

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

SUPERIOR COURT OF THE STATE OF CALIFORNIA – COUNTY OF SACRAMENTO

Sandra Muniz, et al. v. Sutter Valley Hospitals. (Sacramento County, Case No.: 34-2017-00209151-CU-OE-GDS).

Indicate Name/Address Changes, if any:

<<Name>>

<<Address>>

<<City>>, <<State>> <<Zip Code>>

XX - XX - _____

YOU MAY BE ENTITLED TO RECEIVE MONEY FROM A SETTLEMENT RELATED TO YOUR EMPLOYMENT WITH SUTTER VALLEY HOSPITALS (“SUTTER”).

A California court authorized this notice. This is not a solicitation from a lawyer.

YOU ARE HEREBY NOTIFIED that a proposed settlement (“the Settlement”) of the above class action (“the Action”) filed in Sacramento County Superior Court has been reached by the Parties and has been granted Preliminary Approval by the Court supervising the Action. The purpose of this Class Notice is to inform you of the Settlement of this class action and your legal rights.

- The proposed Settlement generally resolves claims regarding the following alleged wage and hour issues related to your employment with Sutter: For non-exempt employees, excluding surgical technicians, the Settlement resolves claims for failure to provide meal periods and pay premium pay; failure to provide rest periods and premium pay; failure to provide accurate wage statements; failure to timely pay all wages due upon separation of employment; violation of Business & Professions Code §§ 17200, *et seq.*; and penalties pursuant to California’s Private Attorneys General Act (“PAGA”). **Please see Section C below for further information regarding the claims you are releasing by participating in this Settlement.**
- The Settlement avoids costs and risks to you from continuing the lawsuit; pays money to you; and releases Sutter from liability for these employment-related claims.
- The two sides disagree on whether Sutter is liable for the allegations raised in this case and how much money could have been won if the employees won at trial. Sutter disputes and denies all of the claims alleged in the lawsuit.
- **Your legal rights may be affected. Read this notice carefully.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Get a Payment	If you are a Settlement Class Member, you will automatically receive payment. After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Settlement Administrator as explained on page 7 under “Change of Address.”
Exclude Yourself	Get no payment. Send a letter to the Settlement Administrator as provided on page 6 under “Exclude Yourself from the Settlement.” This is the only option that allows you to bring your own claim against Sutter about the legal claims in this case. However, if you are a PAGA-Affected Employee, you will receive payment for the PAGA Settlement regardless of whether you choose to exclude yourself.
Object	Send a letter to the Settlement Administrator as provided below about why you do not like the Settlement. Directions are provided on page 6 under “Object to the Settlement.”

WHY DID YOU RECEIVE THIS NOTICE?

This notice explains a proposed settlement of a lawsuit and informs you of your legal rights under that proposed settlement. You are receiving this notice because you may be a member of one of the classes on whose behalf this lawsuit has been brought, because you worked for Sutter from March 10, 2013, to September 23, 2022.

WHAT IS THIS LAWSUIT ABOUT?

Plaintiff Sandra Muniz filed a class and PAGA action on March 10, 2017, in Sacramento County Superior Court. On or around March 7, 2019, Daniel Wine was added as an additional Plaintiff. The operative complaint alleges the following causes of action on behalf of Plaintiff and the members of the putative class: (1) Failure to Provide Meal Periods and Pay Premium Wages; (2) Failure to Provide Rest Periods and Pay Premium Wages; (3) Failure to Provide Accurate Wage Statements; (4) Failure to Timely Pay All Wages Due Upon Separation of Employment; (5) Violation of California Business and Professions Code §17200; and (6) Violation of Cal. Labor Code §§ 2698, et seq. (“PAGA”). The lawsuit seeks recovery of wages, restitution, statutory and civil penalties, interest, attorneys’ fees, and costs.

Sutter denies any liability or wrongdoing of any kind associated with the claims alleged in the lawsuit and further denies that, for any purpose other than that of settling this lawsuit, the lawsuit is appropriate for class treatment. Sutter contends, among other things, that it complied at all times with the California Labor Code, the California Business and Professions Code, and all other applicable laws. The Court has made no ruling and will make no ruling on the merits of the Action and its allegations and claims.

WHY IS THIS A CLASS ACTION?

In a class action, one or more people, called Class Representatives (in this case Sandra Muniz and Daniel Wine), sue on behalf of people who have similar claims. All these people are a Class or Class Members.

WHY IS THERE A SETTLEMENT?

The Court did not decide in favor of Plaintiffs or Sutter. Instead, both sides agreed to a settlement. That way, they avoid the cost of a trial, and the people affected will get compensation. The Court has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate, and reasonable and that any final determination of those issues will be made at the final hearing.

WHAT DOES THE SETTLEMENT PROVIDE?

A. Who is in the Class?

This Settlement involves two separate Settlement Classes. The first is a Settlement Class that consists of all current and former non-exempt employees employed by Sutter from March 10, 2013, to or September 23, 2022, excluding surgical technicians. The second is a Waiting Time Penalty subclass consisting of all non-exempt employees in the Settlement Class whose employment with Sutter ended at any time from March 10, 2014, to September 23, 2022.

B. What Can I Get from The Settlement?

Sutter will pay a total of Fourteen Million and Two Hundred Fifty Thousand Dollars and No Cents (\$14,250,000.00) (the “Gross Settlement Amount” or “GSA”) to settle the lawsuit.

The following amounts will be paid from the GSA: all settlement payments to the Settlement Class, attorneys’ fees (not to exceed one-third of the GSA or \$4,750,000.00), litigation expenses not to exceed \$60,000.00, administrative costs estimated not to exceed \$99,000, 75% of the PAGA payment in the amount of \$375,000.00 to be paid to the California Labor & Workforce Development Agency, \$125,000.00 to be paid to the PAGA-Affected Employees, and an enhancement payment to each Class Representative in the amount of \$15,000 (total of \$30,000). After all this money is taken out, the amount left is called the “Net Settlement Amount”.

The funds for the GSA shall be furnished to the Settlement Administrator by Sutter. The Settlement Administrator shall then cause the Court-approved enhancement to the Class Representative, Court-approved attorneys’ fees and litigation costs, administration costs, and PAGA payment to be paid at the same time and manner as the settlement payments to the Settlement Class Members.

Your Individual Payment Amount.

The amount of the payments provided to Class Members will be calculated using (a) your total number of Compensable Workweeks (i.e., each workweek, or fraction thereof, you worked for Sutter during the Settlement Period as described above); (b) divided by the aggregate number of Compensable Workweeks of all Class Members; (c) multiplied by the per-workweek settlement value of the Net Settlement Amount, less any applicable withholding taxes. Settlement Class Members whose employment terminated at any time from March 10, 2014, to September 23, 2022, will be credited with an additional 6 Compensable Workweeks. For purposes of this Settlement, “Compensable Workweeks” will be calculated by counting the number of calendar days between each Class Member’s first and last days of employment in a class position during the applicable Class Period and dividing that sum by seven, without regard to any vacations, periods of illness, or leaves of absence taken during the Class Period.

You will also receive a pro rata share of the \$125,000.00 payment to the PAGA-Affected Employees if you worked for Sutter between January 4, 2016, and September 23, 2022.

According to Sutter's records, you were employed for approximately <<WEEKS>> Compensable Workweeks. Currently, it is estimated that based on your number of Compensable Workweeks, you will receive a minimum of \$<<ESA>>. This number may change slightly based on how much the court awards in attorneys' fees, litigation expenses, the enhancement payment to the Class Representatives, and the number of individuals who ask to be excluded from the Settlement.

If you believe the number of Compensable Workweeks listed above is incorrect, you need to contact the Settlement Administrator no later than **July 14, 2023**, and submit a brief statement stating the correct number of workweeks you believe you worked during the Class Period. You will also need to submit any evidence you have in support of your dispute.

Tax Matters.

The Settlement Administrator will distribute IRS Forms W-2 and 1099 (and the equivalent California forms) to Settlement Class Members reflecting the payments each Settlement Class Member receives under the Settlement. For tax purposes, the payments will be allocated as follows: 20% as wages; 80% as interest and penalties. Forms W-2 and/or Forms 1099 will be distributed at times and in the manner required by the Internal Revenue Code. Each Class Member who is a member of the Waiting Time Penalties Subclass will receive an additional six compensable workweeks credited, which will be treated one hundred percent (100%) as penalties and interest sought in the Lawsuit.

One hundred percent (100%) of the settlement payments to the PAGA-Affected Employees will be treated as payments in settlement of claims for penalties and interest sought in the Lawsuit.

Interest and penalties paid under this Settlement shall not be subject to federal, state, and local payroll tax withholding, but they may still constitute taxable income to you. The Settlement Administrator shall issue an IRS form 1099 for payments of interest and penalties. The usual and customary deductions will be taken out of the amounts attributable to unpaid wages. Settlement Class Members should consult with their tax advisors concerning the tax consequences of the payment they receive under the Settlement. Settlement Class Members are responsible for the appropriate payment of any federal, state and/or local taxes due on the Settlement payments they receive. This Notice does not constitute legal or tax advice regarding any tax issue, and nothing in this Notice is intended to or should be used by any person for the purpose of avoiding any tax liability or tax penalties.

Any and all employer payroll taxes that Sutter normally would be responsible for paying on the W-2 wage portions of the Settlement payments will be paid by Sutter outside of the GSA.

C. What Are You Giving Up To Get A Payment Or Stay In The Class?

Upon the date that Defendant fully funds the Gross Settlement Amount, Plaintiffs and each member of the Settlement Class, including the members of the Waiting Time Penalties Subclass, other than those who submit a timely request to opt out of the Settlement, will release and discharge Defendant, and any of its former and present parents, subsidiaries, divisions, and affiliated companies, and their respective officers, directors, employees, partners, shareholders, agents, successors, assigns, and legal representatives, from any and all claims, rights, demands, liabilities, and causes of action of every nature and description, arising from March 10, 2013 through September 23, 2022, including statutory, contractual, or common law claims for wages, damages, penalties, liquidated damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief – whether asserted under the California Labor Code, Business and Professions Code §§ 17200 et seq., the applicable wage orders at California Code of Regulations, Title 8, Section 11000 et seq., or otherwise – that arise out of or are reasonably related to the factual allegations that were alleged or could have been alleged in Plaintiffs' Complaint herein, including but not limited to: (a) any and all claims for failure to provide meal periods and/or pay meal premiums in lieu thereof at the correct regular rate of compensation, in accordance with *Ferra v. Loews Hollywood Hotel, LLC*, 11 Cal.5th 858 (2021); (b) any and all claims for failure to authorize and permit rest breaks and/or pay rest break premiums in lieu thereof at the correct regular rate of compensation, in accordance with *Ferra v. Loews Hollywood Hotel, LLC*, 11 Cal.5th 858 (2021); (c) any and all direct and derivative claims for failure to furnish accurate itemized wage statements in accordance with Labor Code section 226, including claims that Defendant failed to properly reflect weekend pay, shift differential pay, and/or overtime pay on its wage statements, and including any associated claims for penalties under Labor Code section 226(e); (d) any and all derivative claims for failure to provide wages when due upon separation of employment; and (e) any and all claims for attorneys' fees and costs. ("Class Members' Released Claims"). The Class Members' Released Claims only apply to claims that arise during the Class Period.

Upon the date that Defendant fully funds the Gross Settlement Amount, each and all of the PAGA-Affected Employees, regardless of whether they choose to exclude themselves from the Class Settlement, shall release Defendant, and any of its former and present parents, subsidiaries, divisions, and affiliated companies, and their respective officers,

directors, employees, partners, shareholders, agents, successors, assigns, and legal representatives, from any and all claims, rights, demands, liabilities, and causes of action arising from January 4, 2016 through September 23, 2022, arising out of the California Private Attorneys General Act of 2004, Labor Code §§2698 et seq., based on any of the underlying claims and factual allegations described in the preceding paragraph (“PAGA-Affected Employees’ Released Claims”). The PAGA-Affected Employees’ Released Claims only apply to claims that arise during the PAGA Period.

THE FINAL APPROVAL HEARING

Presently, the Court has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, reasonable, and adequate. The Court will conduct a final approval hearing regarding the proposed Settlement (the “Final Approval Hearing”) on **August 11, 2023, at 9:00 a.m.**, in Department 28 of the Sacramento County Superior Court. The Court will determine: (i) whether the Settlement should be given the Court’s final approval as fair, reasonable, adequate and in the best interests of the Settlement Class Members; (ii) whether the Settlement Class Members should be bound by the terms of the Settlement; (iii) the amount of the attorneys’ fees and litigation costs that should be awarded to Plaintiff’s counsel; and (iv) the amount that should be awarded to the Plaintiffs as an enhancement payment. At the Final Approval Hearing, the Court will hear all objections, as well as arguments for and against the proposed Settlement. You have a right to attend this hearing, but you are not required to do so. You also have the right to hire an attorney to represent you, or to enter an appearance and represent yourself. If you decide to hire an attorney to represent you, you will be solely responsible for paying any attorneys’ fees and/or costs associated with that representation. You are also permitted to appear remotely through Zoom by contacting the Court to schedule your appearance.

The Settlement Administrator will give notice to any objecting party of any continuance of the hearing on the Motion for Final Approval. Additionally, you may contact Plaintiffs’ counsel, listed in this Notice, to inquire into the date and time of the Final Approval hearing.

Condition of Settlement. This Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing fully and finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class.

WHAT ARE YOUR OPTIONS?

OPTION 1 – GET A PAYMENT

IF YOU ARE A SETTLEMENT CLASS MEMBER AND WISH TO RECEIVE YOUR SHARE OF THE SETTLEMENT, YOU DO NOT HAVE TO DO ANYTHING. YOU WILL AUTOMATICALLY RECEIVE A SETTLEMENT PAYMENT. YOU WILL NOT BE RETALIATED AGAINST FOR PARTICIPATING IN THE SETTLEMENT

You will never be required to go to court or pay anything to the lawyers in this case. The estimated amount of your Settlement Payment is set forth in this Notice. If you believe that the number of Compensable Workweeks stated is incorrect, you may dispute the number of Compensable Workweeks by submitting a letter to the Settlement Administrator. The letter must: (1) include a statement setting forth the number of Compensable Workweeks that you believe is correct; (2) include any supporting evidence or relevant documentation you may have for this statement. To be considered, the Form must be sent by first class U.S. mail to the Settlement Administrator and must be postmarked no later than **July 14, 2023**, 45 days after mailing of this Notice to you. If you believe that the number of Compensable Workweeks stated is correct, you do not have to do anything.

The Settlement Payment you will receive will be a full and final settlement of your Released Claims described above.

OPTION 2 – EXCLUDE YOURSELF FROM THE SETTLEMENT, GET NO MONEY FROM THE SETTLEMENT BUT KEEP THE RIGHT TO SUE

You have a right to exclude yourself (“opt out”) from the Settlement, but if you choose to do so, you will not receive any benefits from the proposed Settlement. You will **not** be bound by a judgment in this case, and you will have the right to file your own lawsuit against Sutter, subject to time limits called Statutes of Limitations and other potential defenses that Sutter may assert, and to pursue your own claims in a separate suit. However, you will not be able to opt out of the PAGA Award and will receive a portion of the PAGA Settlement regardless of whether you choose to exclude yourself from the Class Settlement.

You can opt out of the Settlement by mailing a letter by U.S. Mail to the Settlement Administrator. The letter must include the following information: (1) the case name and number (*Sandra Muniz, et al. v. Sutter Valley Hospitals*, (Sacramento County, Case No.: 34-2017-00209151); (2) a statement that “I wish to exclude myself from the Class Settlement, and I understand I will not receive a settlement payment for the Class Settlement,” or words to that effect; (3)

your address and phone number or your attorneys' address and telephone number (if you have one); and (4) be signed by you. To be valid, your request for exclusion must be postmarked no later than **July 14, 2023**.

• **OPTION 3 – OBJECT TO THE SETTLEMENT**

If you wish to remain a Settlement Class Member, but you object to the proposed settlement (or any of its terms) and wish the Court to consider your objection at the Final Approval Hearing, you may object to the proposed settlement in writing. Your writing must include the following: (1) the case name and number, *Sandra Muniz, et al. v. Sutter Valley Hospitals*. (Sacramento County, Case No.: 34-2017-00209151); (2) the grounds for the objection; and (3) your address and phone number or the address and phone number for your attorney. The letter must be dated and signed by you. The objection must be mailed to the Settlement Administrator: at **P.O. Box 2031, Tustin, CA 92781** and must be postmarked no later than **July 14, 2023**.

You may also appear in person or through an attorney, at your own expense, at the Final Approval hearing. However, it is not necessary for you to object to be able to appear. Furthermore, it is not necessary for you or your attorney to appear at the Final Approval Hearing in order for the objection to be considered by the Court. You are also permitted to appear remotely through Zoom by contacting the Court to schedule your appearance. You can appear at the Final Approval Hearing and raise an objection even if you did not submit a written objection by the 45-day deadline set forth above.

Any attorney who represents a Class Member objecting to this Settlement must file a notice of appearance with the Court on or prior to the Response Deadline.

COUNSEL FOR THE PARTIES

The Court approved the law firm of Graham Hollis APC to represent you and other Class Members. Together, the lawyers are called Class Counsel. You will not be charged for these lawyers--they will be paid out of the Settlement as described above. If you want to be represented by your own lawyer, you may hire one at your own expense. The attorneys for both parties are:

PLAINTIFFS'/CLASS COUNSEL:

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CHANGE OF ADDRESS

If you move after receiving this Notice, if it was misaddressed, or if for any reason you want your Settlement Payment or future correspondence concerning this Action to be sent to a different address, you must supply your preferred address to the Settlement Administrator.

GETTING MORE INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the settlement, you may review the detailed "Joint Stipulation for Class Action Settlement and Release," which is available for viewing online, free of charge, at the Settlement Administrator's website: www.ILYMgroup.com. The pleadings and other court records in the lawsuit are available online at <https://www.saccourt.ca.gov/> and may also be examined in person at any time during regular business hours at the Office of the Clerk of the Sacramento County Superior Court, 813 6th Street, Sacramento, California 95814.

ALL INQUIRIES REGARDING THIS LITIGATION SHOULD BE MADE TO THE SETTLEMENT ADMINISTRATOR OR CLASS COUNSEL.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT OR THE SETTLEMENT ADMINISTRATION PROCESS.