

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SAN LUIS OBISPO

Michael Grotte, individually and on behalf  
of all others similarly situated,

Plaintiff,

v.

Normal Life of California, Inc., California  
Corporation; RSCR California, Inc., a  
Delaware Corporation, licensed to do  
business in California; Res-Care  
California, Inc. d/b/a RCCA Services, a  
Delaware Corporation licensed to do  
business in California as RCCA Services;  
Rescare, Inc., a Delaware Corporation,  
Southern Home Care Services, Inc., and  
DOES 1 to 100, inclusive,

Defendants.

Case No.: 18CV-0672

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

**TO:** All individuals employed by Defendant Normal Life of California, Inc. (“Normal Life”) in California as non-exempt, hourly employees from July 17, 2014 through January 29, 2020 (“Normal Life Class Members”).

**YOU ARE ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT. PLEASE READ  
THIS NOTICE CAREFULLY.**

You are receiving this Notice because Defendant Normal Life’s records show that you are in a Proposed Settlement Class. **Your estimated Net Settlement Award is «NormalLifeEstAmount».**

The settlement involves claims against Normal Life of California, Inc., RSCR California, Inc., Res-Care California, Inc. d/b/a RCCA Services, Southern Home Care Services, Inc. and/or Rescare, Inc. (the “Other ResCare Defendants”) (collectively the “Defendants”) alleging: (1) failure to provide meal periods and/or pay meal period premiums (Labor Code §§ 512, 226.7 and IWC Wage Order No. 5); (2) failure to provide off-duty rest periods and/or pay rest break premiums (Labor Code § 226.7 and IWC Wage Order No. 5); (3) failure to provide complete/accurate wage statements (Labor Code §§ 226, 226.3); (4) waiting time penalties (Labor Code § 201-203); (5) failure to pay equal wages (Labor Code § 1197.5); (6) UCL violations (Cal. Bus. & Prof. §§ 17200-17204); and (7) PAGA penalties (Labor Code §§ 2698, 558, *et seq.*)

**NO ACTION NEEDS TO BE TAKEN TO RECEIVE MONEY UNDER THE SETTLEMENT:** If you are a Normal Life Class Member (as defined above) and received this Notice, you are automatically included in the Settlement and do not need to take any further action to receive a payment. If you accept your settlement amount, you will release the claims described

in Section V below.

## I. INTRODUCTION

This “NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND HEARING DATE FOR COURT APPROVAL” (“NOTICE”) is to inform you that Defendants have agreed to settle a class action and PAGA representative lawsuit, on behalf of all the Normal Class Members, and a PAGA representative lawsuit against the Other ResCare Defendants which claimed, among other things, that one or more Defendants violated various wage and hour laws by failing to provide its employees with paid rest breaks or pay rest break premiums, failed to provide meal periods or to pay meal break premiums, failed to provide complete and accurate wage statements, failed to pay equal wages, failed to pay its former employees all wages due at separation from employment, violating California Labor Code provisions forming the basis for a class action claim, and violating Section 17200 with respect to its employees at any time during the period from July 17, 2014 through January 29, 2020 (the “Class Period”).<sup>1</sup>

The Court has granted preliminary approval of the Settlement and the Court ordered this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

## II. DESCRIPTION OF THE LAWSUIT

On October 31, 2018, Plaintiff filed his class and representative action complaint (“Complaint”) against Defendants on behalf of the Class Members, in the matter of *Michael Grotte v. Normal Life of California, Inc.*, in San Luis Obispo County Superior Court alleging seven (7) causes of action: (1) failure to provide meal periods and/or pay meal period premiums (Labor Code §§ 512, 226.7 and IWC Wage Order No. 5); (2) failure to provide off-duty rest periods and/or pay rest break premiums (Labor Code § 226.7 and IWC Wage Order No. 5); (3) failure to provide complete/accurate wage statements (Labor Code §§ 226, 226.3); (4) waiting time penalties (Labor Code § 201-203); (5) failure to pay equal wages (Labor Code § 1197.5); (6) UCL violations (Cal. Bus. & Prof. §§ 17200-17204); and (7) PAGA penalties (Labor Code §§ 2698, 558, *et seq.*). On November 21, 2018, Defendants removed the action to the United States District Court, Central District of California. On October 21, 2019, the Parties agreed to remand the action back to the San Luis Obispo County Superior Court.

**Defendants have denied liability, have denied the allegations in the Complaint, and have raised various defenses to these claims.** Defendants contend, among other things, that they fully complied with California wage and hour laws, provided employees with compliant meal and rest breaks, provided complete and accurate wage statements, paid equal wages, and paid all wages due to employees upon termination of their employment. Defendants wish to settle this case to avoid costly, disruptive, and time-consuming litigation and deny any wrongdoing or liability.

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<sup>1</sup> The PAGA penalty claims against Normal Life and the Other ResCare Defendants were also settled. The PAGA claims released, however, for the Other ResCare Defendants were part of a PAGA settlement only, not a class settlement, for all employees of these entities who worked from May 21, 2017 through January 29, 2020.

The Court has not ruled on the merits of Plaintiff's claims. By approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose this case if it went to trial. However, to avoid additional expense, inconvenience, and risks of continued litigation, Defendants and Plaintiff have concluded that it is in their respective best interests and the interests of the Class Members to settle the Action on the terms summarized in this Notice. After Defendants provided extensive discovery and information to counsel for the Class Members, the Settlement was reached after arms-length, non-collusive negotiations between the parties at a full-day face-to-face settlement negotiation. In these negotiations, both sides recognized the substantial risk of the Court deciding against them at trial and determined that the Settlement was a fair, reasonable and adequate way to resolve the disputed claims.

The Plaintiff and Class Counsel support this Settlement. Among the reasons for support are the defenses to liability potentially available to Defendants, the risk of denial of class certification, the inherent risk of trial on the merits, and the delays and uncertainties associated with litigation.

Under this settlement, the following settlement class will be certified under California law:

**All individuals employed by Defendant Normal Life of California, Inc. in California as non-exempt, hourly employees from July 17, 2014 through January 29, 2020 ("Normal Life Class Members").**

Plaintiff Michael Grotte and his counsel, Ackermann & Tilajef, P.C., Melmed Law Group, P.C., Winston Law Group, P.C. ("Class Counsel"), believe that the settlement described below is fair, adequate, reasonable and in the best interests of Plaintiff and the Class.

On January 29, 2020, the Court preliminarily approved the settlement and conditionally certified the settlement class. This Notice is being sent to you because Defendant Normal Life's records indicate that you were employed by Defendant as a Class Member during the Class Period.

**IF YOU ARE STILL EMPLOYED BY DEFENDANT NORMAL LIFE, THIS SETTLEMENT WILL NOT AFFECT YOUR EMPLOYMENT.**

**California law strictly prohibits retaliation.** Further, Defendant is prohibited by law from taking any adverse action against or otherwise target, retaliate, or discriminate against any Class Member because of the Class Member's participation or decision not to participate in this Settlement.

### **III. TERMS OF THE SETTLEMENT**

Defendants have agreed to pay a gross amount of \$1,050,000.00 (the "Settlement Amount") to resolve claims in the Plaintiff's Complaint. While all Class Members will receive a settlement share, a portion of the Settlement Amount will be allocated to those Normal Life Class Members and covered employees of the Other ResCare Defendants who were employed by Defendants from May 21, 2017 through January 29, 2020, as PAGA penalties.

The Parties agreed to the following payments from the Settlement Amount:

Settlement Administration Costs. The Court has approved CPT Group, Inc. to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the Settlement. Under the Settlement, up to \$40,000 will be paid from the Settlement

Amount to pay the Settlement Administration Costs.

Attorneys' Fees and Expenses. Class Counsel includes attorneys from Ackermann & Tilajef, P.C., Melmed Law Group P.C., and Winston Law Group, P.C. who have been prosecuting the Lawsuit on behalf of the Class Members and PAGA aggrieved employees on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. To date, the parties have litigated many aspects of the case including settlement efforts and a full face-to-face settlement negotiation. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Settlement Amount. Class Members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will collectively ask for fees of one-fourth (1/4) (*i.e.*, \$262,500.00) of the Settlement Amount as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit. Class Counsel also will ask for reimbursement of up to \$15,000.00 for the costs Class Counsel incurred in connection with the Lawsuit.

Service Payment to Named Plaintiff and Class Representative. Class Counsel will ask the Court to award Named Plaintiff and Class Representative Michael Grotte a service payment in the amount of \$10,000 to compensate him for his service and extra work provided on behalf of the Class Members. The Class Representative also may receive a share of the Settlement as a Class Member.

Net Settlement Amount. After deducting the amounts above, the balance of the Settlement Amount will form the Net Settlement Amount for distribution to the Normal Life Class Members and PAGA Class Members.

PAGA Payment. 56% of the Net Settlement Amount shall be allocated as PAGA penalties to be shared amongst those Normal Life Class Members and covered employees of the Other ResCare Defendants who were employed by Defendants from May 21, 2017 through January 29, 2020, and 44% will be shared amongst all Normal Life Class Members. The PAGA Payment is to be approved by the Court pursuant to Labor Code section 2699 and is to be distributed as follows: seventy-five percent (75%) to the LWDA and twenty-five percent (25%) to Normal Life's and the Other ResCare Defendants' employees. Class Counsel shall give timely notice of the Class Settlement to the LWDA under Labor Code section 2699(1)(2).

You can view the Settlement Agreement and other Court documents related to this case by visiting [www.cptgroup.com/NormalLifeSettlement](http://www.cptgroup.com/NormalLifeSettlement).

#### **IV. YOUR INDIVIDUAL SHARE OF THE SETTLEMENT AMOUNT**

The Individual Settlement Amount for each Normal Life Class Participant (a Normal Life Class Member who does not opt-out of the Settlement) will be calculated as follows. Compensable pay periods will be all pay periods by all Normal Life Class Members during the Class Period. The dollars per compensable pay period will be calculated by dividing Net Settlement Amount by the total number of pay periods worked to determine a pay period value. The pay period value will be multiplied by the number of pay periods each Class Member worked during the Class Period to determine the Individual Settlement Amount for each Class Member. If any Class Member opts-out of the Settlement, his/her share will be distributed to Normal Life Class Participants. Fifteen percent (15%) of each Individual Settlement Amount shall constitute wages in the form of back pay (and each Class Participant will be issued an IRS Form W-2 for such payment to him or her), eighty five percent (85%) of each Individual Settlement Amount shall constitute non-wage premiums, penalties and interest, (and each Class Participant will be issued an IRS Form 1099 for

such payments to him or her). Defendant Normal Life, or its proxies, shall take all usual and customary deductions from the Settlement payments that are distributed as wages, including, but not limited to, state and federal tax withholding, disability premiums, and unemployment insurance premiums. There will be no deduction taken from the interest or penalty distribution; however, it will be reported on IRS Form 1099 as income. Normal Life Class Participants are responsible for the proper income tax treatment of the Settlement Awards. The Settlement Administrator, Defendant Normal Life and their counsel, and Class Counsel cannot provide tax advice. Accordingly, Class Members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

The pay periods you worked for Defendant Normal Life during the Class Period will be calculated based on Defendant's records. If you feel that you were not credited with the correct number of pay periods worked during the Class Period, you may submit evidence to the Settlement Administrator on or before May 2, 2020 with documentation to establish the number of pay periods you claim to have actually worked during the Class Period. **DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED; DO NOT SEND ORIGINALS.** The Parties and Settlement Administrator will promptly evaluate the evidence submitted and discuss in good faith how many pay periods should be credited. The Settlement Administrator will make the final decision as to how many pay periods are credited and report the outcome to the Class Participant. If you are unsatisfied with the decision, you may submit an Objection, as discussed below.

Settlement checks will be mailed to all Normal Life Class Members who do not request to be excluded (i.e., opt-out) approximately 30 days after the Court's granting Final Approval. The PAGA payments to aggrieved employees of Normal Life and the Other ResCare Defendants shall also be sent out within 30 days of the final approval of the PAGA Settlement.

You can view the final approval order and final judgment and payment schedule at [www.cptgroup.com/NormalLifeSettlement](http://www.cptgroup.com/NormalLifeSettlement).

## V. THE RELEASE OF CLAIMS

If the Court approves the Settlement, the Court will enter judgment and the Settlement Agreement will bind all members of the Normal Life Settlement Class who have not opted out of the Settlement, and will bar all Normal Life Class Members from bringing certain claims against Defendants as described below (aggrieved employees of the Other ResCare Defendants will only release PAGA penalty claims and nothing else).

The settlement includes a release by Normal Life Class Members (other than those who submitted a timely request to be excluded) employed by Normal Life, and all of their affiliated entities, owners, etc. from all claims alleged in the operative Complaint, including claims under Labor Code provisions: 201, 202, 203, 226(a), 226(e), 226.3, 226.7, 512, 1197.5 as well as claims under Cal. Bus. & Prof. Code § 17200-17204 and Sections 11 and 12 of IWC Wage Order Nos. 4, 5, and 15.

The Settlement does not release any person, party or entity from claims, if any, by Normal Life Class Members for workers compensation, unemployment, or disability benefits of any nature, nor does it release any claims, actions, or causes of action which may be possessed by Normal Life Settlement Class Members under state or federal discrimination statutes, including, without

limitation, the Cal. Fair Employment and Housing Act, the Cal. Government Code § 12940, *et seq.*; the Unruh Civil Rights Act, the Cal. Civil Code §51, *et seq.*; the California Constitution; Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000, *et seq.*; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101, *et seq.*; the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. § 1001 *et seq.*; and all of their implementing regulations and interpretive guidelines.

Normal Life Class Members who do not opt out will be deemed to have acknowledged and agreed that their claims for wages and/or penalties in the Lawsuit are disputed, and that the Settlement payments constitute payment of all sums allegedly due to them. Normal Life Class Members will be deemed to have acknowledged and agreed that California Labor Code Section 206.5 is not applicable to the Settlement payments. That section provides in pertinent part as follows:

**“An employer shall not require the execution of a release of a claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made.”**

## **VI. WHAT ARE YOUR OPTIONS?**

### **A. Do Nothing and Receive Your Portion of the Settlement**

You are automatically included as a Class Participant and will receive a settlement payment and do not have to take any further action to receive your settlement payment. It is the responsibility of all Class Members to ensure that the Settlement Administrator has your current address on file, or you may not receive important information or a settlement payment. Your estimated Net Settlement Award is «**NormalLifeEstAmount**». If you are eligible for a PAGA Payment, your PAGA payment will be made in addition to your net settlement amount.

### **B. Opt-Out and Be Excluded from the Class and the Settlement**

If you **do not** wish to take part in the Settlement, you may exclude yourself (i.e., opt-out) by sending to the Settlement Administrator a “Request for Exclusion from the Class Action Settlement” letter/card postmarked no later than May 2, 2020, with your name, address, employee identification number and/or the last four digits of the employee’s social security number for identification purposes, and signature. The Request for Exclusion should state:

**“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE GROTTÉ V. NORMAL LIFE OF CALIFORNIA, INC., ET AL. LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THIS LAWSUIT AND WILL NOT BE RELEASING ANY CLAIMS I MIGHT HAVE.”**

Send the Request for Exclusion directly to the Settlement Administrator at the following address **by no later than May 2, 2020:**

Grotte v. Normal Life of California, Inc., et al.  
c/o CPT Group, Inc.  
50 Corporate Park  
Irvine, CA 92606

Any person who submits a timely Request for Exclusion from the Normal Life Class Action Settlement shall, upon receipt, no longer be a Class Member, shall be barred from participating in any portion of the Settlement, and shall receive no benefits from the Settlement. If you want confirmation of receipt of your Opt-Out, please send it by U.S. certified mail, return receipt requested and/or contact the Settlement Administrator. It should be noted, however, that there is no right to opt-out of the PAGA penalty component of this settlement. Accordingly, even if you opt-out, you will still receive your PAGA award and your PAGA claim will be barred.

### **C. Object to the Settlement**

You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the proposed Settlement, or any portion of it, you must file with the Settlement Administrator a written objection stating your name, address, telephone number, dates of employment with Defendant, the case name and number, each specific reason in support of your objection, and any legal support for each objection. Objections must be in writing and must be mailed to the Settlement Administrator, *Grotte v. Normal Life of California, Inc., et al.*, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606, **by no later than May 2, 2020** for your objection to be considered. **OBJECTIONS THAT DO NOT INCLUDE ALL REQUIRED INFORMATION, OR THAT ARE NOT SUBMITTED TIMELY, MAY NOT BE CONSIDERED BY THE COURT.**

If you object to the Settlement, you will remain a member of the Normal Life Settlement Class, and if the Court approves the Settlement, you will receive payment and be bound by the terms of the Settlement in the same way as Class Members who do not object. Any member of the Normal Life Settlement Class who does not object in the manner provided above shall have waived any objection to the Settlement, whether by appeal or otherwise.

### **D. Your Right to Appear at the Final Approval and Fairness Hearing Through an Attorney or In Person**

If you choose to object to the Settlement, you may also appear at the Final Approval Hearing scheduled for June 24, 2020 at 9:00 a.m. in Department 9 of the San Luis Obispo County Superior Court located at 1050 Monterey Street, San Luis Obispo, California 93408. You have the right to appear either in person or through your own attorney at this hearing. Objections not previously filed in writing in a timely manner as described above will not be considered by the Court. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before May 2, 2020. All objections or other correspondence must state the name and number of the case, which is *Michael Grotte v. Normal Life of California, Inc., et al.*, Case No. 18CV-0872.

## **VII. UPDATE FOR YOUR CHANGE OF ADDRESS**

If you move after receiving this Notice or if it was misaddressed, please contact the Settlement Administrator, CPT Group, Inc. at 1-888-910-0542 or NormalLifeSettlement@cptgroup.com, as soon as possible. **THIS IS IMPORTANT SO THAT FUTURE NOTICES AND/OR THE SETTLEMENT AND THE PAGA PAYMENTS REACH YOU.**

**VIII. IF THE STIPULATION OF SETTLEMENT AND RELEASE OF CLASS ACTION IS NOT APPROVED**

If the Stipulation is not approved by the Court, or if any of its conditions are not satisfied, the conditional settlement will be voided, no money will be paid, and the case will return to litigation. If that happens, there is no assurance: (1) that the Class will be certified; (2) that any decision at trial would be in favor of Class Members; (3) that a trial decision, if any, would be as favorable to the Class Members *as* this settlement; or (4) that any favorable trial decision would be upheld if an appeal was filed.

**IX. QUESTIONS OR COMMENTS?**

**PLEASE DO NOT CALL OR CONTACT THE COURT.** If you have any questions about the settlement, you may contact the Settlement Administrator at: 1-888-910-0542 or by e-mail at NormalLifeSettlement@cptgroup.com. You may also contact Class Counsel at the address or phone number listed below.

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