

ERVIN COHEN & JESSUP^{LLP}

1 Kelly O. Scott (SBN 132186)
 kscott@ecjlaw.com
 2 Jared W. Slater (SBN 306226)
 jslater@ecjlaw.com
 3 **ERVIN COHEN & JESSUP LLP**
 9401 Wilshire Boulevard, Ninth Floor
 4 Beverly Hills, California 90212-2974
 Telephone (310) 273-6333
 5 Facsimile (310) 859-2325

6 Attorneys for Defendant National Renal Care, LLC.

7 Alan Harris (SBN 146079)
 aharris@harrisandruble.com
 8 Priya Mohan (SBN 228984)
 pmohan@harrisandruble.com

9 **HARRIS & RUBLE**
 655 North Central Avenue, 17th Fl.
 10 Glendale, California 91203
 Telephone (323) 962-3777
 11 Facsimile (323) 962-3004

12 Attorneys for Plaintiff Martha Martinez

13 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
 14 **COUNTY OF LOS ANGELES, CENTRAL DISTRICT**

16 MARTHA MARTINEZ, individually and on
 17 behalf of all others similarly, situated,

18 Plaintiff,

19 v.

20 NATIONAL RENAL CARE, LLC and DOES
 1 to 10,

21 Defendants.

Case No. 21STCV33729

**CLASS ACTION AND PAGA
 SETTLEMENT AGREEMENT AND
 CLASS NOTICE**

Assigned for All Purposes to:
 Hon. Kenneth R. Freeman, Dept. 14

Action Filed: September 10, 2021

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**CLASS ACTION AND PAGA SETTLEMENT
AGREEMENT AND CLASS NOTICE**

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Martha Martinez and others similarly situated (“Plaintiff”) and defendant National Renal Care, LLC (“NRC”). The Agreement refers to Plaintiff and NRC collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1 “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against NRC captioned *Martha Martinez v. National Renal Care, LLC, et al.* initiated on September 10, 2021 and pending in Superior Court of the State of California, County of Los Angeles.

1.2 “Administrator” means CPT Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4 “Aggrieved Employee” means a person who performed services as a nonexempt employee in California for Defendant during the PAGA Period.

1.5 “Class” means all persons employed by NRC as non-exempt hourly employees in California during the Class Period.

1.6 “Class Counsel” means Alan Harris, Esq., Priya Mohan, Esq., and Harris & Ruble.

1.7 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.

1.8 “Class Data” means Class Member identifying information in NRC’s possession including the Class Member’s name, last-known mailing address, Social Security

1 number, and number of Class Period Workweeks and PAGA Period Pay Periods.

2 1.9 “Class Member” or “Settlement Class Member” means a member of the
3 Class, as either a Participating Class Member or Non-Participating Class Member (including a
4 Non-Participating Class Member who qualifies as an Aggrieved Employee).

5 1.10 “Class Member Address Search” means the Administrator’s investigation
6 and search for current Class Member mailing addresses using all reasonably available sources,
7 methods and means including, but not limited to, the National Change of Address database, skip
8 traces, and direct contact by the Administrator with Class Members.

9 1.11 “Class Notice” means the COURT APPROVED NOTICE OF CLASS
10 ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be
11 mailed to Class Members in English in the form, without material variation, attached as Exhibit A
12 and incorporated by reference into this Agreement.

13 1.12 “Class Period” means the period from September 10, 2017 to December 31,
14 2021.

15 1.13 “Class Representative” means the named Plaintiff in the operative
16 complaint in the Action seeking Court approval to serve as a Class Representative.

17 1.14 “Class Representative Service Payment” means the payment to the Class
18 Representative for initiating the Action and providing services in support of the Action.

19 1.15 “Court” means the Superior Court of California, County of Los Angeles.

20 1.16 “NRC” means named Defendant National Renal Care, LLC.

21 1.17 “Defense Counsel” means Kelly Scott, Esq., Jared Slater, Esq., and Ervin
22 Cohen Jessup, LLP.

23 1.18 “Effective Date” means the date by when both of the following have
24 occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement;
25 and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences:
26 (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment;
27 (b) if one or more Participating Class Members objects to the Settlement, the day after the
28 deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment

1 is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

2 1.19 “Final Approval” means the Court’s order granting final approval of the
3 Settlement.

4 1.20 “Final Approval Hearing” means the Court’s hearing on the Motion for
5 Final Approval of the Settlement.

6 1.21 “Final Judgment” means the Judgment Entered by the Court upon Granting
7 Final Approval of the Settlement.

8 1.22 “Gross Settlement Amount” means Five Hundred and Fifty Thousand
9 Dollars and Zero Cents (\$550,000.00) which is the total amount NRC agrees to pay under the
10 Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used
11 to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class
12 Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the
13 Administrator’s Expenses.

14 1.23 “Individual Class Payment” means the Participating Class Member’s pro
15 rata share of the Net Settlement Amount calculated according to the number of Workweeks
16 worked during the Class Period.

17 1.24 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata
18 share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods
19 worked during the PAGA Period.

20 1.25 “Judgment” means the judgment entered by the Court based upon the Final
21 Approval.

22 1.26 “LWDA” means the California Labor and Workforce Development
23 Agency, the agency entitled, under Labor Code section 2699, subd. (i).

24 1.27 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to
25 the LWDA under Labor Code section 2699, subd. (i).

26 1.28 “Net Settlement Amount” means the Gross Settlement Amount, less the
27 following payments in the amounts approved by the Court: Individual PAGA Payments, the
28 LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment,

1 Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The
2 remainder is to be paid to Participating Class Members as Individual Class Payments.

3 1.29 “Non-Participating Class Member” means any Class Member who opts out
4 of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

5 1.30 “PAGA Pay Period” means any Pay Period during which an Aggrieved
6 Employee worked for NRC for at least one day during the PAGA Period.

7 1.31 “PAGA Period” means the period from August 27, 2020 to December 31,
8 2021.

9 1.32 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et
10 seq.).

11 1.33 “PAGA Notice” means Plaintiff’s August 27, 2021 letter to NRC and the
12 LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

13 1.34 “PAGA Penalties” means the total amount of PAGA civil penalties to be
14 paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$6,875) and
15 the 75% to LWDA (\$20,625) in settlement of PAGA claims.

16 1.35 “Participating Class Member” means a Class Member who does not submit
17 a valid and timely Request for Exclusion from the Settlement.

18 1.36 “Plaintiff” means Martha Martinez, the named plaintiff in the Action.

19 1.37 “Preliminary Approval” means the Court’s Order Granting Preliminary
20 Approval of the Settlement.

21 1.38 “Preliminary Approval Order” means the proposed Order Granting
22 Preliminary Approval and Approval of PAGA Settlement.

23 1.39 “Released Class Claims” means the claims being released as described in
24 Paragraph 6.2 below.

25 1.40 “Released PAGA Claims” means the claims being released as described in
26 Paragraph 6.2 below.

27 1.41 “Released Parties” means: NRC and each of its former and present
28 directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors,

1 assigns, subsidiaries, and affiliates.

2 1.42 “Request for Exclusion” means a Class Member’s submission of a written
3 request to be excluded from the Class Settlement signed by the Class Member.

4 1.43 “Response Deadline” means 60 days after the Administrator mails Notice to
5 Class Members and Aggrieved Employees, and shall be the last date on which Class Members
6 may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail
7 his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after
8 having been returned undeliverable to the Administrator shall have an additional 14 calendar days
9 beyond the Response Deadline has expired.

10 1.44 “Settlement” means the disposition of the Action effected by this
11 Agreement and the Judgment.

12 1.45 “Workweek” means any week during which a Class Member worked for
13 NRC for at least one day, during the Class Period.

14 **2. RECITALS.**

15 2.1 On September 10, 2021, Plaintiff commenced this Action by filing a
16 Complaint alleging causes of action against NRC for (1) failure to pay minimum wage and
17 overtime compensation; (2) failure to provide accurate itemized wage statements; (3) failure to
18 provide adequate meal periods; (4) failure to provide adequate rest periods; (5) continuing wages;
19 (6) failure to produce employment records upon request (Labor Code section 226); (7) failure to
20 produce employment records upon request (Labor Code section 1198.5); and (8) violations
21 Business and Professions Code section 17200. On January 28, 2022, Plaintiff filed a First
22 Amended Complaint alleging causes of action against NRC for (1) failure to pay minimum wage
23 and overtime compensation; (2) failure to provide accurate itemized wage statements; (3) failure
24 to provide adequate meal periods; (4) failure to provide adequate rest periods; (5) continuing
25 wages; (6) failure to produce employment records upon request (Labor Code section 226); (7)
26 failure to produce employment records upon request (Labor Code section 1198.5); (8) violations
27 Business and Professions Code section 17200; and (9) civil penalties pursuant to California Labor
28 Code section 2698. The First Amended Complaint is the operative complaint in the Action (the

1 “Operative Complaint.”) NRC denies the allegations in the Operative Complaint, denies any
2 failure to comply with the laws identified in in the Operative Complaint and denies any and all
3 liability for the causes of action alleged.

4 2.2 Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely
5 written notice to NRC and the LWDA by sending the PAGA Notice on August 27, 2021.

6 2.3 In or around March 1, 2022, the parties jointly engaged a neutral expert to
7 review, analyze, and opine on a statistically significant random sample of class records. Upon
8 obtaining the expert’s report, from approximately June 2022 to October 2022, the parties engaged
9 in settlement negotiations via telephone and Zoom conferences, which led to this Agreement to
10 settle the Action.

11 2.4 Prior to mediation negotiating the Settlement, Plaintiff obtained,
12 through formal informal discovery, a list of the putative class members, identified by
13 employee ID numbers, which contained employment dates for each employee, the number of class
14 workweeks, including PAGA workweeks, a statistically significant random sampling of the
15 putative class members’ time records, paystubs, and an expert’s report analyzing this information.
16 Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v.*
17 *Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.*
18 (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).

19 2.5 The Court has has not granted class certification.

20 2.6 The Parties, Class Counsel and Defense Counsel represent that they are not
21 aware of any other pending matter or action asserting claims that will be extinguished or affected
22 by the Settlement.

23 3. MONETARY TERMS.

24 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 9
25 below, NRC promises to pay Five Hundred and Fifty Thousand Dollars and Zero Cents
26 (\$550,000.00) and no more as the Gross Settlement Amount, and to separately pay any and all
27 employer payroll taxes owed on the Wage Portions of the Individual Class Payments. NRC has no
28 obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated

1 in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement
2 Amount without asking or requiring Participating Class Members or Aggrieved Employees to
3 submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to
4 NRC.

5 3.2 Payments from the Gross Settlement Amount. The Administrator will make
6 and deduct the following payments from the Gross Settlement Amount, in the amounts specified
7 by the Court in the Final Approval:

8 3.2.1 To Plaintiff: Class Representative Service Payment to the Class
9 Representative of not more than \$7,500 (in addition to any Individual Class Payment and any
10 Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class
11 Member). NRC will not oppose Plaintiff's request for a Class Representative Service Payment that
12 does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class
13 Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative
14 Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court
15 approves a Class Representative Service Payment less than the amount requested, the
16 Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay
17 the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full
18 responsibility and liability for employee taxes owed on the Class Representative Service Payment.

19 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than
20 thirty-three and one third percent, which is currently estimated to be \$183,333 and a Class Counsel
21 Litigation Expenses Payment of not more than \$12,000. NRC will not oppose requests for these
22 payments provided that do not exceed these amounts. Plaintiff and/or Class Counsel will file a
23 motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16
24 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees
25 Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the
26 Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall
27 have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any
28 portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment.

1 The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment
2 using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for
3 taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses
4 Payment and holds NRC harmless, and indemnifies NRC, from any dispute or controversy
5 regarding any division or sharing of any of these Payments.

6 3.2.3 To the Administrator: An Administrator Expenses Payment not to
7 exceed \$8,750.00 except for a showing of good cause and as approved by the Court. To the extent
8 the Administration Expenses are less or the Court approves payment less than \$8,750.00, the
9 Administrator will retain the remainder in the Net Settlement Amount.

10 3.2.4 To Each Participating Class Member: An Individual Class Payment
11 calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked
12 by all Participating Class Members during the Class Period and (b) multiplying the result by each
13 Participating Class Member's Workweeks.

14 3.2.4.1 Tax Allocation of Individual Class Payments. 33% of each
15 Participating Class Member's Individual Class Payment will be allocated to settlement of wage
16 claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be
17 reported on an IRS W-2 Form. The 67% of each Participating Class Member's Individual Class
18 Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage
19 Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on
20 IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any
21 employee taxes owed on their Individual Class Payment.

22 3.2.4.2 Effect of Non-Participating Class Members on Calculation
23 of Individual Class Payments. Non-Participating Class Members will not receive any Individual
24 Class Payments. The Administrator will retain amounts equal to their Individual Class Payments
25 in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

26 3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the
27 amount of \$27,500 to be paid from the Gross Settlement Amount, with 75% (\$20,625) allocated to
28 the LWDA PAGA Payment and 25% (\$6,875) allocated to the Individual PAGA Payments.

ERVIN COHEN & JESSUP^{LLP}

1 3.2.5.1 The Administrator will calculate each Individual PAGA
2 Payment by (a) dividing the amount of the Aggrieved Employees’ 25% share of PAGA Penalties
3 \$6,875 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees
4 during the PAGA Period and (b) multiplying the result by each Aggrieved Employee’s PAGA
5 Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes
6 owed on their Individual PAGA Payment.

7 3.2.5.2 If the Court approves PAGA Penalties of less than the
8 amount requested, the Administrator will allocate the remainder to the Net Settlement Amount.
9 The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

10 **4. SETTLEMENT FUNDING AND PAYMENTS.**

11 4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review
12 of its records to date, NRC estimates there are 320 Class Members who collectively worked a total
13 of 32,904 Workweeks, and 208 Aggrieved Employees who worked a total 5,202 of PAGA Pay
14 Periods.

15 4.2 Class Data. Not later than 15 days after the Court grants Preliminary
16 Approval of the Settlement, NRC will simultaneously deliver the Class Data to the Administrator,
17 in the form of a Microsoft Excel spreadsheet. To protect Class Members’ privacy rights, the
18 Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of
19 this Settlement and for no other purpose, and restrict access to the Class Data to Administrator
20 employees who need access to the Class Data to effect and perform under this Agreement. NRC
21 has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data
22 omitted class member identifying information and to provide corrected or updated Class Data as
23 soon as reasonably feasible. Without any extension of the deadline by which NRC must send the
24 Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in
25 good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

26 4.3 Funding of Gross Settlement Amount. NRC shall fully fund the Gross
27 Settlement Amount, and also fund the amounts necessary to fully pay NRC’s share of payroll
28 taxes by transmitting the funds to the Administrator no later than 14 days after the Effective Date.

1 4.4 Payments from the Gross Settlement Amount. Within 14 days after NRC
2 funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class
3 Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration
4 Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses
5 Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees
6 Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service
7 Payment shall not precede disbursement of Individual Class Payments and Individual PAGA
8 Payments.

9 4.4.1 The Administrator will issue checks for the Individual Class
10 Payments and/or Individual PAGA Payments and send them to the Class Members via First Class
11 U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than
12 180 days after the date of mailing) when the check will be voided. The Administrator will cancel
13 all checks not cashed by the void date. The Administrator will send checks for Individual
14 Settlement Payments to all Participating Class Members (including those for whom Class Notice
15 was returned undelivered). The Administrator will send checks for Individual PAGA Payments to
16 all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved
17 Employees (including those for whom Class Notice was returned undelivered). The Administrator
18 may send Participating Class Members a single check combining the Individual Class Payment
19 and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must
20 update the recipients' mailing addresses using the National Change of Address Database.

21 4.4.2 The Administrator must conduct a Class Member Address Search
22 for all other Class Members whose checks are returned undelivered without USPS forwarding
23 address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the
24 USPS forwarding address provided or to an address ascertained through the Class Member
25 Address Search. The Administrator need not take further steps to deliver checks to Class Members
26 whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a
27 replacement check to any Class Member whose original check was lost or misplaced, requested by
28 the Class Member prior to the void date.

1 4.4.3 For any Class Member whose Individual Class Payment check or
2 Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator
3 shall transmit the funds represented by such checks to the California Controller’s Unclaimed
4 Property Fund in the name of the Class Member thereby leaving no “unpaid residue” subject to the
5 requirements of California Code of Civil Procedure Section 384, subd. (b).

6 4.4.4 The payment of Individual Class Payments and Individual PAGA
7 Payments shall not obligate NRC to confer any additional benefits or make any additional
8 payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in
9 this Agreement.

10 5. [Reserved.]

11 6. **RELEASES OF CLAIMS.** Effective on the date when NRC fully funds the entire
12 Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the
13 Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims
14 against all Released Parties as follows:

15 6.1 Plaintiff’s Release. Plaintiff and her respective former and present spouses,
16 representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release
17 and discharge Released Parties from all claims, transactions, or occurrences that occurred during
18 the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have
19 been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims
20 that were, or reasonably could have been, alleged based on facts contained in the Operative
21 Complaint, Plaintiff’s PAGA Notice, or ascertained during the Action and released under 6.2,
22 below (collectively, “Plaintiff’s Release”). Plaintiff’s Release does not extend to any claims or
23 actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits,
24 disability benefits, social security benefits, workers’ compensation benefits that arose at any time,
25 or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may
26 discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or
27 believes to be true but agrees, nonetheless, that Plaintiff’s Release shall be and remain effective in
28 all respects, notwithstanding such different or additional facts or Plaintiff’s discovery of them.

ERVIN COHEN & JESSUP LLP

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

6.1.1 Plaintiff’s Waiver of Rights Under California Civil Code Section

1542. For purposes of Plaintiff’s Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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.

6.2 Release by Participating Class Members Who Are Not Aggrieved

Employees: 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 from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action including, but not limited to, all statutes/ordinances referenced in the Operative Complaint and corresponding provisions of the California Industrial Welfare Commission Wage Orders and the California Code of Regulations, including but not limited to (1) the California Code of Regulations, Title 8, §11050, (2) Labor Code Sections 201, 201.3, 202, 203, 204, 204.1, 204.2, 210, 226, 226.3, 226.7, 510-511, 512, 515, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1198, 1198.5, and 2698 *et seq.*, as related to the above claims, (3) the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.*, Participating Class Members who negotiate or otherwise deposit their Settlement Payment Check will be deemed to have opted into the Action for purposes of the Fair Labor Standards Act (“FLSA”) and as to those Class Members, they expressly waive and release any FLSA claims arising during the Class Period and reasonably related to the claims and allegations in the Operative Complaint. This release excludes the release of claims not permitted by law. The following language will be printed on the reverse of each Settlement Payment Check, or words to this effect: “By endorsing or otherwise negotiating this check, I acknowledge that I read, understood, and agree to the terms set forth in the Notice of Class Action Settlement and I consent to join in the FLSA portion of the Action, elect to participate in the settlement of the FLSA claims, and agree to release all of my FLSA claims that are covered by the

1 Settlement,” and (4) all related federal, state or local statutes, common law, ordinances,
2 regulations, or provisions relating to the facts and claims in the Action, including claims for
3 continuing wages, failure to pay wages, failure to pay wages in a timely manner, failure to pay
4 minimum wages, failure to pay overtime, failure to provide allegedly required wage statements,
5 failure to provide meal or rest breaks, liquidated damages, civil penalties, premium wages, claims for
6 injunctive relief and restitution under California Business & Professions Code § 17200, interest,
7 costs and attorneys’ fees, including Labor Code Sections 218.5 and 218.6, Code of Civil
8 Procedure Section 1021.5 and Civil Code Section 3287. Except as set forth in Section 6.3 of this
9 Agreement, Participating Class Members do not release any other claims, including claims for
10 vested benefits, wrongful termination, violation of the Fair Employment and Housing Act,
11 unemployment insurance, disability, social security, workers’ compensation, or claims based on
12 facts occurring outside the Class Period.

13 6.3 Release by Non-Participating Class Members Who Are Aggrieved

14 Employees: All Non-Participating Class Members who are Aggrieved Employees are deemed to
15 release, on behalf of themselves and their respective former and present representatives, agents,
16 attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for
17 PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA
18 Period facts stated in the Operative Complaint, and the PAGA Notice and ascertained in the course
19 of the Action including, but not limited to, all statutes/ordinances referenced in the Operative
20 Complaint and the PAGA Notice and corresponding provisions of the California Industrial
21 Welfare Commission Wage Orders and the California Code of Regulations, including but not
22 limited to (1) the California Code of Regulations, Title 8, §11050, *et. seq.*, (2) Labor Code Sections
23 201, 201.3, 202, 203, 204, 204.1, 204.2, 210, 226, 226.3, 226.7, 510-511, 512, 515, 558, 1174,
24 1182.12, 1194, 1194.2, 1197, 1198, 1198.5, and 2698 *et seq.*, as related to the above claims, .

25 7. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly
26 prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that
27 complies with the Court’s current checklist for Preliminary Approvals.

28 7.1 NRC’s Declaration in Support of Preliminary Approval. Within 30 days of

1 the full execution of this Agreement, NRC will prepare and deliver to Class Counsel a signed
2 Declaration from NRC and Defense Counsel disclosing all facts relevant to any actual or potential
3 conflicts of interest with the Administrator. In their Declarations, Defense Counsel and NRC shall
4 aver that they are not aware of any other pending matter or action asserting claims that will be
5 extinguished or adversely affected by the Settlement.

6 7.2 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense
7 Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the
8 notice, and memorandum in support, of the Motion for Preliminary Approval that includes an
9 analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement
10 under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary
11 Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed
12 declaration from the Administrator attaching its "not to exceed" bid for administering the
13 Settlement and attesting to its willingness to serve; competency; operative procedures for
14 protecting the security of Class Data; amounts of insurance coverage for any data breach,
15 defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of
16 interest with Class Members; and the nature and extent of any financial relationship with Plaintiff,
17 Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness
18 and competency to serve and disclosing all facts relevant to any actual or potential conflicts of
19 interest with Class Members, and/or the Administrator; (v) a signed declaration from each Class
20 Counsel firm attesting to its competency to represent the Class Members; its timely transmission
21 to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section
22 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement
23 (Labor Code section 2699, subd. (l)(2)); (vi) a redlined version of the parties' Agreement showing
24 all modifications made to the Model Agreement ready for filing with the Court; and (vii) all facts
25 relevant to any actual or potential conflict of interest with Class Members, and/or the
26 Administrator. In their Declarations, Plaintiff and Class Counsel Declaration shall aver that they
27 are not aware of any other pending matter or action asserting claims that will be extinguished or
28 adversely affected by the Settlement.

1 7.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly
2 responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later
3 than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the
4 Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion
5 for Preliminary Approval. Class Counsel is responsible for delivering the Court’s Preliminary
6 Approval to the Administrator.

7 7.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed
8 Motion for Preliminary Approval and/or the supporting declarations and documents, Class
9 Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting
10 in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not
11 grant Preliminary Approval or conditions Preliminary Approval on any material change to this
12 Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the
13 Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and
14 otherwise satisfy the Court’s concerns.

15 **8. SETTLEMENT ADMINISTRATION.**

16 8.1 Selection of Administrator. The Parties have jointly selected CPT Group,
17 Inc. to serve as the Administrator and verified that, as a condition of appointment, CPT Group,
18 Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in
19 this Agreement in exchange for payment of Administration Expenses. The Parties and their
20 Counsel represent that they have no interest or relationship, financial or otherwise, with the
21 Administrator other than a professional relationship arising out of prior experiences administering
22 settlements.

23 8.2 Employer Identification Number. The Administrator shall have and use its
24 own Employer Identification Number for purposes of calculating payroll tax withholdings and
25 providing reports state and federal tax authorities.

26 8.3 Qualified Settlement Fund. The Administrator shall establish a settlement
27 fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury
28 Regulation section 468B-1.

1 8.4 Notice to Class Members.

2 8.4.1 No later than three (3) business days after receipt of the Class Data,
3 the Administrator shall notify Class Counsel that the list has been received and state the number of
4 Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.

5 8.4.2 Using best efforts to perform as soon as possible, and in no event
6 later than 14 days after receiving the Class Data, the Administrator will send to all Class Members
7 identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class
8 Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the
9 Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment
10 and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks
11 and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class
12 Notices, the Administrator shall update Class Member addresses using the National Change of
13 Address database.

14 8.4.3 Not later than 3 business days after the Administrator’s receipt of
15 any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class
16 Notice using any forwarding address provided by the USPS. If the USPS does not provide a
17 forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail
18 the Class Notice to the most current address obtained. The Administrator has no obligation to
19 make further attempts to locate or send Class Notice to Class Members whose Class Notice is
20 returned by the USPS a second time.

21 8.4.4 The deadlines for Class Members’ written objections, Challenges to
22 Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14
23 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose
24 notice is re-mailed. The Administrator will inform the Class Member of the extended deadline
25 with the re-mailed Class Notice.

26 8.4.5 If the Administrator, NRC, Defense Counsel or Class Counsel is
27 contacted by or otherwise discovers any persons who believe they should have been included in
28 the Class Data and should have received Class Notice, the Parties will expeditiously meet and

1 confer in person or by telephone, and in good faith in an effort to agree on whether to include them
2 as Class Members. If the Parties agree, such persons will be Class Members entitled to the same
3 rights as other Class Members, and the Administrator will send, via email or overnight delivery, a
4 Class Notice requiring them to exercise options under this Agreement not later than 14 days after
5 receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

6 8.5 Requests for Exclusion (Opt-Outs).

7 8.5.1 Class Members who wish to exclude themselves (opt-out of) the
8 Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for
9 Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional
10 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter
11 from a Class Member or his/her representative that reasonably communicates the Class Member's
12 election to be excluded from the Settlement and includes the Class Member's name, address and
13 email address or telephone number. To be valid, a Request for Exclusion must be timely faxed,
14 emailed, or postmarked by the Response Deadline.

15 8.5.2 The Administrator may not reject a Request for Exclusion as invalid
16 because it fails to contain all the information specified in the Class Notice. The Administrator
17 shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the
18 identity of the person as a Class Member and the Class Member's desire to be excluded. The
19 Administrator's determination shall be final and not appealable or otherwise susceptible to
20 challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion,
21 the Administrator may demand additional proof of the Class Member's identity. The
22 Administrator's determination of authenticity shall be final and not appealable or otherwise
23 susceptible to challenge.

24 8.5.3 Every Class Member who does not submit a timely and valid
25 Request for Exclusion is deemed to be a Participating Class Member under this Agreement,
26 entitled to all benefits and bound by all terms and conditions of the Settlement, including the
27 Participating Class Members' Releases under Paragraphs 6.1 and 6.2 of this Agreement, regardless
28 whether the Participating Class Member actually receives the Class Notice or objects to the

1 Settlement.

2 8.5.4 Every Class Member who submits a valid and timely Request for
3 Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment
4 or have the right to object to the class action components of the Settlement. Because future PAGA
5 claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class
6 Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph
7 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

8 8.6 Challenges to Calculation of Workweeks. Each Class Member shall have 60
9 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members
10 whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay
11 Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may
12 challenge the allocation by communicating with the Administrator via fax, email or mail. The
13 Administrator must encourage the challenging Class Member to submit supporting documentation.
14 In the absence of any contrary documentation, the Administrator is entitled to presume that the
15 Workweeks contained in the Class Notice are correct so long as they are consistent with the Class
16 Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or
17 PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The
18 Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or
19 PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination
20 the challenges.

21 8.7 Objections to Settlement.

22 8.7.1 Only Participating Class Members may object to the class action
23 components of the Settlement and/or this Agreement, including contesting the fairness of the
24 Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel
25 Litigation Expenses Payment and/or Class Representative Service Payment.

26 8.7.2 Participating Class Members may send written objections to the
27 Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear
28 in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval

1 Hearing. A Participating Class Member who elects to send a written objection to the Administrator
2 must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an
3 additional 14 days for Class Members whose Class Notice was re-mailed).

4 8.7.3 Non-Participating Class Members have no right to object to any of
5 the class action components of the Settlement.

6 8.8 Administrator Duties. The Administrator has a duty to perform or observe
7 all tasks to be performed or observed by the Administrator contained in this Agreement or
8 otherwise.

9 8.8.1 Website, Email Address and Toll-Free Number. The Administrator
10 will establish and maintain and use an internet website to post information of interest to Class
11 Members including the date, time and location for the Final Approval Hearing and copies of the
12 Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class
13 Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class
14 Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final
15 Approval and the Judgment. The Administrator will also maintain and monitor an email address
16 and a toll-free telephone number to receive Class Member calls, faxes and emails.

17 8.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The
18 Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their
19 validity. Not later than 5 days after the expiration of the deadline for submitting Requests for
20 Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing
21 (a) the names and other identifying information of Class Members who have timely submitted
22 valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information
23 of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests
24 for Exclusion from Settlement submitted (whether valid or invalid).

25 8.8.3 Weekly Reports. The Administrator must, on a weekly basis,
26 provide written reports to Class Counsel and Defense Counsel that, among other things, tally the
27 number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for
28 Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks

1 and/or PAGA Pay Periods received and/or resolved, and checks mailed for Individual Class
2 Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include
3 provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies
4 of all Requests for Exclusion and objections received.

5 8.8.4 Workweek and/or PAGA Pay Period Challenges. The Administrator
6 has the authority to address and make final decisions consistent with the terms of this Agreement
7 on all Class Member challenges over the calculation of Workweeks and/or PAGA Pay Periods.
8 The Administrator’s decision shall be final and not appealable or otherwise susceptible to
9 challenge.

10 8.8.5 Administrator’s Declaration. Not later than 14 days before the date
11 by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the
12 Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable
13 for filing in Court attesting to its due diligence and compliance with all of its obligations under
14 this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices
15 returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the
16 total number of Requests for Exclusion from Settlement it received (both valid or invalid), the
17 number of written objections and attach the Exclusion List. The Administrator will supplement its
18 declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible
19 for filing the Administrator’s declaration(s) in Court.

20 8.8.6 Final Report by Settlement Administrator. Within 10 days after the
21 Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide
22 Class Counsel and Defense Counsel with a final report detailing its disbursements by employee
23 identification number only of all payments made under this Agreement. At least 15 days before
24 any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and
25 Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of
26 all payments required under this Agreement. Class Counsel is responsible for filing the
27 Administrator’s declaration in Court.

28

1 **9. CLASS SIZE ESTIMATES.** Based on its records, NRC estimates that, as of the
2 date of this Settlement Agreement, (1) there are 320 Class Members and 32,904 Total Workweeks
3 during the Class period and (2) there were 208 Aggrieved Employees who worked 5,202 Pay
4 Periods during the PAGA Period.

5 **10. NRC’S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion
6 identified in the Exclusion List exceeds 5% of the total of all Class Members, NRC may, but is not
7 obligated, elect to withdraw from the Settlement. The Parties agree that, if NRC withdraws, the
8 Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will
9 have any further obligation to perform under this Agreement; provided, however, NRC will
10 remain responsible for paying all Settlement Administration Expenses incurred to that point. NRC
11 must notify Class Counsel and the Court of its election to withdraw not later than seven days after
12 the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no
13 effect.

14 **11. MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the
15 calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the
16 Settlement that includes a request for approval of the PAGA settlement under Labor Code section
17 2699, subd. (1), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion
18 for Final Approval”). Plaintiff shall provide drafts of these documents to Defense Counsel not
19 later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense
20 Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve
21 any disagreements concerning the Motion for Final Approval.

22 11.1 Response to Objections. Each Party retains the right to respond to any
23 objection raised by a Participating Class Member, including the right to file responsive documents
24 in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered
25 or accepted by the Court.

26 11.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions
27 Final Approval on any material change to the Settlement (including, but not limited to, the scope
28 of release to be granted by Class Members), the Parties will expeditiously work together in good

1 faith to address the Court's concerns by revising the Agreement as necessary to obtain Final
2 Approval. The Court's decision to award less than the amounts requested for the Class
3 Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses
4 Payment and/or Administrator Expenses Payment shall not constitute a material modification to
5 the Agreement within the meaning of this paragraph.

6 11.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of
7 Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for
8 purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement
9 administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

10 11.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the
11 terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment
12 and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties,
13 their respective counsel, and all Participating Class Members who did not object to the Settlement
14 as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to
15 post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for
16 new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of
17 the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the
18 Parties' obligations to perform under this Agreement will be suspended until such time as the
19 appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect
20 the amount of the Net Settlement Amount.

21 11.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment.
22 If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a
23 material modification of this Agreement (including, but not limited to, the scope of release to be
24 granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless
25 expeditiously work together in good faith to address the appellate court's concerns and to obtain
26 Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration
27 Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify
28 the Court's award of the Class Representative Service Payment or any payments to Class Counsel

1 shall not constitute a material modification of the Judgment within the meaning of this paragraph,
2 as long as the Gross Settlement Amount remains unchanged.

3 **12. AMENDED JUDGMENT.** If any amended judgment is required under Code of
4 Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a
5 proposed amended judgment.

6 **13. ADDITIONAL PROVISIONS.**

7 13.1 No Admission of Liability, Class Certification or Representative
8 Manageability for Other Purposes. This Agreement represents a compromise and settlement of
9 highly disputed claims. Nothing in this Agreement is intended or should be construed as an
10 admission by NRC that any of the allegations in the Operative Complaint have merit or that NRC
11 has any liability for any claims asserted; nor should it be intended or construed as an admission by
12 Plaintiff that NRC's defenses in the Action have merit. The Parties agree that class certification
13 and representative treatment is for purposes of this Settlement only. If, for any reason the Court
14 does grant Preliminary Approval, Final Approval or enter Judgment, NRC reserves the right to
15 contest certification of any class for any reasons, and NRC reserves all available defenses to the
16 claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds
17 available and to contest NRC's defenses. The Settlement, this Agreement and Parties' willingness
18 to settle the Action will have no bearing on, and will not be admissible in connection with, any
19 litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

20 13.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel,
21 NRC and Defense Counsel separately agree that, until the Motion for Preliminary Approval of
22 Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause
23 or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement
24 directly or indirectly, specifically or generally, to any person, corporation, association, government
25 agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom
26 will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the
27 extent necessary to report income to appropriate taxing authorities; (4) in response to a court order
28 or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government

1 agency. Each Party agrees to immediately notify each other Party of any judicial or agency order,
2 inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, NRC and Defense
3 Counsel separately agree not to, directly or indirectly, initiate any conversation or other
4 communication, before the filing of the Motion for Preliminary Approval, any with third party
5 regarding this Agreement or the matters giving rise to this Agreement except to respond only that
6 “the matter was resolved,” or words to that effect. This paragraph does not restrict Class Counsel’s
7 communications with Class Members in accordance with Class Counsel’s ethical obligations owed
8 to Class Members.

9 13.3 No Solicitation. The Parties separately agree that they and their respective
10 counsel and employees will not solicit any Class Member to opt out of or object to the Settlement,
11 or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class
12 Counsel’s ability to communicate with Class Members in accordance with Class Counsel’s ethical
13 obligations owed to Class Members.

14 13.4 Integrated Agreement. Upon execution by all Parties and their counsel, this
15 Agreement together with its attached exhibits shall constitute the entire agreement between the
16 Parties relating to the Settlement, superseding any and all oral representations, warranties,
17 covenants, or inducements made to or by any Party.

18 13.5 Attorney Authorization. Class Counsel and Defense Counsel separately
19 warrant and represent that they are authorized by Plaintiff and NRC, respectively, to take all
20 appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to
21 effectuate its terms, and to execute any other documents reasonably required to effectuate the
22 terms of this Agreement including any amendments to this Agreement.

23 13.6 Cooperation. The Parties and their counsel will cooperate with each other
24 and use their best efforts, in good faith, to implement the Settlement by, among other things,
25 modifying the Settlement Agreement, submitting supplemental evidence and supplementing points
26 and authorities as requested by the Court. In the event the Parties are unable to agree upon the
27 form or content of any document necessary to implement the Settlement, or on any modification
28 of the Agreement that may become necessary to implement the Settlement, the Parties will seek

1 the assistance of a mediator and/or the Court for resolution.

2 13.7 No Prior Assignments. The Parties separately represent and warrant that
3 they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
4 transfer, or encumber to any person or entity and portion of any liability, claim, demand, action,
5 cause of action, or right released and discharged by the Party in this Settlement.

6 13.8 No Tax Advice. Neither Plaintiff, Class Counsel, NRC nor Defense Counsel
7 are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be
8 relied upon as such within the meaning of United States Treasury Department Circular 230 (31
9 CFR Part 10, as amended) or otherwise.

10 13.9 Modification of Agreement. This Agreement, and all parts of it, may be
11 amended, modified, changed, or waived only by an express written instrument signed by all
12 Parties or their representatives, and approved by the Court.

13 13.10 Agreement Binding on Successors. This Agreement will be binding upon,
14 and inure to the benefit of, the successors of each of the Parties.

15 13.11 Applicable Law. All terms and conditions of this Agreement and its exhibits
16 will be governed by and interpreted according to the internal laws of the state of California,
17 without regard to conflict of law principles.

18 13.12 Cooperation in Drafting. The Parties have cooperated in the drafting and
19 preparation of this Agreement. This Agreement will not be construed against any Party on the
20 basis that the Party was the drafter or participated in the drafting.

21 13.13 Confidentiality. To the extent permitted by law, all agreements made, and
22 orders entered during Action and in this Agreement relating to the confidentiality of information
23 shall survive the execution of this Agreement.

24 13.14 Use and Return of Class Data. Information provided to Class Counsel
25 pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to
26 Class Counsel by NRC in connection with the mediation, other settlement negotiations, or in
27 connection with the Settlement, may be used only with respect to this Settlement, and no other
28 purpose, and may not be used in any way that violates any existing contractual agreement, statute,

1 or rule of court. Not later than 90 days after the date when the Court discharges the
2 Administrator’s obligation to provide a Declaration confirming the final pay out of all Settlement
3 funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from NRC
4 unless, prior to the Court’s discharge of the Administrator’s obligation, NRC makes a written
5 request to Class Counsel for the return, rather than the destruction, of Class Data.

6 13.15 Headings. The descriptive heading of any section or paragraph of this
7 Agreement is inserted for convenience of reference only and does not constitute a part of this
8 Agreement.

9 13.16 Calendar Days. Unless otherwise noted, all reference to “days” in this
10 Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement
11 falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day
12 thereafter.

13 13.17 Notice. All notices, demands or other communications between the Parties
14 in connection with this Agreement will be in writing and deemed to have been duly given as of the
15 third business day after mailing by United States mail, or the day sent by email or messenger,
16 addressed as follows:

17 To Plaintiff:

18 Alan Harris (SBN 146079)
19 aharris@harrisandruble.com
20 Priya Mohan (SBN 228984)
21 pmohan@harrisandruble.com
22 **HARRIS & RUBLE**
23 655 North Central Avenue,
24 17th Fl.
25 Glendale, California 91203
26 Telephone (323) 962-3777
27 Facsimile (323) 962-3004
28

ERVIN COHEN & JESSUP LLP

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

To NRC:

Kelly O. Scott (SBN 132186)
kscott@ecjlaw.com
Jared W. Slater (SBN
306226)
jslater@ecjlaw.com
**ERVIN COHEN &
JESSUP LLP**
9401 Wilshire Boulevard,
Ninth Floor
Beverly Hills, California
90212-2974
Telephone (310) 273-6333
Facsimile (310) 859-2325

13.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

13.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

DocuSigned by:
Martha Martinez
61940219EF864BE...

Martha Martinez For Plaintiff

[Signature]

Larry Jones For NRC

Alan Harris

Alan Harris Counsel For Plaintiff

[Signature]

Kelly Scott Counsel For NRC

ERVIN COHEN & JESSUP LLP

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

Martha Martinez v. National Renal Care, LLC, et al.; Los Angeles Superior Court Case No. 21STCV33729

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.

You may be eligible to receive money from an employee class action lawsuit (“Action”) against National Renal Care, LLC (“NRC” is used herein as a placeholder) for alleged wage and hour violations. The Action was filed by a former NRC employee (“Plaintiff”) and seeks payment of (1) back wages and other relief for a class of hourly employees (“Class Members”) who worked for NRC during the Class Period (September 10, 2017 to December 31, 2022); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all hourly employees who worked for NRC during the PAGA Period (August 27, 2020 to December 31, 2022) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring NRC to fund Individual Class Payments, and (2) a PAGA Settlement requiring NRC to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on NRC’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ [REDACTED] (less withholding) and your Individual PAGA Payment is estimated to be \$ [REDACTED]**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to NRC’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on NRC’s records showing that **you worked [REDACTED] workweeks** during the Class Period and **you worked [REDACTED] workweeks** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this

1 Notice. The Court has not yet decided whether to grant final approval. Your legal rights are
2 affected whether you act or not act. Read this Notice carefully. You will be deemed to have
3 carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to
4 finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and
5 Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment
6 that requires NRC to make payments under the Settlement and requires Class Members and
7 Aggrieved Employees to give up their rights to assert certain claims against NRC.

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

- 10 (1) **Do Nothing.** You don't have to do anything to participate in the proposed
11 Settlement and be eligible for an Individual Class Payment and/or an Individual
12 PAGA Payment. As a Participating Class Member, though, you will give up your
13 right to assert Class Period wage claims and PAGA Period penalty claims against
14 NRC.
- 15 (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class
16 Settlement (opt-out) by submitting the written Request for Exclusion or otherwise
17 notifying the Administrator in writing. If you opt-out of the Settlement, you will
18 not receive an Individual Class Payment. You will, however, preserve your right to
19 personally pursue Class Period wage claims against NRC, and, if you are an
20 Aggrieved Employee, remain eligible for an Individual PAGA Payment. You
21 cannot opt-out of the PAGA portion of the proposed Settlement.

22 **NRC will not retaliate against you for any actions you take with respect to the**
23 **proposed Settlement.**

24
25
26
27
28

1 **SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT**

<p>2 You Don't Have to Do 3 Anything to Participate 4 in the Settlement</p>	<p>If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against NRC that are covered by this Settlement (Released Claims).</p>
<p>7 You Can Opt-out of the 8 Class Settlement but 9 not the PAGA 10 Settlement</p> <p>13 The Opt-out Deadline 14 is </p>	<p>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. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.</p> <p>You cannot opt-out of the PAGA portion of the proposed Settlement. NRC must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).</p>
<p>19 Participating Class 20 Members Can Object to 21 the Class Settlement 22 but not the PAGA 23 Settlement</p> <p>25 Written Objections 26 Must be Submitted by 27 </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 Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members.</p> <p>You can object to the amounts requested by Class Counsel or</p>

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

	<p>Plaintiff if you think they are unreasonable. See Section 7 of this Notice.</p>
<p>You Can Participate in the [REDACTED] Final Approval Hearing</p>	<p>The Court’s Final Approval Hearing is scheduled to take place on [REDACTED]. 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 8 of this Notice.</p>
<p>You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by [REDACTED].</p>	<p>The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and 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 NRC’s records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [REDACTED]. See Section 4 of this Notice.</p>

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former NRC employee. The Action accuses NRC of violating California labor laws by failing to pay overtime wages, minimum wages, and wages due upon termination and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiff is represented by attorneys in the Action: Alan Harris, Esq., Priya Mohan, Esq., and Harris & Ruble (“Class Counsel.”)

NRC strongly denies violating any laws or failing to pay any wages and contends it

1 complied with all applicable laws.

2

3 **2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?**

4 So far, the Court has made no determination whether NRC or Plaintiff is correct on the
5 merits. In the meantime, Plaintiff and NRC jointly engaged a neutral expert to review, analyze,
6 and opine on a statistically significant random sample of class records. Upon obtaining the
7 expert's report, from approximately June 2022 to October 2022, the parties engaged in informal
8 negotiations via telephone and Zoom conferences in an effort to resolve the Action by negotiating
9 an to end the case by agreement (settle the case) rather than continuing the expensive and time-
10 consuming process of litigation. The negotiations were successful. By signing a lengthy written
11 settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment
12 ending the Action and enforcing the Agreement, Plaintiff and NRC have negotiated a proposed
13 Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement
14 is a compromise of disputed claims. By agreeing to settle, NRC does not admit any violations or
15 concede the merit of any claims. Plaintiff and Class Counsel strongly believe the Settlement is a
16 good deal for you because they believe that: (1) NRC has agreed to pay a fair, reasonable and
17 adequate amount considering the strength of the claims and the risks and uncertainties of
18 continued litigation; and (2) Settlement is in the best interests of the Class Members and
19 Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair,
20 reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final
21 Approval.

22

23 **3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED**
24 **SETTLEMENT?**

25 1. NRC Will Pay \$550,000.00 as the Gross Settlement Amount (Gross Settlement).
26 NRC has agreed to deposit the Gross Settlement into an account controlled by the
27 Administrator of the Settlement. The Administrator will use the Gross Settlement
28 to pay the Individual Class Payments, Individual PAGA Payments, Class

1 Representative Service Payment, Class Counsel's attorney's fees and expenses, the
2 Administrator's expenses, and penalties to be paid to the California Labor and
3 Workforce Development Agency ("LWDA"). Assuming the Court grants Final
4 Approval, NRC will fund the Gross Settlement not more than 14 days after the
5 Judgment entered by the Court become final. The Judgment will be final on the
6 date the Court enters Judgment, or a later date if Participating Class Members
7 object to the proposed Settlement or the Judgment is appealed.

8 2. Court Approved Deductions from Gross Settlement. At the Final Approval
9 Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following
10 deductions from the Gross Settlement, the amounts of which will be decided by the
11 Court at the Final Approval Hearing:

- 12 A. Up to \$183,333 (thirty-three and one third percent of the Gross Settlement)
13 to Class Counsel for attorneys' fees and up to \$12,000 for their litigation
14 expenses. To date, Class Counsel have worked and incurred expenses on the
15 Action without payment.
- 16 B. Up to \$7,500 as a Class Representative Award for filing the Action,
17 working with Class Counsel and representing the Class. A Class
18 Representative Award will be the only monies Plaintiff will receive other
19 than Plaintiff's Individual Class Payment and any Individual PAGA
20 Payment.
- 21 C. Up to \$8,750 to the Administrator for services administering the Settlement.
- 22 D. Up to \$27,500 for PAGA Penalties, allocated 75% to the LWDA PAGA
23 Payment and 25% in Individual PAGA Payments to the Aggrieved
24 Employees based on their PAGA Period Pay Periods.

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

27 3. Net Settlement Distributed to Class Members. After making the above deductions
28 in amounts approved by the Court, the Administrator will distribute the rest of the

1 Gross Settlement (the “Net Settlement”) by making Individual Class Payments to
2 Participating Class Members based on their Class Period Workweeks.

3 4. Taxes Owed on Payments to Class Members. Plaintiff and NRC are asking the
4 Court to approve an allocation of 33% of each Individual Class Payment to taxable
5 wages (“Wage Portion”) and 67% to interest and penalties (“Non-Wage Portion.”).
6 The Wage Portion is subject to withholdings and will be reported on IRS W-2
7 Forms. NRC will separately pay employer payroll taxes it owes on the Wage
8 Portion. The Individual PAGA Payments are counted as penalties rather than wages
9 for tax purposes. The Administrator will report the Individual PAGA Payments and
10 the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

11
12 Although Plaintiff and NRC have agreed to these allocations, neither side is giving
13 you any advice on whether your Payments are taxable or how much you might owe
14 in taxes. You are responsible for paying all taxes (including penalties and interest
15 on back taxes) on any Payments received from the proposed Settlement. You
16 should consult a tax advisor if you have any questions about the tax consequences
17 of the proposed Settlement.

18 5. Need to Promptly Cash Payment Checks. The front of every check issued for
19 Individual Class Payments and Individual PAGA Payments will show the date
20 when the check expires (the void date). If you don’t cash it by the void date, your
21 check will be automatically cancelled, and the monies
22 will be deposited with the California Controller’s Unclaimed Property Fund
23 in your name.
24 will irrevocably lost to you because they will be paid to a non-profit
25 organization or foundation (“Cy Pres”).

26 If the monies represented by your check is sent to the Controller’s Unclaimed
27 Property, you should consult the rules of the Fund for instructions on how to
28 retrieve your money.

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

12
13 You cannot opt-out of the PAGA portion of the Settlement. Class Members who
14 exclude themselves from the Class Settlement (Non-Participating Class Members)
15 remain eligible for Individual PAGA Payments and are required to give up their
16 right to assert PAGA claims against NRC based on the PAGA Period facts alleged
17 in the Action.

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

24 8. Administrator. The Court has appointed a neutral company, CPT Group, Inc. (the
25 "Administrator") to send this Notice, calculate and make payments, and process
26 Class Members' Requests for Exclusion. The Administrator will also decide Class
27 Member Challenges over Workweeks, mail and re-mail settlement checks and tax
28 forms, and perform other tasks necessary to administer the Settlement. The

1 Administrator's contact information is contained in Section 9 of this Notice.

- 2 9. Participating Class Members' Release. After the Judgment is final and NRC has
3 fully funded the Gross Settlement and separately paid all employer payroll taxes,
4 Participating Class Members will be legally barred from asserting any of the claims
5 released under the Settlement. This means that unless you opted out by validly
6 excluding yourself from the Class Settlement, you cannot sue, continue to sue, or
7 be part of any other lawsuit against NRC or related entities for wages based on the
8 Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in
9 the Action and resolved by this Settlement.

10
11 The Participating Class Members will be bound by the following release:

12 All Participating Class Members, on behalf of themselves and their
13 respective former and present representatives, agents, attorneys, heirs,
14 administrators, successors, and assigns, release Released Parties from (i) all
15 claims that were alleged, or reasonably could have been alleged, based on
16 the Class Period facts stated in the Operative Complaint and ascertained in
17 the course of the Action including, but not necessarily limited to, all
18 statutes/ordinances referenced in the Operative Complaint and
19 corresponding provisions of the California Industrial Welfare Commission
20 Wage Orders and the California Code of Regulations, including but not
21 limited to (1) California Code of Regulations, Title 8, §11050, (2) Labor
22 Code Sections 201, 201.3, 202, 203, 204, 204.1, 204.2, 210, 226, 226.3,
23 226.7, 510-511, 512, 515, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1198,
24 1198.5, and 2698 *et seq.*, as related to the above claims, as related to the
25 above claims, (3) the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.*
26 Participating Class Members who negotiate or otherwise deposit their
27 Settlement Payment Check will be deemed to have opted into the Action for
28 purposes of the Fair Labor Standards Act ("FLSA") and as to those Class

1 Members, they expressly waive and release any FLSA claims arising during
2 the Class Period and reasonably related to the claims and allegations in the
3 Operative Complaint. This release excludes the release of claims not
4 permitted by law. The following language will be printed on the reverse of
5 each Settlement Payment Check, or words to this effect: “By endorsing or
6 otherwise negotiating this check, I acknowledge that I read, understood, and
7 agree to the terms set forth in the Notice of Class Action Settlement and I
8 consent to join in the FLSA portion of the Action, elect to participate in the
9 settlement of the FLSA claims, and agree to release all of my FLSA claims
10 that are covered by the Settlement.” and (4) all related federal, state or local
11 statutes, common law, ordinances, or regulations provisions relating to the
12 facts and claims in the Action, including claims for continuing wages,
13 failure to pay wages, failure to pay wages in a timely manner, failure to pay
14 minimum wages, failure to pay overtime, failure to provide allegedly
15 required wage statements, failure to provide meal or rest breaks, liquidated
16 damages, civil penalties, premium wages, claims for injunctive relief and
17 restitution under California Business & Professions Code § 17200, interest,
18 costs and attorneys’ fees, including Labor Code Sections 218.5 and 218.6,
19 Code of Civil Procedure Section 1021.5 and Civil Code Section 3287.
20 Except as set forth in Section 6.2 and 6.3 of the Settlement Agreement,
21 Participating Class Members do not release any other claims, including
22 claims for vested benefits, wrongful termination, violation of the Fair
23 Employment and Housing Act, unemployment insurance, disability, social
24 security, workers’ compensation, or claims based on facts occurring outside
25 the Class Period.

- 26 10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and
27 NRC has paid the Gross Settlement (and separately paid the employer-side payroll
28 taxes), all Aggrieved Employees will be barred from asserting PAGA claims

1 against NRC, whether or not they exclude themselves from the Settlement. This
2 means that all Aggrieved Employees, including those who are Participating Class
3 Members and those who opt-out of the Class Settlement, cannot sue, continue to
4 sue, or participate in any other PAGA claim against NRC or its related entities
5 based on the PAGA Period facts alleged in the Action and resolved by this
6 Settlement.

7
8 The Aggrieved Employees' Releases for Participating and Non-Participating Class
9 Members are as follows:

10 All Participating and Non-Participating Class Members who are Aggrieved
11 Employees are deemed to release, on behalf of themselves and their
12 respective former and present representatives, agents, attorneys, heirs,
13 administrators, successors, and assigns, the Released Parties, from all
14 claims for PAGA penalties that were alleged, or reasonably could have been
15 alleged, based on the PAGA Period facts stated in the Operative Complaint,
16 and the PAGA Notice and ascertained in the course of the Action including,
17 but not necessarily limited to, all statutes/ordinances referenced in the
18 Operative Complaint and the PAGA Notice and corresponding provisions
19 of the California Industrial Welfare Commission Wage Orders and the
20 California Code of Regulations, including but not limited to (1) the
21 California Code of Regulations, Title 8, §11050 *et seq.*, (2) Labor Code
22 Sections 201, 201.3, 202, 203, 204, 204.1, 204.2, 210, 226, 226.3, 226.7,
23 510-511, 512, 515, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1198, 1198.5,
24 and 2698 *et seq.*, as related to the above claims, as related to the above
25 claims,

26
27 **4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?**

28 1. Individual Class Payments. The Administrator will calculate Individual Class

1 Payments by (a) dividing the Net Settlement Amount by the total number of
2 Workweeks worked by all Participating Class Members, and (b) multiplying the
3 result by the number of Workweeks worked by each individual Participating Class
4 Member.

5 2. Individual PAGA Payments. The Administrator will calculate Individual PAGA
6 Payments by (a) dividing \$6,875 by the total number of PAGA Pay Periods worked
7 by all Aggrieved Employees and (b) multiplying the result by the number of PAGA
8 Period Pay Periods worked by each individual Aggrieved Employee.

9 3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked
10 during the Class Period and the number of PAGA Pay Periods you worked during
11 the PAGA Period, as recorded in NRC's records, are stated in the first page of this
12 Notice. You have until [REDACTED] to challenge the number of
13 Workweeks and/or Pay Periods credited to you. You can submit your challenge by
14 signing and sending a letter to the Administrator via mail, email or fax. Section 9 of
15 this Notice has the Administrator's contact information.

16
17 You need to support your challenge by sending copies of pay stubs or other
18 records. The Administrator will accept NRC's calculation of Workweeks and/or
19 Pay Periods based on NRC's records as accurate unless you send copies of records
20 containing contrary information. You should send copies rather than originals
21 because the documents will not be returned to you. The Administrator will resolve
22 Workweek and/or Pay Period challenges based on your submission and on input
23 from Class Counsel (who will advocate on behalf of Participating Class Members)
24 and NRC's Counsel. The Administrator's decision is final. You can't appeal or
25 otherwise challenge its final decision.

26
27 **5. HOW WILL I GET PAID?**

28 1. Participating Class Members. The Administrator will send, by U.S. mail, a single

1 check to every Participating Class Member (i.e., every Class Member who doesn't
2 opt-out) including those who also qualify as Aggrieved Employees. The single
3 check will combine the Individual Class Payment and the Individual PAGA
4 Payment.

- 5 2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a
6 single Individual PAGA Payment check to every Aggrieved Employee who opts
7 out of the Class Settlement (i.e., every Non-Participating Class Member).
8

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

12
13 **6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?**

14 Submit a written and signed letter with your name, present address, telephone number, and
15 a simple statement that you do not want to participate in the Settlement. The Administrator will
16 exclude you based on any writing communicating your request be excluded. Be sure to personally
17 sign your request, identify the Action as *Martinez v. National Renal Care, LLC*, and include your
18 identifying information (full name, address, telephone number, approximate dates of employment,
19 and social security number for verification purposes). You must make the request yourself. If
20 someone else makes the request for you, it will not be valid. **The Administrator must be sent
21 your request to be excluded by [REDACTED], or it will be invalid.** Section 9 of the
22 Notice has the Administrator's contact information.
23

24 **7. HOW DO I OBJECT TO THE SETTLEMENT?**

25 Only Participating Class Members have the right to object to the Settlement. Before
26 deciding whether to object, you may wish to see what Plaintiff and NRC are asking the Court to
27 approve. At least 16 court days before the [REDACTED] Final Approval Hearing, Class
28 Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among

1 other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation
 2 Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees
 3 and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative
 4 Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section
 5 9 of this Notice) will send you copies of these documents at no cost to you. You can also view
 6 them on the Administrator's Website _____ (url) _____
 7 or the Court's website _____ (url) _____.

8 A Participating Class Member who disagrees with any aspect of the Agreement, the
 9 Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may
 10 wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested
 11 by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written**
 12 **objections to the Administrator is** [REDACTED]. Be sure to tell the Administrator what
 13 you object to, why you object, and any facts that support your objection. Make sure you identify
 14 the Action *Martinez v. National Renal Care, LLC* and include your name, current address,
 15 telephone number, and approximate dates of employment for [NRC] and sign the objection.
 16 Section 9 of this Notice has the Administrator's contact information.

17 Alternatively, a Participating Class Member can object (or personally retain a lawyer to
 18 object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should
 19 be ready to tell the Court what you object to, why you object, and any facts that support your
 20 objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final
 21 Approval Hearing.

22

23 8. CAN I ATTEND THE FINAL APPROVAL HEARING?

24 You can, but don't have to, attend the Final Approval Hearing on [REDACTED]
 25 at [REDACTED] (time) in Department 7 of the Los Angeles Superior Court, located at 312 North Spring
 26 Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final
 27 Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel,
 28 Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and

1 Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either
2 personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court’s
3 website for the most current information.

4 It’s possible the Court will reschedule the Final Approval Hearing. You should check the
5 Administrator’s website [redacted] beforehand or contact Class Counsel to verify the
6 date and time of the Final Approval Hearing.

7
8 **9. HOW CAN I GET MORE INFORMATION?**

9 The Agreement sets forth everything NRC and Plaintiff have promised to do under the
10 proposed Settlement. The easiest way to read the Agreement, the Judgment or any other
11 Settlement documents is to go to _____ (specify entity) _____’s website
12 at _____ (url) _____. You can also telephone or send an
13 email to Class Counsel or the Administrator using the contact information listed below, or consult
14 the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and
15 entering the Case Number for the Action, Case No. 21STCV33729. You can also make an
16 appointment to personally review court documents in the Clerk’s Office at the Stanley Mosk
17 Courthouse by calling (213) 830-0800.

18 **DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION**
19 **ABOUT THE SETTLEMENT.**

20 Class Counsel:
21 Name of Attorney: Alan Harris, Esq.;
Priya Mohan, Esq.
22 Email Address: aharris@harrisandruble.com;
pmohan@harrisandruble.com
23 Name of Firm: Harris & Ruble
Mailing Address: 655 North Central Ave., 17th Fl.
Glendale, CA 91203
24 Telephone: (323) 962-3777
25 Settlement Administrator:
Name of Company:
26 Email Address:
Mailing Address:
27 Telephone:
28 Fax Number:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void

- you should consult the Unclaimed Property Fund _____ for instructions on how to retrieve the funds
- you will have no way to recover the money.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.