

**NOTICE OF CLASS ACTION SETTLEMENT**

***Sanders v. Kaiser Foundation Hospitals, et al.***  
**Superior Court of the State of California, County of San Francisco**  
**Case No.: CGC-21-594659**

If, at any time from August 20, 2016 through January 31, 2022, you applied for employment with Kaiser Foundation Hospitals or Kaiser Foundation Health Plan (collectively “Kaiser” or “Defendants”) and Kaiser procured a background check report on you for employment purposes, the above-titled class action lawsuit may affect your rights, and you may be entitled to a payment under the proposed settlement (the “Settlement”) described below.

You are not being sued. A court authorized this notice. This is not a solicitation from a lawyer.

**PLEASE READ THIS NOTICE CAREFULLY. IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHTS.**

- This is a class action lawsuit that involves a class defined as “all persons on whom Defendants obtained a consumer report for employment purposes between August 20, 2016 and January 31, 2022.
- Plaintiff in this class action, Danyell Sanders (“Plaintiff”) alleges that Defendants acquired consumer, investigative consumer, and/or consumer credit reports to conduct background checks on Plaintiff and other prospective current and former applicants for employment purposes without providing proper disclosures and obtaining proper authorization in violation of the Fair Credit Reporting Act (“FCRA”), along with similar state law claims under the California Investigative Consumer Reporting Agencies Act (“ICRAA”) and the California Consumer Credit Reporting Agencies Act (“CCRAA”).
- Defendants deny Plaintiff’s claims and assert that they have complied with all of their legal obligations to applicants and its employees. Defendants intended to vigorously defend against this lawsuit and deny any liability whatsoever.
- There has been a Settlement that affects your legal rights. Although the Court has authorized the Parties to provide this notice of the proposed settlement, the Court has expressed no opinion on the merits of Plaintiff’s claims or Defendants’ defenses.
- You have a number of options available to you:

<b>DO NOTHING</b>	By doing nothing, you <b>will</b> receive a share of the settlement proceeds, and you will give up any rights to sue Defendants and Released Parties separately regarding all claims and causes of action of whatever kind or nature that are alleged, related to or that reasonably could have arisen out of the same facts alleged in this class action.
-------------------	--

<b>ASK TO BE EXCLUDED (OPT OUT)</b>	You can request to not be part of this lawsuit.. If you ask to be excluded, you <b>will not</b> receive a monetary share of the Settlement proceeds, but you will keep any rights you may have to sue Defendants and the Released Parties separately about the same legal claims alleged in this lawsuit.
<b>OBJECT</b>	Object to the terms of this Settlement.

**Your options are explained in this Notice.  
To opt out of or object to the Settlement, you must act by JULY 31, 2023.**

**1. Why did I get this notice?**

A Settlement has been reached in a class action lawsuit that was brought on behalf of a class of people defined as “all persons on whom Defendants obtained a consumer report for employment purposes between August 20, 2016 and January 31, 2022.”

You have received this notice because Defendants’ records indicate that you are a member of this class.

**2. What is this lawsuit about?**

In this class action lawsuit, Plaintiff alleges on behalf of herself and a putative nationwide class the following claim against Defendants (1) violation of 15 U.S.C. §§ 1681b(b)(2)(A) (Fair Credit Reporting Act). If the case proceeded, Plaintiff may also have alleged violations of California’s Investigative Consumer Reporting Agencies Act (ICRAA), California’s Consumer Credit Reporting Agencies Act (CCRAA), and California’s Unfair Competition Law (UCL). The class action lawsuit asserts claims for statutory damages, punitive damages, restitution, injunctive and equitable relief, and attorneys’ fees and costs.

Defendants deny Plaintiff’s claims, and assert that they have complied with all of their legal obligations to applicants and its employees. If a Settlement had not been reached, Defendants would have vigorously defended against the lawsuit and was confident that they would have prevailed.

**3. Has the Court decided who is right?**

No. The Court has made no decision regarding the merits of Plaintiff’s allegations or Defendants’ defenses.

**4. Why did this case settle?**

The Parties reached a Settlement in order to avoid the risk and expense of further litigation. Plaintiff and her attorneys believe the Settlement is fair, adequate and in the best interest of the class members to whom it applies given the outcome of their investigation, the consumption of time and resources required in connection with further litigation, and the uncertainty in the law governing some of the claims presented. Although Defendants dispute Plaintiff’s claims and assert

they have complied with all of their legal obligations towards applicants and employees, Defendants also concluded that further litigation would be protracted, expensive, and would also divert resources and management and employee time.

## **5. What are the terms of the settlement and how much will I receive?**

Subject to final Court approval, Defendants will pay \$4,029,300 (the Gross Settlement Amount) for: (a) Settlement Payments to Participating Class Members; (b) the Court-approved Class Counsel's fees and costs; (c) the Court-approved Service Payment to the Class Representative; and (d) the Settlement Administration Costs.

**Participating Class Member Settlement Payments.** After deductions from the Gross Settlement Amount for attorneys' fees and costs, the Service Payment to the Class Representative, and the Settlement Administration Costs, there will be a Net Settlement Amount. From the Net Settlement Amount, Defendants will make a payment (Settlement Payment) to each Class Member who does not opt out of the Settlement Class on an equal *pro rata* share of the Net Settlement Amount. There will be a second distribution of uncashed checks to Class Members who cashed the first check. Any payments which are not cashed after the second distribution shall be transmitted to California Rural Legal Assistance.

While the precise amount of your Settlement Payment is not known at this time, if Defendants procured or caused to be procured a background check on you from August 20, 2016 through January 31, 2022 your estimated Settlement Payment is \$64.

None of the Parties or attorneys makes 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 Class Member.

If Notice to a Class Member was returned as undeliverable, and if the Settlement Administrator cannot locate a valid address for a Class Member with reasonable efforts, the Class Member will not be mailed a check and the money that would have gone to that Class Member will be redistributed to the other Participating Class Members whose Notices were not returned as undeliverable.

**Class Counsel Attorneys' Fees and Costs, Service Payment to Class Representative, and Administrative Costs.** Class Counsel will ask the Court for an award of reasonable attorneys' fees up to one-third of the Gross Settlement Amount and reasonable litigation costs. Class Counsel will also ask the Court to authorize a service payment to Class Representative in an amount not to exceed \$5,000.00 in addition to the Class Representative's portion of the Net Settlement Amount. The costs of administering the Settlement are estimated to be \$87,265.

## **6. What do I have to do to receive a share of the Settlement?**

If you wish to receive a payment under the terms of this Settlement, you do not have to do anything. However, it is advisable to confirm your current mailing address with the Settlement Administrator in order to ensure you receive your settlement share. You will be covered by the release summarized in Section 7, below.

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

Upon Final Approval by the Court, Plaintiff and each member of the Settlement Class shall fully and finally compromise, release, resolve, relinquish, and discharge the Released Parties, which is defined in the Settlement and includes Kaiser Foundation Hospitals and Kaiser Foundation Health Plan, as well as their predecessors, successors, parents, subsidiaries, affiliates, officers, directors, attorneys, insurers, and assigns, from any and all claims, causes of action, demands, and obligations, and all other forms of legal or equitable relief that were or could have been raised, whether such claims are known or unknown, arising from the factual allegations made in the Action relating in any way to background checks, reference checks, investigations, and/or consumer reports of any kind, including, without limitation, claims based on alleged violations of the Fair Credit Reporting Act (“FCRA”) 15 U.S.C. § 1681b, and any and all claims relating to the content of any background check disclosure and/or authorization document under California’s Investigative Consumer Reporting Agencies Act, Cal. Civ. Code § 1786, *et seq.* (“ICRAA”), California’s Consumer Credit Reporting Agencies Act, Cal. Civ. Code § 1785, *et seq.* (“CCRAA”), and California’s Unfair Competition Law, Cal. Bus. & Prof. Code § 17200 *et seq.* (“UCL”).

## **8. What if I do not wish to be involved?**

If you do not wish to participate in the Settlement, you may opt out of the Settlement – *i.e.*, exclude yourself from it – by submitting a Request for Exclusion. If you opt out of the Settlement by doing so, you will receive no money from the Settlement, and you will not be bound by its terms.

**To opt out, you must submit a Request for Exclusion by First-Class Mail postmarked no later than JULY 31, 2023.**

A Request for Exclusion is a letter or written request to the Settlement Administrator that includes: (1) your name; (2) your signature; and (3) the following statement, or something similar to: “I request to be excluded from the class action proceedings in the matter of *Sanders v. Kaiser Foundation Hospitals, et. al.*, Case No. CGC-21-594659 pending in the California Superior Court, County of San Francisco.”

If you do not submit a valid and timely executed Request for Exclusion (as evidenced by the postmark,) your Request for Exclusion will be rejected, and you will be a member of the Settlement Class and will be bound by all the terms of the Settlement and any judgment entered once the Settlement is finally approved by the Court.

The address for the Settlement Administrator is *Sanders v. Kaiser*, c/o Settlement Administrator, P.O. Box 23680, Jacksonville, FL 32241-3680.

**9. What if I have an objection?**

If you have not submitted a Request for Exclusion and believe the Settlement should not be finally approved by the Court for any reason, you may object to the Settlement. If you submit both a Request for Exclusion and an objection, the Request for Exclusion will be treated as effective, and the objection will be disregarded.

**To object to the Settlement in writing, you must submit by First-Class Mail a written objection to the Settlement Administrator postmarked by JULY 31, 2023** that includes: (1) your name; (2) your signature; (3) the reasons for the objection; (4) whether you intend to appear at the Final Approval Hearing; and (5) identification of the case: *Sanders v. Kaiser Foundation Hospitals, et. al.*, Case No. CGC-21-594659 pending in the California Superior Court, County of San Francisco.”

The Settlement Administrator shall forward copies of any written objections to Class Counsel and Defendants’ Counsel within three (3) days of receipt. Class Counsel shall submit copies of any objections received to the Court in conjunction with the filing of the motion for Final Approval of the Settlement.

However, even if you do not timely submit a written objection using the above procedure, you may still submit an objection directly to the Court by appearing at the Final Approval Hearing.

The address for the Settlement Administrator is *Sanders v. Kaiser*, c/o Settlement Administrator, P.O. Box 23680, Jacksonville, FL 32241-3680.

Even if you submit an objection, you will be bound by the terms of the Settlement unless the Settlement is not finally approved by the Court.

**10. Do I need a lawyer?**

You do not need to hire your own lawyer, because Class Counsel is working on your behalf. However, if you want your own lawyer, you are free to hire one at your own expense.

<u>Class Counsel</u>
Shaun Setareh
Thomas Segal
SETAREH LAW GROUP
9665 Wilshire Boulevard, Suite 430
Beverly Hills, CA 90212
Telephone: (310) 888-7771

**11. What happens next in the case?**

The Settlement has only been preliminarily approved by the Court. The Court will hold a hearing in the San Francisco County Superior Court, Department 613 located at 400 McAllister Street, San Francisco, CA 94102, on September 21, 2023 at 2:00 pm (Pacific Time), to consider any objections

and determine whether the settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class Counsel's requests for attorneys' fees and costs, the Service Payment to the Class Representative, and the Settlement Administration Costs. The hearing may be continued without further notice to you. It is not necessary for you to appear at this hearing.

## **12. How can I receive more information?**

This notice is a summary of the basic terms of the Settlement. For more information, please visit [www.sandersfcraclassaction.com](http://www.sandersfcraclassaction.com), where you will find copies of the Settlement Agreement, Preliminary Approval Order, and other relevant documents, including this Notice.

If you still have further questions regarding this Notice, they should be directed to the Settlement Administrator at (800) 843-3719 or to Class Counsel at the addresses listed above in this Notice.

You may also visit the Court's website, which is free to use, to inspect the docket. To find the docket on the Court's website, visit: <https://www.sfsuperiorcourt.org/online-services>, click on "Access Now" next to Case Query and then enter the case number: CGC-21-594659.

**Please do NOT telephone the Court, the Office of the Clerk, or Defendants or their counsel for information regarding this Settlement.**