

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE

Civil Complex Center
751 W. Santa Ana Blvd
Santa Ana, CA 92701

SHORT TITLE: Bailey vs. National Therapeutic Services, Inc.

**CLERK'S CERTIFICATE OF MAILING/ELECTRONIC
SERVICE**

CASE NUMBER:
30-2020-01161466-CU-OE-CXC

I certify that I am not a party to this cause. I certify that the following document(s), Amended Order Granting Motion for Approval of PAGA Action Settlement dated 09/19/22, have been transmitted electronically by Orange County Superior Court at Santa Ana, CA. The transmission originated from Orange County Superior Court email address on September 19, 2022, at 2:13:59 PM PDT. The electronically transmitted document(s) is in accordance with rule 2.251 of the California Rules of Court, addressed as shown above. The list of electronically served recipients are listed below:

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FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF ORANGE
CENTRAL JUSTICE CENTER

SEP 19 2022

DAVID H. YAMASAKI, Clerk of the Court

BY: LM, DEPUTY

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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF ORANGE**

10 AMANDA BAILEY, an individual, on behalf of
11 the State of California as a private attorney
12 general, and on behalf of all others similarly
situated,

13 Plaintiff,

14 v.

15 NATIONAL THERAPEUTIC SERVICES,
16 INC., doing business as NORTHBOUND
17 TREATMENT SERVICES, a Nevada
corporation; JOSHUA HOUSE, LLC, a
18 California limited liability company; and DOES
19 1 through 50, inclusive,

20 Defendants.

Case No.: 30-2020-01161466-CU-OE-CXC

Assigned for all purposes to:
Hon. Glenda Sanders
Dept. CX101

AMENDED ORDER GRANTING
MOTION FOR APPROVAL OF PAGA
ACTION SETTLEMENT [RELATED TO
ROA #62]

PAGA Approval Hearing

Date: July 22, 2022

Time: 1:30 p.m.

Dept: CX101

AMENDED ORDER

Plaintiff Amanda Bailey (“Plaintiff”) and Defendants National Therapeutic Services, Inc. doing business as Northbound Treatment Services and Joshua House, LLC (“Defendants”); Plaintiff and Defendants collectively referred to herein as the “Parties”, have reached terms of settlement of this action alleging a claim for relief pursuant to the Labor Code Private Attorneys General Act of 2004, § 2698, et seq. (“PAGA”). Having considered Plaintiff Amanda Bailey’s Motion for Approval of PAGA Action Settlement (“PAGA Approval Motion”), the Parties’ Joint Stipulation of Representative PAGA Action Settlement, the supplemental filings in support of the PAGA Approval Motion, the arguments of counsel, and other matters before the Court in this action, and finding good cause,

IT IS HEREBY ORDERED THAT:

1. This Order incorporates by reference the definitions of the parties’ Amended Joint Stipulation of Representative PAGA Action Settlement (“PAGA Settlement Agreement or Settlement or Settlement Agreement”) dated August 23, 2022, attached as Exhibit “1” to the Further Supplemental Declaration of Jennifer L. Connor [ROA #96], as though fully set forth herein, and all capitalized terms used herein shall have the same meaning as set forth in the PAGA Settlement Agreement.

2. The parties’ PAGA Settlement Agreement represents a reasonable and adequate settlement of highly disputed claims, satisfies the purposes of the California Private Attorneys General Act of 2004, and is hereby approved.

3. The Aggrieved Employees are defined as follows:

All non-exempt individuals who are or were employed by Defendants National Therapeutic Services, Inc. doing business as Northbound Treatment Services and/or Joshua House, LLC in the State of California during the PAGA Period.

The PAGA Period is further defined as the period beginning on May 21, 2019 and ending on the date of approval of the Settlement.

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2 4. Pursuant to the terms of the Settlement, the released persons and entities include
3 Defendants (as defined above) and their past or present parents, subsidiaries, and affiliated
4 corporations, officers, directors, employees, partners, agents, insurers, and/or any other individual
5 or entity that could be liable for the acts or omissions of the Defendants.

6 5. Upon entry of an order approving the Settlement, PAGA claims are released as
7 follows:

8 The PAGA Release. Upon the Effective Date, each Aggrieved Employee (including
9 Plaintiff) and the California Labor and Workforce Development Agency shall, for
10 the PAGA Period, fully release and forever discharge Defendants and the Released
11 Parties from any and all claims for the recovery of civil penalties under PAGA only,
12 that could have been asserted in the Action based on the facts alleged. It is expressly
13 understood and agreed that this Settlement only includes a full release of the PAGA
claim for underlying violations of Labor Code §§ 201, 202, 203, 204, 210, 212, 221,
226, 226.3, 226.7, 450, 510, 512, 1174, 1194, 1197, 1197.1, 1198, 1199, 2800, and
2802, along with relevant IWC Wage Order(s), including Wage Order 4-2001
Sections 11 and 12, and for any other PAGA violations based on the facts alleged or
that could have been alleged in the Complaint during the PAGA Period.¹

14 6. The allocation of the settlement funds among the Aggrieved Employees, the State of
15 California, and Plaintiff's counsel is fair, just, reasonable, adequate, and equitable to all concerned,
16 and is approved to the extent required under Labor Code § 2699(1).

17 7. The Gross PAGA Settlement Amount ("GPSA") means the *non-reversionary*
18 settlement amount of ***Two Hundred and Fifty Thousand Dollars (\$250,000.00)*** that Defendants
19 shall pay to settle this Action. The Gross PAGA Settlement Amount includes deductions for the
20 following:

21 (a) Plaintiff's Counsel's Attorneys' Fees

22 (b) Plaintiff's Counsel's Costs for litigation;

23 (c) Plaintiff's PAGA Representative Enhancement Award; and

24 (d) Settlement Administration Costs.

25
26 ¹ According to the Settlement, the effective date ("Effective Date") means the later of: (i) the date
27 the Court enters an order granting approval of the Settlement, provided no appeal or motion for
28 reconsideration or other efforts to obtain review has been filed; or (ii) if an appeal, review, or writ
is sought, the date on which the highest reviewing court renders its decision denying any petition
(where the immediately lower court affirmed the final judgment) or affirming the final judgment.

1 After the foregoing deductions, the Net Settlement Amount (“NSA”) will be available as for
2 distribution to the Aggrieved Employees and the LWDA as PAGA Penalties. Of this amount, 75%
3 of the NSA will be allocated to the LWDA; and 25% of NSA shall be allocated to the Aggrieved
4 Employees.

5 8. The Court appoints CPT Group, Inc. as the Settlement Administrator and approves
6 the Settlement Administration Costs of \$12,000.

7 9. The Court approves as to form and content the Notice of Settlement of PAGA
8 Representative Action which is attached at **Exhibit “1”** hereto.²

9 10. The Court approves the PAGA Representative Award of \$6,500 to Plaintiff
10 Amanda Bailey.

11 11. The Court finds Plaintiff’s Counsel’s attorneys’ fees and cost request to be
12 reasonable under the circumstances, and approves the award of \$83,333 in attorneys’ fees and
13 \$8,725.07 in costs.

14 12. The Parties are ordered to carry out the Settlement according to the terms of the
15 PAGA Settlement Agreement.

16 13. The Court shall retain jurisdiction with respect to the interpretation, implementation,
17 and enforcement of the terms of the Settlement, and all orders and judgments entered in connection
18 therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for the
19 purposes of the same pursuant to California Code of Civil Procedure section 664.6.

20 14. Upon full compliance with this Order, the Court will enter a dismissal with prejudice
21 at the final accounting hearing.

22 15. Based on a settlement administration timeline that includes 180 days to negotiate
23 settlement checks, the reporting of compliance will be made at the final accounting hearing set for
24 April 26, 2023 at 1:30 p.m. in Department CX101 with a declaration regarding distribution of the
25 settlement funds to be submitted nine (9) court days prior to the final accounting hearing.

26
27 ² The Notice of Settlement of PAGA Representative Action was also previously submitted and is
28 attached at Exhibit “2” to the Declaration of Jennifer L. Connor in support of the PAGA Approval
Motion [ROA # 59].

16. Within ten (10) days after entry of a judgment or order approving, denying, or modifying the award of civil penalties contemplated by this Settlement Agreement, Plaintiff's Counsel will submit a copy of the judgment or order to the LWDA pursuant to section 2699(l)(3) of the Labor Code.

IT IS SO ORDERED:

Dated: September 19, 2022

Hon. Glenda Sanders
Judge of the Superior Court

EXHIBIT 1

NOTICE OF SETTLEMENT OF PAGA REPRESENTATIVE ACTION

Bailey v. National Therapeutic Services, Inc., et al.

Superior Court for the State of California, County of Orange, Case No. 30-2020-01161466-CU-OE-CXC

Aggrieved Employee

Address

Address

You are receiving this notice in connection with a Court-approved settlement in a lawsuit (“the Action”) brought on a representative basis under the Private Attorneys General Act, Labor Code § 2698 *et seq.* (“PAGA”). The plaintiff in the lawsuit is Amanda Bailey (“Plaintiff”) and the defendants are National Therapeutic Services, Inc. d/b/a Northbound Treatment Services and Joshua House, LLC (collectively, “Defendants”). The Action seeks civil penalties for purported violations of the California Labor Code on behalf of all persons who worked in California for Defendants as non-exempt employees during the PAGA Period (May 21, 2019 through the date of approval of the settlement) (“Aggrieved Employees”). The PAGA statute provides that 75% of any recovery be paid to the State of California and 25% of any recovery be paid to the “aggrieved employee” group, which in this case is the group of Aggrieved Employees of Defendants.

Civil penalties under the PAGA in this Action are predicated on Defendants alleged failure to: (1) pay wages, including minimum and overtime wages, for all hours worked; (2) provide timely and compliant meal and rest breaks and pay premiums owed thereon; (3) maintain and provide accurate itemized wage statements; (4) reimburse all necessary business expenses incurred; and (5) timely pay wages during and upon termination of employment. Defendants deny all claims and allegations in the Action, deny that they owe any penalties, and assert that they have fully complied with all applicable Labor Code provisions. Nevertheless, to avoid further costs and time in defending the Action, Defendants have settled the Action. By settling the Action, Defendants are not admitting that they have done anything wrong.

Pursuant to the settlement, each Aggrieved Employee shall, for the PAGA Period, fully release and forever discharge Defendants and their past or present parents, subsidiaries, and affiliated corporations, officers, directors, employees, partners, agents, insurers, and/or any other individual or entity that could be liable for the acts or omissions of the Defendants (collectively, “Released Parties”) from any and all claims for the recovery of civil penalties under the PAGA only, that could have been asserted in the Action based on the facts alleged in the operative complaint. It is expressly understood and agreed that this settlement only includes a full release of the PAGA claim for underlying violations of Labor Code §§ 201, 202, 203, 204, 210, 212, 221, 226, 226.3, 226.7, 450, 510, 512, 1174, 1194, 1197, 1197.1, 1198, 1199, 2800, and 2802, along with the relevant Industrial Welfare Commission (“IWC”) wage order(s), including Wage Order 4-2001 Sections 11 and 12, and for any other PAGA violations based on the facts alleged or that could have been alleged in the operative complaint during the PAGA Period (the “PAGA Released Claims”). This settlement excludes all other legal claims.

By an Order dated [Approval Date], the Superior Court approved the settlement of the PAGA Action. By approving the settlement, the Court did not decide in favor of either Plaintiff or Defendants.

According to Defendants’ records, you are an Aggrieved Employee and therefore entitled to a share of the settlement (“Individual PAGA Payment”) based upon the Court approved allocation. Enclosed with this Notice is your check representing your Individual PAGA Payment. The settlement check shall remain valid for 180 days.

Please Note: One hundred percent (100%) of your Individual PAGA Payment under this settlement will be considered penalties and may be subject to local, state, or federal tax withholdings and will be reported to the IRS and state tax authorities. You should rely on your own tax advisors as to the tax consequences of your Individual PAGA Payment. Neither Plaintiff nor Defendants have made any representations or warranties regarding the taxation of your Individual PAGA Payment. Nothing in this notice or any other communication shall constitute or be construed or relied upon as tax advice.

PLEASE DO NOT CALL OR WRITE THE COURT OR OFFICE OF THE CLERK TO ASK QUESTIONS ABOUT THE SETTLEMENT. IF YOU HAVE ANY QUESTIONS, YOU MAY CONTACT THE SETTLEMENT ADMINISTRATOR AT:

[SETTLEMENT ADMINISTRATOR]

[ADDRESS]