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**IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
**FOR THE COUNTY OF ORANGE**

ROSARIO ZAVALA, an individual, on  
behalf of herself and all other similarly  
situated Aggrieved Employees,  
  
Plaintiff,  
  
v.  
  
POST ACUTE CARE PARTNERS INC.,  
a California Corporation, and DOES 1  
through 50, inclusive,  
  
Defendant.

CASE NO: 30-2023-01362792-CU-OE-CXC  
  
ASSIGNED FOR ALL PURPOSES TO:  
HON. MELISSA R. MCCORMICK  
  
**ORDER GRANTING PAGA  
SETTLEMENT APPROVAL MOTION  
AND ENTERING JUDGMENT**  
  
Action filed: November 17, 2023

1 Plaintiff Rosario Zavala ("Plaintiff") moved for approval of the proposed settlement of  
2 Plaintiff's claims for civil penalties under the California Private Attorneys General Act ("PAGA"),  
3 pursuant to California Labor Code section 2699, subdivision (l)(2). That motion was not opposed  
4 by Defendant Post Acute Care Partners Inc., ("Defendant" or "Post Acute"). The Gross Settlement  
5 Amount ("GSA") is \$100,000.00. The parties seek approval of the settlement, including the GSA  
6 of \$100,000.00. A PAGA Penalty Fund of \$53,373.25 shall be paid from the \$100,000.00 GSA  
7 after deductions for (1) Plaintiff's Counsel's attorneys' fees (\$30,000.00); (2) Plaintiff's Counsel's  
8 actual litigation costs incurred (\$11,626.75); and (3) costs of settlement administration  
9 (\$5,000.00). Pursuant to Labor Code section 2699, subdivision (l)(2), the Labor and Workforce  
10 Development Agency ("LWDA") was provided with notice of the settlement and the motion via  
11 its online process and no objection has been received to the settlement or the motion. The  
12 capitalized terms herein have the same meaning as in the Amended PAGA Settlement Agreement,  
13 attached hereto as Exhibit A.

14 Good cause appearing based on the reasons set forth in the joint motion for approval, the  
15 Court hereby GRANTS the motion and approves the PAGA settlement as set forth in the  
16 Amended PAGA Settlement Agreement and in the court's orders.<sup>1</sup> The parties and the settlement  
17 administrator are ordered to administer the settlement in accordance with the Amended PAGA  
18 Settlement Agreement and the court's orders.

19 In addition to Plaintiff and the State of California, the individuals bound by this Judgment  
20 are each who are or were employed by Defendants as non-exempt employees in the State of  
21 California during the time period of September 8, 2022, to June 30, 2023 (collectively, "the  
22 aggrieved employees").

23 The Court approves ILYM Group Inc. as the Settlement Administrator and orders the  
24 Settlement Administrator to make the disbursements in accordance with the terms of the Amended  
25 PAGA Settlement Agreement. ILYM Group Inc. will notify the Aggrieved employees of the order  
26 and judgment by mailing them the Notice of PAGA Settlement ("Notice") via mail. The

27 <sup>1</sup> The Amended PAGA Settlement Agreement is attached hereto as **Exhibit A**. The Notice of Settlement to be sent to  
28 Aggrieved Employees is attached hereto as **Exhibit B**.

1 Settlement Administrator will also mail all settlement payments via mail. The Settlement  
2 Administrator will maintain a website which can be accessed at the following URL:  
3 <https://www.ilymgroup.com/>. The Settlement Administrator's website will post the Court's Order and  
4 Judgment finally approving the Settlement, the Entry of Order, and the Settlement Agreement, which  
5 will remain available for 180 days. Aggrieved Employees can access this information by clicking on  
6 the "Cases" tab on the website and scrolling to the section entitled "Zavala v. Post Acute Care  
7 Partners, Inc."

8 The Court sets a hearing date for the Final Accounting Hearing of November 13, 2025 at  
9 9:00 a.m. in Department CX105. Plaintiff's Counsel shall submit a final administrator's report at  
10 least 9 court days before the Final Accounting Hearing addressing the status of settlement  
11 administration, including the actual amounts paid to the Aggrieved Employees and the other  
12 amounts distributed under the settlement, including any uncashed checks.

13 Pursuant to Code of Civil Procedure section 664.6, the Court shall retain continuing  
14 jurisdiction over this action and the parties, including after entry of this Judgment, to the fullest  
15 extent necessary to interpret, enforce and effectuate the terms and intent of the Settlement  
16 Agreement.

17 Pursuant to Labor Code section 2699, subdivision(1)(3), Plaintiff shall submit a copy of this  
18 Judgment to the LWDA within 10 days after entry of the Judgment.

19  
20 **IT IS SO ORDERED, ADJUDGED, AND DECREED.**

21  
22 DATED: July 30, 2025

23   
24 \_\_\_\_\_  
25 MELISSA R. MCCORMICK  
26 JUDGE OF THE SUPERIOR COURT  
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## EXHIBIT A

## AMENDED PAGA SETTLEMENT AGREEMENT

This Private Attorneys General Act Claims Settlement Agreement and Release ("Agreement") is made by and between Plaintiff Rosario Zavala ("Plaintiff") on behalf of herself, the state of California, and for all similarly aggrieved employees ("Aggrieved Employees" as defined in Paragraph 1.4 below), on the one hand, and Defendant Post Acute Care Partners, Inc. ("Defendant"), on the other hand and subject to the approval of the Court in accordance with California Labor Code Section 2699(1)(2), and subject to the following terms and conditions. This Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

### 1. DEFINITIONS.

- 1.1 "Action" means the lawsuit that Plaintiff filed against Defendant captioned *Rosario Zavala v. Post Acute Care Partners, Inc.*, on November 17, 2023, Superior Court of the State of California, County of Orange, Case No.: 30-2023-01362792-CU-OE-CXC.
- 1.2 "Administrator" means ILYM Group, Inc., the neutral entity whom the Parties request the Court's approval to serve as Administrator of the Settlement ("Administrator").
- 1.3 "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount, if approved, for its services in administering this Settlement.
- 1.4 "Aggrieved Employee" means Plaintiff and all other non-exempt individuals ("Aggrieved Employees") who are or were employed by Defendants as non-exempt employees in the State of California during the time period of September 8, 2022, to June 30, 2023.
- 1.5 "Aggrieved Employee Data" means Aggrieved Employees' names, last-known mailing addresses, Social Security numbers and number of PAGA Pay Periods worked.
- 1.6 "Aggrieved Employee Address Search" means the Administrator's investigation and search for contact information for Aggrieved Employees whose contact information is incorrect which will be conducted using the National Change of Address database, skip traces and direct contact by the Administrator with Aggrieved Employees.
- 1.7 "Court" means the Superior Court of California, County of Orange.
- 1.8 "Defense Counsel" means Murphy Employment Defense, Inc.
- 1.9 "Effective Date" means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Order Approving this Agreement and (b) said Judgment becomes final. The Judgment is final on the day the Court enters Judgment.
- 1.10 "Gross Settlement Amount" means One Hundred Thousand Dollars and Zero Cents (\$100,000.00).

- 1.11 The PAGA Gross Settlement Amount is divided and allocated as follows, subject to Court Approval: (1) PAGA Settlement Awards to the Aggrieved Employees in the total sum of \$11,884.98 for civil penalties for the compromise of PAGA claims brought on behalf of Plaintiff and the Aggrieved Employees; (2) the LWDA PAGA Payment in the total sum of \$35,654.94; (3) Plaintiff's Counsel's attorneys' fees in the sum of \$33,333.33; (4) Plaintiff's enhancement payment in the amount of \$2,500.00; (5) PAGA Counsel's Litigation Expenses in the amount of \$11,626.75; and (6) Administrator's Expenses in the amount of \$5,000.00.
- 1.12 "Individual PAGA Payment" means each Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.13 "Judgment" means the judgment entered by the Court after granting the Parties' Motion for Approval.
- 1.14 "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subdivision (i).
- 1.15 "LWDA PAGA Payment" means the 75% of the PAGA Net Settlement Amount paid to the LWDA under Labor Code section 2699, subdivision (i).
- 1.16 "PAGA Net Settlement Amount," approximately \$47,539.92, the amount remaining to distribute to the LWDA and Aggrieved Employees after deductions from the PAGA Gross Settlement Amount, set forth in Section 1.10.1
- 1.17 "PAGA Counsel" means Tatiana Hernández of the Law Offices of Tatiana Hernandez, P.C. and Amir Seyedfarshi of Employment Rights Lawyers, APC, the attorneys representing the Plaintiff in the Action.
- 1.18 "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel in the amount of \$44,960.08 for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action. Attorneys' fees will be split among the law firms constituting PAGA Counsel as follows: 50% to Law Office of Tatiana Hernandez, P.C., and 50% to Employment Rights Lawyers, APC. No other fee-splitting arrangement with other counsel exists.
- 1.19 "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee received a paystub from Defendant during the PAGA Period.
- 1.20 "PAGA Period" means the period from September 8, 2022, to June 30, 2023.
- 1.21 "PAGA" means the Private Attorneys General Act (Lab. Code, § 2698. et seq.).
- 1.22 "PAGA Notice" means Plaintiff's September 8, 2023, letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).
- 1.23 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid

from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$11,884.98) and the 75% to LWDA (\$35,654.94) in settlement of PAGA claims.

- 1.24 "Plaintiff" means Rosario Zavala, the named plaintiff in the Action.
- 1.25 "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.26 "Released PAGA Claims" means the claims being released by the Plaintiff and the Aggrieved Employees, as defined in paragraph 5 below.
- 1.27 "Released Parties" means Defendant and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.
- 1.28 "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.
- 1.29 "Defendant" means Post Acute Care Partners, Inc.

## 2. RECITALS.

- 2.1 On November 17, 2023, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for the violation of Labor Code 2699 for (1) failure to provide compliant meal periods and/or pay meal period premiums; (2) failure to provide compliant rest breaks and/or pay rest break premiums; (3) failure to pay timely wages; (4) failure to reimburse necessary business expenses; (5) failure to pay all wages owed at termination; (6) failure to provide accurate itemized wage statements in violation of Labor Code Sections 201, 202, 203, 226, 226.7, 512, 1174, 2802, as well as applicable IWC Wage Orders, based on the foregoing (the "Released Claims"). The Complaint is the operative complaint in the Action (the "Operative Complaint"). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged.
- 2.2 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.3 On March 15, 2024, the Parties participated in an all-day mediation presided over by Steve Pearl, Esq. which led to this Agreement to settle the Action.
- 2.4 Prior to mediation, Plaintiff obtained, through informal discovery, a sampling of wage statements, employee files, and the details of the total number of the aggrieved employees and pay periods. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").
- 2.5 The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of

any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

### 3. MONETARY TERMS.

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay One Hundred Thousand Dollars and Zero Cents (\$100,000.00) and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

3.2.1 To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 33.33%, which is currently estimated to be \$33,333.33, and PAGA Counsel Litigation Expenses Payment of not more than \$11,626.75. Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2 To the Administrator: An Administrator Expenses Payment not to exceed five thousand dollars (\$5,000.00) except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less, or the Court approves payment less than \$5,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.3 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of forty-seven thousand five hundred thirty nine dollars and ninety-two cents (\$47,539.92) to be paid from the Gross Settlement Amount, with 75%, or thirty-five thousand six hundred fifty-four dollars and ninety-four cents (\$35,654.94) allocated to the LWDA PAGA Payment and 25%, or eleven thousand eight hundred eighty-four dollars and ninety-eight cents (\$11,884.98) allocated to the Individual PAGA Payments.



The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties eleven thousand eight hundred eighty-four dollars and ninety-eight cents (\$11,884.98) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

3.2.4. The lowest amount that an aggrieved employee will receive shall be \$1.11 and the highest amount will be \$23.31. The average amount will be approximately \$12.21.

3.2.5 Plaintiff will receive the amount of \$25,023.31 as her total compensation. This amount includes Plaintiff's individual settlement for her wrongful termination in the amount of \$25,000.00 and \$23.31 for Plaintiff's PAGA recovery.

#### **4. SETTLEMENT FUNDING AND PAYMENTS.**

4.1 Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are four hundred ten (410) Aggrieved Employees who worked a total ten thousand six hundred sixty-four (10,664) of PAGA Pay Periods.

4.2 Aggrieved Employee Data. Within fifteen (15) days of the date the Court enters an approval, Defendant will simultaneously deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than fourteen (14) days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within (14) days after Defendant funds the

Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Expenses Payment. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within seven (7) days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

4.4.3 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.4.4 The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount Plaintiff, the Aggrieved employees and PAGA Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Plaintiff and her respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors and assigns generally, release and discharge Released Parties from all claims, transactions or occurrences, including, but not limited to: all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and the PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but

agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

- 5.1.1 Plaintiff's Waiver of Rights Under Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

5.2 Release by Aggrieved Employees:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice.

5.3 Release by PAGA Counsel:

PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

6. **MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.** The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

- 6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code section 2699, subdivision (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Lab. Code, §2699, subd. (l)(1)), this Agreement (Lab. Code, § 2699, subd. (l)(2)); (iv) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (v) all facts relevant to any actual or potential conflict of

interest with Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiff and PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 6.2 Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than thirty (30) days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.
- 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

## **7. SETTLEMENT ADMINISTRATION.**

- 7.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for the purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

## **8. AGGRIEVED EMPLOYEE SIZE ESTIMATES and ESCALATOR CLAUSE**

Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, there are four hundred ten (410) Aggrieved Employees who worked ten thousand six hundred sixty-four (10,664) Pay Periods during the PAGA Period. If the total number of

PAGA periods increases by 10% during the PAGA period then the gross settlement amount will increase proportionately for every pay period in excess of 11,730 pay periods. Alternatively, Defendant may limit the PAGA period's ending date to June 30, 2023.

9. **CONTINUING JURISDICTION OF THE COURT.** The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters and (iii) addressing such post-Judgment matters as are permitted by law.

9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

## 10. ADDITIONAL PROVISIONS.

10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

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

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

- 10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action or right released and discharged by the Party in this Settlement.
- 10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties, except to the extent that the Released Parties as defined above are and will be released and not subject to this Paragraph.
- 10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 10.10 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.11 Confidentiality. To the extent permitted by law, all agreements made and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or California Rules of Court rule. Not later than 90 days after the Administrator discharges its

obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendant unless, prior to the Administrator's payment of all Settlement Funds, Defendant makes a written request to PAGA Counsel for the return, rather than the destruction, of Aggrieved Employee Data.

- 10.13 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 10.14 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 10.15 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Amir H. Seyedfarshi  
[amir@employmentrightslawyers.com](mailto:amir@employmentrightslawyers.com)  
EMPLOYMENT RIGHTS LAWYERS, APC.  
6380 Wilshire Blvd., Suite 1602  
Los Angeles, California 90048  
Telephone: (424) 777-0964

Tatiana Hernández, Esq.  
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315 South Beverly Drive, Suite 504  
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Telephone: (213) 909-4248  
Facsimile: (310) 388-0639

To Defendant:

Elizabeth Murphy, Esq.  
[emurphy@buchalter.com](mailto:emurphy@buchalter.com)  
BUCHALTER, APC  
1000 Wilshire Boulevard, Suite 1500  
Los Angeles, CA 90017-1730  
Telephone: (213) 891-0700  
Facsimile: (213) 896-0400

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

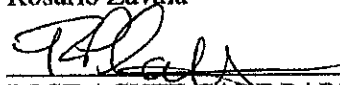
10.17 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to extend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

Dated: 06 / 17 / 2025



Rosario Zavala

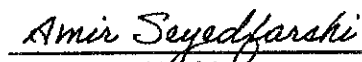
Dated: 06/21/2025



POST ACUTE CARE PARTNERS, INC.

EMPLOYMENT RIGHTS LAWYERS, APC

Dated: 06/17/2025



Amir Seyedfarshi

Attorney for Plaintiff, Rosario Zavala

LAW OFFICE OF TATIANA HERNANDEZ, P.C.

Dated: 06/17/2025



Tatiana Hernandez

Attorney for Plaintiff, Rosario Zavala

BUCHALTER, APC

Dated: June 26, 2025



Elizabeth Murphy

Attorney for Defendant, Post Acute Care Partners, Inc.



## EXHIBIT B

## NOTICE OF PAGA SETTLEMENT

*Rosario Zavala v. Post Acute Care Partners, Inc.*  
Superior Court of the State of California, County of Orange Case No. 30-2023-01362792-CU-OE-CXC

**ILYM Group, Inc.**  
P.O. Box 2031  
Tustin, CA 92781  
Telephone: (888) 290-6810

Name  
Address  
City, State, Zip

You are receiving this notice and a check made payable to you as a result of a lawsuit brought on a representative basis under the California Private Attorneys General Act, Labor Code §§ 2698 *et seq.* ("PAGA") by Plaintiff Rosario Zavala ("Plaintiff") against Defendant Post Acute Care Partners Inc. ("Defendant") (the "Action"). PAGA is a California statute that authorizes aggrieved employees to bring actions for civil penalties on behalf of themselves, other employees, and the State of California against their employers for Labor Code violations. Pursuant to the Labor Code, the civil penalties are allocated as follows: 75% to the State of California's Labor & Workforce Development Agency and 25% to the Aggrieved Employees. The following table sets forth the allocation of the settlement:

Gross Settlement Amount ("GSA")	\$100,000.00
Attorneys' Fees (1/3 of the GSA)	\$30,000.00
Litigation Costs	\$11,626.75
Settlement Administration Costs	\$5,000.00
Net Settlement Amount ("NSA")	\$53,373.25
Amount to LWDA (75% of NSA)	\$40,029.93
Amount to Aggrieved Employees (25% of NSA)	\$13,343.31

Through the Action, Plaintiff sought to recover civil penalties for purported violations of the California Labor Code on behalf of individuals who worked for Defendant during the time period September 8, 2022, to June 30, 2023, who were classified by Defendant as "non-exempt" employees in California and not part of any bargaining units represented by a union (the "Aggrieved Employees"). You are not a party to the Action, but you and the government will be bound by the Court's Order in this matter as to civil penalties. Specifically, Plaintiff alleged that Defendant owes civil penalties under PAGA for Defendant's for failure to provide compliant meal periods and/or pay meal period premiums; failure to provide compliant rest breaks and/or pay rest break premiums; failure to pay timely wages; failure to reimburse necessary business expenses; failure to pay all wages owed at termination; failure to provide accurate itemized wage statements.

Defendant denies all claims and allegations in the Action, denies that it owes any penalties to Plaintiff and/or the Aggrieved Employees, and asserts that it has fully complied with all applicable Labor Codes and all other provisions of law noted below. Nevertheless, to avoid further costs and time in defending the Action, Defendant has settled the Action, and the Court has approved the settlement and release of the PAGA claims. Note that this settlement does not release any underlying Labor Code claims you have against Defendant, rather, this settlement only releases your claims for civil penalties under PAGA. Specifically, the settlement resolves any and all claims for civil penalties based on the facts alleged in the operative complaint and the notice letter(s) to the LWDA. These include claims for civil penalties under PAGA for Defendant's alleged failure to pay all earned wages, failure to pay minimum wages, failure to pay overtime compensation, failure to pay reporting time wages, failure to timely pay wages pursuant to Labor Code section 204, failure to pay all wages upon separation from employment, failure to provide adequate itemized wage statements, failure to maintain payroll records pursuant to Labor Code section 1174, interest, fees, including fees under California Code of Civil Procedure section 1021.5, costs, and all other claims and allegations for civil penalties under PAGA made or which could have been made in the Action based on the facts and allegations pled in Plaintiff's PAGA Notice and Plaintiff's Complaint. By Order dated [INSERT DATE], the Superior Court of California for the County of Orange approved the settlement of the Action and the above release of PAGA claims. You cannot opt out of the settlement. If you do not cash your checks by the check cashing deadline you will still be bound by the release contemplated by the settlement.

Effective on the date when Defendant fully funds the entire Gross Settlement Amount, all Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice.

According to Defendant's records, you are among the Aggrieved Employees and are therefore entitled to a share of the PAGA settlement proceeds based upon the Court-approved allocation, which is based upon the pay periods you worked during the PAGA Period as a percentage of the pay periods worked during the PAGA Period by all Aggrieved Employees. Accordingly, you are receiving the enclosed settlement check in connection with the settlement of the PAGA claim for civil penalties, which shall remain valid for 180 days after mailing (the "Settlement Payment"). Checks remaining un-cashed for more than 180 days after issuance will become void and the funds will be paid to the California Labor & Workplace Development Agency.

Please Note: One hundred percent (100%) of your payment will be considered civil penalties; may be subject to local, state, and/or federal tax withholdings; and will be reported to the IRS and applicable state tax authorities on a 1099 basis. Note, no payroll deductions have been taken from your Settlement Payment. You should rely on your own tax advisors as to the tax consequences of your Settlement Payment. Neither Plaintiff nor Defendant has made or will make any representations or warranties regarding the taxation of your Settlement Payment. Nothing within this notice or any other communication shall constitute or be construed or relied upon as tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended).

Do not call or write the Court or Office of the Clerk to ask questions about the settlement or your Settlement Payment. If you have any questions, you may call or write to ILYM Group (the Settlement Administrator) using the contact information at the top of this correspondence.

The Settlement Administrator will maintain a website which can be accessed at the following URL: <https://www.ilymgroup.com/>. The Settlement Administrator's website will post the Court's Order and Judgment finally approving the Settlement, the Entry of Order, and the Settlement Agreement, which will remain available for 180 days. Aggrieved Employees can access this information by clicking on the "Cases" tab on the website and scrolling to the section entitled "Zavala v. Post Acute Care Partners, Inc."

## EXHIBIT C



## AVISO DE ACUERDO PAGA

Rosario Zavala v. Post Acute Care Partners, Inc.

Tribunal Superior del Estado de California, Condado de Orange Caso No. 30-2023-0 1362792-CU-OE-CXC

**ILYM Group, Inc.**

Apartado Postal 2031

Tustin, CA 92781

Teléfono: (888) 290-6810

Nombre

Dirección

Ciudad, Estado, Código Postal

Usted está recibiendo este aviso y un cheque que se le debe pagar como resultado de una demanda presentada a título representativo en virtud de la Ley General de Abogados Privados de California, Código Laboral §§ 2698 *et seq.* ("PAGA") por la Demandante Rosario Zavala ("Demandante") contra el Demandado Post Acute Care Partners Inc. ("Demandado") (la "Acción"). PAGA es un estatuto de California que autoriza a los empleados agraviados a presentar acciones por penalidades civiles en nombre propio, de otros empleados y del Estado de California contra sus empleadores por violaciones del Código Laboral. De conformidad con el Código Laboral, las penalidades civiles se asignan de la siguiente manera: 75% a la Agencia de Desarrollo Laboral y de la Fuerza Laboral del Estado de California y 25% a los Empleados Agraviados. La siguiente tabla establece la asignación del acuerdo:

Monto Bruto del Acuerdo ("GSA")	\$100,000.00
Honorarios de Abogados (1/3 de GSA)	\$33,333.33
Costos de Litigio	\$11,626.75
Costos de Administración del Acuerdo	\$5,000.00
Monto Neto del Acuerdo ("NSA")	\$53,373.25
Cantidad a LWDA (75% de NSA)	\$40,029.93
Importe a los Empleados Agraviados (25% de NSA)	\$13,343.31

A través de la Acción, el Demandante buscó recuperar las penalidades civiles por supuestas violaciones del Código Laboral de California en nombre de las personas que trabajaron para el Demandado durante el período del 8 de septiembre de 2022 al 30 de junio de 2023, que fueron clasificadas por el Demandado como empleados "no exentos" en California y no forman parte de ninguna unidad de negociación representada por un sindicato (los "Empleados Agraviados"). Usted no es parte de la Acción, pero usted y el gobierno estarán obligados por la Orden del Tribunal en este asunto en cuanto a penalidades civiles. Específicamente, el Demandante alegó que el Demandado debe penalidades civiles bajo PAGA ante la falta del Demandado al no proporcionar períodos de comida conformes y/o pagar las primas del período de comida; no proporcionar descansos conformes y/o pagar las primas de descanso; no pagar los salarios a tiempo; no reembolsar los gastos comerciales necesarios; no pagar todos los salarios adeudados al momento de la terminación; no proporcionar declaraciones de salarios detalladas y precisas.

El Demandado niega todas las reclamaciones y alegaciones en la Acción, niega que le deba ninguna penalización al Demandante y/o a los Empleados Agraviados, y afirma que ha cumplido plenamente con todos los Códigos Laborales aplicables y todas las demás disposiciones legales que se indican a continuación. Sin embargo, para evitar más costos y tiempo en la defensa de la Acción, el Demandado ha resuelto la Acción y el Tribunal ha aprobado el acuerdo y la liberación de las reclamaciones PAGA. Tenga en cuenta que este acuerdo no libera ninguna reclamación subyacente del Código Laboral que tenga contra el Demandado, sino que este acuerdo solo libera sus reclamaciones de penalidades civiles bajo PAGA. Específicamente, el acuerdo resuelve todas y cada una de las reclamaciones por penalidades civiles basadas en los hechos alegados en la demanda operativa y la(s) carta(s) de aviso a la LWDA. Estos incluyen reclamaciones por penalidades civiles bajo PAGA por la supuesta falta de pago de todos los salarios ganados, falta de pago de salarios mínimos, falta de pago de compensación por horas extras, falta de pago de salarios por tiempo de presentación de informes, falta de pago oportuno de salarios de conformidad con la sección 204 del Código Laboral, falta de pago de todos los salarios a la terminación del empleo, falta al proporcionar declaraciones de salarios detalladas adecuadas, falta de mantenimiento de registros de nómina de conformidad con la sección 1174 del Código Laboral, intereses, honorarios, incluidos los honorarios bajo la sección 1021.5 del Código de Procedimiento Civil de California, costos y todas las demás reclamaciones y alegaciones de penalidades civiles bajo PAGA hechas o que podrían haberse hecho en la Acción basada en los hechos y alegaciones alegadas en el Aviso PAGA del Demandante y la Demanda del Demandante. Por Orden de



fecha [INSERT DATE], el Tribunal Superior de California para el Condado de Orange aprobó el acuerdo de la Acción y la liberación anterior de las reclamaciones PAGA. No puede optar por no participar en el acuerdo. Si no cobra sus cheques antes de la fecha límite de cobro de cheques, seguirá estando sujeto a la liberación contemplada en el acuerdo.

A partir de la fecha en que el Demandado financie completamente el Monto Bruto del Acuerdo, se considera que todos los Empleados Agravados liberan, en nombre propio y de sus respectivos representantes, agentes, abogados, herederos, administradores, sucesores y cesionarios anteriores y actuales, a las Partes Liberadas de todas las reclamaciones por penalidades PAGA que se alegaron, o razonablemente podrían haberse alegado, en base a los hechos del Período PAGA establecidos en la Demanda Operativa y el Aviso PAGA.

Según los registros del Demandado, usted se encuentra entre los Empleados Agravados y, por lo tanto, tiene derecho a una parte de los ingresos del acuerdo PAGA en función de la asignación aprobada por el Tribunal, que se basa en los períodos de pago que trabajó durante el Período PAGA como porcentaje de los períodos de pago trabajados durante el Período PAGA por todos los Empleados Agravados. En consecuencia, recibirá el cheque de liquidación adjunto en relación con la liquidación de la reclamación PAGA por penalidades civiles, que seguirá siendo válida durante 180 días después del envío por correo (el "Pago del Acuerdo"). Los cheques que permanezcan sin cobrar durante más de 180 días después de su emisión se anularán y los fondos se pagarán a la Agencia de Desarrollo Laboral y del Lugar de Trabajo de California.

Tenga en cuenta: El cien por ciento (100%) de su pago se considerará una penalidad civil; puede estar sujeto a retenciones de impuestos locales, estatales y/o federales; y se informará al IRS y a las autoridades fiscales estatales correspondientes sobre una base de 1099. Tenga en cuenta que no se han deducido deducciones de nómina de su Pago del Acuerdo. Debe confiar en sus propios asesores fiscales en cuanto a las consecuencias fiscales de su parte del acuerdo. Ni el Demandante ni el Demandado han hecho ni harán ninguna representación o garantía con respecto a los impuestos de su Pago del Acuerdo. Nada de lo contenido en este aviso o en cualquier otra comunicación constituirá, se interpretará o se considerará como asesoramiento fiscal en el sentido de la Circular 230 del Departamento del Tesoro de los Estados Unidos (31 C.F.R. Parte 10, según enmendada).

No llame ni escriba al Tribunal o a la Oficina del Secretario para hacer preguntas sobre el Acuerdo o su Pago del Acuerdo. Si tiene alguna pregunta, puede llamar o escribir a ILYM Group (el Administrador del Acuerdo) utilizando la información de contacto que se encuentra en la parte superior de esta correspondencia.

El Administrador del Acuerdo mantendrá un sitio web al que se puede acceder en la siguiente URL: <https://www.ilymgroup.com/>. El sitio web del Administrador del Acuerdo publicará la Orden y el Fallo del Tribunal que finalmente aprueban el Acuerdo, la Inscripción de la Orden y el Acuerdo de Liquidación, que permanecerán disponibles durante 180 días. Los Empleados Agravados pueden acceder a esta información haciendo clic en la pestaña "Casos" en el sitio web y desplazándose a la sección titulada "Zavala v. Post Acute Care Partners, Inc."