., Defendant
20	Name: Position:
21	APPROVED AS TO FORM:
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23	Date: <u>08/25/2022</u> , 2022 LAWYERS for JUSTICE, PC
	Mini Dringin
24	Edwin Aiwazian Attorneys for Plaintiff and Proposed Class
25	Date:, 2022 SCHOR VOGELZANG & CHUNG LLP
26	Date, 2022 SCHOR VOGELZANG & CHONG LEI
27	Lisa Hird Chung
28	Attorneys for Defendant
	- 24 -
	JOINT STIPULATION OF CLASS ACTION SETTLEMENT

executed with the consent and advice of counsel and reviewed in full. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Agreement.

T. Binding Agreement.

The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties subject to Court approval, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any settlement confidentiality provisions that otherwise might apply under federal or state law.

U. Entire Agreement.

After it 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 terms of Settlement, and will supersede any prior or contemporaneous oral representations, warranties, covenants, or inducements made to any Party concerning this Settlement and the terms of the Settlement.

Date: ______, 2022 DARLENE CABUAG, Plaintiff Date: _______, 2022 DARLENE CABUAG, Plaintiff WESTGATE PREMIER HEALTHCARE SERVICES, INC., Defendant Name: FREDERICK J. STAMM Position: PRESIDENT

APPROVED AS TO FORM:

IT IS SO AGREED:

Date: ______, 2022 LAWYERS for JUSTICE, PC

Edwin Aiwazian

Attorneys for Plaintiff and Proposed Class

Date: Aug. 26, 2022 SCHOR VOGELZANG & CHUNG LLP

Lisa Hird Chung

Attorneys for Defendant

Attorneys for Deli