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9 *Additional counsel listed on next page*

10 UNITED STATES DISTRICT COURT  
11 CENTRAL DISTRICT OF CALIFORNIA

12 JUANA OLIVOS VALDEZ, an  
13 individual; DANILLIE WILLIE, an  
individual; and PATRICIA THEUS, an  
14 individual, on behalf of themselves and  
all others similarly situated, and as  
15 aggrieved employees under the Labor  
Code Private Attorneys General Act of  
16 2004,

17 Plaintiffs,

18 v.

19 GENESIS HEALTHCARE LLC, a  
Delaware Corporation; GENESIS  
20 HEALTHCARE, INC., a Delaware  
corporation; GENESIS  
21 ADMINISTRATIVE SERVICES, LLC,  
a Delaware limited liability company;  
22 ALEXANDRIA CARE CENTER, LLC,  
a Delaware limited liability company;  
23 THE REHABILITATION CENTRE OF  
BEVERLY HILLS, a California  
24 corporation; and DOES 1 through 100,  
inclusive,

25 Defendants.  
26

Case No. 2:19-CV-00976-DMG-JC

**STIPULATION OF CLASS  
ACTION SETTLEMENT**

27  
28

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22 GENESIS HEALTHCARE LLC, GENESIS  
23 HEALTHCARE, INC., GENESIS  
24 ADMINISTRATIVE SERVICES, LLC, AND  
25 ALEXANDRIA CARE CENTER, LLC

26  
27  
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1 IT IS HEREBY STIPULATED, by and between plaintiffs Juana Olivos  
2 Valdez (“Olivos”), Danillie Willie (“Willie”), and Christine Espinosa (“Espinosa”),  
3 individually and on behalf of all others similarly situated, on the one hand, and  
4 defendants Genesis Healthcare LLC (“GHL”), Genesis Healthcare, Inc. (“GHI”),  
5 Genesis Administrative Services, LLC (“GAS”), GHC Payroll, LLC, Alexandria  
6 Care Center, LLC, Anaheim Terrace Care Center, LLC (“ATCC”), Alta Care Center,  
7 LLC, Bay Crest Care Center, LLC, Brier Oak on Sunset, LLC, Carehouse Healthcare  
8 Center, LLC, City View Villa, LLC, Devonshire Care Center, LLC, Elmcrest Care  
9 Center, LLC, Fountain Care Center, LLC, Fountain Senior Assisted Living, LLC,  
10 Fountain View Subacute and Nursing Center, LLC, Hancock Park Rehabilitation  
11 Center, LLC, Montebello Care Center, LLC, Rio Hondo Subacute and Nursing  
12 Center, LLC, Royalwood Care Center, LLC, Sharon Care Center, LLC, Spring  
13 Senior Assisted Living, LLC, St. Elizabeth Healthcare and Rehabilitation Center,  
14 LLC, SunBridge Braswell Enterprises, LLC, SunBridge Brittany Rehabilitation  
15 Center LLC, SunBridge Care Enterprises West LLC, SunBridge Carmichael  
16 Rehabilitation Center LLC, SunBridge Hallmark Health Services, LLC, SunBridge  
17 Harbor View Rehabilitation Center, LLC, SunBridge Meadowbrook Rehabilitation  
18 Center LLC, SunBridge Paradise Rehabilitation Center, Inc., SunBridge Shandin  
19 Hills Rehabilitation Center LLC, SunBridge Stockton Rehabilitation Center LLC,  
20 The Earlwood, LLC, Valley Healthcare Center, LLC, Villa Maria Healthcare Center,  
21 LLC, Willow Creek Healthcare Center, LLC, Woodland Care Center, LLC, 14766  
22 Washington Avenue Operations LLC, SunBridge Healthcare LLC, and 320 North  
23 Crawford Avenue Operations LLC, on the other hand, and subject to the approval of  
24 the Court, that the Actions are hereby compromised and settled pursuant to the terms  
25 and conditions set forth in this Stipulation of Class Action Settlement (“Stipulation”)  
26 and that the Court shall make and enter judgment, subject to the continuing  
27 jurisdiction of the Court as set forth below, and subject to the definitions, recitals,  
28

1 and terms set forth herein which by this reference become an integral part of this  
2 Stipulation.

3 **DEFINITIONS**

4 1. “Actions” means the class actions entitled *Juana Olivos Valdez, et al. v.*  
5 *Genesis Healthcare, LLC*, United States District Court, Central District of California,  
6 Case No. 2:19-CV-00976-DMG-JC, and *Christine Espinosa v. Genesis Healthcare,*  
7 *Inc.*, United States District Court, Central District of California, Case No. 2:20-cv-  
8 00688-DMG(JCx).

9 2. “Aggrieved Employees” means those persons employed by Defendants  
10 as non-exempt employees in the State of California at any time during the PAGA  
11 Periods.

12 3. “Attorneys’ Fees and Costs” means reasonable attorneys’ fees for Class  
13 Counsel’s litigation and resolution of Plaintiffs’ and the Class Members’ claims and  
14 Class Counsel’s expenses and costs reasonably incurred in connection with the  
15 litigation of Plaintiffs’ and the Class Members’ claims.

16 4. “CAFA Notice” means the notice that shall be served on the  
17 “Appropriate Federal official” and the “Appropriate State official” by the Settlement  
18 Administrator pursuant to and as defined under the Class Action Fairness Act of 2005  
19 (“CAFA”).

20 5. “Class Counsel” means Matthew J. Matern, Launa Adolph, Kayvon  
21 Sabourian, and Shooka Dadashzadeh of Matern Law Group, PC, and Ronald H. Bae  
22 and Olivia D. Scharrer of Aequitas Legal Group.

23 6. “Class Information” means information regarding Class Members that  
24 Defendants shall in good faith compile from their records and shall transmit in  
25 electronic form to the Settlement Administrator and shall include each Class  
26 Member’s and Aggrieved Employee’s full name; last known address; Social Security  
27 number; and Compensable Workweeks.

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1           7.     “Class Members” means all persons employed by Defendants as non-  
2 exempt employees in the State of California at any time during the Class Periods.

3           8.     “Class Notice” means the Notice of Class Action Settlement,  
4 substantially in the form attached as **Exhibit 1**, which shall be subject to Court  
5 approval and which the Settlement Administrator shall mail to each Class Member  
6 explaining the terms of this Stipulation and the Settlement in both English and  
7 Spanish.

8           9.     “Class Periods” mean the following time periods:

9           a.     For Genesis Healthcare LLC, September 20, 2014 to February 11,  
10 2022.

11           b.     For Genesis Healthcare, Inc., September 20, 2014 to February 11,  
12 2022.

13           c.     For Genesis Administrative Services, LLC, September 20, 2014  
14 to February 11, 2022.

15           d.     For GHC Payroll, LLC, September 20, 2014 to February 11,  
16 2022.

17           e.     For Alexandria Care Center, LLC, February 1, 2015 to February  
18 11, 2022.

19           f.     For Anaheim Terrace Care Center, LLC, February 1, 2015 to  
20 February 11, 2022.

21           g.     For Alta Care Center, LLC, February 1, 2015 to February 11,  
22 2022.

23           h.     For Bay Crest Care Center, LLC, February 1, 2015 to February  
24 11, 2022.

25           i.     For Brier Oak on Sunset, LLC, February 1, 2015 to February 11,  
26 2022.

27           j.     For Carehouse Healthcare Center, LLC, February 1, 2015 to May  
28 1, 2019.

1 k. For City View Villa, LLC (formerly known as Hancock Park  
2 Assisted Living, LLC), February 1, 2015 to June 1, 2016.

3 l. For Devonshire Care Center, LLC, February 1, 2015 to February  
4 11, 2022.

5 m. For Elmcrest Care Center, LLC, February 1, 2015 to May 1, 2019.

6 n. For Fountain Care Center, LLC, February 1, 2015 to May 1, 2019.

7 o. For Fountain Senior Assisted Living, LLC, February 1, 2015 to  
8 May 1, 2019.

9 p. For Fountain View Subacute and Nursing Center, LLC, February  
10 1, 2015 to February 11, 2022.

11 q. For Hancock Park Rehabilitation Center, LLC, February 1, 2015  
12 to June 1, 2016.

13 r. For Montebello Care Center, LLC, February 1, 2015 to February  
14 11, 2022.

15 s. For Rio Hondo Subacute and Nursing Center, LLC, the period  
16 from February 1, 2015 to February 11, 2022.

17 t. For Royalwood Care Center, LLC, the period from February 1,  
18 2015 to October 1, 2019.

19 u. For Sharon Care Center, LLC, February 1, 2015 to February 11,  
20 2022.

21 v. For Spring Senior Assisted Living, LLC, February 1, 2015 to  
22 February 11, 2022.

23 w. For St. Elizabeth Healthcare and Rehabilitation Center, LLC,  
24 February 1, 2015 to May 1, 2019.

25 x. For SunBridge Braswell Enterprises, LLC, September 20, 2014  
26 to February 11, 2022.

27 y. For SunBridge Brittany Rehabilitation Center LLC, September  
28 20, 2014 to February 11, 2022.

1 z. For SunBridge Care Enterprises West LLC, September 20, 2014  
2 to February 11, 2022.

3 aa. For SunBridge Carmichael Rehabilitation Center LLC,  
4 September 20, 2014 to September 30, 2017.

5 bb. For SunBridge Hallmark Health Services, LLC, September 20,  
6 2014 to February 11, 2022.

7  
8 cc. For SunBridge Harbor View Rehabilitation Center, LLC,  
9 September 20, 2014 to April 1, 2019.

10 dd. For SunBridge Meadowbrook Rehabilitation Center LLC,  
11 September 20, 2014 to February 11, 2022.

12 ee. For SunBridge Paradise Rehabilitation Center, Inc., September  
13 20, 2014 to June 1, 2018.

14 ff. For SunBridge Shandin Hills Rehabilitation Center LLC,  
15 September 20, 2014 to February 11, 2022.

16 gg. For SunBridge Stockton Rehabilitation Center LLC, September  
17 20, 2014 to February 11, 2022.

18 hh. For The Earlwood, LLC, February 1, 2015 to February 11, 2022.

19 ii. For Valley Healthcare Center, LLC, February 1, 2015 to  
20 September 19, 2019.

21 jj. For Villa Maria Healthcare Center, LLC, February 1, 2015 to  
22 May 1, 2019.

23 kk. For Willow Creek Healthcare Center, LLC, February 1, 2015 to  
24 February 26, 2020.

25 ll. For Woodland Care Center, LLC, February 1, 2015 to February  
26 11, 2022.

27 mm. For 14766 Washington Avenue Operations, LLC, September 20,  
28 2014 to February 11, 2022.

1           nn. For SunBridge Healthcare LLC, the period from September 20,  
2 2014 to February 1, 2020.

3           oo. For 320 North Crawford Avenue Operations LLC, the period  
4 from February 1, 2020 to February 11, 2022.

5           10. “Class Representative Service Awards” means the amount that the  
6 Court authorizes to be paid to Plaintiffs, in addition to Plaintiffs’ Individual  
7 Settlement Payments, in recognition of Plaintiffs’ effort and risk in assisting with the  
8 prosecution of the Actions.

9           11. “Compensable Workweeks” means the total number of weeks during  
10 which a Class Member or Aggrieved Employee worked for Defendants as a non-  
11 exempt employee in California, based on Defendants’ records and which shall be  
12 used to calculate Individual Settlement Payments.

13           12. “Defendants” means Genesis Healthcare LLC, Genesis Healthcare, Inc.,  
14 Genesis Administrative Services, LLC, GHC Payroll, LLC, Alexandria Care Center,  
15 LLC, Anaheim Terrace Care Center, LLC, Alta Care Center, LLC, Bay Crest Care  
16 Center, LLC, Brier Oak on Sunset, LLC, Carehouse Healthcare Center, LLC, City  
17 View Villa, LLC, Devonshire Care Center, LLC, Elmcrest Care Center, LLC,  
18 Fountain Care Center, LLC, Fountain Senior Assisted Living, LLC, Fountain View  
19 Subacute and Nursing Center, LLC, Hancock Park Rehabilitation Center, LLC,  
20 Montebello Care Center, LLC, Rio Hondo Subacute and Nursing Center, LLC,  
21 Royalwood Care Center, LLC, Sharon Care Center, LLC, Spring Senior Assisted  
22 Living, LLC, St. Elizabeth Healthcare and Rehabilitation Center, LLC, SunBridge  
23 Braswell Enterprises, LLC, SunBridge Brittany Rehabilitation Center LLC,  
24 SunBridge Care Enterprises West LLC, SunBridge Carmichael Rehabilitation  
25 Center, LLC, SunBridge Hallmark Health Services, LLC, SunBridge Harbor View  
26 Rehabilitation Center, LLC, SunBridge Meadowbrook Rehabilitation Center LLC,  
27 SunBridge Paradise Rehabilitation Center, Inc., SunBridge Shandin Hills  
28 Rehabilitation Center LLC, SunBridge Stockton Rehabilitation Center LLC, The



1 Earlwood, LLC, Valley Healthcare Center, LLC, Villa Maria Healthcare Center,  
2 LLC, Willow Creek Healthcare Center, LLC, Woodland Care Center, LLC, 14766  
3 Washington Avenue Operations LLC, SunBridge Healthcare LLC, and 320 North  
4 Crawford Avenue Operations LLC.

5 13. “Defense Counsel” means Curtis A. Graham and James E. Payer of  
6 Littler Mendelson, P.C.

7 14. “Effective Date” means (a) if there are no objections to the Settlement,  
8 the date of entry of the Judgment; (b) if there are objections to the Settlement, and if  
9 an appeal, review or writ is not sought from the Judgment, the date which is thirty  
10 (30) days after entry of the Judgment; or (c) if an appeal, review or writ is sought  
11 from the Judgment, the date upon which all appellate and/or other proceedings  
12 resulting from the appeal, review or writ have been finally terminated in such a  
13 manner as to permit the Judgment to take effect in substantially the form described  
14 herein.

15 15. “Employer’s Share of Payroll Taxes” means Defendants’ portion of  
16 employer payroll taxes, including, but not limited to FICA and FUTA, on the portion  
17 of the Individual Settlement Payments that constitutes wages. The Employer’s Share  
18 of Payroll Taxes shall be submitted by Defendants to the Settlement Administrator  
19 in addition to the Maximum Settlement Amount.

20 16. “Final Approval Hearing” means the hearing to be conducted by the  
21 Court after the filing by Plaintiffs of an appropriate motion and following appropriate  
22 notice to Class Members giving Class Members an opportunity to object to or opt out  
23 of the Settlement, at which time Plaintiffs shall request that the Court finally approve  
24 the Settlement, enter the Judgment, and take other appropriate action.

25 17. “Individual Settlement Payment” means the amount payable from the  
26 Net Settlement Amount to each Class Member.

27 18. “Information Sheet” means the form that shall be prepared by the  
28 Settlement Administrator and sent to each Class Member that sets forth the total

1 number of Compensable Workweeks and the estimated Individual Settlement  
2 Payment for the Class Member, substantially in the form attached as **Exhibit 2**.

3 19. “Judgment” means the judgment to be entered by the Court upon  
4 granting final approval of the Settlement and this Stipulation as binding upon the  
5 Parties and all Class Members.

6 20. “LWDA” means the California Labor and Workforce Development  
7 Agency.

8 21. “LWDA Payment” means the portion of the PAGA Payment payable to  
9 the LWDA.

10 22. “Maximum Settlement Amount” means the maximum amount  
11 Defendants shall have to pay in connection with this Settlement, by way of a common  
12 fund, which shall be inclusive of all Individual Settlement Payments, Attorneys’ Fees  
13 and Costs, the Class Representative Service Award, Settlement Administration  
14 Costs, and the PAGA Payment. Subject to Court approval and the terms of this  
15 Stipulation, the Maximum Settlement Amount Defendants shall be required to pay is  
16 Nine Million Five Hundred Thousand Dollars (\$9,500,000.00).

17 23. “Net Settlement Amount” means the Maximum Settlement Amount,  
18 less Attorneys’ Fees and Costs, the Class Representative Service Awards, Settlement  
19 Administration Costs, and the PAGA Payment.

20 24. “Notice of Objection” means a Class Member’s written objection to the  
21 Settlement.

22 25. “Notice Packet” means the packet of documents which shall be mailed  
23 to all Class Members by the Settlement Administrator, including the Class Notice  
24 and Information Sheet.

25 26. “PAGA” means the Labor Code Private Attorneys General Act of 2004,  
26 California Labor Code sections 2698, et seq.

27 27. “PAGA Payment” means the amount payable from the Maximum  
28 Settlement Amount to resolve the PAGA claim alleged in the Actions, of which

1 seventy-five percent (75%) shall be paid to the LWDA and twenty-five percent (25%)  
2 shall be paid to Aggrieved Employees.

3 28. "PAGA Periods" means following:

4 a. For Genesis Healthcare, LLC, the period from July 17, 2017 to  
5 February 11, 2022.

6 b. For Genesis Healthcare, Inc., the period from July 17, 2017 to  
7 February 11, 2022.

8 c. For Genesis Administrative Services, LLC, the period from July  
9 17, 2017 to February 11, 2022.

10 d. For GHC Payroll, LLC, the period from July 17, 2017 to February  
11 11, 2022.

12 e. For Alexandria Care Center, LLC, the period from July 17, 2017  
13 to February 11, 2022.

14 f. For Anaheim Terrace Care Center, LLC, the period from July 17,  
15 2017 to February 11, 2022.

16 g. For Alta Care Center, LLC, the period from July 17, 2017 to  
17 February 11, 2022.

18 h. For Bay Crest Care Center, LLC, the period from July 17, 2017  
19 to February 11, 2022.

20 i. For Brier Oak on Sunset, LLC, the period from July 17, 2017 to  
21 February 11, 2022.

22 j. For Carehouse Healthcare Center, LLC, the period from July 17,  
23 2017 to May 1, 2019.

24 k. For Devonshire Care Center, LLC, the period from July 17, 2017  
25 to February 11, 2022.

26 l. For Elmcrest Care Center, LLC, the period from July 17, 2017 to  
27 May 1, 2019.

28

1 m. For Fountain Care Center, LLC, the period from July 17, 2017 to  
2 May 1, 2019.

3 n. For Fountain Senior Assisted Living, LLC, the period from July  
4 17, 2017 to May 1, 2019.

5 o. For Fountain View Subacute and Nursing Center, LLC, the period  
6 from July 17, 2017 to February 11, 2022.

7 p. For Montebello Care Center, LLC, the period from July 17, 2017  
8 to February 11, 2022.

9 q. For Rio Hondo Subacute and Nursing Center, LLC, the period  
10 from July 17, 2017 to February 11, 2022.

11 r. For Royalwood Care Center, LLC, the period from July 17, 2017  
12 to October 1, 2019.

13 s. For Sharon Care Center, LLC, the period from July 17, 2017 to  
14 February 11, 2022.

15 t. For Spring Senior Assisted Living, LLC, the period from July 17,  
16 2017 to February 11, 2022.

17 u. For St. Elizabeth Healthcare and Rehabilitation Center, LLC, the  
18 period from July 17, 2017 to May 1, 2019.

19 v. For SunBridge Braswell Enterprises, LLC, the period from July  
20 17, 2017 to February 11, 2022.

21 w. For SunBridge Brittany Rehabilitation Center LLC, the period  
22 from July 17, 2017 to February 11, 2022.

23 x. For SunBridge Care Enterprises West LLC, the period from July  
24 17, 2017 to February 11, 2022.

25 y. For SunBridge Carmichael Rehabilitation Center, LLC, the  
26 period from July 17, 2017 to September 30, 2017.

27 z. For SunBridge Hallmark Health Services, LLC, the period from  
28 July 17, 2017 to February 11, 2022.

1           aa. For SunBridge Harbor View Rehabilitation Center, LLC, the  
2 period from July 17, 2017 to April 1, 2019.

3           bb. For SunBridge Meadowbrook Rehabilitation Center LLC, the  
4 period from July 17, 2017 to February 11, 2022.

5           cc. For SunBridge Paradise Rehabilitation Center, Inc., the period  
6 from July 17, 2017 to June 1, 2018.

7           dd. For SunBridge Shandin Hills Rehabilitation Center LLC, the  
8 period from July 17, 2017 to February 11, 2022.

9           ee. For SunBridge Stockton Rehabilitation Center LLC, the period  
10 from July 17, 2017 to February 11, 2022.

11           ff. For The Earlwood, LLC, the period from July 17, 2017 to  
12 February 11, 2022.

13           gg. For Valley Healthcare Center, LLC, the period from July 17, 2017  
14 to September 19, 2019.

15           hh. For Villa Maria Healthcare Center, LLC, the period from July 17,  
16 2017 to May 1, 2019.

17           ii. For Willow Creek Healthcare Center, LLC, the period from July  
18 17, 2017 to February 26, 2020.

19           jj. For Woodland Care Center, LLC, the period from July 17, 2017  
20 to February 11, 2022.

21           kk. For SunBridge Healthcare LLC, the period from July 17, 2017 to  
22 February 1, 2020.

23           ll. For 14766 Washington Avenue Operations LLC, the period from  
24 February 1, 2020 to February 11, 2022.

25           mm. For 320 North Crawford Avenue Operations LLC, the period  
26 from July 17, 2017 to February 11, 2022.

27           29. “Participating Class Members” means Plaintiffs and all other Class  
28 Members who do not submit a valid and timely Request for Exclusion.

1 30. “Parties” means Plaintiffs and Defendants.

2 31. “Plaintiffs” means plaintiffs Juana Olivos Valdez, Danillie Willie, and  
3 Christine Espinosa.

4 32. “Preliminary Approval Order” means the order to be issued by the Court  
5 approving and authorizing the mailing of the Notice Packet by the Settlement  
6 Administrator, setting the date of the Final Approval Hearing and granting  
7 preliminary approval of the Settlement, among other things.

8 33. “Released Claims” means the release of claims as described in  
9 Paragraph 55 of this Stipulation.

10 34. “Released Parties” means (i) Defendants; (ii) their past, present and  
11 future subsidiaries, parents, affiliated and related companies, successors,  
12 predecessors or assigns; and (iii) their past, present, and future members, agents  
13 (including, without limitation, any investment bankers, accountants, insurers,  
14 reinsurers, attorneys and any past, present or future officers, directors, employees,  
15 board members, partners, investors, representatives, shareholders and employees),  
16 predecessors, successors or assigns of any of the foregoing.

17 35. “Request for Exclusion” means a written request by a Class Member to  
18 opt out of, or exclude oneself, from the Settlement.

19 36. “Response Deadline” means the date forty-five (45) days after the  
20 Settlement Administrator mails the Notice Packets to Class Members and the last  
21 date on which Class Members may submit a Notice of Objection, Request for  
22 Exclusion, and/or a dispute regarding the number of Compensable Workweeks stated  
23 on their respective Information Sheet.

24 37. “Settlement” means the final and complete disposition of claims in the  
25 Actions pursuant to this Stipulation.

26 38. “Settlement Administration Costs” means the reasonable costs and fees  
27 of administration of this Settlement, including, but not limited to: (i) printing, mailing  
28 and re-mailing (if necessary) Notice Packets to Class Members; (ii) preparing and

1 submitting to Class Members and government entities all appropriate tax filings and  
2 forms; (iii) preparing, with the assistance of Defense Counsel, and serving the CAFA  
3 Notice; (iv) computing the amount of and distributing Individual Settlement  
4 Payments, the Class Representative Service Awards, Attorneys’ Fees and Costs, and  
5 the LWDA Payment; (vi) processing and validating Requests for Exclusion and  
6 Notices of Objection; (vii) establishing a Qualified Settlement Fund (“QSF”), as  
7 defined by the Internal Revenue Code; and (viii) calculating and remitting to the  
8 appropriate government agencies all employer and employee payroll tax obligations  
9 arising from the Settlement and preparing and submitting filings required by law in  
10 connection with the payments required by the Settlement.

11 39. “Settlement Administrator” means CPT Group or any other third-party  
12 class action settlement administrator agreed to by the Parties and approved by the  
13 Court for purposes of administering this Settlement.

14 **RECITALS**

15 40. Procedural History. On September 20, 2018, Olivos and Willie filed a  
16 putative wage and hour class and representative action complaint against GHL in Los  
17 Angeles Superior Court. On February 8, 2019, GHL removed this case to the United  
18 States District Court for the Central District of California under CAFA.

19 41. On December 16, 2019, Olivos and Willie filed a First Amended  
20 Complaint (“FAC”), adding Patricia Theus as a plaintiff and GHI, GAS, ACC, and  
21 The Rehabilitation Center of Beverly Hills (“RCBH”) as defendants to the action.  
22 The FAC asserts the following causes of action: (1) failure to provide meal periods;  
23 (2) failure to authorize and permit rest periods; (3) failure to pay overtime wages; (4)  
24 failure to pay minimum wages; (5) failure to pay all wages due to discharged and  
25 quitting employees; (6) failure to furnish accurate itemized wage statements; (7)  
26 failure to indemnify employees for necessary expenditures incurred in discharge of  
27 duties; (8) unfair and unlawful business practices; and (9) penalties under the Labor  
28

1 Code Private Attorneys General Act. GHL, GHI, GAS, and ACC answered the FAC  
2 on January 7, 2020.

3 42. On March 11, 2021, Theus settled her claims with RCBH on behalf of  
4 employees who worked at The Rehab Centre of Beverly Hills. On November 15,  
5 2021, the Court granted final settlement approval.

6 43. On November 12, 2021, Olivos filed a motion for class certification.

7 44. On October 28, 2019, Espinosa filed a putative wage and hour class  
8 action in Los Angeles Superior Court, alleging claims against GHI, GHL, GHC,  
9 GHC Payroll, LLC and ATCC for (1) failure to pay regular and overtime wages; (2)  
10 failure to provide compliant meal periods or pay premium compensation in lieu  
11 thereof; (3) failure to provide complaint rest periods or pay premium compensation  
12 in lieu thereof; (4) failure to pay timely wages upon termination; (5) failure to pay  
13 accrued vacation wages upon termination; (6) failure to provide accurate itemized  
14 wage statements; (7) violation of California Business & Professions Code §§ 17200,  
15 et seq.; and (8) penalties under the Private Attorneys General Act. On January 23,  
16 2020, defendants removed the action under CAFA.

17 45. On August 14, 2020, Espinosa filed her motion for class certification.  
18 On March 31, 2021, the Court granted Espinosa's motion for class certification in  
19 part, certifying five subclasses consisting of non-exempt employees who worked at  
20 Anaheim Terrace Care Center in the nursing, social services, and activities  
21 departments who did not sign arbitration agreements.

22 46. Settlement Negotiations. On December 13, 2021, the Parties attended a  
23 mediation with experienced wage-and-hour mediator Michael Dickstein. After the  
24 mediation, Mr. Dickstein made a mediator's proposal which set forth the material  
25 terms of a proposed class action settlement. On December 23, 2021, the Parties  
26 accepted the mediator's proposal.

27 47. Benefits of Settlement to Plaintiffs and Class Members. Plaintiffs and  
28 Class Counsel recognize the expense and length of continued proceedings necessary



1 to litigate Plaintiffs' disputes in the Actions through trial and through any possible  
2 appeals. Plaintiffs also have taken into account the uncertainty and risks of the  
3 outcome of further litigation, and the difficulties and delays inherent in such  
4 litigation. Plaintiffs and Class Counsel also are aware of the burdens of proof  
5 necessary to establish liability for the claims asserted in the Actions, both generally  
6 and in response to Defendant's defenses thereto, and the difficulties in establishing  
7 damages, penalties, restitution and other relief sought in the Actions. Plaintiffs and  
8 Class Counsel also have taken into account Defendants' agreement to enter into a  
9 settlement that confers substantial benefits upon the Class Members. Based on the  
10 foregoing, Plaintiffs and Class Counsel have determined that the Settlement as set  
11 forth in this Stipulation is fair, adequate, and reasonable and is in the best interests of  
12 all Class Members.

13 48. Defendants' Reasons for Settlement. Defendants have concluded that  
14 any further defense of the Actions would be protracted and expensive for all Parties.  
15 Substantial amounts of Defendants' time, energy, and resources have been, and  
16 unless this Settlement is completed, shall continue to be, devoted to the defense of  
17 the claims asserted by Plaintiffs. Defendants also have taken into account the risks  
18 of further litigation in reaching its decision to enter into this Settlement. Even though  
19 Defendants contend they are not liable for any of the claims alleged by Plaintiffs in  
20 the Actions, Defendants have agreed, nonetheless, to settle in the manner and upon  
21 the terms set forth in this Stipulation and to put to rest the claims alleged in the  
22 Actions. Defendants have asserted and continue to assert that the claims alleged by  
23 Plaintiffs have no merit and do not give rise to any liability, damages, restitution,  
24 penalties or other payments. This Stipulation is a compromise of disputed claims.  
25 Nothing contained in this Stipulation, no documents referred to herein, and no action  
26 taken to carry out this Stipulation, shall be construed or used as an admission by or  
27 against Defendants as to the merits or lack thereof of the claims asserted in the  
28 Actions. Defendants contend they have complied with all applicable state, federal

1 and local laws.

2 **TERMS OF SETTLEMENT**

3 NOW THEREFORE, in consideration of the mutual covenants, promises, and  
4 agreements set forth herein, the Parties agree, subject to the Court’s approval, as  
5 follows:

6 49. **Binding Settlement.** Upon the Effective Date, the Settlement shall bind  
7 the Parties and all Class Members, subject to the terms and conditions hereof and the  
8 Court’s approval.

9 50. **Tax Liability.** The Parties make no representations as to the tax  
10 treatment or legal effect of any settlement payments specified herein, and Class  
11 Members are not relying on any statement or representation by the Parties, Class  
12 Counsel or Defense Counsel in this regard. Class Members and Class Counsel  
13 understand and agree that they shall be responsible for the payment of their portion  
14 of taxes and penalties assessed on the payments specified herein (with the exception  
15 of the Employer’s Share of Payroll Taxes as set forth in Paragraph 57(f) of this  
16 Stipulation), and shall hold Plaintiffs, Defendants, Class Counsel and Defense  
17 Counsel free and harmless from and against any claims resulting from treatment of  
18 such payments as non-taxable, including the treatment of such payments as not  
19 subject to withholding or deduction for payroll and employment taxes.

20 51. **Circular 230 Disclaimer.** THE PARTIES ACKNOWLEDGE AND  
21 AGREE THAT (1) NO PROVISION OF THIS STIPULATION, AND NO  
22 WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG  
23 THE PARTIES, CLASS COUNSEL OR DEFENSE COUNSEL AND OTHER  
24 ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH  
25 COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED  
26 OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF  
27 UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART  
28 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED

1 EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND  
2 TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION  
3 WITH THIS STIPULATION, (B) HAS NOT ENTERED INTO THIS  
4 STIPULATION BASED UPON THE RECOMMENDATION OF ANY OTHER  
5 PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND  
6 (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR  
7 DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY  
8 TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE  
9 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY  
10 OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE  
11 CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX  
12 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS  
13 LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING  
14 PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY  
15 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY  
16 THIS STIPULATION.

17 52. Amendment of Complaint. Plaintiffs have articulated theories that  
18 would encompass claims against not just the named defendants but their affiliated  
19 companies. The Parties agree that, as a condition precedent to final approval of this  
20 Stipulation, Plaintiffs will prepare an amended complaint to add Alta Care Center,  
21 LLC, Bay Crest Care Center, LLC, Brier Oak on Sunset, LLC, Carehouse Healthcare  
22 Center, LLC, City View Villa, LLC, Devonshire Care Center, LLC, Elmcrest Care  
23 Center, LLC, Fountain Care Center, LLC, Fountain Senior Assisted Living, LLC,  
24 Fountain View Subacute and Nursing Center, LLC, Hancock Park Rehabilitation  
25 Center, LLC, Montebello Care Center, LLC, Rio Hondo Subacute and Nursing  
26 Center, LLC, Royalwood Care Center, LLC, Sharon Care Center, LLC, Spring  
27 Senior Assisted Living, LLC, St. Elizabeth Healthcare and Rehabilitation Center,  
28 LLC, SunBridge Braswell Enterprises, LLC, SunBridge Brittany Rehabilitation

1 Center LLC, SunBridge Care Enterprises West LLC, SunBridge Carmichael  
2 Rehabilitation Center, LLC, SunBridge Hallmark Health Services, LLC, SunBridge  
3 Harbor View Rehabilitation Center, LLC, SunBridge Meadowbrook Rehabilitation  
4 Center LLC, SunBridge Paradise Rehabilitation Center, Inc., SunBridge Shandin  
5 Hills Rehabilitation Center LLC, SunBridge Stockton Rehabilitation Center LLC,  
6 The Earlwood, LLC, Valley Healthcare Center, LLC, Villa Maria Healthcare Center,  
7 LLC, Willow Creek Healthcare Center, LLC, Woodland Care Center, LLC, 14766  
8 Washington Avenue Operations LLC, SunBridge Healthcare LLC, and 320 North  
9 Crawford Avenue Operations LLC as defendants to the action. Defendants GHL,  
10 GHI, GAS, GHC Payroll, LLC, ACC, and ATCC will stipulate to amendment for  
11 that limited purpose.

12 53. Preliminary Approval of Settlement. Plaintiffs shall move the Court to  
13 enter a Preliminary Approval Order which, among other things, (1) approves, as to  
14 form and content, the Class Notice; (2) approves the manner and method for Class  
15 Members to object to and request exclusion from the Settlement as specified herein  
16 and in the Class Notice; (3) directs the mailing of the Notice Packets to the Class  
17 Members as specified herein; (4) preliminarily approves the Settlement; and (5)  
18 schedules a Final Approval Hearing. The Parties agree to work diligently and  
19 cooperatively to have this Settlement presented to the Court for preliminary approval.

20 54. CAFA Notice. Within ten (10) days after Plaintiffs file the motion for  
21 preliminary approval, the Settlement Administrator, in consultation with Defendants,  
22 shall serve the CAFA Notice on the “Appropriate Federal official” and the  
23 “Appropriate State officials.”

24 55. Released Claims.

25 a. Participating Class Member Release. Upon the Effective Date,  
26 Plaintiffs and all Participating Class Members shall be deemed to have released the  
27 Released Parties of any and all claims, debts, demands, rights, liabilities, costs,  
28 damages, attorneys’ fees, actions, and/or causes of action that were pleaded or could

1 have been pleaded based upon the factual allegations set forth in the operative  
2 complaint filed in the Actions and arising at any time during the respective Class  
3 Period, including any and all claims for (1) failure to provide meal periods; (2) failure  
4 to authorize and permit rest periods; (3) failure to pay overtime wages; (4) failure to  
5 pay minimum wages; (5) failure to pay all wages due to discharged and quitting  
6 employees; (6) failure to furnish accurate itemized wage statements; (7) failure to  
7 indemnify employees for necessary expenditures incurred in discharge of duties; and  
8 (8) unfair and unlawful business practices.

9           b. PAGA Release. Upon the Effective Date, all Aggrieved  
10 Employees shall be deemed to have released the Released Parties of any and all  
11 claims and/or causes of action under PAGA which are based upon the factual  
12 allegations set forth in the Actions and arising at any time during the respective  
13 PAGA Periods.

14           c. FLSA Release. All Participating Class Members who cash their  
15 Individual Settlement Payment checks will be deemed to have given their consent to  
16 “opt in” as a party plaintiff in this action pursuant to the Fair Labor Standards Act of  
17 1938, 29 U.S.C. §216(b) (“FLSA”) and to have waived and released any claims they  
18 may have under the FLSA as related to the claims that were or arise from the facts  
19 asserted in the Actions during the time period three years prior to the cashing of the  
20 Individual Settlement Payment check.

21           d. Plaintiffs’ Released Claims. Upon the Effective Date, Plaintiffs  
22 shall be deemed to have released any and all claims, debts, demands, rights,  
23 liabilities, costs, damages, attorneys’ fees, actions, and/or causes, of any form  
24 whatsoever, arising from or related to their employment with Defendants (“General  
25 Release”), including, but not limited to, claims arising under the California Labor  
26 Code, California Business and Professions Code, the Industrial Welfare Commission  
27 Wage Orders, and PAGA. This General Release includes any unknown claims that  
28 Plaintiffs do not know or suspect to exist in their favor at the time of this General

1 Release, which, if known, might have affected their settlement with, and release of,  
2 the Released Parties, or might have affected their decision not to object to this  
3 Settlement and General Release. With respect to this General Release, Plaintiffs  
4 stipulate and agree that, upon the Effective Date, Plaintiffs shall be deemed to have,  
5 and by operation of the final judgment in this Actions shall have, expressly waived  
6 and relinquished, to the fullest extent permitted by law, the provisions, rights and  
7 benefits of Section 1542 of the California Civil Code (or any other similar provision  
8 under federal or state law) which provides:

9 **A general release does not extend to claims that the**  
10 **creditor or releasing party does not know or suspect to**  
11 **exist in his or her favor at the time of executing the**  
12 **release, and that, if known by him or her, would have**  
13 **materially affected his or her settlement with the**  
14 **debtor or released party.**

15 56. Settlement Administration.

16 a. Within fourteen (14) days of entry of the Preliminary Approval  
17 Order, Defendants shall provide the Settlement Administrator with the Class  
18 Information for purposes of mailing the Notice Packets to Class Members.

19 i. Notice by First Class U.S. Mail. Upon receipt of the Class  
20 Information, the Settlement Administrator shall perform a search based on the  
21 National Change of Address database maintained by the United States Postal Service  
22 to update and correct any known or identifiable address changes. Within fourteen  
23 (14) days after receiving the Class Information from Defendants, the Settlement  
24 Administrator shall mail copies of the Notice Packet to all Class Members via regular  
25 First Class U.S. Mail. The Settlement Administrator shall exercise its best judgment  
26 to determine the current mailing address for each Class Member. The address  
27 identified by the Settlement Administrator as the current mailing address shall be  
28 presumed to be the most current mailing address for each Class Member. The Parties  
agree that this procedure for notice provides the best notice practicable to Class  
Members and fully complies with due process.

1           ii. Undeliverable Notice Packets. Any Notice Packet returned to  
2 the Settlement Administrator as non-deliverable on or before the Response Deadline  
3 shall be re-mailed to the forwarding address affixed thereto. If no forwarding address  
4 is provided, the Settlement Administrator shall promptly attempt to determine a  
5 correct address by the use of skip-tracing, or other type of automated search, using  
6 the name, address and/or Social Security number of the Class Member involved, and  
7 shall then perform a re-mailing to the Class Member whose Notice Packet was  
8 returned as non-deliverable, assuming another mailing address is identified by the  
9 Settlement Administrator. If a Notice Packet is re-mailed to a Class Member less  
10 than ten (10) days prior to the Response Deadline, the Class Member shall have  
11 his/her Response Deadline extended by ten (10) days from the date the Settlement  
12 Administrator re-mails the Notice Packet. If these procedures are followed, notice to  
13 Class Members shall be deemed to have been fully satisfied, and if the intended  
14 recipient of the Notice Packet does not receive the Notice Packet, the intended  
15 recipient shall nevertheless remain a Class Member and shall be bound by all terms  
16 of the Settlement and the Judgment

17           iii. Determination of Individual Settlement Payments. The  
18 Settlement Administrator shall determine the eligibility for, and the amount of, each  
19 Individual Settlement Payment under the terms of this Stipulation. Any Class  
20 Member who disputes the number of Compensable Workweeks and/or the estimated  
21 Individual Settlement Payment shown on his/her Information Sheet may submit a  
22 written dispute to the Settlement Administrator no later than the Response Deadline.  
23 The Settlement Administrator shall notify Class Counsel and Defense Counsel of any  
24 such disputes no later than five (5) calendar days after receiving notice of the dispute.  
25 The Settlement Administrator shall confer with Defense Counsel in an attempt to  
26 resolve the dispute. Defendants' records shall be given the presumption of accuracy.

27           iv. Disputes Regarding Administration of Settlement. Any dispute  
28 not resolved by the Settlement Administrator concerning the administration of the

1 Settlement shall be resolved by the Court. Prior to any such involvement of the  
2 Court, counsel for the Parties shall confer in good faith and make use of the services  
3 of Mr. Dickstein, if necessary, to resolve the dispute without the necessity of  
4 involving the Court.

5           b.     Requests for Exclusion. The Class Notice shall explain that Class  
6 Members who wish to exclude themselves from the class and Settlement must submit  
7 a Request for Exclusion. The Request for Exclusion must: (1) state the name,  
8 address, and telephone number of the Class Member requesting exclusion; (2)  
9 contain a statement that the Class Member is requesting to opt out of, or be excluded  
10 from, the Settlement; (3) be signed by the Class Member; and (4) be postmarked by  
11 the Response Deadline and returned to the Settlement Administrator at the specified  
12 address. Subject to review by Class Counsel, Defense Counsel and the Court, the  
13 date of the postmark on the return mailing envelope on the Request for Exclusion  
14 shall be the exclusive means used by the Settlement Administrator to determine  
15 whether a Class Member has timely requested exclusion from the class and  
16 Settlement. Any Class Member who timely and properly requests to be excluded  
17 from the class and Settlement shall not be entitled to any benefits under the  
18 Settlement and shall not be bound by the terms of the Settlement nor shall the Class  
19 Member have any right to object to the Settlement or appeal from the entry of the  
20 Judgment. Class Members who do not submit a valid and timely Request for  
21 Exclusion on or before the Response Deadline shall be bound by all terms of the  
22 Settlement and the Judgment entered in the Actions, including the release of the  
23 Released Claims, if the Settlement is finally approved by the Court. No later than  
24 seven (7) days after the Response Deadline, the Settlement Administrator shall  
25 provide counsel for the Parties a complete list of all Class Members who submitted  
26 a timely and valid Request for Exclusion.

27           c.     Objections. The Class Notice shall state that Class Members who  
28 wish to object to the Settlement must submit a Notice of Objection. The Notice of



1 Objection must (1) state the full name of the Class Member; (2) state the grounds for  
2 the objection; (3) state whether the Class Member intends to appear at the Final  
3 Approval Hearing; (4) be signed by the Class Member; and (5) be postmarked by the  
4 Response Deadline and returned to the Settlement Administrator at the specified  
5 address. Subject to review by Class Counsel, Defense Counsel and the Court, the  
6 date of the postmark on the return mailing envelope on the Notice of Objection shall  
7 be the exclusive means used by the Settlement Administrator to determine whether a  
8 Class Member has timely objected to the Settlement. Class Members who fail to  
9 timely make objections in the manner specified herein shall be deemed to have  
10 waived any objections and shall be foreclosed from making any objections (whether  
11 by appeal or otherwise) to the Settlement, unless otherwise permitted by the Court.  
12 A Class Member may not object to the Settlement and also submit a Request for  
13 Exclusion. At no time shall any of the Parties, Class Counsel or Defense Counsel  
14 seek to solicit or otherwise encourage or discourage Class Members from submitting  
15 a Notice of Objection or filing an appeal from the Judgment.

16 d. Monitoring and Reviewing Settlement Administration. The  
17 Parties have the right to monitor and review the administration of the Settlement to  
18 verify that the monies allocated under the Settlement are distributed in a correct  
19 amount, as provided for in this Stipulation.

20 e. Best Efforts. The Parties agree to use their best efforts to carry  
21 out the terms of this Settlement.

22 57. Funding of Maximum Settlement Amount. No later than ten (10) days  
23 after the Effective Date, Defendants shall provide to the Settlement Administrator, in  
24 any feasible manner, including, but not limited to, by way of a wire transfer, the  
25 Maximum Settlement Amount. In no event shall there be any distribution from the  
26 Maximum Settlement Amount until after the Effective Date and all conditions  
27 precedent specified in this Stipulation have been completely satisfied. If this  
28 Settlement is not finally approved by the Court in full, or is terminated, rescinded,

1 canceled or fails to become effective for any reason, or if the Effective Date does not  
2 occur, then no Maximum Settlement Amount shall be paid.

3 a. Individual Settlement Payments. Class Members shall not be  
4 required to submit a claim in order to receive a share of the Net Settlement Amount,  
5 and no portion of the Maximum Settlement Amount shall revert to Defendants or  
6 result in an unpaid residue. Individual Settlement Payments shall be paid by the  
7 Settlement Administrator to all Class Members from the Net Settlement Amount  
8 pursuant to the formula set forth herein. Individual Settlement Payments shall be  
9 mailed by the Settlement Administrator by regular First Class U.S. Mail to each Class  
10 Member's last known mailing address within fourteen (14) days after Defendants  
11 provide the Settlement Administrator with the Maximum Settlement Amount. Prior  
12 to mailing the Individual Settlement Payments, the Settlement Administrator shall  
13 perform a search based on the National Change of Address Database maintained by  
14 the United States Postal Service to update and correct any known or identifiable  
15 address changes.

16 i. Each Class Member's Individual Settlement Payment shall  
17 be calculated by the Settlement Administrator according to the following formula:  
18 Defendants shall provide the Settlement Administrator with the Compensable  
19 Workweeks for each Participating Class Member during the Class Periods. The  
20 Settlement Administrator shall then divide the Net Settlement Amount by the total  
21 number of Compensable Workweeks for all Participating Class Members resulting  
22 in a value for each week worked by the Participating Class Members during the Class  
23 Periods ("Workweek Value"). The Settlement Administrator shall then multiply the  
24 number of Compensable Workweeks for each Participating Class Member by the  
25 Workweek Value. In addition, all Aggrieved Employees shall receive a pro rata share  
26 of the portion of the PAGA Payment allocated to Aggrieved Employees based on the  
27 Aggrieved Employee's Compensable Workweeks during the PAGA Periods.  
28

1                   ii. Individual Settlement Payments shall be made by check  
2 and shall be made payable to each Class Member as set forth in this Stipulation.

3                   iii. Individual Settlement Payments shall be allocated as  
4 follows: 15% as wages subject to all applicable tax withholdings, and 85% as non-  
5 wage penalties and interest not subject to payroll tax withholdings. The Settlement  
6 Administrator shall issue an IRS Form W-2 to each Class Member for the portion of  
7 each Individual Settlement Payment allocated as wages and subject to all applicable  
8 tax withholdings. The Settlement Administrator shall issue an IRS Form 1099 to  
9 each Class Member for the portions of each Individual Settlement Payment allocated  
10 as non-wage penalties and interest and not subject to payroll tax withholdings.

11                   iv. Individual Settlement Payment checks shall remain  
12 negotiable for 180 days from the date of mailing. If an Individual Settlement  
13 Payment check remains uncashed after One Hundred Eighty (180) days from  
14 issuance, the Settlement Administrator shall pay over the amount represented by the  
15 check to the State Controller's Office Unclaimed Property Fund, with the identity of  
16 the Class Member to whom the funds belong. In such event, the Class Member shall  
17 nevertheless remain bound by the Settlement.

18                   v. All Individual Settlement Payment checks shall contain the  
19 following language on the back: "I understand and agree that I am releasing any and  
20 all claims described in the Notice of Class Action Settlement and that by cashing this  
21 check I am electing to opt into an action under the Fair Labor Standards Act  
22 ("FLSA") and to release any and all claims I may have under the FLSA related to the  
23 claims that were made or arise out of the facts asserted in this case."

24                   vi. All monies received by Class Members under the  
25 Settlement which are attributable to wages shall constitute income to such Class  
26 Members solely in the year in which such monies are received by the Class Members.  
27 It is expressly understood and agreed that the receipt of Individual Settlement  
28 Payments shall not entitle any Class Member to additional compensation for overtime

1 pay or for any benefits under any collective bargaining agreement or under any  
2 bonus, contest or other compensation or benefit plan or agreement in place during  
3 the period covered by the Settlement, nor shall it entitle any Class Member to any  
4 increased pension and/or retirement, or other deferred compensation benefits. It is  
5 the intent of the Parties that the Individual Settlement Payments provided for in this  
6 Stipulation are the sole payments to be made by Defendants to Class Members in  
7 connection with this Settlement, with the exception of Plaintiffs, and that Class  
8 Members are not entitled to any new or additional compensation or benefits as a result  
9 of having received the Individual Settlement Payments. Furthermore, the receipt of  
10 Individual Settlement Payments by Class Members shall not, and does not, by itself  
11 establish any general, special, or joint employment relationship between and among  
12 the Class Member(s) and Defendants.

13           b.     Class Representative Service Awards. Subject to Court approval,  
14 Plaintiffs shall each be paid a Class Representative Service Award not to exceed  
15 Fifteen Thousand Dollars (\$15,000.00), or any lesser amount as awarded by the  
16 Court, for their time and effort in bringing and presenting the Actions and for  
17 releasing their Released Claims. The Class Representative Service Awards shall be  
18 paid to Plaintiffs from the Maximum Settlement Amount no later than ten (10) days  
19 after Defendants provide the Settlement Administrator with the Maximum Settlement  
20 Amount. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiffs  
21 for their Class Representative Service Awards. Plaintiffs shall be solely and legally  
22 responsible to pay any and all applicable taxes on their respective Class  
23 Representative Service Awards and shall hold harmless Defendants, Class Counsel  
24 and Defense Counsel from any claim or liability for taxes, penalties, or interest  
25 arising as a result of payment of the Class Representative Service Awards. The Class  
26 Representative Service Awards shall be made in addition to Plaintiffs' Individual  
27 Settlement Payments. Any amounts not requested by Plaintiffs or not awarded by  
28 the Court for the Class Representative Service Awards shall become part of the Net

1 Settlement Amount and shall be distributed to Class Members as part of their  
2 Individual Settlement Payments.

3 c. Attorneys' Fees and Costs. Class Counsel shall seek an award of  
4 reasonable attorneys' fees in an amount not to exceed one-third (1/3) of the  
5 Maximum Settlement Amount, which amounts to Three Million One Hundred Sixty  
6 Six Thousand Six Hundred Sixty Six Dollars and Sixty Seven Cents (\$3,166,666.67).  
7 In addition, subject to Court approval, Class Counsel shall be entitled to an award of  
8 reasonable costs associated with Class Counsel's prosecution of the Actions, in an  
9 amount not to exceed One Hundred Thirty Thousand Dollars (\$130,000.00). Class  
10 Counsel shall provide the Settlement Administrator with properly completed and  
11 signed IRS Forms W-9 in order for the Settlement Administrator to process the  
12 Attorneys' Fees and Costs approved by the Court. Defendants take no position on  
13 and will not oppose or object to Plaintiffs' request for an award of attorneys' fees in  
14 an amount not to exceed Three Million One Hundred Sixty Six Thousand Six  
15 Hundred Sixty Six Dollars and Sixty Seven Cents (\$3,166,666.67) and request for an  
16 award of reasonable costs not to exceed One Hundred Thirty Thousand Dollars  
17 (\$130,000.00). In the event the Court awards Class Counsel less than Three Million  
18 One Hundred Sixty Six Thousand Six Hundred Sixty Six Dollars and Sixty Seven  
19 Cents (\$3,166,666.67) in attorneys' fees and/or less than One Hundred Thirty  
20 Thousand Dollars (\$130,000.00) in costs, the difference shall become part of the Net  
21 Settlement Amount and shall be distributed to Participating Class Members as part  
22 of their Individual Settlement Payments. Class Counsel shall be paid any Court-  
23 awarded attorneys' fees and costs no later than ten (10) days after Defendants provide  
24 the Settlement Administrator with the Maximum Settlement Amount. Class Counsel  
25 shall be solely and legally responsible to pay all applicable taxes on the Attorneys'  
26 Fees and Costs. The Settlement Administrator shall issue IRS Forms 1099 to Class  
27 Counsel for their respective share of the Attorneys' Fees and Costs. This Settlement  
28

1 is not conditioned upon the Court awarding Class Counsel any particular amount of  
2 attorneys' fees or costs.

3 d. PAGA Payment. Two Hundred Eighty Five Thousand Dollars  
4 (\$285,000.00) from the Maximum Settlement Amount shall be allocated as penalties  
5 under PAGA, of which Two Hundred Thirteen Thousand Seven Hundred Fifty  
6 Dollars (\$213,750.00) shall be paid by the Settlement Administrator directly to the  
7 LWDA. The remaining Seventy One Thousand Two Hundred Fifty Dollars  
8 (\$71,250.00) shall be distributed to Aggrieved Employees on a pro rata basis.

9 e. Settlement Administration Costs. The Settlement Administration  
10 Costs, which are estimated not to exceed Sixty Thousand Dollars (\$60,000.00), shall  
11 be paid from the Maximum Settlement Amount. Prior to Plaintiffs filing a motion  
12 for final approval of the Settlement, the Settlement Administrator shall provide the  
13 Parties with a statement detailing the Settlement Administration Costs to date. The  
14 Parties agree to cooperate in the Settlement Administration process and to make all  
15 reasonable efforts to control and minimize Settlement Administration Costs.

16 i. The Settlement Administrator shall be authorized to  
17 establish a QSF pursuant to IRS rules and regulations in which the Maximum  
18 Settlement Amount shall be placed and from which payments required by the  
19 Settlement shall be made.

20 ii. The Settlement Administrator shall keep the Parties timely  
21 apprised of the performance of all Settlement Administrator responsibilities required  
22 by the Settlement.

23 iii. The Parties each represent they do not have any financial  
24 interest in the Settlement Administrator or otherwise have a relationship with the  
25 Settlement Administrator that could create a conflict of interest.

26 f. Employer's Share of Payroll Taxes. The Settlement  
27 Administrator shall calculate the amount of the Employer's Share of Payroll Taxes  
28 and shall remit and report the applicable portions of the payroll tax payment to the

1 appropriate taxing authorities in a timely manner. The Employer's Share of Payroll  
2 Taxes shall be paid by Defendants in addition to the Maximum Settlement Amount.

3 58. Final Settlement Approval Hearing and Entry of Judgment. Upon  
4 expiration of the Response Deadline, a Final Approval Hearing shall be conducted to  
5 determine whether to grant final approval of the Settlement, including determining  
6 the amounts properly payable for: (i) Attorneys' Fees and Costs; (ii) the Class  
7 Representative Service Awards; (iii) the PAGA Payment; and (iv) the Settlement  
8 Administration Costs. At least 14 days prior to moving for final approval, the  
9 Settlement Administrator shall provide a written report or declaration to the Parties  
10 describing the process and results of the administration of the Settlement to date,  
11 which report or declaration shall be filed by Plaintiffs with the Court prior to the Final  
12 Approval Hearing.

13 59. Adjustment of Class Periods. The Maximum Settlement Amount was  
14 negotiated and is premised on the understanding that there are approximately 890,587  
15 workweeks from the beginning of the Class Periods through November 17, 2021 (the  
16 date the class data was gathered in preparation for the December 2021 mediation).  
17 The actual number of workweeks through the end of the Class Periods will be greater.  
18 In the event the number of workweeks for the beginning of the Class Periods through  
19 November 17, 2021 exceeds the number stated above by more than five percent (5%),  
20 Defendants will have the option to modify the end date of the Class Periods to  
21 account for an increase by more than five percent (5%) of the number set forth in this  
22 paragraph as to the estimated number of workweeks through November 17, 2021.

23 60. Nullification of Settlement. In the event: (i) the Court does not enter the  
24 Preliminary Approval Order; (ii) the Court does not grant final approval the  
25 Settlement; (iii) the Court does not enter the Judgment; or (iv) the Settlement does  
26 not become final for any other reason, this Stipulation shall be rendered null and void,  
27 any order or judgment entered by the Court in furtherance of this Settlement shall be  
28 treated as void from the beginning, this Stipulation and any documents related to it

1 shall not have any force and effect and/or be admissible, offered into evidence or  
2 used in any other manner in the Actions by any Class Member or Class Counsel to  
3 support any claim or request for class certification in the Actions and shall not be  
4 used in any other civil, criminal or administrative action against Defendants or any  
5 of the other Released Parties, and the Stipulation and all negotiations, statements and  
6 proceedings relating thereto shall be without prejudice to the rights of any of the  
7 Parties, all of whom shall be restored to their respective positions in the Actions prior  
8 to the Settlement. In addition, Defendants shall retain their rights to object to the  
9 maintenance of the Actions as class or representative actions, and nothing in this  
10 Stipulation or other papers or proceedings related to the Settlement shall be used as  
11 evidence or argument by any party concerning whether the Actions may properly be  
12 maintained as class or representative actions. In the event an appeal is filed from the  
13 Judgment, or any other appellate review is sought, administration of the Settlement  
14 shall be stayed pending final resolution of the appeal or other appellate review. If  
15 the Settlement does not become final because of an appeal or other appellate review,  
16 any fees incurred by the Settlement Administrator prior to it being notified of the  
17 filing of an appeal from the Judgment, or any other appellate review, shall be paid by  
18 Defendants.

19 61. No Admission by Defendants. Defendants deny all claims alleged in  
20 the Actions and deny all wrongdoing whatsoever. Neither this Stipulation, nor any  
21 of its terms and conditions, nor any of the negotiations connected with it, is a  
22 concession or admission, and none shall be used against Defendants as an admission  
23 or indication with respect to any claim of any fault, concession, or omission by  
24 Defendants, that class certification is proper under the standard applied to contested  
25 certification motions, or that the pursuit of a representative action is proper under the  
26 governing legal standards. The Parties stipulate and agree to the certification of the  
27 proposed class for settlement purposes only. The Parties further agree that this  
28 Stipulation will not be admissible in this or any other proceeding as evidence that (i)



1 a class action should be certified, (ii) a representative action is appropriate or  
2 manageable, or (iii) Defendants are liable to Plaintiffs or any Class Member, other  
3 than according to the terms of this Stipulation.

4 62. Option to Rescind. Defendants may elect to rescind the Settlement if  
5 five percent (5%) or more of the Class Members submit timely Requests for  
6 Exclusion and do not rescind them by the Response Deadline. If Defendants wish to  
7 exercise its conditional right to rescind, it must do so by written communication  
8 mailed to Class Counsel, within seven (7) calendar days of the Response Deadline.  
9 In the event that Defendants exercise their conditional right to rescind, the Parties  
10 will be restored to their litigation positions as of December 23, 2021, except that all  
11 deadlines and/or hearings pending as of December 23, 2021, will be rescheduled to  
12 afford the Parties sufficient time to resume litigation. Furthermore, in the event that  
13 Defendants exercise their conditional right to rescind, Defendants will be responsible  
14 for all Settlement Administration Costs incurred up to the date of rescission.

15 63. Exhibits and Headings. The terms of this Stipulation include the terms  
16 set forth in any attached Exhibits, which are incorporated by this reference as though  
17 fully set forth herein. The Exhibits to this Stipulation are an integral part of the  
18 Settlement. The descriptive headings of any paragraphs or sections of this Stipulation  
19 are inserted for convenience of reference only.

20 64. Amendment or Modification. This Stipulation may be amended or  
21 modified only by a written instrument signed by counsel for all Parties or their  
22 successors-in-interest.

23 65. Entire Agreement. This Stipulation and any attached Exhibits constitute  
24 the entire agreement between the Parties, and no oral or written representations,  
25 warranties, or inducements have been made to Plaintiffs or Defendants concerning  
26 this Stipulation or its Exhibits other than the representations, warranties, and  
27 covenants contained and memorialized in this Stipulation and its Exhibits. No other  
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1 prior or contemporaneous written or oral agreements, other than the Memorandum  
2 of Understanding, may be deemed binding on the Parties.

3 66. Authorization to Enter Into Settlement Agreement. Class Counsel and  
4 Defense Counsel warrant and represent they are expressly authorized by the parties  
5 whom they represent to negotiate this Stipulation and to take all appropriate actions  
6 required or permitted to be taken by such Parties pursuant to this Stipulation to  
7 effectuate its terms, and to execute any other documents required to effectuate the  
8 terms of this Stipulation. The Parties, Class Counsel and Defense Counsel shall  
9 cooperate with one another and use their best efforts to effect the implementation of  
10 the Settlement. In the event the Parties are unable to reach agreement on the form or  
11 content of any document needed to implement the Settlement, or on any supplemental  
12 materials that may become necessary to effectuate the terms of this Settlement, the  
13 Parties may seek the assistance of the Court and/or Mr. Dickstein to resolve such  
14 disagreement. The person signing this Stipulation for Genesis Administrative  
15 Services, LLC for and on behalf of all Defendants represents and warrants that  
16 Genesis Administrative Services, LLC is authorized to sign this Stipulation on behalf  
17 of all Defendants and that he or she is authorized to sign this Stipulation for and on  
18 behalf of Genesis Administrative Services, LLC and all Defendants. Plaintiffs  
19 represent and warrant they are authorized to sign this Stipulation.

20 67. No Prior Assignments. The Parties and their counsel represent,  
21 covenant, and warrant that they have not directly or indirectly assigned, transferred,  
22 encumbered, or purported to assign, transfer, or encumber to any person or entity any  
23 portion of any liability, claim, demand, action, cause of action or right herein released  
24 and discharged.

25 68. Binding on Successors and Assigns. This Stipulation shall be binding  
26 upon, and inure to the benefit of, the successors and assigns of the Parties.

27 69. California Law Governs. All terms of this Stipulation and the Exhibits  
28 hereto shall be governed by and interpreted according to the laws of the State of

1 California, without giving effect to any law that would cause the laws of any  
2 jurisdiction other than the State of California to be applied.

3 70. Counterparts. The Stipulation may be executed in one or more  
4 counterparts by facsimile, email, electronic signature, or scanned copies which for  
5 purposes of this Stipulation shall be accepted as an original. All executed  
6 counterparts and each of them shall be deemed to be one and the same instrument.


7 71. Jurisdiction of the Court. Following entry of Judgment, the Court shall  
8 retain jurisdiction with respect to the interpretation, implementation, and  
9 enforcement of the terms of this Stipulation and all orders and judgments entered in  
10 connection therewith, and the Parties, Class Counsel and Defense Counsel submit to  
11 the jurisdiction of the Court for purposes of interpreting, implementing, and  
12 enforcing the Settlement embodied in this Stipulation and all orders and judgments  
13 entered in connection therewith.

14 72. Invalidity of Any Provision. Before declaring any term or provision of  
15 this Stipulation invalid, the Parties request that the Court first attempt to construe the  
16 terms or provisions valid to the fullest extent possible consistent with applicable  
17 precedents so as to define all provisions of this Stipulation as valid and enforceable.

18 73. Binding Nature of Class Notice. It is agreed that because the Class  
19 Members are so numerous, it is impossible or impracticable to have each Class  
20 Member execute the Stipulation. The Class Notice shall advise all Class Members  
21 of the binding nature of the Settlement, and the release of Released Claims and shall  
22 have the same force and effect as if this Stipulation were executed by each Class  
23 Member.

24

25 Dated: March 2, 2022

  
Juana Olivos Valdez (Mar 2, 2022 18:53 PST)  
\_\_\_\_\_  
Plaintiff Juana Olivos Valdez

26

27 Dated: \_\_\_\_\_, 2022

\_\_\_\_\_  
Plaintiff Danillie Willie

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1 California, without giving effect to any law that would cause the laws of any  
2 jurisdiction other than the State of California to be applied.

3 70. Counterparts. The Stipulation may be executed in one or more  
4 counterparts by facsimile, email, electronic signature, or scanned copies which for  
5 purposes of this Stipulation shall be accepted as an original. All executed  
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7 71. Jurisdiction of the Court. Following entry of Judgment, the Court shall  
8 retain jurisdiction with respect to the interpretation, implementation, and  
9 enforcement of the terms of this Stipulation and all orders and judgments entered in  
10 connection therewith, and the Parties, Class Counsel and Defense Counsel submit to  
11 the jurisdiction of the Court for purposes of interpreting, implementing, and  
12 enforcing the Settlement embodied in this Stipulation and all orders and judgments  
13 entered in connection therewith.

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15 this Stipulation invalid, the Parties request that the Court first attempt to construe the  
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17 precedents so as to define all provisions of this Stipulation as valid and enforceable.

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19 Members are so numerous, it is impossible or impracticable to have each Class  
20 Member execute the Stipulation. The Class Notice shall advise all Class Members  
21 of the binding nature of the Settlement, and the release of Released Claims and shall  
22 have the same force and effect as if this Stipulation were executed by each Class  
23 Member.

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25 Dated: \_\_\_\_\_, 2022

Plaintiff Juana Olivos Valdez

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27 Dated: March 2 \_\_\_\_\_, 2022

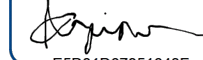
  
Danille Willie (Mar 2, 2022 19:16 PST)  
Plaintiff Danillie Willie

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Dated: March 03, 2022

DocuSigned by:



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Plaintiff Christine Espinosa

Dated: \_\_\_\_\_, 2022


Genesis Administrative Services, LLC  
(for an on behalf of all Defendants)

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Approved as to form and content:


Dated: 3/4, 2022

MATERN LAW GROUP, PC

By:   
MATTHEW J. MATERN  
LAUNA ADOLPH  
KAYVON SABOURIAN  
SHOOKA DADASHZADEH  
Attorneys for Plaintiffs Juana Olivos  
Valdez and Danillie Willie

Dated: March 4, 2022

AEQUITAS LEGAL GROUP

By:   
RONALD H. BAE  
OLIVIA D. SCHARRER  
Attorneys for Plaintiff Christine  
Espinosa

Dated: \_\_\_\_\_, 2022

LITTLER MENDELSON, P.C.

By: \_\_\_\_\_  
CURTIS A. GRAHAM  
JAMES E. PAYER  
Attorneys for Defendants

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Dated: \_\_\_\_\_, 2022

\_\_\_\_\_  
Plaintiff Christine Espinosa

Dated: March 2, 2022

Genesis Administrative Services, LLC  
(for an on behalf of all Defendants)



By: Karen P. Gaster  
Its: VP, Deputy General Counsel - Employment and Litigation

Approved as to form and content:

Dated: \_\_\_\_\_, 2022

MATERN LAW GROUP, PC

By: \_\_\_\_\_  
MATTHEW J. MATERN  
LAUNA ADOLPH  
KAYVON SABOURIAN  
SHOOKA DADASHZADEH  
Attorneys for Plaintiffs Juana Olivos  
Valdez and Danillie Willie


Dated: \_\_\_\_\_, 2022

AEQUITAS LEGAL GROUP

By: \_\_\_\_\_  
RONALD H. BAE  
OLIVIA D. SCHARRER  
Attorneys for Plaintiff Christine  
Espinosa

Dated: March 2, 2022

LITTLER MENDELSON, P.C.

By:   
\_\_\_\_\_  
CURTIS A. GRAHAM  
JAMES E. PAYER  
Attorneys for Defendants

# EXHIBIT 1





**NOTICE OF CLASS ACTION SETTLEMENT**

*Olivos Valdez, et al. v. Genesis Healthcare LLC, et al.*

United States District Court for the Central District of California, Case No. 2:19-cv-00976-DMG-JC

*Christine Espinosa v. Genesis Healthcare, Inc., et al.*

United States District Court, Central District of California, Case No. 2:20-cv-00688-DMG(JCx)

*A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.*

IF YOU WORKED AS A NON-EXEMPT EMPLOYEE AT ONE OR MORE OF THE FOLLOWING FACILITIES DURING THE IDENTIFIED TIME PERIODS (“CLASS PERIODS”), THIS CLASS ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS.

<b>Facilities</b>	<b>Class Periods</b>
Alexandria Care Center	February 1, 2015 to February 11, 2022
Alta Gardens Care Center	February 1, 2015 to February 11, 2022
Anaheim Terrace Care Center	February 1, 2015 to February 11, 2022
Bay Crest Care Center	February 1, 2015 to February 11, 2022
Brier Oak on Sunset	February 1, 2015 to February 11, 2022
Carehouse Healthcare Center	February 1, 2015 to May 1, 2019
City View Villa	February 1, 2015 to June 1, 2016
Devonshire Care Center	February 1, 2015 to the present
Elmcrest Care Center	February 1, 2015 to May 1, 2019
Fountain Care Center	February 1, 2015 to May 1, 2019
Fountain Senior ALF	February 1, 2015 to May 1, 2019
Fountain View Subacute and Nsg	February 1, 2015 to February 11, 2022
Rehab Center on La Brea	February 1, 2015 to June 1, 2016

Montebello Care Center	February 1, 2015 to February 11, 2022
Rio Hondo Subacute and Nursing Center	February 1, 2015 to February 11, 2022
Royalwood Care Center	February 1, 2015 to October 1, 2019
Sharon Care Center	February 1, 2015 to February 11, 2022
Spring Senior Assisted Living	February 1, 2015 to February 11, 2022
St. Elizabeth Healthcare and Rehabilitation	February 1, 2015 to May 1, 2019
Laurel Park Behavioral Health Center	September 20, 2014 to February 11, 2022
Olive Vista Behavioral Health Center	September 20, 2014 to February 11, 2022
Sierra Vista Behavioral Health Center	September 20, 2014 to February 11, 2022
American River Center	September 20, 2014 to February 11, 2022
Kingsburg Center	September 20, 2014 to February 11, 2022
Eagle Crest Center	September 20, 2014 to September 30, 2017

Playa Del Rey Center	September 20, 2014 to February 11, 2022
Harbor View Community Center	September 20, 2014 to July 1, 2018
Harbor View Behavioral Health Center	September 20, 2014 to April 1, 2019
Meadowbrook Behavioral Health Center	September 20, 2014 to February 11, 2022
Pine View Center	September 20, 2014 to June 1, 2018
Shandin Hills Behavioral Health Center	September 20, 2014 to February 11, 2022
Creekside Center	September 20, 2014 to February 11, 2022

The Earlwood	February 1, 2015 to February 11, 2022
Valley Healthcare Center	February 1, 2015 to September 19, 2019
Villa Maria Care Center	February 1, 2015 to May 1, 2019
Willow Creek Healthcare Center	February 1, 2015 to February 26, 2020
Woodland Care Center	February 1, 2015 to February 11, 2022
Washington Center	September 20, 2014 to February 11, 2022
Willows Post Acute (f/k/a Willows Center)	September 20, 2014 to February 11, 2022

**Why should you read this Notice?**

A proposed settlement (the “Settlement”) has been reached which will resolve the following class action lawsuits: *Juana Olivos Valdez, et al. v. Genesis Healthcare, LLC*, United States District Court for the Central District of California, Case No. 2:19-cv-00976-DMG-JC, and *Christine Espinosa v. Genesis Healthcare, Inc., et al.*, United States District Court, Central District of California, Case No. 2:20-cv-00688-DMG(JCx) (the “Actions”). The purpose of this Notice of Class Action Settlement (“Notice”) is to briefly describe the Actions, and to inform you of your rights and options in connection with the proposed Settlement. The proposed Settlement will resolve all claims against defendants Genesis Healthcare LLC, Genesis Healthcare, Inc., Genesis Administrative Services, LLC, GHC Payroll, LLC, Alexandria Care Center, LLC, Anaheim Terrace Care Center, LLC, Alta Care Center, LLC, Bay Crest Care Center, LLC, Brier Oak on Sunset, LLC, Carehouse Healthcare Center, LLC, City View Villa, LLC, Devonshire Care Center, LLC, Elmcrest Care Center, LLC, Fountain Care Center, LLC, Fountain Senior Assisted Living, LLC, Fountain View Subacute and Nursing Center, LLC, Hancock Park Rehabilitation Center, LLC, Montebello Care Center, LLC, Rio Hondo Subacute and Nursing Center, LLC, Royalwood Care Center, LLC, Sharon Care Center, LLC, Spring Senior Assisted Living, LLC, St. Elizabeth Healthcare and Rehabilitation Center, LLC, SunBridge Braswell Enterprises, LLC, SunBridge Brittany Rehabilitation Center LLC, SunBridge Care Enterprises West LLC, SunBridge Carmichael Rehabilitation Center, LLC, SunBridge Hallmark Health Services, LLC, SunBridge Harbor View Rehabilitation Center, LLC, SunBridge Meadowbrook Rehabilitation Center LLC, SunBridge Paradise Rehabilitation Center, Inc., SunBridge Shandin Hills Rehabilitation Center LLC, SunBridge Stockton Rehabilitation Center LLC, The Earlwood, LLC, Valley Healthcare Center, LLC, Villa Maria Healthcare Center, LLC, Willow Creek Healthcare Center, LLC, Woodland Care Center, LLC, 14766 Washington Avenue Operations LLC, SunBridge Healthcare LLC, and 320 North Crawford Avenue Operations LLC (“Defendants”) in the Actions.

A hearing concerning the Settlement will be held before the Hon. Dolly M. Gee on [REDACTED], 2022 at X:XX x.m. in Courtroom 8C of the United States District Court for the Central District of California, First Street Courthouse, located at 350 W. First Street, Los Angeles, California 90012, to determine whether the Settlement is fair, adequate and reasonable.

AS A CLASS MEMBER, YOU ARE ELIGIBLE TO RECEIVE AN INDIVIDUAL SETTLEMENT PAYMENT UNDER THE SETTLEMENT AND WILL BE BOUND BY THE RELEASE OF CLAIMS DESCRIBED IN THIS NOTICE AND THE SETTLEMENT AGREEMENT FILED WITH THE COURT, UNLESS YOU TIMELY REQUEST TO BE EXCLUDED FROM THE SETTLEMENT.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
<b>DO NOTHING AND RECEIVE A SETTLEMENT PAYMENT</b>	If you do nothing, you will be considered part of the Class and will receive an Individual Settlement Payment. You will also give up the right to pursue a separate legal action against Defendants and affiliated persons and entities, as described in this Notice.
<b>EXCLUDE YOURSELF FROM THE SETTLEMENT</b>	If you request to be excluded, you will not receive any payment under the Settlement, and you will not release any claims against Defendants.
<b>OBJECT TO THE SETTLEMENT</b>	To object to the Settlement, you must submit a written statement explaining why you don't like the Settlement. This option is available only if you do not exclude yourself from the Settlement.

***Who is affected by the proposed Settlement?***

The Court has certified, for settlement purposes only, the following class (the “Class”):

All persons employed by Defendants as non-exempt employees in the State of California during the Class Periods.

According to Defendants’ records, you are a member of the Class (“Class Member”).

***What is this case about?***

In the Actions, plaintiffs Juana Olivos Valdez, Danillie Willie, and Christine Espinosa (“Plaintiffs”) allege on behalf of themselves and the Class the following claims against Defendants: (1) failure to provide meal periods; (2) failure to authorize and permit rest periods; (3) failure to pay minimum wages; (4) failure to pay overtime wages; (5) failure to furnish accurate itemized wage statements; (6) failure to maintain required records; (7) failure to indemnify employees for necessary expenditures incurred in discharge of duties; (8) unfair and unlawful business practices; and (9) penalties under the Private Attorneys General Act (“PAGA”). Plaintiffs seek unpaid wages, statutory and civil penalties, restitution, interest, attorneys’ fees, and costs. Defendants deny all liability and are confident they have strong legal and factual defenses to all of Plaintiffs’ claims.

This Settlement is a compromise reached after arm’s length negotiations between Plaintiffs and Defendants (the “Parties”), through their attorneys, and is not an admission of liability on the part of Defendants. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate and reasonable. Plaintiffs and Class Counsel believe the Settlement is in the best interests of all Class Members.

The Court has not ruled on the merits of Plaintiffs’ claims or Defendants’ defenses.

***Who are the attorneys representing the Parties?***

The attorneys in the Actions are:

**Class Counsel**

Matthew J. Matern  
Launa Adolph  
Kayvon Sabourian  
Shooka Dadashzadeh  
MATERN LAWGROUP, PC  
1230 Rosecrans Ave., Suite 200  
Manhattan Beach, CA 90266  
310-531-1900

Ronald H. Bae  
Olivia D. Scharrer  
AEQUITAS LEGAL GROUP  
A Professional Law Corporation  
1156 E. Green Street, Suite 200  
Pasadena, CA 91106  
213-674-6080

**Defendants' Counsel**

Curtis A. Graham  
James E. Payer  
LITTLER MENDELSON, P.C.  
633 West 5<sup>th</sup> Street, 63<sup>rd</sup> Floor  
Los Angeles, CA 90071  
213-443-4300

As a Class Member, you are being represented at no cost by Class Counsel.

***What are the Settlement terms?***

If the Court grants final approval of the Settlement, Defendants will pay \$9,500,000.00 (the "Maximum Settlement Amount") for: (a) Individual Settlement Payments to Class Members; (b) the Court-approved Attorneys' Fees and Costs to Class Counsel; (c) the Court-approved Class Representative Service Awards to Plaintiffs; (d) the costs of administering the Settlement; and (e) the PAGA Payment to be paid to the Labor and Workforce Development Agency ("LWDA") and Aggrieved Employees, as defined below.

**Individual Settlement Payments.** After deduction from the Maximum Settlement Amount for Attorneys' Fees and Costs, the Class Representative Service Awards, the costs of administering the Settlement, and the PAGA Payment, there will be a Net Settlement Amount. From this Net Settlement Amount, each Class Member who does not request to be excluded from the Settlement ("Participating Class Member") will receive an Individual Settlement Payment.

The Net Settlement Amount will be divided among all Participating Class Members based on the number of Compensable Workweeks each Participating Class Member worked for Defendants as a non-exempt employee during the Class Periods. In addition, all Aggrieved Employees will receive a pro rata share of the portion of the PAGA Payment allocated to Aggrieved Employees based on their Compensable Workweeks during the PAGA Period, which is July 17, 2017 to the earlier of February 11, 2022 or the date that Defendants stopped operating the facility that you worked at. Your total number of Compensable Workweeks, according to Defendants' records, and your estimated Individual Settlement Payment are listed on the Information Sheet enclosed in this Notice Packet.

The settlement checks will be valid for 180 days from the date of mailing. After 180 days, the Settlement Administrator will void any uncashed checks and pay over the amount represented by the check to the State Controller's Office Unclaimed Property Fund, with the identity of the Class Member to whom the funds belong.

For tax reporting purposes, the Individual Settlement Payments will be allocated fifteen percent (15%) as wages and eighty five percent (85%) as non-wage penalties and interest. The wage portion will be subject to required state and federal withholdings and will be reported on an IRS Form W-2. The non-wage portion will be reported on an IRS Form 1099, with no withholdings taken. None of the Parties or their

attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Participating Class Member.

**Attorneys' Fees and Costs, Class Representative Service Award, Settlement Administration Costs, and the PAGA Payment.** Plaintiffs will ask the Court to award attorneys' fees in an amount not to exceed \$3,166,666.67 (one-third of the Maximum Settlement Amount) and reimbursement of reasonable costs incurred in the Actions in an amount not to exceed \$130,000.00. Plaintiffs also will ask the Court to authorize Class Representative Service Award payment to Plaintiffs in an amount up to \$15,000.00 each for their effort in prosecuting the Actions on behalf of the Class Members. The Parties estimate the costs of administering the Settlement will not exceed \$60,000.00. In addition, \$285,000.00 will be allocated to penalties under PAGA, of which 75%, or \$123,750.00, will be paid to the LWDA, and the remaining 25%, or \$71,250.00, will be distributed to Aggrieved Employees, as set forth above. Any amounts not requested or awarded by the Court will be included in the Net Settlement Amount and will be distributed to Participating Class Members.

### ***What claims are being released by the proposed Settlement?***

Upon the Settlement becoming final (the "Effective Date"), all Participating Class Members shall be deemed to have released the Released Parties of any and all claims, debts, demands, rights, liabilities, costs, damages, attorneys' fees, actions, and/or causes of action that were pleaded or could have been pleaded based upon the factual allegations set forth in the operative complaint filed in the Actions and arising at any time during the respective Class Periods, including any and all claims for (1) failure to provide meal periods; (2) failure to authorize and permit rest periods; (3) failure to pay minimum wages; (4) failure to pay overtime wages; (5) failure to furnish accurate itemized wage statements; (6) failure to maintain required records; (7) failure to indemnify employees for necessary expenditures incurred in discharge of duties; and (8) unfair and unlawful business practices.

In addition, upon the Effective Date, all Aggrieved Employees shall be deemed to have released the Released Parties of any and all claims and/or causes of action under PAGA which are based upon the factual allegations set forth in the operative complaint and arising at any time during the respective PAGA Periods.

In addition, all Participating Class Members who cash their Individual Settlement Payment checks will be deemed to have given their consent to "opt in" as a party plaintiff in this action pursuant to the Fair Labor Standards Act of 1938, 29 U.S.C. §216(b) ("FLSA") and to have waived and released any claims they may have under the FLSA as related to the claims that were or arise from the facts asserted in the Actions during the time period three years prior to the cashing of the Individual Settlement Payment check.

The "Released Parties" are (i) Defendants; (ii) their past, present and future subsidiaries, parents, affiliated and related companies, divisions, successors, predecessors or assigns; and (iii) their past, present, and future members, agents (including, without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors, employees, board members, partners, investors, representatives, shareholders and employees), predecessors, successors or assigns of any of the foregoing.

### ***What are my rights as a Class Member?***

As a class member, you may (A) remain in the Class and receive an Individual Settlement Payment; or (B) exclude yourself from the Class. If you choose option (A), you may also object to the Settlement.

**OPTION A. Remain in the Class and Receive a Settlement Payment.** If you wish to remain in the Class and be eligible to receive an Individual Settlement Payment, you do not need to take any action. If the Court grants final approval of the Settlement, you automatically will receive an Individual Settlement Payment and will be bound by the release of the Released Claims as described above.

**Object to the Settlement:** If you believe the proposed Settlement is not fair, reasonable or adequate in any way, you may submit a written brief or statement of objection (“Notice of Objection”). The Notice of Objection must: (1) state your full name; (2) be signed by you; (3) state the grounds for your objection; (4) state whether you intend to appear at the Settlement Hearing; and (5) be postmarked on or before **[Response Deadline]** and mailed to the Settlement Administrator at the following address:

*Olivos Valdez v. Genesis Healthcare LLC, et al.*  
Settlement  
P.O. Box \_\_\_\_\_  
[City], [State] [Zip]

You also can hire an attorney to represent you in your objection. Class Counsel, however, will not represent you for purposes of objecting to the Settlement. **Even if you submit an objection, you will be bound by the terms of the Settlement, including the release of Released Claims as set forth above, unless the Settlement is not finally approved by the Court.**

**OPTION B. Exclude Yourself from the Settlement.** If you do not want to be part of the Settlement, you must submit a written request to be excluded (“Request for Exclusion”). Your Request for Exclusion must (1) state your name, address, and telephone number; (2) contain a clear statement that you are requesting to opt out of, or be excluded from, the Settlement in *Olivos Valdez v. Genesis Healthcare LLC, et al.*; (3) be signed by you; and (4) be postmarked on or before **[Response Deadline]** and mailed to the Settlement Administrator at the following address:

*Olivos Valdez v. Genesis Healthcare LLC, et al.*  
Settlement  
P.O. Box \_\_\_\_\_  
[City], [State] [Zip]

If you do not submit a timely and valid Request for Exclusion, you will be bound by the release of Released Claims as described above and all other terms of the Settlement. If you timely submit a valid Request for Exclusion, you will have no further role in the Action, and you will not be entitled to any benefit as a result of the Settlement, other than your pro rata share of the portion of the PAGA Payment. Even if you timely submit a valid Request for Exclusion, you shall be deemed to have released the Released Parties of any and all claims and/or causes of action under PAGA which are based upon the factual allegations set forth in the operative complaint and arising at any time during the respective PAGA Periods. **You cannot object to the Settlement if you submit a Request for Exclusion.**

#### ***What is the next step in the approval of the Settlement?***

The Court will hold a Settlement Hearing regarding the fairness, reasonableness and adequacy of the proposed Settlement, the plan of distribution, and Plaintiffs’ request for Attorneys’ Fees and Costs and Class Representative Service Awards on \_\_\_\_\_, 2022 at **X:XX x.m.** in Courtroom 8C of the First Street Courthouse located at 350 W. First Street, Los Angeles, California 90012. The Settlement Hearing may be postponed without further notice to Class Members. You are not required to attend the Final Approval Hearing to receive an Individual Settlement Payment.

#### ***How can I get additional information?***

This Notice summarizes the Actions and the basic terms of the Settlement. More details are in the Settlement Agreement. You can obtain a copy of the Settlement Agreement, Preliminary Approval Order, and Plaintiffs’ Motion for Attorneys’ Fees and Costs at the Settlement Administrator’s website at \_\_\_\_\_ or by accessing the Court’s Public Access to Court Electronic Records (PACER) system at <https://ecf.cacd.uscourts.gov>. If you have questions regarding the Settlement, you may contact the Settlement Administrator at **1-XXX-XXX-XXXX**.

**PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE.**

## EXHIBIT 2





**INFORMATION SHEET**

*Olivos Valdez, et al. v. Genesis Healthcare LLC, et al.*  
United States District Court for the Central District of California  
Case No. 2:19-cv-00976-DMG-JC

*Christine Espinosa v. Genesis Healthcare, Inc., et al.*  
United States District Court, Central District of California  
Case No. 2:20-cv-00688-DMG(JCx)

**Calculation of Individual Settlement Payments:** Each Class Member’s share of the Net Settlement Amount will be based upon his or her “Compensable Workweeks,” or the total number of weeks each Class Member performed work for defendants Genesis Healthcare LLC, Genesis Healthcare, Inc., Genesis Administrative Services, LLC, GHC Payroll, LLC, Alexandria Care Center, LLC, Anaheim Terrance Care Center, LLC, Alta Care Center, LLC, Bay Crest Care Center, LLC, Brier Oak on Sunset, LLC, Carehouse Healthcare Center, LLC, City View Villa, LLC, Devonshire Care Center, LLC, Elmcrest Care Center, LLC, Fountain Care Center, LLC, Fountain Senior Assisted Living, LLC, Fountain View Subacute and Nursing Center, LLC, Hancock Park Rehabilitation Center, LLC, Montebello Care Center, LLC, Rio Hondo Subacute and Nursing Center, LLC, Royalwood Care Center, LLC, Sharon Care Center, LLC, Spring Senior Assisted Living, LLC, St. Elizabeth Healthcare and Rehabilitation Center, LLC, SunBridge Braswell Enterprises, LLC, SunBridge Brittany Rehabilitation Center LLC, SunBridge Care Enterprises West LLC, SunBridge Carmichael Rehabilitation Center, LLC, SunBridge Hallmark Health Services, LLC, SunBridge Harbor View Rehabilitation Center, LLC, SunBridge Meadowbrook Rehabilitation Center LLC, SunBridge Paradise Rehabilitation Center, Inc., SunBridge Shandin Hills Rehabilitation Center LLC, SunBridge Stockton Rehabilitation Center LLC, The Earlwood, LLC, Valley Healthcare Center, LLC, Villa Maria Healthcare Center, LLC, Willow Creek Healthcare Center, LLC, Woodland Care Center, LLC, 14766 Washington Avenue Operations LLC, SunBridge Healthcare LLC, and 320 North Crawford Avenue Operations LLC (“Defendants”) in the State of California at any time from September 20, 2014 to February 11, 2022. In addition, all Aggrieved Employees will receive a pro rata share of the portion of the PAGA Payment allocated to Aggrieved Employees based on their Compensable Workweeks from July 17, 2017 to the earlier of February 11, 2022 or the date that Defendants stopped operating the facility that you worked at (the “PAGA Period”).

**Your Compensable Workweeks and Estimated Individual Settlement Payment:** According to Defendants’ records, your Compensable Workweeks are as follows:

Compensable Workweeks during Class Period	<<CompWWClass>>
Compensable Workweeks during PAGA Period	<<CompWWPAGA>>

Based on the foregoing, your estimated Individual Settlement Payment is <<EstSettPayment>>. Please note that this is only an estimate; your actual payment may be greater or smaller than the amount reported above.

**Procedure for Disputing Information:** If you disagree with the number of Compensable Workweeks stated above, you must send a letter to the Settlement Administrator stating the reasons why you dispute the number of Compensable Workweeks and provide any supporting documentation that you have (for example, any paystubs). The information you provide should include the estimated number of weeks you claim you worked for Defendants as a non-exempt employee in the State of California during the Class Period and/or PAGA Period.

Any disputes and supporting documentation must be mailed to the Settlement Administrator at the address listed below by First Class U.S. Mail, postmarked no later than **[Response Deadline]**.

Olivos Valdez, et al. v. Genesis Healthcare, LLC, et al.  
Settlement  
[Address]  
[City, State Zip]

If you dispute the number of Compensable Workweeks stated above, the Settlement Administrator will evaluate the evidence submitted by you and will make the final decision as to the number of Compensable Workweeks that should be applied and/or the Individual Settlement Payment to which you may be entitled.