

**IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF BUTTE**

VERONICA GONZALEZ individually,
and on behalf of all others similarly
situated,

Plaintiffs,

vs.

SIERRA HEALTH AND WELLNESS
CENTERS LLC, and DOES 1 through 100,
inclusive,

Defendants.

Case No. 21CV01932

**NOTICE OF SETTLEMENT OF CLASS
ACTION LAWSUIT**

To: All current and former non-exempt employees who worked at any time for Defendant Sierra Health and Wellness Centers, LLC in California on or after July 30, 2017.

**PLEASE READ THIS NOTICE CAREFULLY. IT MAY AFFECT YOUR LEGAL RIGHTS
YOU MAY BE ENTITLED TO MONEY FROM THIS SETTLEMENT**

I. INTRODUCTION

A proposed class action settlement (the “Settlement”) of the above-captioned action (the “Action”) pending in the Superior Court of the State of California, in and for the County of Butte (the “Court”), has been reached by the parties and has been granted preliminary approval by the Court supervising the Action.

A final settlement hearing will be held on August 16, 2023, at 9:00 a.m. to determine whether the Settlement should be granted final approval. Sierra Health and Wellness Centers, LLC’s (“Defendant”) records show that you were employed by Defendant in California, in a position listed above, at any time on or after July 30, 2017, to present date (“Class Period”) and, therefore, are a Class Member in this Action. As a Class Member, you may be entitled to money under the Settlement and, unless you “opt out” of the Settlement, your legal rights may be affected. The purpose of this Notice is to (1) describe the Action, (2) inform you of the terms of the Settlement, and (3) inform you of your rights and options in connection with the Settlement.

II. SUMMARY OF THE ACTION

Plaintiff Veronica Gonzalez (“Plaintiff”) alleges in the Action that, within the Class Period, Defendant had a consistent policy of permitting, encouraging, and/or requiring its employees to work “off-the clock,” has failed to compensate them for missed meal and/or rest breaks, provide accurate itemized wage statements and pay wages timely upon Class Members’ terminations. Plaintiff alleges that these violations resulted in the underpayment of wages and business expenses to Class Members. Plaintiff also seeks civil penalties related to these claims. Plaintiff seeks to maintain a class action for claims on behalf of herself as an individual and on behalf of all persons who have been employed by Defendant as non-exempt employees within the Class Period.

Defendant denies that it violated the law in any way as described in the lawsuit. Nothing in this Notice, or the Settlement itself, or any actions to carry out the terms of the Settlement mean that Defendant admits any fault, guilt, negligence, wrongdoing or liability whatsoever.

The Court granted preliminary approval of the Settlement on May 17, 2023 on behalf of a settlement class defined as:

All current and former non-exempt employees who worked at any time for Defendant in California on or after July 30, 2017.

At that time, the Court also preliminarily approved Plaintiff Veronica Gonzalez to serve as Class Representative, and the law firm of Cole & Van Note to serve as Class Counsel.

III. SUMMARY OF SETTLEMENT TERMS

Settlement Amount. Defendant has agreed to pay an amount not to exceed \$550,000.00 (the “Maximum Settlement Amount”) to fully resolve the claims in the Action. This Maximum Settlement Amount includes, but is not limited to, all settlement payments to Qualified Claimants (defined below), Class Counsel’s attorneys’ fees and litigation expenses, all Settlement Administration expenses, payments to the California Labor and Workforce Development Agency (“LWDA”), and enhancement awards to the Class Representative, as outlined below.

Settlement Administration and Other Payments. The Court has tentatively approved certain payments to be made from the Maximum Settlement Amount as follows, which will be subject to final Court approval:

- Settlement Administration. Payment to the Settlement Administrator not to exceed \$10,750 for the expense of notifying the Class Members of the Settlement, processing opt-outs submitted by Class Members, if any, and distributing settlement payments.
- Attorneys’ Fees and Expenses. Payment to Court-approved Class Counsel of reasonable attorneys’ fees not to exceed \$192,500.00 as reasonable compensation for the work Class Counsel performed in this Action, and will continue to perform through settlement finalization, together with reimbursement for litigation expenses actually incurred in connection with the Action. Class Counsel has been prosecuting the Action on behalf of Plaintiffs and the Class on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.
- Enhancement Awards to Class Representative. A service enhancement not to exceed \$11,000 to Class Representative Veronica Gonzalez to compensate her for service on behalf of the Class in initiating and prosecuting the action. This payment is in addition to whatever payments the Class Representative is otherwise entitled to receive as a Class Member.
- Payment to LWDA. A payment of \$7,500 will be made to the LWDA for the LWDA’s portion of the Settlement allocated to civil penalties under the Labor Code Private Attorneys General Act, Lab. Code §§ 2698, *et seq.*

Calculation of Class Member Awards. Pro rata settlement payments to Class Members will be calculated based on each Class Member’s relative percentage of compensable pay periods worked during the Class Period, based on Defendant’s internal records. Awards will therefore vary. Only Class Members who did not opt out of the Settlement as provided for below (“Qualified Claimants”) will be entitled to receive a payment pursuant to the Settlement. If the conditions of the Settlement (as described in this Notice) are met and if the Court grants final approval of the Settlement, then settlement checks will be mailed to Class Members.

Tax Matters. Settlement payments to Qualified Claimants shall be allocated as follows: wages (15% of each settlement payment), penalties and interest (85% of each settlement payment). Qualified Claimants must pay their own portion of payroll and income taxes on the portion of each settlement payment that is wages, and such amounts will be withheld from settlement payments. Qualified Claimants shall be exclusively liable for any and all tax liability, if any. Qualified Claimants should consult with their tax advisors concerning the tax consequences of the payments they receive under the Settlement.

Releases. Upon the final approval by the Court of the Settlement, all members of the Plaintiff Class who do not timely request exclusion fully release and discharge Defendant and Defendant’s present and former parent companies, subsidiaries and affiliates, including Sierra Health and Wellness Centers LLC, as well as their shareholders, officers, directors, attorneys, insurers, successors and assigns (“Releasees”), from any and all individual and class claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorneys’ fees, damages, action or causes of action of whatever kind or nature, whether known or unknown, that were actually alleged in the Complaint, as well as wage and hour class claims which could have been brought based on the specific factual allegations contained in the Complaint, including, but not limited to any claims for unpaid wages, unpaid overtime, unpaid minimum wages, record-keeping violations, paycheck violations, meal period and rest period violations, “waiting time” penalties, and failure to reimburse business expenses, which arose on or after July 30, 2017 to the present date. All Class Members shall be bound by this release unless they opt-out of the settlement.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an Order at or following the Settlement Hearing finally approving the Settlement.

For more information on the Settlement, please visit the Settlement website at: www.cptgroupcaseinfo.com/SierraHealthSettlement

IV. RIGHT TO CLAIM MONEY FROM THE SETTLEMENT

Shares of the settlement are allocated based on a Class Member’s dates of service with Sierra Health and Wellness Services, LLC (“Defendant”) as a non-exempt employee in California during the Class Period (July 30, 2017, to the present date). Defendant’s records show that, within the Class Period, you worked as a non-exempt employee in California during the following time period(s):

Dates: <<qHDate>> to <<qTDate>>

Pay Period(s): <<Payperiods>>

If you believe the data listed above is incorrect, you may submit a challenge in writing to the Settlement Administrator indicating your belief as to the correct data. You must also send the Settlement Administrator any documents or other information that supports your challenge to the above information. The Settlement Administrator will use Defendant’s records and any information you provide to resolve any dispute about your service data. All such challenges must be postmarked by June 27, 2023 to be considered.

V. RIGHT TO OPT OUT

If you do not wish to participate in the Settlement of your claims, you may exclude yourself from the Settlement or “opt out.” **If you opt out, you will receive no money from the Settlement, and you will not be bound by its terms.** To opt out, you must submit a signed, written request to the Settlement Administrator for Exclusion (“Request for Exclusion”) from the Settlement postmarked no later than July 7, 2023. Written Requests for Exclusion from the Settlement that are postmarked after July 7, 2023, or are unsigned by the Class Member, will be rejected, and Class Members submitting untimely Requests for Exclusion shall be bound by the Settlement and the Releases described above, will be considered Qualified Claimants, and will receive settlement payments.

VI. RIGHT TO OBJECT

If you are a Class Member who has not opted out and believe that the Settlement should not be finally approved by the Court for any reason, you may object to the proposed Settlement. Objections may be in person at the Final Approval Hearing, or in writing. If in writing, the objection must state the basis for the objection, and be mailed to the Settlement Administrator at the below addresses on or before July 7, 2023. All objections or other correspondence must state the name and number of the case, which is *Gonzalez v. Sierra Health and Wellness Centers LLC, et al.* (Case No. 21CV01932), filed in the Superior Court of the State of California, in and for the County of Butte. To object to the Settlement, you must remain a member of the Class, and if the Court approves

the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not object in the manner provided in this Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

<u>Class Counsel:</u> Scott Edward Cole, Esq. COLE & VAN NOTE 555 12th Street, Suite 1725 Oakland, CA 94607 Telephone: (510) 891-9800	<u>Counsel for Defendant:</u> Robert L. Rediger, Esq. REDIGER LABOR LAW LLP 555 Capitol Mall, Suite 1240 Sacramento, California 95814 Telephone: (916) 442-0033
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If you wish, you may also appear at the Final Approval Hearing, detailed below. You have the right to appear either in person or through your own attorney at this hearing. If you or your attorney wish to speak at the hearing, you or your attorney must file a notice of appearance with the Court and serve counsel for all parties, above, on or before July 7, 2023. Objections not previously filed in writing in a timely manner as described above will not be considered by the Court.

VII. HEARING ON THE SETTLEMENT

The Final Approval Hearing on the adequacy, reasonableness and fairness of the Settlement will be held on August 16, 2023 at 9:00 a.m., in Department 6, in the Superior Court of the State of California, in and for the County of Butte, located at 1775 Concord Avenue, Chico, CA 95928. The Hearing may be continued without further notice. **You are not required to attend the Final Approval Hearing, although any Class Member is welcome to attend the hearing.**

VIII. ADDITIONAL INFORMATION

This Notice is only a summary of the Action and the Settlement. Class Members should contact the Settlement Administrator at CPT Group, 50 Corporate Park, Irvine, California 92606, 1(888) 520-1604 with any concerns or questions regarding the Settlement. You may also refer to the pleadings, the Class Action Settlement Agreement and Release of Claims, and other papers filed in the Action, which may be inspected at the Office of the Clerk for the Superior Court of the State of California, in and for the County of Butte, during regular business hours of each court day, or online through the Court’s Public Access System.

**PLEASE DO NOT CONTACT THE CLERK OF THE COURT
OR THE JUDGE WITH QUESTIONS.**