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FILED
Superior Court of California
County of Los Angeles

NOV 04 2020

Sherri R. Carter, Executive Officer/Clerk of Court
By *[Signature]*, Deputy
Lori M'Greene

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

ANTONESHA HOSHAW, individually, and
on behalf of other members of the general
public similarly situated;

Plaintiff,

v.

SUTHERLAND HEALTHCARE
SOLUTIONS INC., a Delaware corporation;
and DOES 1 through 100, inclusive;

Defendants.

Case No.: 19STCV33165

Honorable Carolyn B. Kuhl
Department 12

CLASS ACTION

**[PROPOSED] ORDER GRANTING
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT, CONDITIONAL
CERTIFICATION, APPROVAL OF CLASS
NOTICE, SETTING OF FINAL
APPROVAL HEARING DATE**

Hearing Date: November 5, 2020
Hearing Time: 11:00 a.m.
Hearing Place: Dept. 12

Filed: September 18, 2019
FAC Filed: July 7, 2020
Trial: None Set

1 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

2 The Motion for Preliminary Approval of Class Action Settlement came before this Court, the
3 Honorable Carolyn B. Kuhl presiding, on November 5, 2020. The Court having considered the papers
4 submitted in support of the Motion, HEREBY ORDERS THE FOLLOWING:

5 1. The following Class is conditionally certified for purposes of settlement only: all non-
6 exempt or hourly-paid current and former employees of Defendant Sutherland Healthcare Solutions,
7 Inc. ("Sutherland Healthcare" or "Defendant") in California during the period from September 18,
8 2015 to September 18, 2020.

9 2. The Court grants preliminary approval of the Settlement based upon the terms set forth
10 in the Joint Stipulation and Settlement Agreement attached *to the Supp'l Decl. of Douglas Han.* hereto as **Exhibit 1**. Capitalized terms
11 shall have the definitions set forth in the Settlement.

12 3. The Settlement appears to be fair, adequate, and reasonable to the Class. The
13 Settlement falls within the range of reasonableness and appears to be presumptively valid, subject only
14 to any objections that may be raised at the final approval hearing and final approval by this Court.

15 4. Plaintiff Antonesha Hoshaw is conditionally approved as the Class Representative for
16 the Class.

17 5. The proposed Class Representative Incentive Payment of up to \$10,000 payable to
18 Plaintiff for her agreement to a general release of claims and her services as the Class Representative is
19 conditionally approved.

20 6. Douglas Han, Shunt Tatavos-Gharajeh, and Phillip Song of Justice Law Corporation are
21 conditionally approved as Class Counsel for the Class.

22 7. The proposed awards of up to \$262,500.00 in Attorney Fee Award and up to \$20,000 in
23 Cost Award to Class Counsel are conditionally approved.

24 8. A final approval hearing on the question of whether the Settlement, Attorney Fee
25 Award, Cost Award, and the Class Representative Incentive Payment should be finally approved as
26 fair, reasonable, and adequate as to Participating Class Members is scheduled on the date and time set
27 forth in Paragraph 15 below.

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1 9. The Court confirms CPT Group, Inc. as the Settlement Administrator.

2 10. The proposed payment of approximately \$8,500 but no more than \$15,000 in costs to
3 CPT Group, Inc. for its services as the Settlement Administrator is conditionally approved.

4 11. The Court also hereby conditionally approves and orders payment from the Gross Fund
5 Value the PAGA Payment of \$30,000 (75% of which shall be paid to the LWDA, and 25% of which
6 shall become part of the Net Fund Value distributable to Eligible Aggrieved Employees).

7 12. The Court approves, as to form and content, the Notice of Class Action Settlement as
8 attached as **Exhibit A** to the Settlement. The Court approves the procedure for Class Members to
9 participate in, to opt out of, and to object to, the Settlement as set forth in the Notice of Class Action
10 Settlement.

11 13. The Court directs the mailing of the Notice of Class Action Settlement by first class
12 mail to Class Members in accordance with the implementation schedule set forth in paragraph 15
13 below. The Court finds the dates selected for the mailing and distribution of the Notice of Class
14 Action Settlement, as set forth in the Implementation Schedule, meet the requirements of due process
15 and provide the best notice practicable under the circumstances and shall constitute due and sufficient
16 notice to all persons entitled thereto.

17 14. To facilitate administration of the Settlement pending final approval, the Court hereby
18 enjoins Plaintiff and all Class Members from filing or prosecuting any claims, suits or administrative
19 proceedings (including, but not limited to, filing claims with the Division of Labor Standards
20 Enforcement of the California Department of Industrial Relations) regarding claims released by the
21 Settlement unless and until such Participating Class Members have filed valid requests for exclusion
22 with the Settlement Administrator and the time for filing valid requests for exclusion with the
23 Settlement Administrator has elapsed. This provision shall not apply to claims not alleged in the
24 Action.

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15. The Court orders the following **Implementation Schedule** for further proceedings:

a.	Deadline for Defendant to submit Class Database to Settlement Administrator	21 calendar days after entry of the Preliminary Approval Order
b.	Deadline for Settlement Administrator to mail the Notice of Class Action Settlement to Settlement Class Members	10 business days after receipt of the Class Database
c.	Deadline for Class Members to request for exclusion from Settlement or postmark objections to Settlement to the Settlement Administrator	Postmarked no later than 60 calendar days from the initial mailing of the Class Notice
e.	Deadline for Class Counsel to file Motion for Final Approval of Settlement	16 Court days before Final Approval Hearing in conformity with Code of Civil Procedure § 1005
f.	Deadline for Class Counsel to file Motion for Attorneys' Fees, Costs and Class Representative Enhancement Award	16 Court days before Final Approval Hearing in conformity with Code of Civil Procedure § 1005
g.	Final Approval Hearing and Final Approval	<i>June 15</i> 2020 at <i>10:30</i> a.m./ p.m. in Department 12

IT IS SO ORDERED.

Dated:

Nov. 4, 2020

BY

Carolyn B. Kuhl

Honorable Carolyn B. Kuhl
Judge of the Superior Court

11/06/2020

EXHIBIT 1

11/06/2020

JOINT STIPULATION AND SETTLEMENT AGREEMENT

Subject to final approval by the Court, this Settlement Agreement is between Plaintiff Antonesha Hoshaw ("Plaintiff"), and Defendant Sutherland Healthcare Solutions, Inc. ("Defendant" or "Sutherland Healthcare"). Plaintiff and Defendant collectively are referred to in this Agreement as the "Parties."

I. DEFINITIONS

In addition to the other terms defined in this Agreement, the terms below have the following meaning:

- A. **Administration Costs**: The costs incurred by the Settlement Administrator to administer this Settlement, which shall not exceed \$15,000.00. All Administration Costs shall be paid from the Qualified Settlement Fund.
- B. **Agreement, Settlement Agreement, Joint Stipulation, or Settlement**: The settlement agreement reflected in this document, titled "Joint Stipulation and Settlement Agreement."
- C. **Attorney Fee Award**: The amount, not to exceed 35% of the Gross Fund Value or \$262,500.00, finally approved by the Court and awarded to Class Counsel. The Attorney Fee Award shall be paid from the Qualified Settlement Fund and will not be opposed by Defendant.
- D. **Class**: All non-exempt or hourly-paid current and former employees of Sutherland Healthcare Solutions, Inc. in California during the Class Period.
- E. **Class Counsel**: Douglas Han, Shunt Tatavos-Gharajeh, and Phillip Song of Justice Law Corporation.
- F. **Class Member**: Each person eligible to participate in this Settlement who is a member of the Class as defined above.
- G. **Class Notice or Notice**: The Notice of Class Action Settlement, substantially similar to the form attached hereto as **Exhibit A**, subject to Court approval.
- H. **Class Period**: The time period from September 18, 2015 to September 18, 2020.
- I. **Class Representative or Plaintiff**: Antonesha Hoshaw.
- J. **Class Representative Incentive Payment**: The amount the Court awards to Plaintiff Antonesha Hoshaw, for her services as a Class Representative, which will not exceed \$10,000.00. This payment shall be paid from the Qualified Settlement Fund and will not be opposed by Defendant. This incentive is subject

to approval of the Court. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Fund Value for distribution to Participating Class Members.

- K. **Cost Award**: The amount that the Court orders Defendant to pay Class Counsel for payment of actual litigation costs, which shall not exceed \$20,000. The Cost Award will be paid from the Qualified Settlement Fund and will not be opposed by Defendant. The Cost Award is subject to Court approval. If the Court awards less than the amount request, any amount not awarded will become part of the Net Fund Value for distribution to Participating Class Members.
- L. **Counsel for Defendant**: Attorneys Michael L. Ludwig and Caitlin I. Sanders of Blank Rome LLP.
- M. **Defendant or Sutherland Healthcare**: Sutherland Healthcare Solutions, Inc.
- N. **Effective Final Settlement Date**: The effective date of this Settlement will be when the final approval of the settlement can no longer be appealed, or, if there are no objectors and no Plaintiff in intervention at the time the Court grants final approval of the settlement, the date the court enters judgment granting final approval of the settlement.
- O. **Final Judgment or Final Approval**: The final order entered by the Court finally approving this Agreement.
- P. **Gross Fund Value or GFV**: The total value of the Settlement is a non-reversionary Seven Hundred and Fifty Thousand Dollars and Zero Cents (\$750,000). This is the gross amount Defendant can be required to pay under this Settlement Agreement, which includes without limitation: (1) the Net Fund Value to be paid to Participating Class Members; (2) Attorney Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (3) the Class Representative Incentive payment paid to the Class Representative, as approved by the Court; (4) Administration Costs, as approved by the Court; and (5) the PAGA Payment to the LWDA and to Participating Class Members, as approved by the Court. No portion of the Gross Fund Value will revert to Defendant for any reason.
- Q. **Individual Settlement Share(s)**: The amount payable to each Participating Class Member under the terms of this Settlement Agreement. Class Members are not required to submit a claim form to receive their Individual Settlement Shares pursuant to this Agreement. Rather, Participating Class Members will receive an Individual Settlement Share automatically, without the return of a claim form.
- R. **LWDA**: California Labor and Workforce Development Agency.

- S. **Net Fund Value or NFV**: The total amount of money available for payout to Participating Class Members, which is the GFV less the Attorney Fee Award, Cost Award, Class Representative Incentive, the portion of the PAGA Payment paid to the LWDA, and Administration Costs. In other words, the NFV is the portion of the GFV that will be distributed to Class Members who do not request exclusion from the Settlement.
- T. **PAGA**: The California Labor Code Private Attorneys General Act of 2004 (Cal. Labor Code §§ 2698 *et seq.*).
- U. **PAGA Action**: Plaintiff Hoshaw's representative PAGA claims as pled in her respective First Amended Complaint.
- V. **PAGA Payment**: The PAGA Payment consists of \$30,000 of the Gross Fund Value allocated to satisfy the PAGA penalties claim as alleged in the First Amended Complaint. Seventy-five percent (75%) of the PAGA Payment (\$22,500) shall be paid to the LWDA, and twenty-five percent (25%) (\$7,500) of the PAGA Payment shall be part of the Net Fund Value distributed to Participating Class Members.
- W. **Participating Class Members**: All Class Members who do not submit a valid and timely request to exclude themselves from this Settlement.
- X. **Parties**: Plaintiff Antonessa Hoshaw as an individual and as Class Representative, and Defendant Sutherland Healthcare Solutions, Inc.
- Y. **Preliminary Approval or Preliminary Approval Order**: The Court's order preliminarily approving the proposed Settlement.
- Z. **Qualified Settlement Fund or QSF**: A fund within the meaning of Treasury Regulation § 1.46B-1, 26 C.F.R. § 1.468B-1 *et seq.*, that is established by the Settlement Administrator for the benefit of Participating Class Members, Plaintiff, and Class Counsel.
- AA. **Released Claims**: All Class Members who have not opted out will release and discharge Defendant, its past and present officers, directors, shareholders, unit holders, managers, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys from all claims, demands, rights, liabilities and causes of action that were pled in the Operative Complaint in the Action, or which could have been pled in the Operative Complaint in the Action based on the factual allegations therein, that arose during the Class Period with respect to the following claims: (a) failure to pay all overtime wages; (b) failure to pay all minimum wages; (c) failure to pay all wages at the agreed upon rate; (d) failure to provide meal periods, or premium pay for non-compliant meal periods; (e) authorize and permit rest

periods, or premium pay for non-compliant rest periods; (f) failure to pay all wages upon termination of employment; (g) claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories described above; and (h) all claims under the Private Attorney's General Act ("PAGA").

- BB. Released Parties:** Defendant and any of its past, present and future parents, affiliates, subsidiaries, division, predecessors, successors, and assigns, and each of their officers, directors, board members, trustees, shareholders, employees, agents, attorneys auditors, accountants, experts, contractors, stockholders, representatives, partners, insurers, reinsurers, and other persons acting on their behalf.
- CC. Response Deadline:** Sixty (60) calendar days from the initial mailing of the Class Notice.
- DD. Settlement Administration:** The Settlement Administrator will conduct a skip trace for the address of all former employee Class Members. The Settlement Administrator will mail the Class Notice by first class U.S. mail to all Class Members at the address Defendant has on file for those Class Members and to all former employee Class Members at the address resulting from the skip trace. The Class Notice will inform Class Members that they have until the Response Deadline to either object to the Settlement or to opt-out of the Settlement. Any Class Member who does not receive the Class Notice after the steps outlined above have been taken will still be bound by the Settlement and/or judgment.
- EE. Settlement Administrator:** The third party administrator agreed upon by Parties to administer this Settlement is CPT Group, Inc.
- FF. Superior Court:** The State of California, Los Angeles County Superior Court, Case No. 19STCV33165.

II. RECITALS

- A.** On September 18, 2019, Plaintiff Antonesha Hoshaw filed a putative class action against Sutherland Healthcare Solutions, Inc., in Los Angeles County Superior Court, Case No. 19STCV33165.
- B.** On May 18, 2020, Plaintiff Antonesha Hoshaw provided Notice of Labor Code Violations Pursuant to Labor Code Section 2699.3 to the LWDA.
- C.** Subsequently, Plaintiff Antonesha Hoshaw filed her First Amended Complaint, in which she added a PAGA cause of action in Los Angeles County Superior Court.

- D. The Parties engaged in mediation on May 14, 2020. Prior to mediation, the Parties conducted significant investigation and discovery of the facts and law both before and after the lawsuits were filed. Prior to mediation, Defendant produced hundreds of documents relating to its policies, practices, and procedures regarding its wage and hour practices, paying non-exempt employees for all hours worked, meal and rest period policies, meal premiums paid, policies on reimbursement of business expenses, and payroll and operational policies. As part of Defendant's production, Plaintiff also reviewed time records, pay records, and information relating to the size and scope of the Class, as well as data permitting Plaintiff to understand the number of workweeks in the Class Period. Plaintiff also interviewed Class Members who worked for Defendant throughout the Class Period. The Parties agree that the above-described investigation and evaluation, as well as the information exchanged during the settlement negotiations, are more than sufficient to assess the merits of the respective Parties' positions and to compromise the issues on a fair and equitable basis.
- E. **Benefits of Settlement to Class Members.** Plaintiff and Class Counsel recognize the expense and length of continued proceedings necessary to continue the litigation against Defendant through trial and through any possible appeals. Plaintiff and Class Counsel also have taken into account the uncertainty and risk of further litigation, the potential outcome, and the difficulties and delays inherent in such litigation. Plaintiff and Class Counsel have conducted extensive settlement negotiations, including formal conversations and written correspondence before and after the May 14, 2020 mediation. Based on the foregoing, Plaintiff and Class Counsel believe the Settlement set forth in this Agreement is a fair, adequate, and reasonable settlement, and is in the best interests of the Class Members.
- F. **Defense Reasons for Settlement.** Defendant recognizes that the defense of this litigation will be protracted and expensive. Substantial amounts of time, energy, and resources of the defense have been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiff. Defendant, therefore, has agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the Released Claims.
- G. **Defendant's Denial of Wrongdoing.** Defendant generally and specifically denies any and all liability or wrongdoing of any sort with regard to any of the claims alleged, makes no concessions or admissions of liability of any sort, and contends that for any purpose other than settlement, the Action is not appropriate for class treatment. Defendant asserts a number of defenses to the claims, and has denied any wrongdoing or liability arising out of any of the alleged facts or conduct in the Action. Neither this Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out

this Agreement, is or may be construed as, or may be used as an admission, concession, or indication by or against Defendant or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. Nor should the Agreement be construed as an admission that Plaintiff can serve as adequate Class Representative except for purposes of settlement. There has been no final determination by any court as to the merits of the claims asserted by Plaintiff against Defendant or as to whether a class or classes should be certified, other than for settlement purposes only.

- H. **Plaintiff's Claims.** Plaintiff asserts that Defendant's defenses are without merit. Neither this Agreement nor any documents referred to or contemplated herein, nor any action taken to carry out this Agreement is, may be construed as, or may be used as an admission, concession or indication by or against Plaintiff, Class Members, or Class Counsel as to the merits of any claims or defenses asserted, or lack thereof, in the Action. However, in the event that this Settlement is finally approved by the Court, Plaintiff and Class Counsel will not oppose Defendant's efforts to use this Agreement to prove that Plaintiff and Class Members have resolved and are forever barred from re-litigating the Released Claims.

III. SETTLEMENT TERMS AND CONDITIONS

- A. **Gross Fund Value.** Subject to the terms and conditions of this Agreement, the maximum Gross Fund Value that Defendant is obligated to pay under this Settlement Agreement is Seven Hundred and Fifty Thousand Dollars and Zero Cents (\$750,000).
- B. **Notice to the Labor and Workforce Development Agency ("LWDA").** On May 18, 2020, Plaintiff Antonesha Hoshaw filed and served her Notice of Labor Code Violations Pursuant to Labor Code Section 2699.3. Thus, Plaintiff has satisfied her notice obligations under the PAGA.
- C. **Class Certification.** Solely for the purposes of this Settlement, the Parties stipulate and agree to certification of the claims asserted on behalf of Class Members. As such, the Parties stipulate and agree that in order for this Settlement to occur, the Court must certify the Class as defined in this Agreement.
- D. **Conditional Nature of Stipulation for Certification.** The Parties stipulate and agree to the certification of the claims asserted on behalf of Plaintiff and Class Members for purposes of this Settlement only. If the Settlement does not become effective, the fact that the Parties were willing to stipulate to certification as part of the Settlement shall not be admissible or used in any way in connection with, the question of whether the Court should certify any claims in a non-settlement context in this Action or in any other lawsuit. If the

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Settlement does not become effective, Defendant reserves the right to contest any issues relating to class certification and liability.

- E. **Appointment of Class Representative.** Solely for the purposes of this Settlement, the Parties stipulate and agree Plaintiff Antonesha Hoshaw shall be appointed as representative for the Class.
- F. **Appointment of Class Counsel.** Solely for the purpose of this Settlement, the Parties stipulate and agree that the Court appoint Class Counsel to represent the Class.
- G. **Individual Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay an Individual Settlement Share from the Net Fund Value to each Participating Class Member.

1. Calculation.

- a. **Individual Settlement Share Calculation.** Each Participating Class Member will receive a proportionate share of the Net Fund Value that is equal to (i) the number of weeks he or she worked based on the Class data provided by Defendant, divided by (ii) the total number of weeks worked by all Participating Class Members based on the same Class data, which is then multiplied by the Net Fund Value. One day worked in a given week will be credited as a week for purposes of this calculation. Therefore, the value of each Class Member's Individual Settlement Share ties directly to the amount of weeks that he or she worked.

- 2. **Tax Withholdings.** Each putative class member's gross settlement award will be apportioned as follows: 20% wages, and 80% to interest and penalties. The amounts paid as wages shall be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and shall be reported by W-2 forms. Payment of all amounts will be made subject to backup withholding unless a duly executed W-9 form is received from the payee(s). The amounts paid as penalties and interest shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and shall be reported by IRS 1099 forms. The employee share of payroll tax withholdings shall be taken from each persons' Individual Settlement Share.

- H. **Settlement Disbursement.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will make the following payments out of the Gross Fund Value:

- 11/06/2020
1. **To the Plaintiff, Antonessa Hoshaw:** In addition to her Individual Settlement Shares, and subject to the Court's approval, Plaintiff will receive up to Ten Thousand Dollars and Zero Cents (\$10,000) as a Class Representative Incentive Payment. The Settlement Administrator will pay the Class Representative Incentive Payment out of the Qualified Settlement Fund. Payroll tax withholdings and deductions will not be taken from the Class Representative Incentive Payment. An IRS Form 1099 will be issued to Plaintiff with respect to her Class Representative Incentive Payment. In the event the Court does not approve the entirety of the application for the Class Representative Incentive Payment, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendant nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested by Plaintiff, the difference shall become part of the NFV and be available for distribution to Participating Class Members.
 2. **To Class Counsel.** Class Counsel will apply to the Court for, and Defendant agrees not to oppose, a total Attorney Fee Award not to exceed thirty-five percent (35%) or \$262,500 of the GFV and a Cost Award not to exceed \$20,000. The Settlement Administrator will pay the court-approved amounts for the Attorney Fee Award and Cost Award out of the Gross Settlement Fund. The Settlement Administrator may purchase an annuity to utilize US treasuries and bonds or other attorney fee deferral vehicles for Class Counsel. Payroll tax withholding and deductions will not be taken from the Attorney Fee Award or the Cost Award. IRS Forms 1099 will be issued to Class Counsel with respect to these payments. In the event the Court does not approve the entirety of the application for the Attorney Fee Award and/or Cost Award, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendant nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested by Class Counsel for the Attorney Fee Award and/or Cost Award, the difference shall become part of the NFV and be available for distribution to Participating Class Members.
 3. **To the Responsible Tax Authorities.** The Settlement Administrator will pay the amount of the Participating Class Members' portion of normal payroll withholding taxes out of each person's Individual Settlement Share. The Settlement Administrator will calculate the amount of the Participating Class Members' and Defendant's portion of payroll withholding taxes, which Defendant's portion shall be paid by Defendant separate and apart from the GFV, and forward those amounts to the appropriate taxing authorities.

4. **To the Settlement Administrator.** The Settlement Administrator - CPT Group, Inc. - will pay to itself Administration Costs (reasonable fees and expenses) approved by the Court not to exceed \$15,000. This will be paid out of the Qualified Settlement Fund. If the actual amount of Administration Costs is less than the amount estimated and/or requested, the difference shall become part of the NRV and be available for distribution to Participating Class Members.

5. **To Class Members.** The Settlement Administrator will pay Participating Class Members according to the Individual Settlement Share calculations set forth above. All payments to Participating Class Members shall be made from the Qualified Settlement Fund.

I. **Appointment of Settlement Administrator.** Solely for the purposes of this Settlement, the Parties stipulate and agree that CPT Group, Inc. shall be retained to serve as Settlement Administrator. The Settlement Administrator shall be responsible for preparing, printing, and mailing the Class Notice to the Putative Class Members; keeping track of any objections or requests for exclusion from Class Members; performing skip traces and remailing Notices and Individual Settlement Shares to Class Members; calculating any and all payroll tax deductions as required by law; calculating each Class Member's Individual Settlement Share; providing weekly status reports to Defendant's Counsel and Class Counsel, which is to include updates on any objections or requests for exclusion that have been received; providing a due diligence declaration for submission to the Court prior to the Final Approval hearing; mailing Individual Settlement Shares to Participating Class Members; calculating and mailing the PAGA Payment to the LWDA; distributing the Attorney Fee Award and Cost Award to Class Counsel; printing and providing Class Members and Plaintiff with W-2s and 1099 forms as required under this Agreement and applicable law; providing a due diligence declaration for submission to the Superior Court upon the completion of the Settlement; providing any funds remaining in the QSF as a result of uncashed checks to the State Controller's Office in the name of the Settlement Class member under the unclaimed Property Laws; and for such other tasks as the Parties mutually agree. The Parties each represent that they do not have any financial interest in CPT Group, Inc. or otherwise have a relationship with CPT Group, Inc. that could create a conflict of interest.

J. **CIRCULAR 230 DISCLAIMER.** Each Party to this Agreement (for purposes of this section, the "Acknowledging Party" and each Party to this Agreement other than the Acknowledging Party, an "Other Party") acknowledges and agrees that:

(1) No provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisors, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of U.S. Treasury Dept. Circular 230 (31 C.F.R. Part 10, as amended);

- (2) The Acknowledging Party (a) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any Other Party or any attorney or advisor to any Other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any Other Party to avoid any tax penalty that may be imposed on the Acknowledging Party; and
- (3) No attorney or advisor to any Other Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

K. Procedure for Approving Settlement.

1. Motion for Preliminary Approval and Conditional Certification.

- a. Plaintiff will move for an order conditionally certifying the Class for settlement purposes only, giving Preliminary Approval of the Settlement, setting a date for the Final Approval hearing, and approving the Class Notice within a reasonable time after full execution of this Agreement.
- b. At the Preliminary Approval hearing, the Plaintiff will support the granting of the motion and submit a proposed order granting conditional certification of the Class and Preliminary Approval of the Settlement; appointing the Class Representative, Class Counsel, and Settlement Administrator; approving the Class Notice; and setting the Final Approval hearing.
- c. Should the Court decline to conditionally certify the Class or to Preliminarily Approve all material aspects of the Settlement, the Settlement will be null and void, and the Parties will have no further obligations under it. Provided, however, that the amounts of the Attorney Fee Award, Cost Award, Administration Costs, and Class Representative Incentive shall be determined by the Court, and the Court's determination on these amounts shall be final and binding, and that the Court's approval or denial of any amount requested for these items are not conditions of this Settlement Agreement, and are to be considered separate and apart from the fairness, reasonableness, and adequacy of the Settlement. Any order or proceeding relating to an application for the Attorney Fee Award, Cost Award, Administration Costs, and Class Representative Incentive shall not operate to terminate or cancel this Settlement Agreement. Nothing in this Agreement shall limit Plaintiff or Class Counsel's ability to appeal any decision by the

Court to award less than the requested Attorney Fee Award, Cost Award, Administration Costs, and Class Representative Incentive.

2. Notice to Class Members. After the Court enters its Preliminary Approval Order, every Class Member will be provided with the Class Notice in accordance with the following procedure:

- a. Within twenty-one (21) calendar days after entry of the Preliminary Approval Order, Defendant shall deliver to the Settlement Administrator an electronic database, which will list for each Class Member: (1) first and last name; (2) last known mailing address; (3) social security number; (4) hire and termination dates; and (5) the total number of weeks during which the Class Member performed any actual work during the Class Period as a member of the Class ("Database"). If any or all of this information is unavailable to Defendant, Defendant will so inform Class Counsel and the Parties will make their best efforts to reconstruct or otherwise agree upon how to deal with the unavailable information. The Settlement Administrator will conduct a skip trace for the address of all former Defendant employee Class Members. The Database shall be based on Defendant's payroll, personnel, and other business records. The Settlement Administrator shall maintain the Database and all data contained within the Database as private and confidential.
- b. Within ten (10) business days after receipt of this information from Defendant, the Settlement Administrator will mail the Class Notice to all identified Class Members via first-class regular U.S. Mail, using the mailing address information provided by Defendant and the results of the skip trace performed on all former Defendant employee Class Members.
- c. If a Class Notice is returned because of an incorrect address, within ten (10) days from receipt of the returned Notice, the Settlement Administrator will conduct a search for a more current address for the Class Member and re-mail the Class Notice to the Class Member. The Settlement Administrator will use the National Change of Address Database and skip traces to attempt to find the current address. The Settlement Administrator will be responsible for taking reasonable steps to trace the mailing address of any Class Member for whom a Class Notice is returned by U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum, the tracking of all undelivered mail; performing address searches for all mail returned without a forwarding address; and promptly re-mailing to Class Members for whom new addresses are found. If the Settlement

Administrator is unable to locate a better address, the Class Notice shall be re-mailed to the original address. If the Class Notice is re-mailed, the Settlement Administrator will note for its own records the date and address of each re-mailing.

- d. The Settlement Administrator shall provide a weekly status report to the Parties. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Defendant's Counsel of the number of Notices mailed, the number of Notices returned as undeliverable, the number of Notices re-mailed, and the number of requests for exclusion received.
- e. No later than fourteen (14) days after the Response Deadline, the Settlement Administrator will serve on the Parties a declaration of due diligence setting forth its compliance with its obligations under this Agreement. The declaration from the Settlement Administrator shall also be filed with the Court by Class Counsel no later than ten (10) days before the Final Approval hearing. Before the Final Approval hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

3. Objections to Settlement. The Class Notice will provide that the Class Members who wish to object to the Settlement must do so in writing, and must have the objection signed, dated, and mailed to the Settlement Administrator postmarked no later than the Response Deadline. The timeframe to submit an objection will not be increased for returned mailings.

- a. **Format.** Any Objections shall state: (a) the objecting person's full name, address, and telephone number; (b) the words "Notice of Objection" or "Formal Objection;" (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) the objector may call to testify at the Final Approval hearing; and (e) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval hearing.
- b. **Notice of Intent to Appear.** Class Members may (though are not required to) appear at the Final Approval Hearing, either in person or through the objector's own counsel.

4. Request for Exclusion from the Settlement ("Opt-Out"). The Class Notice will provide that Class Members who wish to exclude themselves from the Settlement must mail to the Settlement Administrator a written request for exclusion. The written request for exclusion must: (a) state the

Class Member's name, address, telephone number, and social security number or employee identification number; (b) state the Class Member's intention to exclude themselves from or opt-out of the Settlement; (c) be addressed to the Settlement Administrator; (d) be signed by the Class Member or his or her lawful representative; and (e) be postmarked no later than the Response Deadline.

a. Confirmation of Authenticity. If there is a question about the authenticity of a signed request for exclusion, the Settlement Administrator may demand additional proof of the Class Member's identity. Any Class Member who returns a timely, valid, and executed request for exclusion will not participate in or be bound by the Settlement and subsequent judgment and will not receive an Individual Settlement Share. A Class Member who does not complete and mail a timely request for exclusion will automatically be included in the Settlement, will receive an Individual Settlement Share, and be bound by all terms and conditions of the Settlement, if the Settlement is approved by the Court, and by the subsequent judgment, regardless of whether he or she has objected to the Settlement.

b. Report. No later than ten (10) days after the Response Deadline, the Settlement Administrator will provide the Parties with a complete and accurate accounting of the number of Notices mailed to Class Members, the number of Notices returned as undeliverable, the number of Notices re-mailed to Class Members, the number of re-mailed Notices returned as undeliverable, the number of Class Members who objected to the Settlement and copies of their submitted objections, the number of Class Members who returned valid requests for exclusion, and the number of Class Members who returned invalid requests for exclusion.

c. Defendant's Option to Terminate. If more than five percent (5%) of the Class Members submit requests for exclusion, Defendant, at its sole option, may nullify the settlement within thirty (30) days of learning that 5% or more of the Settlement Class member timely and properly requested exclusion from the Settlement.

5. No Solicitation of Objection or Requests for Exclusion. Neither the Parties nor their respective counsel will solicit or otherwise encourage directly or indirectly any Class Member to object to the Settlement, request exclusion from the Settlement, or appeal from the Judgment.

6. Motion for Final Approval.

- 11/06/2020
- a. Class Counsel will file unopposed motions and memorandums in support thereof for Final Approval of the Settlement and the following payments in accord with the terms of the Settlement: (1) the Attorney Fee Award; (2) the Cost Award; (3) Administrative Costs; (4) the Class Representative Incentive; and (5) PAGA Payment. Class Counsel will also move the Court for and order of Final Approval (and associated entry of Judgment) releasing and barring any Released Claims of the Class Members who do not opt out of the Settlement.
 - b. If the Court does not grant Final Approval of the Settlement, or if the Court's Final Approval of the Settlement is reversed or materially modified on appellate review, then this Settlement will become null and void. If that occurs, the Parties will have no further obligations under the Settlement, including any obligation by Defendant to pay the Gross Fund Value or any amounts that otherwise would have been owed under this Agreement. Further, should this occur, the Parties agree they shall be equally responsible for the Settlement Administrator's Administration Costs through that date. An award by the Court of a lesser amount than sought by Plaintiff and Class Counsel for the Class Representative Incentive, Attorney Fee Award, Cost Award, will not constitute a material modification to the Settlement within the meaning of this paragraph.
 - c. Upon Final Approval of the Settlement, the Parties shall present to the Court a proposed Final Approval Order, approving of the Settlement and entering Judgment in accordance therewith. After entry of Judgment, the Court shall have continuing jurisdiction over the Action for purposes of: (1) enforcing this Settlement Agreement; (2) addressing settlement administration matters, and (3) addressing such post-Judgment matters as may be appropriate under Court rules and applicable law.
7. **Waiver of Right to Appeal.** Provided that the Judgment is consistent with the terms and conditions of this Agreement, if Class Members do not timely object to the Settlement, then the Parties and their respective counsel waive any and all rights to appeal from the Judgment, including, but not limited to, all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate or set aside judgment, and any extraordinary writ, and the Judgment will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceeding, or post-judgment proceeding.

8. **Vacating, Reversing, or Modifying Judgment on Appeal.** If, after a notice of appeal, the reviewing court vacates, reverses, or modifies the Judgment such that there is a material modification to the Settlement, and that court's decision is not completely reversed and the Judgment is not fully affirmed on review by a higher court, then this Settlement will become null and void and the Parties will have no further obligations under it. A material modification would include, but not necessarily be limited to, any alteration of the Gross Fund Value, an alteration in the calculation of the Net Fund Value, and any change to the calculation of the Individual Settlement Share. A material modification would not include any alteration of the Attorney Fee Award, the Cost Award, the Class Representative Incentive, or the Administration Costs.

9. **Disbursement of Settlement Shares and Payments.** Subject to the Court finally approving the Settlement, the Settlement Administrator shall distribute funds pursuant to the terms of this Agreement and the Superior Court's Final Approval Order and Judgment. The maximum amount Defendant can be required to pay under this Settlement for any purpose is the Gross Fund Value. The Settlement Administrator shall keep Defendant's Counsel and Class Counsel apprised of all distributions from the Gross Fund Value. The Settlement Administrator shall respond to questions from Defendant's Counsel and Class Counsel.

a. **Funding the Settlement:** No later than thirty (30) calendar days after the Effective Final Settlement Date Defendant shall pay the Gross Fund Value of Seven Hundred and Fifty Thousand Dollars (\$750,000) into the Qualified Settlement Fund set up by the Settlement Administrator by wiring the funds. Defendant shall also at this time provide any tax information that the Settlement Administrator may need to calculate each Participating Class Members' Individual Settlement Share.

b. **Disbursement:** Within fifteen (15) business days after the Settlement is funded, the Settlement Administrator shall calculate and pay all payments due under the Settlement Agreement, including all Individual Settlement Shares, the Attorney Fee Award, the Cost Award, the Class Representative Incentive, the PAGA Payment, and the Administration Costs. The Settlement Administrator will forward a check for 75% of the PAGA Payment to the LWDA for settlement of the PAGA claim. After such payment, Defendant shall have no liability for PAGA claims by or on behalf of Participating Class Members during the Class Period, which are released under this Agreement.

c. **QSF:** The Parties agree that the QSF is intended to be a "Qualified Settlement Fund" under Section 468B of the Code and Treasury

Regulations § 1.4168B-1, 26 C.F.R. § 1.468B-1 *et seq.*, and will be administered by the Settlement Administrator as such. The Parties and Settlement Administrator shall treat the QSF as coming into existence as a Qualified Settlement Fund on the earliest date permitted as set forth in 26 C.F.R. § 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law.

10. Uncashed Checks. Participating Class Members must cash or deposit their Individual Settlement Share checks within one hundred and eighty (180) calendar days after the checks are mailed to them. If any checks are not redeemed or deposited within ninety (90) days after mailing, the Settlement Administrator will send a reminder postcard indicating that unless the check is redeemed or deposited in the next ninety (90) days, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced. If any checks remain uncashed or not deposited by the expiration of the 90-day period after mailing the reminder notice, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, pay the amount of the Individual Settlement Share to the State Controller's Office in the name of the Settlement Class member under the unclaimed Property Laws.

11. Final Report by Settlement Administrator. Within ten (10) days after the disbursement of all funds, the Settlement Administrator will serve on the Parties a declaration providing a final report on the disbursements of all funds.

12. Defendant's Legal Fees. Defendant is responsible for paying for all of Defendant's own legal fees, costs, and expenses incurred in this Action outside of the Gross Settlement Fund.

L. Release of Claims. As of the Effective Final Settlement Date, Class Members who do not submit a timely and valid request for exclusion release the Released Parties from the Released Claims. Participating Class Members agree not to sue or otherwise make a claim against any of the Released Parties for any of the Released Claims.

M. Plaintiff's Release of Claims and General Release. As of the Effective Final Settlement Date, and in exchange for the Class Representative Incentive Payment to the Plaintiff in an amount not to exceed \$10,000.00 (Ten Thousand Dollars and No Cents), in recognition of her work and efforts in obtaining the benefits for the Class, and undertaking the risk for the payment of costs in the event this matter had not successfully resolved, Plaintiff also gives the following general release of claims for herself and her respective spouse, heirs, successors and assigns, forever release the Released Parties from any and all charges, complaints, claims, liabilities,

obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, penalties and expenses of any nature whatsoever, from the beginning of time through the date of her signature on this Agreement, known or unknown, suspected or unsuspected, whether in tort, contract, equity, or otherwise, for violation of any federal, state or local statute, rule, ordinance or regulation, including but not limited to all claims arising out of, based upon, or relating to her employment with Defendant or the remuneration for, or termination of, such employment. Plaintiff's Release of Claims also includes a waiver of California Civil Code section 1542, which provides as follows:

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

This release excludes any release of any claims not permitted to be released by law.

N. Miscellaneous Terms

- 1. No Admission of Liability.** Defendant makes no admission of liability or wrongdoing by virtue of entering into this Agreement. Additionally, Defendant reserves the right to contest any issues relating to class certification and liability if the Settlement is not approved. Defendant denies that it has engaged in any unlawful activity, has failed to comply with the law in any respect, has any liability to anyone under the claims asserted in the Action, or that but for the Settlement, a Class should be certified in the Action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant of liability or wrongdoing. This Settlement and Plaintiff's and Defendant's willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with this Settlement).
- 2. No Effect on Employee Benefits.** The Class Representative Incentive Payments and/or Individual Settlement Shares paid to Plaintiff and Participating Class Members shall not be deemed to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g., vacation, holiday pay, retirement plans, etc.) of Plaintiff or the Participating Class Members. The Parties agree that any Class Representative Incentive and/or Individual Settlement Shares paid to Plaintiff or the Participating Class Members under the terms of this Agreement do not represent any modification of Plaintiff's or Participating Class Members' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee

welfare benefit plan sponsored by Defendant. Further, any Class Representative Incentive Payments shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by Defendant.

3. **No Solicitation of Individual Settlements.** Defendant and its Counsel agree that until and unless the Court does not grant Final Approval of the Settlement and/or the Settlement Agreement becomes null and void, Defendant and its Counsel will not attempt to procure any individual settlements from the Class Members, though Defendant can settle individual claims asserted against it, if any. Should this clause be violated, Plaintiff reserve the right to terminate the Settlement Agreement. Plaintiff and her counsel agree that until and unless the Court does not grant Final Approval of the Settlement and/or the Settlement Agreement becomes null and void, Plaintiff and her counsel shall not attempt to procure from Class Members any requests for exclusion from the Settlement. Should this clause be violated, Defendant reserves the right to terminate the Settlement Agreement.
4. **Non-Disclosure and Non-Publication.** Plaintiff and Class Counsel agree not to disclose or publicize the Settlement Agreement contemplated herein, the fact of the Settlement Agreement, its terms or contents, or the negotiations underlying the Settlement Agreement, in any manner or form, directly or indirectly, to any person or entity, except to Settlement Class members and as shall be contractually required to effectuate the terms of the Settlement Agreement as set forth herein. Class Counsel agree to discuss the terms of this Settlement only in declarations submitted to a court to establish their adequacy to serve as class counsel, in declarations submitted to a court in support of motions for preliminary approval, final approval, for attorneys' fees/costs, and any other pleading filed with the Court in conjunction with the Settlement, and in discussions with Class Members in the context of administering this Settlement until the Preliminary Approval Order is issued. No Court filing will be circulated by Class Counsel nor will Class Counsel post such pleadings on any website.
5. **Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire Agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any party concerning this Agreement or its exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits.
6. **Authorization to Enter Into Settlement Agreement.** Class Counsel and Defendant's Counsel warrant and represent that they are authorized by

Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties under this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Court, and in all cases, all such documents, supplemental provisions, and assistance of the Court will be consistent with this Agreement.

7. **Exhibits and Headings.** The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.
8. **Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the Superior Court.
9. **Amendment or Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by counsel for all Parties or their successors-in-interest.
10. **Agreement Binding on Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the successors and assigns of the Parties, as previously defined.
11. **No Prior Assignment.** Plaintiff hereby represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged.
12. **Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.

13. **Fair, Adequate, and Reasonable Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, current and potential.
14. **No Tax or Legal Advice.** The Parties understand and agree that the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, and that Class Members will assume any such tax obligations or consequences that may arise from this Agreement, and that Class Members shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, in the event that any taxing body determines that additional taxes are due from any Class Member, such Class Member assumes all responsibility for the payment of such taxes.
15. **Jurisdiction of the Superior Court.** The Superior Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgment entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Superior Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments in connection therewith.
16. **Invalidity of Any Provision; Severability.** Before declaring any provision of this Agreement invalid, the Parties request that the Superior Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.
17. **Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
18. **Escalator Clause.** On or around May 1, 2020, in advance of mediation, Defendant represented to Plaintiff that there were an estimated 15,000 workweeks as of May 15, 2020. If the actual workweeks through May 15, 2020 is or was more than 10% greater than this number, Plaintiff shall have, in her sole discretion, the option to terminate this Settlement within 30 days, whereupon this Agreement will be null and void for all purposes and may not be used or introduced in further litigation

19. Execution in Counterpart. This Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

IV. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel execute this Agreement.

Dated: June 10th, 2020

ANTONESHA HOSHAW



Dated: _____, 2020

**SUTHERLAND HEALTHCARE SOLUTIONS,
INC.**

Name: René Lafferty
Title: Senior Principal, HR Operations & Shared
Services

Dated: June 11, 2020

JUSTICE LAW CORPORATION



Douglas Han, Esq.
Attorneys for Plaintiff Antonessa Hoshaw, on behalf
of herself and all others similarly situated

11/06/2020

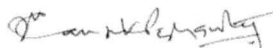
19. Execution in Counterpart. This Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

IV. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel execute this Agreement.

Dated: _____, 2020 **ANTONESHA HOSHAW**

Dated: July 14, 2020 **SUTHERLAND HEALTHCARE
SOLUTIONS INC.**



Name: Ranjit Pisharoty
Title: Sr. Vice President – Service Delivery

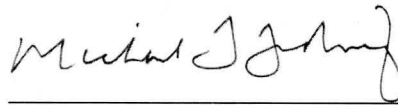
Dated: _____, 2020 **JUSTICE LAW CORPORATION**

Douglas Han, Esq.
Attorneys for Plaintiff Antonessa Hoshaw, on behalf
of herself and all others similarly situated

11/06/2020

Dated: July 14, 2020

BLANK ROME

A handwritten signature in black ink, appearing to read "Michael Ludwig", written over a horizontal line.

Michael L. Ludwig, Esq.

Attorneys for Defendant Sutherland Healthcare
Solutions, Inc.

11/06/2020

11/06/2020

EXHIBIT A

11/06/2020

NOTICE OF CLASS ACTION SETTLEMENT

*A court authorized this notice. This is not a solicitation.
This is not a lawsuit against you and you are not being sued.
However, your legal rights are affected by whether you act or don't act.*

TO: All non-exempt or hourly-paid current and former employees of Sutherland Healthcare Solutions, Inc. ("Sutherland Healthcare") in California during the period from September 18, 2015 to September 18, 2020.

The California Superior Court, County of Los Angeles has granted preliminary approval to a proposed settlement ("Settlement") of the above-captioned action ("Class Action"). Because your rights may be affected by this Settlement, it is important that you read this Notice of Class Action Settlement ("Notice") carefully.

The Court has certified the following class for settlement purposes ("Class" or "Class Members"):

All non-exempt or hourly-paid current and former employees of Sutherland Healthcare in California during the period from September 18, 2015 to September 18, 2020.

The purpose of this Notice is to provide a brief description of the claims alleged in the Class Action, the key terms of the Settlement, and your rights and options with respect to the Settlement.

YOU MAY BE ENTITLED TO MONEY UNDER THE PROPOSED CLASS ACTION SETTLEMENT. PLEASE READ THIS NOTICE CAREFULLY; IT INFORMS YOU ABOUT YOUR LEGAL RIGHTS.

WHAT INFORMATION IS IN THIS NOTICE

1. Why Have I Received This Notice?	Page 2
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7. How Do I Opt Out or Exclude Myself From This Settlement?	Page 4
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1. Why Have I Received This Notice?

Sutherland Healthcare's records indicate that you may be a Class Member. The Settlement will resolve all Class Members' Released Claims, as described below, from September 18, 2015 to September 18, 2020 (the "Class Period").

A Preliminary Approval Hearing was held on [Insert Date], in the California Superior Court, County of Los Angeles. The Court conditionally certified the Class for settlement purposes only and directed that you receive this Notice.

The Court will hold a Final Fairness Hearing concerning the proposed settlement on [the date of final approval hearing], 2020 at [time a.m./p.m.], before Judge Carolyn B. Kuhl, located at 312 North Spring Street, Los Angeles, California 90012, Department 12.

2. What Is This Case About?

The action entitled *Antonesha Hoshaw v. Sutherland Healthcare Solutions, Inc.* was commenced by Plaintiff Antonesha Hoshaw in the Los Angeles County Superior Court (Case Number 19STCV33165). Therefore, Plaintiff Antonesha Hoshaw is referred to as "Plaintiff." Plaintiff's action against Sutherland Healthcare seeks damages, restitution, penalties, interests, costs and attorney's fees and other relief based on the following alleged causes of action: 1) failure to pay overtime; 2) failure to pay meal period premiums; 3) failure to pay rest period premiums; 4) failure to pay minimum wage; 5) failure to pay all wages due in a timely manner; 6) failure to have compliant wage statements; 7) violations of the Labor Code Private Attorneys General Act of 2004; and 8) violations of the Business and Professions Code sections 17200, *et seq.*

The Court has not made any determination as to whether the claims advanced by Plaintiff has any merit.

In other words, the Court has not determined whether any laws have been violated, nor has it decided in favor of Plaintiff or Sutherland Healthcare; instead, both sides agreed to resolve the lawsuit with no decision or admission of who is right or wrong. By agreeing to resolve the lawsuit, all parties avoid the risks and cost of a trial.

Sutherland Healthcare expressly denies that it did anything wrong or that it violated the law and further denies any liability whatsoever to Plaintiff or to the Class.

3. Am I A Class Member?

You are a Class Member if you are currently or were formerly employed by Sutherland Healthcare as a non-exempt or hourly-paid employee in California during the period from September 18, 2015 to September 18, 2020.

4. How Does This Class Action Settlement Work?

In this Action, Plaintiff sued on behalf of herself and all other similarly situated employees who were employed by Sutherland Healthcare as non-exempt or hourly-paid employees in California during the Class Period. Plaintiff and these other current and former employees comprise a "Class" and are "Class Members." The

settlement of this Action resolves the Released Claims of all Class Members, except for those who exclude themselves from the Class by requesting to be excluded in the manner set forth below.

Plaintiff and Class Counsel believe the Settlement is fair and reasonable. The Court must also review the terms of the Settlement and determine if it is fair and reasonable to the Class. The Court file has the Settlement documents, which explain the Settlement in greater detail. If you would like copies of the Settlement documents, you can contact Plaintiff's counsel, whose contact information is below, and they will provide you with an electronic copy free of charge.

5. *Who Are the Attorneys Representing the Parties?*

Attorneys for Plaintiff and the Class	Attorneys for SUTHERLAND HEALTHCARE
JUSTICE LAW CORPORATION Douglas Han Shunt Tatavos-Gharajeh Phillip Song 751 N. Fair Oaks Avenue, Suite 101 Pasadena, California 91103 Telephone: (818) 230-7502 Facsimile: (818) 230-7259	BLANK ROME LLP Michael L. Ludwig Caitlin I. Sanders 2029 Century Park East, 6th Floor Los Angeles, California 90067 Telephone: (424) 239-3400 Facsimile: (424) 239-3434

The Court has decided that Justice Law Corporation is qualified to represent you and all other Class Members simultaneously.

Plaintiff's Counsel is working on your behalf. If you want your own attorney, you may hire one at your own cost.

6. *What Are My Options?*

The purpose of this Notice is to inform you of the proposed Settlement and of your options. Each option has its consequences, which you should understand before making your decision. Your rights regarding each option,

and the steps you must take to select each option, are summarized below and explained in more detail in this Notice.

Important Note: Sutherland Healthcare will not retaliate against you in any way for either participating or not participating in this Settlement.

- **DO NOTHING:** If you do nothing and the Court grants final approval of the Settlement, you will become part of this lawsuit and may receive an Individual Settlement Payment based on the total number of workweeks you were employed as a non-exempt or hourly-paid employee in California during the Class Period. You will release all of the Released Claims, as defined in Section No. 9 below, and you will give up your right to pursue the Released Claims, as defined in Section No. 9 below.
- **OPT OUT:** If you do not want to participate as a Class Member, you may “opt out,” which will remove you from the Class and this Action. If the Court grants final approval of the Settlement, you will not receive an Individual Settlement Payment and you will not give up the right to sue the Released Parties, including Sutherland Healthcare, for any the Released Claims as defined in Section No. 9 below.
- **OBJECT:** You may mail a legal objection to the proposed settlement. If you would like to object, you may not opt out of this Settlement.

The procedures for opting out and objecting are set forth below in the sections entitled “How Do I Opt Out or Exclude Myself From This Settlement?” and “How Do I Object To The Settlement?”

7. *How Do I Opt Out Or Exclude Myself From This Settlement?*

If you do not want to take part in the Settlement, you must mail a written request for exclusion to the Settlement Administrator. The written request for exclusion must: (a) state your name, address, telephone number, and social security number; (b) state your intention to exclude yourself from or opt-out of the Settlement; (c) be addressed to the Settlement Administrator; (d) be signed by you or your lawful representative; and (e) be postmarked no later than [the Response Deadline]. You must mail your request for exclusion to the Settlement Administrator at [address].

The Final Judgment entered following approval of the Settlement by the Court will bind all Class Members who do not request exclusion from the Settlement (Participating Class Members).

8. *How Do I Object To The Settlement?*

If you are a Class Member who does not opt out of the Settlement, you may object to the Settlement, personally or through an attorney, by mailing it to the Settlement Administrator at [address] by [the Response Deadline]. The Objection must state: (a) your full name, address, and telephone number; (b) the words “Notice of Objection” or “Formal Objection;” (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) you may call to testify at the Final Approval hearing; and (e) provide true and correct copies of any exhibit(s) you intend to offer at the Final Approval hearing. The objection will not be valid if it objects only to the appropriateness of the Action or its merits.

Settlement Class Members will have a right to appear at the Final Settlement Approval Hearing in order to have their objections heard by the Court. Class may appear at the Final Approval Hearing, either in person or through the objector's own counsel.

Settlement Class Members who fail to object in the manner specified above shall be deemed to have waived any objections and shall be foreclosed from making any objections (whether by appeal or otherwise) to the Settlement.

Again, to be valid and effective, any objections must be mailed to the Settlement Administrator postmarked on or before on or before [the Response Deadline].

If the Court rejects the Notice of Objection, the Class Member will receive an Individual Settlement Payment and will be bound by the terms of the Settlement.

9. *How Does This Settlement Affect My Rights? What are the Released Claims?*

If the proposed Settlement is approved by the Court, a Final Judgment will be entered by the Court. All Class Members who do not opt out of the Settlement will be bound by the Court's Final Judgment and will fully release and discharge Sutherland Healthcare, any of its past, present and future parents, affiliates, subsidiaries, division, predecessors, successors, and assigns, and each of their officers, directors, board members, trustees, shareholders, employees, agents, attorneys, auditors, accountants, experts, contractors, stockholders, representatives, partners, insurers, reinsurers, and other persons acting on their behalf ("Released Parties") from the Released Claims. The Released Claims are as follows:

A. Released Claims.

All Class Members who have not opted out will release and discharge Defendant, its past and present officers, directors, shareholders, unit holders, managers, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys from all claims, demands, rights, liabilities and causes of action that were pled in the Operative Complaint in the Action, or which could have been pled in the Operative Complaint in the Action based on the factual allegations therein, that arose during the Class Period with respect to the following claims: (a) failure to pay all overtime wages; (b) failure to pay all minimum wages; (c) failure to pay all wages at the agreed upon rate; (d) failure to provide meal periods, or premium pay for non-compliant meal periods; (e) authorize and permit rest periods, or premium pay for non-compliant rest periods; (f) failure to pay all wages upon termination of employment; (g) claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories described above; and (h) all claims under the Private Attorney's General Act ("PAGA").

10. *How Much Can I Expect to Receive From This Settlement?*

The total maximum amount that Sutherland Healthcare could be required to pay under this Agreement shall be up to but no more than \$750,000 ("Gross Fund Value" or "GFV").

The "Net Fund Value" or "NFV" means the portion of the Gross Fund Value available for distribution to Class Members after the deduction of (1) the Class Representative Incentive Payment to Plaintiff Antonesha Hoshaw in an amount up to \$10,000, for prosecution of the Action, risks undertaken for the payment of attorneys' fees

and costs; (2) the Administration Costs to the Settlement Administrator, CPT Group, Inc., in an amount estimated at approximately \$8,500 but not to exceed \$15,000; (3) a PAGA payment of \$30,000 (75% allocated to the Labor Code Private Attorney General Act of 2004 claims) to the California Labor Workforce Development Agency ("LWDA"); (4) payment to Class Counsel for Class Counsel fees in an amount not to exceed \$262,500 (35% of the Gross Fund Value) for attorneys' fees; and (5) payment to Class Counsel of Class Counsel Expenses in an amount not to exceed \$20,000 for litigation costs. All of these payments are subject to court approval.

After deducting the above-referenced items, the remaining Net Fund Value will be proportionately distributed amongst all Class Members who have not opted out. The Settlement Administrator will calculate the individual settlement shares for Participating Class Members. Each Participating Class Member will receive a proportionate share of the Net Fund Value that is equal to (i) the number of weeks he or she worked based on the Class data provided by Sutherland Healthcare, divided by (ii) the total number of weeks worked by all Participating Class Members based on the same Class data, which is then multiplied by the Net Fund Value. One day worked in a given week will be credited as a week for purposes of this calculation. Therefore, the value of each Class Member's Individual Settlement Share ties directly to the amount of weeks that he or she worked.

Although your exact share of the Net Fund Value cannot be precisely calculated until after the time during which individuals may object or seek exclusion from the Settlement concludes, based upon the calculation above, your approximate share of the Net Fund Value, is as follows: \$ _____, less taxes. This is based on Sutherland Healthcare's records, which show you worked _____ workweeks during the Class Period.

If you believe the number of Eligible Workweeks records are incorrect, you may provide documentation and/or an explanation to show contrary information to the Settlement Administrator at [address] on or before [the Response Deadline].

Twenty percent (20%) of your Individual Settlement Payment will be treated as unpaid wages. Applicable taxes will be withheld from the wages portion of your Individual Settlement Payment only and reported on an IRS Form W-2. The remaining eighty percent (80%) of your Individual Settlement Payment will be treated as penalties and interest and will be paid pursuant to an IRS Form 1099.

It is strongly recommended that upon receipt of your Individual Settlement Payment check, you immediately cash it or cash it before the 180-day void date shown on each check. If any checks remain uncashed or not deposited by the expiration of the 180-day period after mailing, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, pay the amount of the Individual Settlement Share to the State Controller's Office in the name of the Settlement Class Member under the unclaimed Property Laws.

11. How Will the Attorneys for the Class and the Class Representative Be Paid?

The attorneys for Plaintiff and the Class will be paid from the Gross Fund Value. Subject to Court approval, the attorneys for Plaintiff and the Class shall be paid an amount not to exceed 35% of the Gross Settlement Value (or \$262,500) for attorneys' fees and up to \$20,000 for litigation costs.

Sutherland Healthcare has paid all of its own attorneys' fees and costs.

As set forth in Section No. 10 above, the Plaintiff will also be paid a Class Representative Incentive Payment, subject to Court approval.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact Class Counsel listed above, or the Settlement Administrator at the telephone number listed below, toll free. Please refer to the Sutherland Healthcare class action Settlement.

This Notice does not contain all of the terms of the proposed Settlement or all of the details of these proceedings. For more detailed information, you may refer to the underlying documents and papers on file with the Court at 312 North Spring Street, Los Angeles, California 90012 between 8:30 a.m. and 4:00 p.m. You may also contact Plaintiff's counsel, whose contact information is above, and they will provide you with a copy of the electronic versions of the Settlement documents or case documents free of charge.

PLEASE DO NOT TELEPHONE THE COURT OR COURT'S CLERK FOR INFORMATION ABOUT THIS SETTLEMENT.

11/06/2020

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PROOF OF SERVICE
1013A(3) CCP

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Ave., Ste. 101 Pasadena, California 91103

On July 30, 2020, I served the foregoing document described as

[PROPOSED] ORDER GRANTING PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT, CONDITIONAL CERTIFICATION, APPROVAL OF CLASS NOTICE, SETTING OF FINAL APPROVAL HEARING DATE

on interested parties in this action by placing a true and correct copy thereof enclosed in a sealed envelope addressed as follows:

Michael Ludwig
Caitlin I. Sanders
BLANK ROME LLP
2029 Century Park East, 6th Floor
Los Angeles, CA 90067

Attorney(s) for Defendant Sutherland Healthcare Solutions Inc.


[X] BY ELECTRONIC SERVICE

Pursuant to the Court's Order or an agreement between the Parties regarding Electronic Service, I caused the documents described above to be E-Served through Caseanywhere.com by electronically mailing a true and correct copy to the individual(s) listed above, at the time indicated by Caseanywhere.com.

[X] STATE

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on July 30, 2020, at Pasadena, California.



Allana Rivera