

1 **BLUMENTHAL NORDREHAUG BHOWMIK**
2 **DE BLOUW LLP**

3 Norman B. Blumenthal (State Bar #068687)
4 Kyle R. Nordrehaug (State Bar #205975)
5 Aparajit Bhowmik (State Bar #248066)
6 2255 Calle Clara
7 La Jolla, CA 92037
8 Telephone: (858)551-1223
9 Facsimile: (858) 551-1232
10 Website: www.bamlawca.com

11 Attorneys for Plaintiffs

FILED
Superior Court of California
County of Los Angeles

07/03/2023

David W. Slayton, Executive Officer / Clerk of Court

By: M. Fregoso Deputy

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 COUNTY OF LOS ANGELES

14 IRIS ASTUDILLO, an individual, CRYSTAL
15 DELGADO, an individual, on behalf of herself
16 and all others similarly situated,

17 Plaintiff,

18 vs.

19 TORRANCE HEALTH ASSOCIATION,
20 INC., a California Corporation; and DOES 1
through 50, inclusive,

21 Defendants.

CASE NO.: 20STCV18424

~~REVISED PROPOSED~~ **PRELIMINARY
APPROVAL ORDER**

Hearing Date: June 28, 2023
Hearing Time: 11:00 a.m.

Judge: Hon. Elihu M. Berle
Dept: SS-6

Date Filed: May 11, 2020
Trial Date: Not yet set

24 This matter came before the Honorable Elihu M. Berle of the Superior Court of the State of
25 California, in and for the County Los Angeles, on May 25, 2023 and on June 28, 2023, for hearing
26 on the unopposed motion by Plaintiffs Iris Astudillo and Crystal Delgado (collectively,
27 “Plaintiffs”) for preliminary approval of the Settlement with Defendant Torrance Health
28

PRELIMINARY APPROVAL ORDER

Electronically Received 06/30/2023 09:56 AM

1 Association, Inc. (“Defendant”). The Court, having considered the briefs, argument of counsel
2 and all matters presented to the Court and good cause appearing, hereby GRANTS Plaintiffs’
3 Motion for Preliminary Approval of Class Action Settlement.
4

5 **IT IS HEREBY ORDERED:**

6 1. The Court preliminarily approves the Class Action, Collective Action and PAGA
7 Settlement Agreement (“Agreement”) attached as Exhibit #1 to the Declaration of Kyle
8 Nordrehaug in Support of Plaintiffs’ Motion for Preliminary Approval of Class Action Settlement.
9 This is based on the Court’s determination that the Settlement set forth in the Agreement is within
10 the range of possible final approval, pursuant to the provisions of Section 382 of the California
11 Code of Civil Procedure and California Rules of Court, rule 3.769.

12 2. This Order incorporates by reference the definitions in the Agreement, and all
13 terms defined therein shall have the same meaning in this Order as set forth in the Agreement.

14 3. The Gross Settlement Amount that Defendant shall pay is One Million Seventy-
15 Three Thousand Twenty-Five Dollars (\$1,073,025), of which Defendant has already paid \$73,025
16 in individual settlement payments to Class Members which will be credited towards the Gross
17 Settlement Amount. It appears to the Court on a preliminary basis that the settlement amount and
18 terms are fair, adequate and reasonable as to all potential Class Members when balanced against
19 the probable outcome of further litigation and the significant risks relating to certification, liability
20 and damages issues. It further appears that investigation and research have been conducted such
21 that counsel for the Parties are able to reasonably evaluate their respective positions. It further
22 appears to the Court that the Settlement will avoid substantial additional costs by all Parties, as
23 well as avoid the delay and risks that would be presented by the further prosecution of the Action.
24 It further appears that the Settlement has been reached as the result of serious and non-collusive,
25 arms-length negotiations.

26 4. The Court preliminarily finds that the Settlement appears to be within the range of
27 reasonableness of a settlement that could ultimately be given final approval by this Court. The
28

1 Court has reviewed the monetary recovery that is being granted as part of the Settlement and
2 preliminarily finds that the monetary settlement awards made available to the Class is fair,
3 adequate, and reasonable when balanced against the probable outcome of further litigation and the
4 significant risks relating to certification, liability, and damages issues.

5 5. The Agreement specifies for an attorneys' fees award not to exceed one-third of the
6 Gross Settlement Amount, an award of litigation expenses incurred, not to exceed \$95,000, and
7 proposed Class Representative Service Payments to the two Plaintiffs in an amount not to exceed
8 \$10,000 each, which is \$20,000 in total for the two named Plaintiffs. The Court will not approve
9 the amount of attorneys' fees and costs, nor the amount of any service award, until the Final
10 Approval Hearing. Plaintiffs will be required to present evidence supporting these requests,
11 including lodestar, prior to final approval.

12 6. The Court recognizes that Plaintiffs and Defendants stipulate and agree to
13 representative treatment and certification of a class for settlement purposes only. This stipulation
14 will not be deemed admissible in this or any other proceeding should this Settlement not become
15 final. For settlement purposes only, the Court conditionally certifies the Class which consists of
16 both the Wage and Hour Class and the Background Check Class. The Wage and Hour Class is
17 defined as all individuals who are or previously were employed by Defendant in California and
18 classified as a nonexempt employee at any time during the Wage and Hour Class Period (the
19 "Wage and Hour Class Members"). The "Wage and Hour Class Period" is from May 11, 2016
20 through February 21, 2023. The Background Check Class is defined all individuals who executed
21 Defendant's background check disclosure form at any time during the Background Check Class
22 Period (the "Background Check Class Members"). The "Background Check Class Period" is from
23 May 11, 2013 through February 21, 2023.

24 7. The Court concludes that, for settlement purposes only, the Class meets the
25 requirements for certification under section 382 of the California Code of Civil Procedure in that:
26 (a) the Class is ascertainable and so numerous that joinder of all members of the Class is
27 impracticable; (b) common questions of law and fact predominate, and there is a well-defined

1 community of interest amongst the members of the Class with respect to the subject matter of the
2 litigation; (c) the claims of the Plaintiffs are typical of the claims of the members of the Class; (d)
3 the Plaintiffs will fairly and adequately protect the interests of the members of the Class; (e) a
4 class action is superior to other available methods for the efficient adjudication of this controversy;
5 and (f) counsel for the Class is qualified to act as counsel for the Class and the Plaintiffs are
6 adequate representatives of the Class.

7 8. The Court provisionally appoints Plaintiffs as the representatives of the Class. The
8 Court provisionally appoints Norman B. Blumenthal, Kyle R. Nordrehaug, Aparajit Bhowmik,
9 Nicholas J. De Blouw, Jeffrey S. Herman, and Sergio J. Puche of Blumenthal Nordrehaug
10 Bhowmik De Blouw LLP as Class Counsel for the Class.

11 9. The Agreement provides for a **PAGA Penalties** out of the Gross Settlement
12 Amount of **\$20,000**, which shall be allocated \$15,000 to the Labor & Workforce Development
13 Agency (“LWDA”) as the LWDA’s 75% share of the settlement of civil penalties paid under this
14 Agreement pursuant to the PAGA and \$5,000. “Aggrieved Employees” are all individuals who
15 were employed by Defendant in California and classified as a nonexempt employee at any time
16 during the PAGA Period. The **PAGA Period is from January 20, 2019 through February 21, 2023.**
17 Pursuant to Labor Code section 2699, subdivision (1)(2), the LWDA will be provided notice of the
18 Agreement and these settlement terms. The Court finds the PAGA Penalties to be reasonable.

19 10. The Court hereby approves, as to form and content, the Class Notice as revised and
20 attached to this Order as Exhibit #1. The Court finds that the Class Notice appears to fully and
21 accurately inform the Class of all material elements of the proposed Settlement, of the Class
22 Members’ right to be excluded from the Class by submitting a written opt-out request, and of each
23 member’s right and opportunity to object to the Settlement. The Court further finds that the
24 distribution of the Class Notice substantially in the manner and form set forth in the Agreement
25 and this Order meets the requirements of due process, is the best notice practicable under the
26 circumstances, and shall constitute due and sufficient notice to all persons entitled thereto. The
27 Court orders the mailing of the Class Notice by first class mail pursuant to the terms set forth in
28

1 the Agreement. If a Class Notice Packet is returned because of an incorrect address, the
2 Administrator will promptly search for a more current address for the Class Member and re-mail
3 the Class Notice Packet to any new address for the Class Member no later than seven (7) days
4 after the receipt of the undelivered Class Notice.

5 11. The Court hereby appoints Phoenix Class Action Administration Solutions as the
6 Administrator. No later than July 19, 2023, Defendant will provide the Class Data to the
7 Administrator. The Administrator will perform address updates and verifications as necessary
8 prior to the first mailing. Using best efforts to mail it as soon as possible, and in no event later
9 than August 2, 2023, the Administrator will mail the Class Notice Packet to all Class Members via
10 first-class regular U.S. Mail to their last known address.

11 12. The Court hereby preliminarily approves the proposed procedure for exclusion
12 from the Settlement. Any Class Member may individually choose to opt out of and be excluded
13 from the Class as provided in the Class Notice by following the instructions for requesting
14 exclusion from the Class that are set forth in the Class Notice. All requests for exclusion must be
15 postmarked or received no later than October 2, 2023 (“Response Deadline”). If a Class Notice
16 Packet is re-mailed, the Response Deadline for requests for exclusion will be extended an
17 additional fourteen (14) days. A Request for Exclusion may also be faxed or emailed to the
18 Administrator as indicated in the Class Notice. Any such person who chooses to opt out of and be
19 excluded from the Class will not be entitled to any recovery under the Class Settlement and will
20 not be bound by the Class Settlement or have any right to object, appeal or comment thereon.
21 Class Members who have not requested exclusion shall be bound by all determinations of the
22 Court, the Agreement and the Judgment. A request for exclusion may only opt out that particular
23 individual, and any attempt to effect an opt-out of a group, class, or subclass of individuals is not
24 permitted and will be deemed invalid.

25 13. Any Class Member who has not opted out may appear at the final approval hearing
26 and may object or express the Member’s views regarding the Settlement, and may present
27 evidence and file briefs or other papers that may be proper and relevant to the issues to be heard
28

1 and determined by the Court as provided in the Notice. Class Members will have until the
2 Response Deadline to submit their written objections to the Administrator. Written objections
3 may also be faxed or emailed to the Administrator as indicated in the Class Notice. If a Class
4 Notice Packet is re-mailed, the Response Deadline for written objections will be extended an
5 additional fourteen (14) days. Alternatively, Class Members may appear at the Final Approval
6 Hearing to make an oral objection.

7 14. A final approval hearing shall be held before this Court on November 15, 2023,
8 2023 9:00 a.m. in Department 6 at the Los Angeles County Superior Court to hear the motion for
9 final approval and the motion for attorneys' fees and costs, and to determine all necessary matters
10 concerning the Settlement, including: whether the proposed settlement of the Action on the terms
11 and conditions provided for in the Agreement is fair, adequate and reasonable and should be
12 finally approved by the Court; whether the Final Approval Order and Judgment should be entered
13 herein; whether the plan of allocation contained in the Agreement should be approved as fair,
14 adequate and reasonable to the Class Members; and to finally approve attorneys' fees and costs,
15 service awards, and the fees and expenses of the Administrator. All papers in support of the
16 motion for final approval and the motion for attorneys' fees, costs and service awards shall be
17 filed with the Court and served on all counsel no later than September 1, 2023 and both motions
18 shall be heard at this final approval hearing. Responses to any objection must be filed and served
19 by November 1, 2023. The Declaration of the Administrator as to the notice process shall be filed
20 and served by November 1, 2023.

21 15. Neither the Settlement nor any exhibit, document, or instrument delivered
22 thereunder shall be construed as a concession or admission by Defendant in any way that the
23 claims asserted have any merit or that this Action was properly brought as a class or representative
24 action, and shall not be used as evidence of, or used against Defendants as, an admission or
25 indication in any way, including with respect to any claim of any liability, wrongdoing, fault or
26 omission by Defendant or with respect to the truth of any allegation asserted by any person.
27 Whether or not the Settlement is finally approved, neither the Settlement, nor any exhibit,
28

1 document, statement, proceeding or conduct related to the Settlement, nor any reports or accounts
2 thereof, shall in any event be construed as, offered or admitted in evidence as, received as or
3 deemed to be evidence for any purpose adverse to the Defendant, including, but not limited to,
4 evidence of a presumption, concession, indication or admission by Defendant of any liability,
5 fault, wrongdoing, omission, concession or damage.

6 16. In the event the Settlement does not become effective in accordance with the terms
7 of the Agreement, or the Settlement is not finally approved, or is terminated, canceled or fails to
8 become effective for any reason, this Order shall be rendered null and void and shall be vacated,
9 and the Parties shall revert to their respective positions as of before entering into the Agreement,
10 and expressly reserve their respective rights regarding the prosecution and defense of this Action,
11 including all available defenses and affirmative defenses, and arguments that any claim in the
12 Action could not be certified as a class action and/or managed as a representative action . In such
13 an event, the Court's orders regarding the Settlement, including this Order, shall not be used or
14 referred to in litigation for any purpose. Nothing in this paragraph is intended to alter the terms of
15 the Agreement with respect to the effect of the Agreement if it is not approved.

16 17. The Court reserves the right to adjourn or continue the date of the final approval
17 hearing and all dates provided for in the Agreement without further notice to Class Members and
18 retains jurisdiction to consider all further applications arising out of or connected with the
19 proposed Settlement.

20 **IT IS SO ORDERED.**

21
22 Dated: i EGH



23 **Elihu M. Berle**
24 HON. ELIHU M. BERLE
25 JUDGE OF THE SUPERIOR COURT OF CALIFORNIA
26 Elihu M. Berle / Judge
27
28

PRELIMINARY APPROVAL ORDER

EXHIBIT #1

EXHIBIT "A"

**COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT
AND HEARING DATE FOR FINAL COURT APPROVAL**

***Astudillo vs. Torrance Health Association, Inc., Superior Court of the State of California,
County of Los Angeles, Case No. 20STCV18424***

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT
ACT. PLEASE READ THIS NOTICE CAREFULLY.**

You may be eligible to receive money from an employee class action lawsuit ("Action") against Defendant Torrance Health Association, Inc. ("Defendant") for alleged wage and hour violations. The Action was filed by Plaintiffs Iris Astudillo and Crystal Delgado ("Plaintiffs") and seeks payment of (1) wages and other relief on behalf of all individuals who are or previously were employed by Defendant in California and classified as a nonexempt employee at any time during the Wage and Hour Class Period (May 11, 2016 through February 21, 2023) ("Wage and Hour Class Members"), (2) penalties and other relief on behalf of all individuals who executed Defendant's background check disclosure form at any time during the Background Check Class Period (May 11, 2013 through February 21, 2023) ("Background Check Class Members"), and (3) penalties under the California Private Attorney General Act ("PAGA") for all individuals who were employed by Defendant in California and classified as a nonexempt employee at any time during the PAGA Period (January 20, 2019 through February 21, 2023) ("Aggrieved Employees").

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendant to fund Individual Class Payments and Background Check Class Payments to Class Members, and (2) a PAGA Settlement requiring Defendant to fund the PAGA Penalties to pay penalties to the California Labor and Workforce Development Agency ("LWDA") and to Aggrieved Employees.

Based on Defendant's records, and the Parties' current assumptions, **your Individual Class Payment is estimated to be <<\$_____>> (less withholding), your Background Check Class Payment is estimated to be <<\$_____>>, and your share of the PAGA Penalties is estimated to <<be \$_____>>.** The actual amount you may receive likely will be different and will depend on a number of factors. (If \$0.00 is stated, then according to Defendant's records you are not eligible for that payment.)

The above estimates are based on Defendant's records showing that **you worked <<_____>> workweeks** during the Class Period and **you worked <<_____>> pay periods** during the PAGA Period. If you believe that you worked more workweeks and/or pay periods during either period, you can submit a challenge by the deadline date. See Section 5 of this Notice below.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

If you worked for Defendant during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don’t have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment, a Background Check Class Payment, and/or a share of the PAGA Penalties. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims, Released Background Check Class Claims and PAGA Period penalty claims against Defendant as described below in Section 4 below.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment or a Background Check Class Payment, however you will preserve your right to personally pursue Class Period wage claims and background check claims against Defendant. If you are an Aggrieved Employee, you remain eligible for a share of the PAGA Penalties. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendant will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
You Don’t Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and/or a Background Check Class Payment, and a share of the PAGA Penalties (if any). In exchange, you will give up your right to assert the wage claims and/or background check claims against Defendant that are covered by this Settlement (Released Class Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement	If you don’t want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment or a Background Check Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 7 of this Notice.
The Opt-out Deadline	

<p>is October 2, 2023</p>	<p>However, you cannot opt-out of the PAGA portion of the proposed Settlement. If you are also an Aggrieved Employee and exclude yourself, you will still be paid your share of the PAGA Penalties and will remain bound by the release of the Released PAGA Claims regardless of whether you submit a request for exclusion.</p>
<p>Participating Class Members Can Object to the Class Settlement</p> <p>Written Objections Must be Submitted by the Response Deadline October 2, 2023</p>	<p>All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable.</p> <p>See Section 8 of this Notice.</p>
<p>You Can Participate in the November 15, 2023 Final Approval Hearing</p>	<p>The Court’s Final Approval Hearing is scheduled to take place on November 15, 2023 at 9:00 a.m., at the Los Angeles County Superior Court, Spring Street Courthouse, located at 312 North Spring Street, Los Angeles, CA 90012, in Department 6 before Judge Elihu Berle. This hearing may change as explained below in Section 9.</p> <p>You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 9 of this Notice</p>
<p>You Can Challenge the Calculation of Your Workweeks / Pay Periods</p> <p>Witten Challenges Must be Submitted by the Response Deadline October 2, 2023</p>	<p>The amount of your Individual Class Payment depends on how many workweeks you worked at least one day during the Class Period. The amount of your share of the PAGA Penalties (if any) depends on how many pay periods you worked at least one day during the PAGA Period, respectively. The number Class Period workweeks and number of PAGA Period pay periods you worked according to Defendant’s records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by October 2, 2023. See Section 5 of this Notice</p>

1. What is action about?

Plaintiffs Iris Astudillo and Crystal Delgado are former employees of Defendant. The Action accuse THA of violating California labor laws by failing to pay minimum wages, failing to pay overtime wages, failing to provide required meal periods and unpaid premiums, failing to provide required rest periods and unpaid premiums, failing to provide accurate itemized wage

statements, failing to provide wages when due, failing to make proper disclosures and to obtain proper authorizations and engaging in unfair competition. Plaintiffs also seek penalties under the Private Attorneys General Act.

Defendant denies that it has done anything wrong and disputes all the claims in the Action.

2. What does it mean that the action has settled?

So far, the Court has made no determination whether Defendant or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendants hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendant have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims. Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. What are the terms of the Settlement?

Gross Settlement Amount. Defendant has agreed to pay an “all in” amount of One Million Seventy-Three Thousand Twenty-Five Dollars (\$1,073,025) (the “Gross Settlement Amount”) to fund the settlement of the Action. Defendant has already paid \$73,025 for individual settlement agreements to Class Members, which will be credited towards the Gross Settlement Amount and Defendant shall pay out the additional total sum of \$1,000,000 for settlement of the Action. The Gross Settlement Amount includes all payments of Individual Class Payments and Background Check Class Payments to Class Members, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments, the Administration Expenses Payment, and the PAGA Penalties for civil penalties under PAGA. Any employer-side payroll taxes on the portion of the Individual Class Payments allocated to wages shall be separately paid by Defendants. Within fourteen (14) days of the Judgment becoming Final, Defendant will fund the Gross Settlement Amount by depositing the money with the Administrator. “Final” means the date the Judgment is entered, unless there are objections in which case “Final” means when the Judgment is no longer subject to appeal. Fourteen (14) days after the Settlement is funded, the Administrator will mail checks for the Individual Class Payments and Background Check Class Payments to Participating Class Members.

Court Approved Deductions from Gross Settlement Amount. The proposed payments, subject to Court approval, will be deducted from the Gross Settlement Amount before payments of Individual Class Payments and Background Check Class Payments are made to Class Members

who do not request exclusion (“Participating Class Members”). At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

- Administration Expenses Payment. Payment to the Administrator, estimated not to exceed \$30,000, for expenses, including expenses of notifying the Class Members of the Settlement, processing opt outs, and distributing settlement checks and tax forms.
- Attorneys’ Fees and Costs. Payment to Class Counsel of reasonable attorneys’ fees not to exceed one-third (1/3) of the Gross Settlement Amount (excluding the credit of \$73,025), which presently equals \$333,333, and an additional amount to reimburse actual litigation costs incurred by the Plaintiffs not to exceed \$95,000. Class Counsel has been prosecuting the Action on behalf of Plaintiffs and the Class on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses. The amounts stated are what Class Counsel will be requesting and the final amounts to be paid will be decided at the Final Approval Hearing.
- Class Representative Service Payments. A Class Representative Service Payment in an amount not more than \$10,000 to each of the two named Plaintiffs as service awards, which is a combined total of \$20,000 for Class Representative Service Payments, or such lesser amount as may be approved by the Court, to compensate them for services on behalf of the Class in initiating and prosecuting the Action, and for the risks they undertook. The amounts stated are what Plaintiffs will be requesting and the final amounts to be paid will be decided at the Final Approval Hearing.
- PAGA Penalties. A payment of \$20,000 relating to Plaintiffs’ claim under PAGA, \$15,000 of which will be paid to the State of California’s Labor and Workforce Development Agency (“LWDA”). The remaining \$5,000 will be distributed to the Aggrieved Employees as Individual PAGA Payments. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees’ 25% share of PAGA Penalties (\$5,000) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee’s PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. “PAGA Pay Period” means any pay period during which an Aggrieved Employee was employed by Defendant for at least one day during the PAGA Period, which is January 20, 2019 through February 21, 2023.
- To Each Participating Background Class Member. A Background Check Class Payment paid out at a flat rate of \$50 per individual. Background Check Class Payments are 100% for penalties and interest, which are not subject to wage withholdings and will be reported on IRS 1099 Forms. Non-Participating Class Members will not receive any Background Check Class Payments.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

Calculation of Payments to Class Members. After all of the payments of the court-approved Attorneys' Fees and Costs, the Class Representative Service Payments, the PAGA Penalties, the Administration Expenses Payment, the Background Check Class Payments, and the \$73,025 already paid by Defendant are deducted from the Gross Settlement Amount, the remaining portion, the "Net Settlement Amount", shall be distributed as Individual Class Payments to the Participating Class Members. The Net Settlement Amount is estimated to be at least \$402,767. The Administrator will pay an Individual Class Payment from the Net Settlement Amount to each Participating Class Member. The Individual Class Payment for each Participating Class Member will be calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Wage and Hour Class Members during the Class Period and (b) multiplying the result by each Participating Wage and Hour Class Member's Workweeks. "Workweek" means any week during the Wage and Hour Class Period in which a Class Member was employed by Defendant as a Class Member for at least one day. The number of Workweeks will be based on Defendant's records, however, Class Members may challenge the number of Workweeks as explained below.

If the Settlement is approved by the Court and you do not exclude yourself, you will automatically be mailed a check for your Individual Class Payment and/or Background Check Class Payment to the same address as this Class Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the Administrator to inform them of your correct address to ensure you receive your payment.

Tax Matters. Twenty Percent (20%) of each Participating Wage and Hour Class Member's Individual Class Payment is in settlement of wage claims (the "Wage Portion"). Accordingly, the Wage Portion is subject to wage withholdings, and shall be reported on IRS Form W-2. Eighty Percent (80%) of each Participating Wage and Hour Class Member's Individual Class Payment is in settlement of claims for alleged statutory damages, expense reimbursement, non-taxable penalties, and interest due to employees (collectively the "Non-Wage Portion"). The Non-Wage Portion shall not be subject to wage withholdings, and shall be reported on IRS Form 1099. The employee portion of all applicable income and payroll taxes will be the responsibility of the Participating Class Members. Neither Class Counsel nor Defendant's Counsel intend anything contained in this Class Notice to constitute advice regarding taxes or taxability. The tax issues for each Participating Class Member are unique to him/her, and each Participating Class Member may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

Conditions of Settlement. This Settlement and your receipt of the Individual Class Payment is conditioned upon the Court entering an order granting final approval of the Settlement and entering judgment.

The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.

Need to Promptly Cash Payment Checks. The front of every check issued will show the date

when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the individual who failed to cash their check.

Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than October 2, 2023, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the October 2, 2023 Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against the Defendant.

Administrator. The Court has appointed a neutral company, Phoenix Class Action Administration Solutions (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

4. What Do I Release Under the Settlement?

Released Class Claims. As of the Effective Date and upon full finding of the Gross Settlement Amount by Defendant, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties as follows:

- (1) Release by Wage and Hour Class Members.** All Wage and Hour Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint, including failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest thereon; failure to timely pay regular and final wages; the calculation of the regular rate of pay; wages lost from time rounding and timekeeping; noncompliant (e.g., missed, short, late, and/or interrupted) meal periods and rest periods; failure to provide meal periods; failure to authorize and permit rest periods; the calculation and payment of meal period and rest period premiums; payment for all hours worked, including off-the-clock work and uncompensated work time; wage statements and paystubs, including wage statements and paystubs furnished or available in physical, electronic, or other forms; failure to pay sick pay wages; failure to properly calculate sick pay wages; failure to keep accurate records; failure to reimburse for all necessary business expenses; unfair business practices; recordkeeping penalties, wage statement penalties, minimum wage, penalties, and waiting-time penalties; statutory penalties and civil penalties; interest for claims for unpaid wages; and attorneys' fees and costs; claims under the California Labor Code

including sections 201, 201.3, 202, 203, 204, 210, 218, 218.5, 218.6, 223, 224, 226, 226.3, 226.7, 233, 246, 246.5, 248.5, 510, 512, 558, 1174, 1182.12, 1194, 1194.2, 1194.3, 1197, 1197.1, 1198, and 2802); the Wage Orders of the California Industrial Welfare Commission; and California Business and Professions Code section 17200, *et seq.* This release excludes the release of claims not permitted by law. Upon entry of Judgment, Participating Wage and Hour Class Members are precluded from filing a wage and hour action under the Fair Labor Standards Act against the Released Parties for claims and/or causes of action encompassed by the Released Wage And Hour Class Claims, which are extinguished and precluded pursuant to *Rangel v. PLS Check Cashers of California, Inc.*, 899 F.3d 1106 (2018). Except as expressly set forth in this Agreement, Participating Wage and Hour Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation. The Released Wage and Hour Class Claims are limited to the Wage and Hour Class Period.

(2) Release by Background Check Class Members. All Background Check Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the background check facts asserted in the Operative Complaint. The Released Background Check Class Claims include all claims for unlawful background check disclosures, and unlawful background check authorizations; all claims related to the Released Background Check Class Claims arising under violation of the Fair Credit Reporting Act, 15 U.S.C. § 1681, *et seq.*, the Investigative Consumer Reporting Agencies Act, California Code of Civil Procedure §§ 1786, *et seq.*, and the Consumer Credit Reporting Agencies Act, California Code of Civil Procedure §§ 1785, *et seq.* This release expressly excludes the release of claims not permitted by law. The Released Background Check Class Claims are limited to the Background Check Class Period.

This means that, if you do not timely and formally exclude yourself from the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants and any other Released Party about the Released Class Claims resolved by this Settlement. It also means that all of the Court's orders in the Action will apply to you and legally bind you.

Released PAGA Claims. As of the Effective Date and upon full funding of the Gross Settlement Amount by Defendant, all Aggrieved Employees and the LWDA are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice, including claims for unpaid wages, including failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; non-compliant (e.g., missed, short, late, and/or interrupted) meal periods and rest periods; failure to provide meal periods; failure to authorize and permit rest periods; the calculation and payment of meal period and rest period premiums; failure to reimburse for all necessary business expenses; failure to provide payment for all hours worked, including off-the-clock work and rounded time; wage statements; failure to keep accurate records; unlawful deductions and/or withholdings from

wages; failure to timely pay wages; and failure to timely pay final wages. The Released PAGA Claims include claims for violation of the Wage Orders of the California Industrial Welfare Commission and the following California Labor Code sections: 201, 202, 203, 204, 206, 210, 226, 226.7, 510, 512, 558, 1194, 1197, 1197.1, 1198, 2802, 2698 *et seq.*, and 2699, *et seq.*). Aggrieved Employees' Released PAGA Claims are limited to the PAGA Period.

Released Parties. The Released Parties are: Defendant and each of its past, present and future agents, employees, servants, officers, directors, partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint employers, temporary staffing agencies, affiliates, alter-egos, vendors, and affiliated organizations, and all of its respective past, present and future employees, directors, officers, agents, representatives, payroll agencies, attorneys, stockholders, fiduciaries, parents, subsidiaries, and assigns.

5. How much will my payment be?

Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

Defendant's records reflect that you worked <<____>> Workweeks during the Wage and Hour Class Period (May 11, 2016 through February 21, 2023).

Based on this information, your estimated Individual Class Payment from the Net Settlement Amount is <<____>>.

Defendant's records reflect that you worked <<____>> PAGA Pay Periods during the during the PAGA Period (June 4, 2020 through August 5, 2022). Based on this information your estimated Individual PAGA Payment is <<____>>.

If you wish to challenge the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Administrator at the address provided in this Class Notice no later than the Response Deadline, which is October 2, 2023. You may also fax the dispute to _____ or email the dispute to _____ by no later than the Response Deadline. Any dispute should include credible written evidence and will be resolved by the Administrator.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

6. How can I get a payment?

To get money from the Settlement, you do not have to do anything. A check for your Individual Class Payment and or Background Check Class Payment will be mailed automatically to the same address as this Class Notice.

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator’s contact information.

7. What if I don’t want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Class portion of the Settlement or “opt out.” **If you opt out, you will not receive an Individual Class Payment or a Background Check Class Payment from the Settlement, and you will not be bound by its terms, which means you will retain the right to sue Defendant for the Released Class Claims.** However, Aggrieved Employees who opt out will still be paid their allocation of the PAGA Penalties and will remain bound by the release of the Released PAGA Claims regardless of whether they submit a request for exclusion. **The PAGA Penalties is \$20,000, of which \$5,000 will be distributed to the Aggrieved Employees to be allocated based on their respective PAGA Pay Periods. Your share of the PAGA Penalties, if any, is set forth in Section 5 above.**

To opt out, you must submit to the Administrator a written, signed and dated request to opt-out postmarked no later than the Response Deadline which is October 2, 2023. You may also fax your request to opt out to _____ or email the dispute to _____ by no later than the Response Deadline. The request to opt-out should state in substance that you wish to be excluded from the class settlement in the *Astudillo v. Torrance Health Association* lawsuit. The request to opt-out should state the Class Member’s full name, address and email address or telephone number. Please include the name and number of the case, which is *Astudillo v. Torrance Health Association*, Case No. 20STCV18424. The request to opt-out must be completed and signed by you. No other person may opt-out for a living member of the Class.

The address for the Administrator is _____. Written requests for exclusion that are postmarked after October 2, 2023, or are incomplete or unsigned will be rejected, and those Class Members will remain bound by the Settlement and the release described above.

8. How do I Object to the Settlement?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendant are asking the Court to approve. By September 1, 2023, Class Counsel and Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Awards stating (i) the amount Class Counsel is requesting for attorneys’ fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as Class Representative Service Payments. Upon reasonable request,

Class Counsel (whose contact information is below) will send you copies of these documents at no cost to you. You can also view them on Class Counsel’s website at www.bamlawca.com under “Class Notices” for *Astudillo v. Torrance Health Association* or on the Court’s website (<http://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil>) and entering the Case No. 20STCV18424

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Awards may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The Response Deadline for sending written objections to the Administrator is October 2, 2023.** You may also fax the dispute to _____ or email the dispute to _____ by no later than this Response Deadline. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action, *Astudillo v. Torrance Health Association*, Case No. 20STCV18424, and include your name, current address, email or telephone number, and approximate dates of employment for Defendants and sign the objection. The Administrator’s contact information is as follows:

Administrator:

Name of Company: _____

Email Address: _____

Mailing Address: _____

Telephone Number: _____

Fax Number: _____

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. You also have the option to appear at the hearing by audio or video. Instructions on how to do so are available on the Court’s website at <https://www.lacourt.org/lacc/>. Check the Court’s website for the most current information. See Section 9 of this Notice (immediately below) for specifics regarding the Final Approval Hearing

The addresses for Parties’ counsel are as follows:

CLASS COUNSEL:

Kyle Nordrehaug
Blumenthal Nordrehaug Bhowmik DeBlouw LLP
2255 Calle Clara
La Jolla, CA 92037
Tel.: (858) 551-1223
Fax: (858) 551-1232
E-Mail: kyle@bamlawca.com

COUNSEL FOR DEFENDANT:

Richard J. Simmons

Derek R. Havel
SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
333 South Hope Street, 43rd Floor
Los Angeles, CA 90071-1422
Tel.: 213-620-1780

9. Can I Attend the Final Approval Hearing?

You can, but don't have to, attend the Final Approval Hearing at 9:00 a.m.(Pacific Standard Time) on November 15, 2023, in Department 6 of the Superior Court of California, County of Los Angeles, Spring Street Courthouse, 312 North Spring Street, Los Angeles, California 90012, before Judge Elihu Berle. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement and to fix the amounts to be paid as attorneys' fees and costs to Class Counsel and as service payments to Plaintiffs. If there are objections, the Court will consider them. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing in remotely using the Court Connect procedure at <https://www.lacourt.org/lacc/>. You may also appear in person. Check the Court's website for the most current information on appearing in Court.

It's possible the Court will reschedule the Final Approval Hearing. If the hearing is continued, notice will be posted on Class Counsel's website at www.bamlawca.com under "Class Notices" for *Astudillo v. Torrance Health Association*. In addition, hearing dates are posted on the Internet via the Case Access page for the Los Angeles County Superior Court (<http://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil>) and entering the Case No. 20STCV18424.

10. How Can I Get More Information?

You may call the Administrator at _____ or write to *Astudillo v. Torrance Health Association* Administrator, c/o _____.

This Class Notice summarizes the proposed settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Judgment, the motion for attorneys' fees, costs and service awards, the motion for final approval or other Settlement documents by going to Class Counsel's website at www.bamlawca.com under "Class Notices" for *Astudillo v. Torrance Health Association*. You may get more details by examining the Court's file on the Internet via the Case Access page for the California Superior Court for the County of Los Angeles (<http://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil>) and entering the Case No. 20STCV18424. If you wish to view the Court files in person, you are encouraged to make an appointment with the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- **What if Your Address Changes** - To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.
- **What if You Fail to Cash a Check** - Settlement checks will be null and void 180 days after issuance if not deposited or cashed, and this expiration date is printed on the check. In such events, the Administrator shall direct all unclaimed funds to be paid to the California Controller's Unclaimed Property Fund in the name of and for the benefit of the individual who did not cash their check. The funds may be claimed at https://www.sco.ca.gov/upd_msg.html.
- **What if You Lose Your Check** - If your check is lost or misplaced, you should contact the Administrator immediately to request a replacement.