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6 Attorneys for Plaintiff and the Aggrieved Employees

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8  
9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
10 **FOR THE COUNTY OF ORANGE**  
11

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

14  
15 Plaintiff,

16 v.

17 NATIONAL THERAPEUTIC SERVICES,  
INC., doing business as NORTHBOUND  
18 TREATMENT SERVICES, a Nevada  
corporation; JOSHUA HOUSE, LLC, a  
19 California limited liability company; and DOES  
20 1 through 50, inclusive,

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

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

**FURTHER SUPPLEMENTAL  
DECLARATION OF JENNIFER L.  
CONNOR IN SUPPORT OF MOTION  
FOR APPROVAL OF PAGA ACTION  
SETTLEMENT [RELATED TO ROA #62]**

PAGA Approval Hearing  
Date: September 2, 2022  
Time: 1:30 p.m.  
Dept: CX101

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1. I am attorney licensed to practice before all courts of the State of California. I have personal knowledge of the facts herein and, if called as a witness, I could and would competently testify to them.

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redline edits showing those amendments, that are now incorporated into Exhibit “1” and were made to the original long-form Joint Stipulation of Representative PAGA Action Settlement previously submitted, is attached at **Exhibit “2”** hereto.

5. In the relevant Minute Order, the Court prompted:

2. The court, in further reviewing the Joint Stipulation of Settlement, notes that Paragraphs 60 and 62 of the Agreement purport to authorize the parties to amend or modify the Agreement without court approval. The Agreement must indicate that court approval is required for all amendments or modifications.

In response, the Parties modified Paragraphs 60 and 62 to reflect the requirement that any amendments or modifications require Court approval. Further, the Parties added similar language to Paragraph 63 out of an abundance of caution, given that it likewise deals with modifications of the agreement. (*See* Exhibit 1.) Again, per the Court’s instructions, a true and correct copy of the redline edits showing those amendments, now incorporated into Exhibit 1, that were made to the long-form Joint Stipulation of Representative PAGA Action Settlement previously submitted, is attached at **Exhibit “2”** hereto.

I declare under penalty of perjury, under the laws of the State of California and the United States of America, that the foregoing is true and correct.

Executed this 23rd day of August, 2022, at San Diego, California.

  
Jennifer L. Connor

# **EXHIBIT 1**

1 ANTHONY J. ORSHANSKY, Cal. Bar No. 199364  
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12 *Attorneys for Defendants National Therapeutic*  
13 *Services, Inc. and Joshua House, LLC*

14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
15 **FOR THE COUNTY OF ORANGE**

16 AMANDA BAILEY, an individual, on  
17 behalf of the State of California as a private  
attorney general, and on behalf of all others  
18 similarly situated,

19 Plaintiff,

20 vs.

21 NATIONAL THERAPEUTIC SERVICES,  
INC., doing business as NORTHBOUND  
22 TREATMENT SERVICES, a Nevada  
corporation; JOSHUA HOUSE, LLC, a  
23 California limited liability company; and  
DOES 1 through 50, inclusive,

24 Defendants.  
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Case No. 30-2020-01161466-CU-OE-CXC

**AMENDED JOINT STIPULATION OF  
REPRESENTATIVE PAGA ACTION  
SETTLEMENT**

[Assigned for all purposes to the  
Honorable Glenda Sanders]

Complaint: September 22, 2020  
None Set

1 This Amended Joint Stipulation of PAGA Representative Action Settlement  
2 (“Stipulation”) is made and entered into by and between plaintiff Amanda Bailey (“Plaintiff”), as  
3 an individual and as a representative of other individuals and the State of California, and  
4 defendants National Therapeutic Services, Inc. doing business as Northbound Treatment Services  
5 and Joshua House, LLC (“Defendants”) (collectively, Plaintiff and Defendants are referred to as  
6 the “Parties”), by and through their attorneys of record, as follows:

7 **I. DEFINITIONS**

8 The following definitions are applicable to this Stipulation. Definitions contained  
9 elsewhere in this Stipulation will also be effective.

10 1. “Action” means the action entitled *Amanda Bailey v. National Therapeutic*  
11 *Services, Inc. dba Northbound Treatment Services, Joshua House, et al.*, Orange County Superior  
12 Court Case No. 30-2020-01161466-CU-OE-CXC

13 2. “Aggrieved Employees” means all non-exempt individuals who are or were  
14 employed by Defendants National Therapeutic Services, Inc. doing business as Northbound  
15 Treatment Services and/or Joshua House, LLC in the State of California during the PAGA Period.  
16 If an Aggrieved Employee is incompetent or deceased, then that person’s legal guardian, executor,  
17 heir or successor-in-interest is an “Aggrieved Employee” for purposes of the Settlement.  
18 Defendants have estimated that there are approximately 174 Aggrieved Employees (51 current  
19 Aggrieved Employees; 123 former Aggrieved Employees).

20 3. “Aggrieved Employee List” means a complete list of all Aggrieved Employees that  
21 Defendants will diligently and in good faith compile from their records and provide to the  
22 Settlement Administrator within ten (10) business days after the date that the Court approves the  
23 Settlement. The Aggrieved Employee List will be formatted as a Microsoft Office Excel  
24 spreadsheet and will include each Aggrieved Employee’s: (a) full name, (b) last known address,  
25 (c) last known telephone number, (d) Social Security number, (e) dates of employment; and (f)  
26 the respective number of Pay Periods that each Aggrieved Employee worked as a non-exempt  
27 employee for Defendants in California during the PAGA Period.

28 4. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and

approved by the Court for Plaintiff's Counsel's litigation and resolution of the Action, and all costs incurred and to be incurred by Plaintiff's Counsel in the Action, including, but not limited to, fees and costs associated with court filings, documenting the Settlement, securing the Court's approval of the Settlement, and obtaining entry of the Judgment terminating the Action. Plaintiff's Counsel will request attorneys' fees from the Court in an amount not to exceed 33-1/3% of the Gross PAGA Settlement Amount, or Eighty-Three Thousand Three Hundred Thirty-Three Dollars (\$83,333.00), subject to the Court's approval. Plaintiff's Counsel will also request reimbursement of costs incurred by Plaintiff's Counsel's litigation and resolution of the Action in an amount up to Fifteen Thousand Dollars (\$15,000.00), subject to the Court's approval.

5. "Court" means the Superior Court of the State of California for the County of Orange or any other court taking jurisdiction of the Action.

6. "Defendants" means National Therapeutic Services, Inc. doing business as Northbound Treatment Services and Joshua House, LLC.

7. "Defendants' Counsel" means Walraven & Westerfeld LLP and its attorneys Brian Selvan and Tianyao (Calvin) Zhou.

8. "Effective Date" means the later of: (i) the date the Court enters an order granting approval of the Settlement, provided no appeal or motion for 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.

9. "Individual Settlement Payment" means the *pro rata* amount payable to each Aggrieved Employee from the 25% portion of the Net Settlement Amount allocated to payments to the Aggrieved Employees.

10. "Gross PAGA Settlement Amount" means the non-reversionary settlement amount of Two Hundred and Fifty Thousand Dollars (\$250,000.00) that Defendants shall pay to settle this Action. The Gross PAGA Settlement Amount includes: (a) Plaintiff's Counsel's Attorneys' Fees and Costs; (b) Plaintiff's PAGA Representative Enhancement Award; (c) Settlement Administration Costs; (d) the 75% PAGA Penalties Payment allocated to the LWDA; and (e) the

25% Individual Settlement Payments from the PAGA Penalties Payment allocated to the Aggrieved Employees.

11. “Judgment” means the Court’s Judgment approving the Settlement, substantially in the form attached hereto as **Exhibit 1**, including any revisions required by the Court.

12. “LWDA” means the California Labor and Workforce Development Agency.

13. “Net Settlement Amount” means the total amount that will be paid to the LWDA and the Aggrieved Employees pursuant to Paragraphs 35. The Net Settlement Amount is equivalent to the Gross PAGA Settlement Amount less deductions for the Court-approved Plaintiff’s Counsel Attorneys’ Fees and Costs, Plaintiff’s PAGA Representative Enhancement, and Settlement Administration Costs.

14. “PAGA Period” means the period beginning on May 21, 2019, and ending on the date of approval of the Settlement.

15. “PAGA” means the Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.*

16. “PAGA Released Claims” means a full release of the civil penalties recoverable under the PAGA claim for underlying violations of California 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. The specific terms and details of which are set forth in Paragraph 41.

17. “PAGA Representative Enhancement Award” means the Court-approved amount to be paid to Plaintiff in recognition of her time and service to the Aggrieved Employees and the State of California in pursuing the Action and in fulfilling her obligations as the lead Aggrieved Employee. Plaintiff’s Counsel will request that the Court approve a PAGA Representative Enhancement Award in an amount not to exceed Six Thousand Five Hundred Dollars (\$6,500.00).

18. “PAGA Payment Letter” means a letter that the Settlement Administrator will send to each Aggrieved Employee with his or her Individual Settlement Payment, in a format that will

1 be proposed by Parties and provided to the Court for approval, including any revisions required  
2 by the Court.

3 19. “Parties” means the Plaintiff and Defendants collectively.

4 20. “Pay Period” means a pay period that an Aggrieved Employee worked for  
5 Defendants in the State of California during the PAGA Period.

6 21. “Plaintiff” means Plaintiff Amanda Bailey.

7 22. “Plaintiff’s Counsel” means lead counsel for Plaintiff in this Action, CounselOne,  
8 PC, and its attorneys Anthony Orshansky and/or Jennifer Connor.

9 23. “Plaintiff’s Individual Release of Claims” means in her capacity as a private  
10 attorney general or “aggrieved employee” acting on behalf of herself and on behalf of Aggrieved  
11 Employees, and in consideration of the enhancement payment for an individual general release,  
12 Plaintiff hereby releases Defendants and Released Parties from any and all PAGA Released  
13 Claims that arose during the PAGA Period. Plaintiff further agrees to release, in addition to the  
14 PAGA Released Claims, all claims, whether known or unknown, under federal law or state law  
15 (including her individual wage and hour claims) against the Released Parties, but excluding any  
16 and all claims alleged or that could have been alleged based on the facts set forth in Plaintiff’s  
17 pending lawsuit against Defendant National Therapeutic Services, Inc. (Orange Co. Sup. Ct. Case  
18 No. 30-2021-01192045-CU-WT-NJC) (“Wrongful Termination Action”). The specific facts and  
19 details of which are set forth in Paragraphs 43 and 44.

20 24. “Released Parties” means Defendants and their past or present parents, subsidiaries,  
21 and affiliated corporations, officers, directors, employees, partners, agents, insurers, and/or any  
22 other individual or entity that could be liable for the acts or omissions of the Defendants.

23 25. “Settlement Administration Costs” means the costs payable from the Gross PAGA  
24 Settlement Amount to the Settlement Administrator for administering this Settlement. The  
25 Settlement Administration Costs are currently estimated to be no more than Twelve Thousand  
26 Dollars (\$12,000.00).

27 26. “Settlement Administrator” means CPT Group, Inc. or any other settlement  
28 administrator agreed to by the Parties and approved by the Court.

27. “Settlement” shall mean the settlement between the Parties that is memorialized in this Stipulation and subject to Court approval.

28. “Stipulation” means this Joint Stipulation of PAGA Representative Action Settlement, and its Exhibits, attached hereto and incorporated herein, including all subsequent amendments agreed to in writing by the Parties and any exhibits to such amendments.

## RECITALS

29. PAGA Notice Letters to LWDA. On May 21, 2020, Plaintiff filed a “PAGA Notice” letter with the LWDA, advising the LWDA that the Plaintiff intended to seek civil penalties pursuant to PAGA for Defendants’ 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.

30. Complaint Filed In Orange County Superior Court. On September 22, 2020, Plaintiff filed a lawsuit under PAGA seeking civil penalties for alleged violations of the California Labor Code. Specifically, her Complaint alleged the following causes of action: (1) Failure to Pay Minimum Wages for All Hours Worked; (2) Failure to Pay All Overtime Wages; (3) Failure to Provide Timely and Compliant Meal Periods; (4) Failure to Provide Timely and Compliant Rest Periods; (5) Failure to Maintain Accurate Itemized Wage Statements; (6) Failure to Furnish Accurate Itemized Wage Statements; (7) Failure to Reimburse Necessary Business-Related Expenses Incurred; and (8) Failure to Timely Pay Wages During And Upon Termination of Employment. In the Action, Plaintiff sought civil penalties on behalf of all hourly-paid or non-exempt employees of Defendants who worked in the State of California.

31. Mediation And Settlement. On June 30, 2021, the Parties and their counsel participated in a full-day mediation with the Honorable Leo Papas (Ret.), a well-respected mediator with considerable experience mediating wage and hour class actions and PAGA representative actions. At the conclusion of the June 30, 2021 mediation, the Parties reached an agreement to resolve the Action pursuant to terms set forth in a Memorandum of Understanding. This Stipulation formalizes the agreement reached by the Parties.

## **TERMS OF SETTLEMENT**

### **A. Conditional Nature of the Settlement**

32. All Terms Subject to Court Approval. California Labor Code § 2699(1)(2) requires that the Court review and approve any penalties sought as part of a proposed settlement agreement pursuant to PAGA. All amounts and procedures described in this Stipulation are subject to the Court's approval. Should the Court not approve the Settlement, the Parties shall request leave to, and jointly attempt in good faith to, modify this Settlement in order to obtain the Court's approval, while remaining consistent with the underlying principles agreed to at the mediation.

### **B. Settlement Consideration and Distributions**

33. Gross PAGA Settlement Amount. Within ten (10) calendar days after the Effective Date, Defendants shall pay the Maximum Settlement Amount of Two Hundred and Fifty Thousand Dollars and No Cents (\$250,000.00) to settle this Action. The Gross PAGA Settlement Amount will be used to satisfy all of Defendants' liabilities arising from the Settlement. No portion of the Gross PAGA Settlement Amount shall revert to Defendants or result in an unpaid residue.

34. Deductions from the Gross PAGA Settlement Amount. Deductions from the Gross PAGA Settlement Amount, all subject to Court Approval, shall be made for the following:

(a) Plaintiff's Counsel's Attorneys' Fees and Costs. Plaintiff's Counsel may apply for an award of attorneys' fees and costs, with the fee portion not to exceed 33-1/3% of the Gross PAGA Settlement Amount (*i.e.*, up to Eighty-Three Thousand Three Hundred and Thirty-Three Dollars (\$83,333.00), and the costs portion not to exceed Fifteen Thousand Dollars (\$15,000.00). The Attorneys' Fees and Costs will be paid from the Gross PAGA Settlement Amount. Defendants agree not to oppose any motion that is consistent with this Paragraph. The amount of Attorneys' Fees and Costs shall include all past and future attorneys' fees and costs to Plaintiff's Counsel—including, without limitations, all time and costs expended by Plaintiff's Counsel in defending the Settlement and securing approval of the Settlement (including any appeals). Any amounts not awarded by the Court under this provision shall be included in the Net Settlement Amount.

(b) Plaintiff's Representative Enhancement Award. Plaintiff's Counsel may apply for

a Plaintiff's Representative Enhancement Award in an amount up to Six Thousand Five Hundred Dollars (\$6,500.00) for Plaintiff for her service to the State of California and the other Aggrieved Employees. Plaintiff's Representative Enhancement Award will be paid from the Gross PAGA Settlement Amount, and will be paid in addition to any Individual Settlement Payment to which the Plaintiff may otherwise be entitled as an Aggrieved Employee. Defendants agree not to oppose any motion that is consistent with this Paragraph. Any amounts not awarded by the Court under this provision shall be included in the Net Settlement Amount.

(c) Settlement Administration Costs. All Settlement Administration Costs shall be paid from the Gross PAGA Settlement Amount. The Settlement Administration Costs include but are not limited to the required tax reporting on the Individual Settlement Payments, the issuing of appropriate tax forms, as needed, confirming/auditing claims for payments for compliance with the Settlement, calculating and distributing all payments to be made pursuant to the Settlement, and providing reports and declarations. The amount of Settlement Administration Costs is estimated not to exceed Twelve Thousand Dollars (\$12,000.00). Defendants agree not to oppose any motion that is consistent with this Paragraph. If the actual Settlement Administration Costs are less than Twelve Thousand Dollars (\$12,000.00), those amounts shall be included in the Net Settlement Amount.

35. Net Settlement Amount. The Parties estimate the Net Settlement Amount as follows:

|                                                  |                  |
|--------------------------------------------------|------------------|
| Gross PAGA Settlement Amount:                    | \$250,000        |
| Plaintiff Counsel's Attorneys' Fees (estimated)  | -\$83,333        |
| Plaintiff Counsel's Litigation Costs (estimated) | -\$15,000        |
| Plaintiff's Service Award (estimated)            | -\$6,500         |
| Settlement Administration Costs                  | -\$12,000        |
| Net Settlement Amount (estimated)                | <u>\$133,167</u> |

36. LWDA Payment. Subject to Court approval, the Parties agree that an amount equal

1 to seventy-five (75) percent of the Net Settlement Amount will be paid to the LWDA in settlement  
2 of all representative claims alleged by or on behalf of Plaintiff and Aggrieved Employees.

3 37. Individual Settlement Payments. Subject to Court approval, the Parties agree that  
4 an amount equal to twenty-five (25) percent of the Net Settlement Amount (“Aggrieved Employee  
5 Portion”) will be paid to the Aggrieved Employees in settlement of the Released Claims.  
6 Individual Settlement Payments will be calculated and apportioned from the Aggrieved Employee  
7 Portion based on the number of Pay Periods an Aggrieved Employee worked during the PAGA  
8 Period. The Settlement Administrator will calculate the total number of Pay Periods worked by  
9 each Aggrieved Employee during the PAGA Period and the aggregate number of Pay Periods  
10 worked by all Aggrieved Employees during the PAGA Period. To determine each Aggrieved  
11 Employee’s Individual Settlement Payment, the Settlement Administrator will use the following  
12 formula: The Aggrieved Employee Portion will be divided by the aggregate number of Pay  
13 Periods, resulting in the “Pay Period Value.” Each Aggrieved Employee’s Individual Settlement  
14 Payment will be calculated by multiplying each individual Aggrieved Employee’s total number  
15 of Pay Periods by the Pay Period Value. The Parties agree that the formula described herein is  
16 reasonable and that the payments are designed to provide a fair settlement to each Aggrieved  
17 Employee in light of the uncertainties regarding the penalties alleged to be owed and the  
18 calculation of such amounts.

19 38. Tax Treatment of Settlement Payments. All Individual Settlement Payments will  
20 be allocated to alleged civil penalties, and IRS Forms 1099-MISC will be issued as necessary. The  
21 payment of the Plaintiff’s Representative Enhancement Award and Plaintiff’s Counsel’s  
22 Attorneys’ Fees and Costs will also be reported on IRS Forms 1099-MISC. The Settlement  
23 Administrator will issue all such forms.

24 39. Tax Liability. Other than the reporting requirements set forth in Paragraph 54,  
25 Aggrieved Employees, including Plaintiff, shall be responsible for the reporting and payment of  
26 any federal, state and/ or local income or other tax or any other withholdings, if any, on any of the  
27 payments made pursuant to this Stipulation. Defendants make no representations, and it is  
28 understood and agreed that Defendants have made no representations, as to the taxability of any

1 portions of the settlement payments to any Aggrieved Employee, the payment of any costs or an  
2 award of attorney fees, or any payments to the Plaintiff. The PAGA Payment Letter will inform  
3 Aggrieved Employees of the opportunity to seek their own tax advice in connection with their  
4 receipt of Individual PAGA Payments, and the Plaintiff and her counsel agree that this is sufficient  
5 to alert Aggrieved Employees of their option to seek tax advice.

6 40. No Credit Towards Benefit Plans. The Individual Settlement Payments made to  
7 Aggrieved Employees under this Settlement will not be utilized to calculate any additional benefits  
8 under any benefit plans for which any Aggrieved Employees may be eligible, including, but not  
9 limited to: (i) profit-sharing plans, (ii) bonus plans, (iii) 401(k) plans, (iv) stock purchase plans,  
10 (v) vacation plans, (vi) sick leave plans, (vii) PTO plans, and (viii) any other benefit plan. Rather,  
11 it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions,  
12 or amounts to which any Aggrieved Employees may be entitled under any benefit plans.

13 **C. Waiver And Releases**

14 41. The PAGA Release. Upon the Effective Date, each Aggrieved Employee  
15 (including Plaintiff) and the California Labor and Workforce Development Agency shall, for the  
16 PAGA Period, fully release and forever discharge Defendants and the Released Parties from any  
17 and all claims for the recovery of civil penalties under PAGA only, that could have been asserted  
18 in the Action based on the facts alleged. It is expressly understood and agreed that this Settlement  
19 only includes a full release of the PAGA claim for underlying violations of Labor Code §§ 201,  
20 202, 203, 204, 210, 212, 221, 226, 226.3, 226.7, 450, 510, 512, 1174, 1194, 1197, 1197.1, 1198,  
21 1199, 2800, and 2802, along with relevant IWC Wage Order(s), including Wage Order 4-2001  
22 Sections 11 and 12, and for any other PAGA violations based on the facts alleged or that could  
23 have been alleged in the Complaint during the PAGA Period.

24 42. Aggrieved Employees Are Bound By the PAGA Release in the Settlement. Because  
25 this is a PAGA action, the Parties agree that no Aggrieved Employee has the right to exclude  
26 himself or herself from the Settlement or object to the terms of this Settlement Agreement. All  
27 Aggrieved Employees will be bound by the PAGA Release in this Settlement Agreement, upon  
28 its approval by the Court, regardless of whether he or she negotiates his or her settlement check.

1           43.    Plaintiff's Individual and General Release. As of the Effective Date, in exchange  
2 for the consideration set forth in this Agreement, Plaintiff does hereby waive, release, acquit and  
3 forever discharge Defendants and Released Parties, from any and all any and all PAGA Released  
4 Claims that arose during the PAGA Period. Plaintiff further agrees to release, in addition to the  
5 PAGA Released Claims, all claims, whether known or unknown, under federal law or state law  
6 (including her individual wage and hour claims) against the Released Parties, but excluding any  
7 and all claims alleged or that could have been alleged based on the facts set forth in Plaintiff's  
8 pending Wrongful Termination Action lawsuit against Defendant National Therapeutic Services,  
9 Inc.

10           44.    Plaintiff's Waiver of California Civil Code § 1542. As of the Effective Date, and  
11 except for the explicit Wrongful Termination Action carve-out set forth in Paragraph 43, in  
12 exchange for the consideration set forth in this Agreement, Plaintiff agrees to expressly waive the  
13 provisions of California Civil Code § 1542, which provides as follows:

14                   A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS  
15                   THAT THE CREDITOR OR RELEASING PARTY DOES NOT  
16                   KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT  
17                   THE TIME OF EXECUTING THE RELEASE AND THAT, IF  
18                   KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY  
19                   AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR  
20                   OR RELEASED PARTY.

21           The Plaintiff's general release and waiver of California Civil Code § 1542 shall cover the time  
22 period from the start of her employment with Defendants up to the Effective Date.

23           **D. Settlement Administration**

24           45.    Settlement Administrator's Duties in General. The Settlement Administrator shall be  
25 responsible for (a) processing the data provided by Defendants to be used in calculating Individual  
26 Settlement Payments; (b) preparing, printing, and mailing to Aggrieved Employees the PAGA  
27 Payment Letter, as well as following up with reasonable skip tracing; (c) calculating and mailing  
28 Individual Settlement Payments to Aggrieved Employees; (d) filing any required federal and state  
tax forms and related agency reporting; (e) filing any required reports with the Court; and (g) all  
other tasks described in this Stipulation, as to which the Parties mutually agree, and/or which the

1 Court orders the Settlement Administrator to perform.

2 46. Delivery of the Aggrieved Employees List. Within ten (10) business days after the  
3 Effective Date, Defendants will provide the Aggrieved Employees List to the Settlement  
4 Administrator; Plaintiff's Counsel will not receive a copy of the list. The Settlement Administrator  
5 shall not use the Aggrieved Employees List or any information contained therein for any purpose  
6 other than to administer the Settlement in accordance with this Settlement Agreement. Upon  
7 completion of the administration of the Settlement, the Settlement Administrator shall destroy the  
8 Aggrieved Employees List and any information contained therein or return it and all copies to  
9 Defendants' Counsel.

10 47. Funding of the Gross PAGA Settlement Amount. No later than 10 business days  
11 after the Effective Date, Defendants will deposit the Gross PAGA Settlement Amount into a  
12 settlement fund established by the Settlement Administrator by check, Automated Clearing House  
13 (ACH) transfer, or wire transfer.

14 48. Distribution of Settlement Payments. Within fifteen (15) business days after the  
15 Effective Date, the Settlement Administrator will issue payments to: (a) Aggrieved Employees;  
16 (b) the LWDA; (c) Plaintiff; and (d) Plaintiff's Counsel. The Settlement Administrator will mail  
17 Individual Settlement Payments to Aggrieved Employees, along with the PAGA Payment Letter  
18 explaining the reason for the payment, via regular First-Class U.S. Mail, using the most current,  
19 known mailing addresses identified in the Aggrieved Employees List. The Settlement  
20 Administrator shall provide Defendants' Counsel and Plaintiff's Counsel the report described in  
21 Paragraph 50 and obtain approval from all counsel before mailing Individual Settlement  
22 Payments. The Settlement Administrator will also issue a payment to itself for Court-approved  
23 services performed in connection with the Settlement on the fortieth (40) day after the Effective  
24 Date or upon providing the Declaration of Payment, described in Paragraph 56, whichever is later.

25 49. Confirmation of Contact Information. Prior to mailing, the Settlement  
26 Administrator will perform a search based on the National Change of Address Database for  
27 information to update and correct for any known or identifiable address changes. Any Individual  
28 Settlement Payments returned to the Settlement Administrator as non-deliverable will be sent,

1 along with the PAGA Payment Letter explaining the reason for the payment, promptly via regular  
2 First-Class U.S. Mail, to the forwarding address affixed thereto. If no forwarding address is  
3 provided, the Settlement Administrator will promptly attempt to determine the correct address by  
4 lawful use of skip-tracing, or other search methods using the name, address and/or Social Security  
5 number of the Aggrieved Employee involved, and shall then perform a re-mailing if another  
6 mailing address is identified. With regard to any Aggrieved Employee whose Individual  
7 Settlement Payment is returned as non-deliverable, and for whom the Settlement Administrator is  
8 unable to determine a reliable address using reasonable and customary methods, his or her  
9 Individual Settlement Payment will escheat to the State of California, in the name of and for the  
10 benefit of such Aggrieved Employee.

11 50. Reports Regarding Settlement Administration. The Settlement Administrator will  
12 provide Defendants' Counsel and Plaintiff's Counsel reports regarding the administration of the  
13 Settlement Agreement as needed or requested. At a minimum, the Settlement Administrator shall  
14 provide to Defendants' Counsel and Plaintiff's Counsel, at least two (2) calendar days before the  
15 distribution required in Paragraph 48, an anonymized report confirming the total number of  
16 Aggrieved Employees on the Aggrieved Employees List, the aggregate total number of pay  
17 periods on the Aggrieved Employees List, and the highest, lowest, and average estimated  
18 Individual Settlement Payments.

19 51. Procedures For Uncashed Checks. Checks for Individual Settlement Payments shall  
20 be negotiable for one hundred eighty (180) calendar days from the date of their issuance. If a check  
21 is returned to the Settlement Administrator as undeliverable during the 180-day period, the  
22 Settlement Administrator shall take all reasonable efforts to identify the Aggrieved Employee's  
23 correct address, including the performance of a "skip-trace." If an updated address can be  
24 identified, the Settlement Administrator shall issue another check to the Aggrieved Employee and  
25 mail it to the Aggrieved Employee at his or her updated address. An Aggrieved Employee who  
26 fails to negotiate or receive their Individual Settlement Payment check despite the procedures  
27 described herein shall nevertheless remain bound by the Settlement and the release of the Released  
28 Claims contained herein.

1           52.    The funds represented by Individual Settlement Payment checks remaining  
2 uncashed for more than one hundred eighty (180) days after issuance (collectively, “Uncashed  
3 Settlement Checks”) shall be voided and then shall be transmitted to the Controller of the State of  
4 California to be held pursuant to the Unclaimed Property Law, California Code of Civil Procedure  
5 § 1500, *et seq.* in the names of those Aggrieved Employees who did not cash their settlement  
6 check until such time they claim their property. After the expiration of the 180-calendar day check  
7 cashing period, as outlined above, the Settlement Administrator shall begin the process of  
8 transferring the funds in accordance with California Code of Civil Procedure §§ 1500-1582 and  
9 the timing requirements set forth by the Office of the State Controller.

10           53.    Administration of Taxes by the Settlement Administrator. The Settlement  
11 Administrator will be responsible for issuing to Plaintiff, Aggrieved Employees, and Plaintiff’s  
12 Counsel any 1099, and/or other tax forms as may be required by law for all amounts paid pursuant  
13 to this Settlement.

14           54.    Sending Settlement Agreement and Judgment to LWDA. Before or concurrent with  
15 Plaintiff’s filing of a motion for approval of the Settlement, Plaintiff’s Counsel will send this  
16 Settlement Agreement to the LWDA pursuant to Section 2699(1)(2) of the Labor Code. Within ten  
17 (10) days after entry of a judgment or order approving, denying, or modifying the award of civil  
18 penalties contemplated by this Settlement Agreement, Plaintiff’s Counsel will submit a copy of  
19 the judgment or order to the LWDA pursuant to Section 2699(1)(3) of the Labor Code.

20           55.    Declaration of Payment. Within sixty (60) calendar days after the Effective Date,  
21 the Settlement Administrator shall prepare a declaration of payment stating that all payments  
22 required under the Settlement have been made. If requested, Plaintiff’s Counsel shall file the  
23 Settlement Administrator’s declaration with the Court.

24           56.    Declaration Regarding Uncashed Settlement Check Funds. Within ten (10)  
25 calendar days after the date the Settlement Administrator transfers the total amount of funds  
26 represented by the Uncashed Settlement Checks consistent with the State’s Unclaimed Property  
27 Law, the Settlement Administrator will prepare a declaration stating the total amount of funds  
28 represented by Uncashed Settlement Checks and confirming that the procedures for the treatment

of Uncashed Settlement Checks established by this Stipulation have been followed. If requested, Plaintiff's Counsel shall file the Settlement Administrator's declaration with the Court.

**E. Miscellaneous Provisions**

57. Acknowledgement that the Settlement is Fair, Adequate and Reasonable. The Parties and their respective counsel believe that this Settlement is a fair, adequate, and reasonable settlement of the Action, and they have arrived at this Settlement through arm's length negotiations, taking into account all relevant factors, present and potential.

58. Mutual Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. Such cooperation shall include, but not be limited to, execution of such other documents and the taking of such other actions as may reasonably be necessary to fulfill the terms of this Settlement. The Parties shall use their best efforts, including all efforts contemplated by this Stipulation and any other efforts that may become necessary by Court Order, or otherwise, to effectuate this Stipulation and the terms set forth herein.

59. No Admissions By The Parties. Plaintiff has claimed and continues to claim that the Released Claims have merit and give rise to liability on the part of Defendants. Defendants claim that the Released Claims have no merit and do not give rise to liability. This Agreement is a compromise of disputed claims. Nothing contained in this Agreement and no documents referred to herein and no action taken to carry out this Agreement may be construed or used as an admission by or against the Defendants or Defendants' Counsel or Plaintiff or Plaintiff's Counsel as to the merits or lack thereof of the claims asserted.

60. Amendment Or Modification. This Settlement may not be amended or modified except in a writing signed by the Parties or their successors-in-interest and requires approval by the Court.

61. Mutual Drafting of Agreement. The Parties agree that the terms of this Stipulation and the accompanying exhibits are the result of lengthy, arm's length negotiations, and that this Stipulation shall not be construed in favor of or against any of the Parties by reason of the extent to which any of the Parties or their respective counsel participated in the drafting of this

1 Stipulation.

2 62. Attorney Authorization. Plaintiff's Counsel and Defendants' Counsel warrant and  
3 represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate  
4 action required or permitted to be taken by such Parties pursuant to this Settlement to effectuate  
5 its terms, and to execute any other documents required to effectuate the terms of this Settlement.  
6 All modifications or amendments require Court approval.

7 63. Modification of Agreement. This Agreement, and any and all parts of it, may be  
8 amended, modified, changed, or waived only by an express written instrument signed by all Parties  
9 or their successors-in-interest and is subject to and requires Court approval.

10 64. Binding on Successors and Assigns. This Stipulation is binding upon, and inures to  
11 the benefit of, the Parties' successors and assigns.

12 65. Governing Law. This Stipulation shall be governed by and interpreted according to  
13 the laws of the State of California.

14 66. Exhibits Incorporated By Reference. The terms of this Stipulation include the terms  
15 set forth in any attached Exhibit, which are incorporated by this reference as though fully set forth  
16 herein. Any Exhibit to this Stipulation is an integral part of the Settlement.

17 67. Invalidity Of Any Provision. Before declaring any provision of this Stipulation  
18 invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible  
19 consistent with applicable precedents so as to define all provisions of this Settlement valid and  
20 enforceable.

21 68. Unalleged Claims. Plaintiff and Plaintiff's Counsel are not currently aware of any:  
22 (a) unalleged PAGA claims in addition to, or different from, those which are finally and forever  
23 settled and released against the Released Parties by this Settlement; and (b) unalleged facts or  
24 legal theories upon which any PAGA claims could be brought against Defendants, except such  
25 facts and theories specifically alleged in the operative complaint in this Action. Plaintiff and  
26 Plaintiff's Counsel further represent that, other than the instant Action, they have no current  
27 intention of asserting any other claims against Defendants in any judicial or administrative forum.  
28 Plaintiff and Plaintiff's Counsel further represent that they do not currently know of or represent

any persons who have expressed interest in pursuing litigation or seeking any recovery against Defendants.

69. No Publicity. Plaintiff and Plaintiff's Counsel agree not to publicize the Settlement, including the fact of the Settlement, its terms or contents, and the negotiations underlying the Settlement, in any manner or form, directly or indirectly, to any person or entity, except Aggrieved Employees and as shall be contractually required to effectuate the terms of the Settlement. Plaintiff and Plaintiff's Counsel agree not to issue press releases, communicate with, or respond to any media or publication entities, publish information in manner or form, whether printed or electronic, on any medium or otherwise communicate, whether by print, video, recording or any other medium, with any person or entity concerning the Settlement, including the fact of the Settlement, its terms or contents and the negotiations underlying the Settlement, except as shall be contractually required to effectuate the terms of the Settlement. This Paragraph does not prohibit Plaintiff's Counsel from discussing this case or any aspect of this Settlement with Plaintiff, or any court or opposing counsel. This Paragraph also does not prohibit Plaintiff's Counsel from disclosing their status as counsel in this case, making objective and truthful reference to the Settlement and any attorney fee award in any future pleading in another litigation, or disclosing on their law firm website their role as counsel in the Action.

70. Notices. Whenever this Stipulation requires or contemplates that one of the Parties shall or may give notice to the other, notice shall be provided by e-mail and/or next-day (excluding Saturdays, Sundays and Legal Holidays) express delivery service addressed to the address of the Party's counsel appearing in this Stipulation.

71. Attorneys' Fees and Costs. The Parties shall bear their own respective attorneys' fees and costs incurred in and/or arising out of the Action, except as otherwise provided for in this Stipulation and as later approved by the Court.

72. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction with respect to the interpretation, implementation and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing and

1 enforcing the settlement embodied in this Agreement and all orders and judgments entered in  
2 connection therewith pursuant to California Code of Civil Procedure section 664.6.

3 73. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however,  
4 that either party may appeal any court order that materially alters the Settlement Agreement's  
5 terms.

6 74. Binding Agreement. The Parties intend that this Settlement shall be fully  
7 enforceable and binding on all Parties, and that it shall be admissible and subject to disclosure in  
8 any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that  
9 otherwise might apply under federal or state law. This Stipulation is also binding upon, and inures  
10 to the benefit of, the Parties' successors and assigns.

11 75. Entire Agreement. This Stipulation and any attached Exhibits constitute the entirety  
12 of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements  
13 may be deemed binding on the Parties.

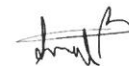
14 76. Counterparts. This Stipulation may be executed in one or more counterparts. All  
15 executed counterparts and each of them, including facsimile and scanned copies of the signature  
16 page, will be deemed to be one and the same instrument provided that counsel for the Parties to  
17 this Agreement exchange among themselves copies or originals of the signed counterparts.

18 77. Parties' Authority. The signatories to this Stipulation, including any person  
19 executing this Stipulation on behalf of a corporate signatory, warrant and represent that they are  
20 fully authorized to enter into this Stipulation and to bind the Parties hereto to the terms and  
21 conditions of the Stipulation.

22 **IN WITNESS WHEREOF**, the Parties and their counsel have executed this Stipulation  
23 on the date below their signatures or the signature of their representatives. The date of the  
24 Stipulation shall be the date of the latest signature.

25 08 / 16 / 2022  
26 Dated: \_\_\_\_\_, 2022

**PLAINTIFF AMANDA BAILEY**

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28 \_\_\_\_\_  
Amanda Bailey

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

**DEFENDANT NATIONAL  
THERAPUETIC SERVICES, INC.**

\_\_\_\_\_  
National Therapeutic Services, Inc.

By:  
Its:

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

**DEFENDANT JOSHUA HOUSE, LLC**

\_\_\_\_\_  
Joshua House, LLC

By:  
Its:

*Approved as to form only*

Dated: 08/17, 2022

**COUNSELONE, PC**

By:   
Jennifer L. Connor, Esq.  
Anthony J. Orshansky, Esq.  
Attorneys for Plaintiff

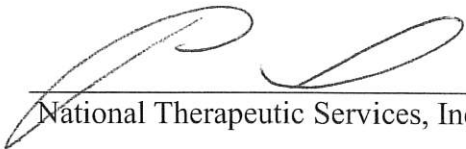
Dated: \_\_\_\_\_, 2022

**WALRAVEN & WESTERFELD LLP**

By: \_\_\_\_\_  
Brian A. Selvan, Esq.  
Attorneys for Defendants National  
Therapeutic Services, Inc. and Joshua  
House, LLC

1  
2  
3 Dated: August 23, 2022

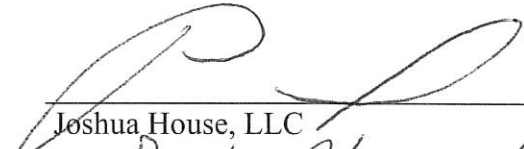
**DEFENDANT NATIONAL  
THERAPUETIC SERVICES, INC.**

4  
5  
6   
National Therapeutic Services, Inc.

7 By: Paul Alexander  
8 Its: CEO

9 Dated: August 23, 2022

**DEFENDANT JOSHUA HOUSE, LLC**

10  
11   
Joshua House, LLC

12 By: Paul Alexander  
13 Its: CEO

14 *Approved as to form only*

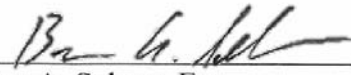
15  
16 Dated: \_\_\_\_\_, 2022

**COUNSELONE, PC**

17  
18 By: \_\_\_\_\_  
19 Jennifer L. Connor, Esq.  
20 Anthony J. Orshansky, Esq.  
21 Attorneys for Plaintiff

22 Dated: August 23, 2022

**WALRAVEN & WESTERFELD LLP**

23  
24  
25 By:   
26 Brian A. Selvan, Esq.  
27 Attorneys for Defendants National  
28 Therapeutic Services, Inc. and Joshua  
House, LLC

# **EXHIBIT 2**

1 ANTHONY J. ORSHANSKY, Cal. Bar No. 199364  
anthony@counselonelinegroup.com  
2 JENNIFER L. CONNOR, Cal. Bar No. 241480  
jennifer@counselonelinegroup.com  
3 **COUNSELONE, PC**  
9301 Wilshire Boulevard, Suite 650  
4 Beverly Hills, California 90210  
Telephone: (310) 277-9945  
5 Facsimile: (424) 277-3727

6 *Attorneys for Plaintiff and the Aggrieved Employees*

7 BRIAN A. SELVAN, Cal. Bar No. 200332  
bselvan@walravenlaw.com  
8 TIANYAO (CALVIN) ZHOU, Cal. Bar No. 302848  
cxz@walravenlaw.com  
9 **WALRAVEN & WESTERFELD LLP**  
20 Enterprise, Suite 310  
10 Aliso Viejo, California 92656  
Telephone: (949) 215-1990  
11 Facsimile: (949) 215-1999

12 *Attorneys for Defendants National Therapeutic*  
13 *Services, Inc. and Joshua House, LLC*

14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
15 **FOR THE COUNTY OF ORANGE**

16 AMANDA BAILEY, an individual, on  
17 behalf of the State of California as a private  
attorney general, and on behalf of all others  
18 similarly situated,

19 Plaintiff,

20 vs.

21 NATIONAL THERAPEUTIC SERVICES,  
INC., doing business as NORTHBOUND  
22 TREATMENT SERVICES, a Nevada  
corporation; JOSHUA HOUSE, LLC, a  
23 California limited liability company; and  
DOES 1 through 50, inclusive,

24 Defendants.  
25  
26  
27  
28

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

**AMENDED JOINT STIPULATION OF  
REPRESENTATIVE PAGA ACTION  
SETTLEMENT**

[Assigned for all purposes to the  
Honorable Glenda Sanders]

Complaint: September 22, 2020  
None Set

Formatted: Spanish (Spain)

1 This Amended Joint Stipulation of PAGA Representative Action Settlement  
2 (“Stipulation”) is made and entered into by and between plaintiff Amanda Bailey (“Plaintiff”), as  
3 an individual and as a representative of other individuals and the State of California, and  
4 defendants National Therapeutic Services, Inc. doing business as Northbound Treatment Services  
5 and Joshua House, LLC (“Defendants”) (collectively, Plaintiff and Defendants are referred to as  
6 the “Parties”), by and through their attorneys of record, as follows:

7 **I. DEFINITIONS**

8 The following definitions are applicable to this Stipulation. Definitions contained  
9 elsewhere in this Stipulation will also be effective.

10 1. “Action” means the action entitled *Amanda Bailey v. National Therapeutic*  
11 *Services, Inc. dba Northbound Treatment Services, Joshua House, et al.*, Orange County Superior  
12 Court Case No. 30-2020-01161466-CU-OE-CXC

13 2. “Aggrieved Employees” means all non-exempt individuals who are or were  
14 employed by Defendants National Therapeutic Services, Inc. doing business as Northbound  
15 Treatment Services and/or Joshua House, LLC in the State of California during the PAGA Period.  
16 If an Aggrieved Employee is incompetent or deceased, then that person’s legal guardian, executor,  
17 heir or successor-in-interest is an “Aggrieved Employee” for purposes of the Settlement.  
18 Defendants have estimated that there are approximately 174 Aggrieved Employees (51 current  
19 Aggrieved Employees; 123 former Aggrieved Employees).

20 3. “Aggrieved Employee List” means a complete list of all Aggrieved Employees that  
21 Defendants will diligently and in good faith compile from their records and provide to the  
22 Settlement Administrator within ten (10) business days after the date that the Court approves the  
23 Settlement. The Aggrieved Employee List will be formatted as a Microsoft Office Excel  
24 spreadsheet and will include each Aggrieved Employee’s: (a) full name, (b) last known address,  
25 (c) last known telephone number, (d) Social Security number, (e) dates of employment; and (f)  
26 the respective number of Pay Periods that each Aggrieved Employee worked as a non-exempt  
27 employee for Defendants in California during the PAGA Period.

28 4. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and

1 approved by the Court for Plaintiff's Counsel's litigation and resolution of the Action, and all  
2 costs incurred and to be incurred by Plaintiff's Counsel in the Action, including, but not limited  
3 to, fees and costs associated with court filings, documenting the Settlement, securing the Court's  
4 approval of the Settlement, and obtaining entry of the Judgment terminating the Action. Plaintiff's  
5 Counsel will request attorneys' fees from the Court in an amount not to exceed 33-1/3% of the  
6 Gross PAGA Settlement Amount, or Eighty-Three Thousand Three Hundred Thirty-Three Dollars  
7 (\$83,333.00), subject to the Court's approval. Plaintiff's Counsel will also request reimbursement  
8 of costs incurred by Plaintiff's Counsel's litigation and resolution of the Action in an amount up  
9 to Fifteen Thousand Dollars (\$15,000.00), subject to the Court's approval.

10 5. "Court" means the Superior Court of the State of California for the County of  
11 Orange or any other court taking jurisdiction of the Action.

12 6. "Defendants" means National Therapeutic Services, Inc. doing business as  
13 Northbound Treatment Services and Joshua House, LLC.

14 7. "Defendants' Counsel" means Walraven & Westerfeld LLP and its attorneys Brian  
15 Selvan and Tianyao (Calvin) Zhou.

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

21 9. "Individual Settlement Payment" means the *pro rata* amount payable to each  
22 Aggrieved Employee from the 25% portion of the Net Settlement Amount allocated to payments  
23 to the Aggrieved Employees.

24 10. "Gross PAGA Settlement Amount" means the non-reversionary settlement amount  
25 of Two Hundred and Fifty Thousand Dollars (\$250,000.00) that Defendants shall pay to settle this  
26 Action. The Gross PAGA Settlement Amount includes: (a) Plaintiff's Counsel's Attorneys' Fees  
27 and Costs; (b) Plaintiff's PAGA Representative Enhancement Award; (c) Settlement  
28 Administration Costs; (d) the 75% PAGA Penalties Payment allocated to the LWDA; and (e) the

1 25% Individual Settlement Payments from the PAGA Penalties Payment allocated to the  
2 Aggrieved Employees.

3 11. “Judgment” means the Court’s Judgment approving the Settlement, substantially in  
4 the form attached hereto as Exhibit 1, including any revisions required by the Court.

5 12. “LWDA” means the California Labor and Workforce Development Agency.

6 13. “Net Settlement Amount” means the total amount that will be paid to the LWDA  
7 and the Aggrieved Employees pursuant to Paragraphs 35. The Net Settlement Amount is  
8 equivalent to the Gross PAGA Settlement Amount less deductions for the Court-approved  
9 Plaintiff’s Counsel Attorneys’ Fees and Costs, Plaintiff’s PAGA Representative Enhancement,  
10 and Settlement Administration Costs.

11 14. “PAGA Period” means the period beginning on May 21, 2019, and ending on the  
12 date of approval of the Settlement.

13 15. “PAGA” means the Private Attorneys General Act of 2004, California Labor Code  
14 § 2698, *et seq.*

15 16. “PAGA Released Claims” means a full release of the civil penalties recoverable  
16 under the PAGA claim for underlying violations of California Labor Code §§ 201, 202, 203, 204,  
17 210, 212, 221, 226, 226.3, 226.7, 450, 510, 512, 1174, 1194, 1197, 1197.1, 1198, 1199, 2800, and  
18 2802, along with relevant IWC Wage Order(s), including Wage Order 4-2001 Sections 11 and 12,  
19 and for any other PAGA violations based on the facts alleged or that could have been alleged in  
20 the Complaint during the PAGA Period. The specific terms and details of which are set forth in  
21 Paragraph 41.

22 17. “PAGA Representative Enhancement Award” means the Court-approved amount  
23 to be paid to Plaintiff in recognition of her time and service to the Aggrieved Employees and the  
24 State of California in pursuing the Action and in fulfilling her obligations as the lead Aggrieved  
25 Employee. Plaintiff’s Counsel will request that the Court approve a PAGA Representative  
26 Enhancement Award in an amount not to exceed Six Thousand Five Hundred Dollars (\$6,500.00).

27 18. “PAGA Payment Letter” means a letter that the Settlement Administrator will send  
28 to each Aggrieved Employee with his or her Individual Settlement Payment, in a format that will

1 be proposed by Parties and provided to the Court for approval, including any revisions required  
2 by the Court.

3 19. “Parties” means the Plaintiff and Defendants collectively.

4 20. “Pay Period” means a pay period that an Aggrieved Employee worked for  
5 Defendants in the State of California during the PAGA Period.

6 21. “Plaintiff” means Plaintiff Amanda Bailey.

7 22. “Plaintiff’s Counsel” means lead counsel for Plaintiff in this Action, CounselOne,  
8 PC, and its attorneys Anthony Orshansky and/or Jennifer Connor.

9 23. “Plaintiff’s Individual Release of Claims” means in her capacity as a private  
10 attorney general or “aggrieved employee” acting on behalf of herself and on behalf of Aggrieved  
11 Employees, and in consideration of the enhancement payment for an individual general release,  
12 Plaintiff hereby releases Defendants and Released Parties from any and all PAGA Released  
13 Claims that arose during the PAGA Period. Plaintiff further agrees to release, in addition to the  
14 PAGA Released Claims, all claims, whether known or unknown, under federal law or state law  
15 (including her individual wage and hour claims) against the Released Parties, but excluding any  
16 and all claims alleged or that could have been alleged based on the facts set forth in Plaintiff’s  
17 pending lawsuit against Defendant National Therapeutic Services, Inc. (Orange Co. Sup. Ct. Case  
18 No. 30-2021-01192045-CU-WT-NJC) (“Wrongful Termination Action”). The specific facts and  
19 details of which are set forth in Paragraphs 43 and 44.

20 24. “Released Parties” means Defendants and their past or present parents, subsidiaries,  
21 and affiliated corporations, officers, directors, employees, partners, agents, insurers, and/or any  
22 other individual or entity that could be liable for the acts or omissions of the Defendants.

23 25. “Settlement Administration Costs” means the costs payable from the Gross PAGA  
24 Settlement Amount to the Settlement Administrator for administering this Settlement. The  
25 Settlement Administration Costs are currently estimated to be no more than Twelve Thousand  
26 Dollars (\$12,000.00).

27 26. “Settlement Administrator” means CPT Group, Inc. or any other settlement  
28 administrator agreed to by the Parties and approved by the Court.

27. “Settlement” shall mean the settlement between the Parties that is memorialized in this Stipulation and subject to Court approval.

28. “Stipulation” means this Joint Stipulation of PAGA Representative Action Settlement, and its Exhibits, attached hereto and incorporated herein, including all subsequent amendments agreed to in writing by the Parties and any exhibits to such amendments.

## RECITALS

29. PAGA Notice Letters to LWDA. On May 21, 2020, Plaintiff filed a “PAGA Notice” letter with the LWDA, advising the LWDA that the Plaintiff intended to seek civil penalties pursuant to PAGA for Defendants’ 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.

30. Complaint Filed In Orange County Superior Court. On September 22, 2020, Plaintiff filed a lawsuit under PAGA seeking civil penalties for alleged violations of the California Labor Code. Specifically, her Complaint alleged the following causes of action: (1) Failure to Pay Minimum Wages for All Hours Worked; (2) Failure to Pay All Overtime Wages; (3) Failure to Provide Timely and Compliant Meal Periods; (4) Failure to Provide Timely and Compliant Rest Periods; (5) Failure to Maintain Accurate Itemized Wage Statements; (6) Failure to Furnish Accurate Itemized Wage Statements; (7) Failure to Reimburse Necessary Business-Related Expenses Incurred; and (8) Failure to Timely Pay Wages During And Upon Termination of Employment. In the Action, Plaintiff sought civil penalties on behalf of all hourly-paid or non-exempt employees of Defendants who worked in the State of California.

31. Mediation And Settlement. On June 30, 2021, the Parties and their counsel participated in a full-day mediation with the Honorable Leo Papas (Ret.), a well-respected mediator with considerable experience mediating wage and hour class actions and PAGA representative actions. At the conclusion of the June 30, 2021 mediation, the Parties reached an agreement to resolve the Action pursuant to terms set forth in a Memorandum of Understanding. This Stipulation formalizes the agreement reached by the Parties.

**TERMS OF SETTLEMENT**

**A. Conditional Nature of the Settlement**

32. All Terms Subject to Court Approval. California Labor Code § 2699(1)(2) requires that the Court review and approve any penalties sought as part of a proposed settlement agreement pursuant to PAGA. All amounts and procedures described in this Stipulation are subject to the Court's approval. Should the Court not approve the Settlement, the Parties shall request leave to, and jointly attempt in good faith to, modify this Settlement in order to obtain the Court's approval, while remaining consistent with the underlying principles agreed to at the mediation.

**B. Settlement Consideration and Distributions**

33. Gross PAGA Settlement Amount. Within ten (10) calendar days after the Effective Date, Defendants shall pay the Maximum Settlement Amount of Two Hundred and Fifty Thousand Dollars and No Cents (\$250,000.00) to settle this Action. The Gross PAGA Settlement Amount will be used to satisfy all of Defendants' liabilities arising from the Settlement. No portion of the Gross PAGA Settlement Amount shall revert to Defendants or result in an unpaid residue.

34. Deductions from the Gross PAGA Settlement Amount. Deductions from the Gross PAGA Settlement Amount, all subject to Court Approval, shall be made for the following:

- (a) Plaintiff's Counsel's Attorneys' Fees and Costs. Plaintiff's Counsel may apply for an award of attorneys' fees and costs, with the fee portion not to exceed 33-1/3% of the Gross PAGA Settlement Amount (*i.e.*, up to Eighty-Three Thousand Three Hundred and Thirty-Three Dollars (\$83,333.00), and the costs portion not to exceed Fifteen Thousand Dollars (\$15,000.00). The Attorneys' Fees and Costs will be paid from the Gross PAGA Settlement Amount. Defendants agree not to oppose any motion that is consistent with this Paragraph. The amount of Attorneys' Fees and Costs shall include all past and future attorneys' fees and costs to Plaintiff's Counsel—including, without limitations, all time and costs expended by Plaintiff's Counsel in defending the Settlement and securing approval of the Settlement (including any appeals). Any amounts not awarded by the Court under this provision shall be included in the Net Settlement Amount.

- (b) Plaintiff's Representative Enhancement Award. Plaintiff's Counsel may apply for

1 a Plaintiff's Representative Enhancement Award in an amount up to Six Thousand  
2 Five Hundred Dollars (\$6,500.00) for Plaintiff for her service to the State of  
3 California and the other Aggrieved Employees. Plaintiff's Representative  
4 Enhancement Award will be paid from the Gross PAGA Settlement Amount, and  
5 will be paid in addition to any Individual Settlement Payment to which the Plaintiff  
6 may otherwise be entitled as an Aggrieved Employee. Defendants agree not to  
7 oppose any motion that is consistent with this Paragraph. Any amounts not awarded  
8 by the Court under this provision shall be included in the Net Settlement Amount.

9 (c) Settlement Administration Costs. All Settlement Administration Costs shall be paid  
10 from the Gross PAGA Settlement Amount. The Settlement Administration Costs  
11 include but are not limited to the required tax reporting on the Individual Settlement  
12 Payments, the issuing of appropriate tax forms, as needed, confirming/auditing  
13 claims for payments for compliance with the Settlement, calculating and  
14 distributing all payments to be made pursuant to the Settlement, and providing  
15 reports and declarations. The amount of Settlement Administration Costs is  
16 estimated not to exceed Twelve Thousand Dollars (\$12,000.00). Defendants agree  
17 not to oppose any motion that is consistent with this Paragraph. If the actual  
18 Settlement Administration Costs are less than Twelve Thousand Dollars  
19 (\$12,000.00), those amounts shall be included in the Net Settlement Amount.

20 35. Net Settlement Amount. The Parties estimate the Net Settlement Amount as  
21 follows:

|    |                                                  |                  |
|----|--------------------------------------------------|------------------|
| 22 | Gross PAGA Settlement Amount:                    | \$250,000        |
| 23 | Plaintiff Counsel's Attorneys' Fees (estimated)  | -\$83,333        |
| 24 | Plaintiff Counsel's Litigation Costs (estimated) | -\$15,000        |
| 25 | Plaintiff's Service Award (estimated)            | -\$6,500         |
| 26 | Settlement Administration Costs                  | -\$12,000        |
| 27 | Net Settlement Amount (estimated)                | <u>\$133,167</u> |

28 36. LWDA Payment. Subject to Court approval, the Parties agree that an amount equal

1 to seventy-five (75) percent of the Net Settlement Amount will be paid to the LWDA in settlement  
2 of all representative claims alleged by or on behalf of Plaintiff and Aggrieved Employees.

3 37. Individual Settlement Payments. Subject to Court approval, the Parties agree that  
4 an amount equal to twenty-five (25) percent of the Net Settlement Amount (“Aggrieved Employee  
5 Portion”) will be paid to the Aggrieved Employees in settlement of the Released Claims.  
6 Individual Settlement Payments will be calculated and apportioned from the Aggrieved Employee  
7 Portion based on the number of Pay Periods an Aggrieved Employee worked during the PAGA  
8 Period. The Settlement Administrator will calculate the total number of Pay Periods worked by  
9 each Aggrieved Employee during the PAGA Period and the aggregate number of Pay Periods  
10 worked by all Aggrieved Employees during the PAGA Period. To determine each Aggrieved  
11 Employee’s Individual Settlement Payment, the Settlement Administrator will use the following  
12 formula: The Aggrieved Employee Portion will be divided by the aggregate number of Pay  
13 Periods, resulting in the “Pay Period Value.” Each Aggrieved Employee’s Individual Settlement  
14 Payment will be calculated by multiplying each individual Aggrieved Employee’s total number  
15 of Pay Periods by the Pay Period Value. The Parties agree that the formula described herein is  
16 reasonable and that the payments are designed to provide a fair settlement to each Aggrieved  
17 Employee in light of the uncertainties regarding the penalties alleged to be owed and the  
18 calculation of such amounts.

19 38. Tax Treatment of Settlement Payments. All Individual Settlement Payments will  
20 be allocated to alleged civil penalties, and IRS Forms 1099-MISC will be issued as necessary. The  
21 payment of the Plaintiff’s Representative Enhancement Award and Plaintiff’s Counsel’s  
22 Attorneys’ Fees and Costs will also be reported on IRS Forms 1099-MISC. The Settlement  
23 Administrator will issue all such forms.

24 39. Tax Liability. Other than the reporting requirements set forth in Paragraph 54,  
25 Aggrieved Employees, including Plaintiff, shall be responsible for the reporting and payment of  
26 any federal, state and/ or local income or other tax or any other withholdings, if any, on any of the  
27 payments made pursuant to this Stipulation. Defendants make no representations, and it is  
28 understood and agreed that Defendants have made no representations, as to the taxability of any

1 portions of the settlement payments to any Aggrieved Employee, the payment of any costs or an  
2 award of attorney fees, or any payments to the Plaintiff. The PAGA Payment Letter will inform  
3 Aggrieved Employees of the opportunity to seek their own tax advice in connection with their  
4 receipt of Individual PAGA Payments, and the Plaintiff and her counsel agree that this is sufficient  
5 to alert Aggrieved Employees of their option to seek tax advice.

6 40. No Credit Towards Benefit Plans. The Individual Settlement Payments made to  
7 Aggrieved Employees under this Settlement will not be utilized to calculate any additional benefits  
8 under any benefit plans for which any Aggrieved Employees may be eligible, including, but not  
9 limited to: (i) profit-sharing plans, (ii) bonus plans, (iii) 401(k) plans, (iv) stock purchase plans,  
10 (v) vacation plans, (vi) sick leave plans, (vii) PTO plans, and (viii) any other benefit plan. Rather,  
11 it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions,  
12 or amounts to which any Aggrieved Employees may be entitled under any benefit plans.

13 **C. Waiver And Releases**

14 41. The PAGA Release. Upon the Effective Date, each Aggrieved Employee  
15 (including Plaintiff) and the California Labor and Workforce Development Agency shall, for the  
16 PAGA Period, fully release and forever discharge Defendants and the Released Parties from any  
17 and all claims for the recovery of civil penalties under PAGA only, that could have been asserted  
18 in the Action based on the facts alleged. It is expressly understood and agreed that this Settlement  
19 only includes a full release of the PAGA claim for underlying violations of Labor Code §§ 201,  
20 202, 203, 204, 210, 212, 221, 226, 226.3, 226.7, 450, 510, 512, 1174, 1194, 1197, 1197.1, 1198,  
21 1199, 2800, and 2802, along with relevant IWC Wage Order(s), including Wage Order 4-2001  
22 Sections 11 and 12, and for any other PAGA violations based on the facts alleged or that could  
23 have been alleged in the Complaint during the PAGA Period.

24 42. Aggrieved Employees Are Bound By the PAGA Release in the Settlement. Because  
25 this is a PAGA action, the Parties agree that no Aggrieved Employee has the right to exclude  
26 himself or herself from the Settlement or object to the terms of this Settlement Agreement. All  
27 Aggrieved Employees will be bound by the PAGA Release in this Settlement Agreement, upon  
28 its approval by the Court, regardless of whether he or she negotiates his or her settlement check.

1           43. Plaintiff's Individual and General Release. As of the Effective Date, in exchange  
2 for the consideration set forth in this Agreement, Plaintiff does hereby waive, release, acquit and  
3 forever discharge Defendants and Released Parties, from any and all any and all PAGA Released  
4 Claims that arose during the PAGA Period. Plaintiff further agrees to release, in addition to the  
5 PAGA Released Claims, all claims, whether known or unknown, under federal law or state law  
6 (including her individual wage and hour claims) against the Released Parties, but excluding any  
7 and all claims alleged or that could have been alleged based on the facts set forth in Plaintiff's  
8 pending Wrongful Termination Action lawsuit against Defendant National Therapeutic Services,  
9 Inc.

10           44. Plaintiff's Waiver of California Civil Code § 1542. As of the Effective Date, and  
11 except for the explicit Wrongful Termination Action carve-out set forth in Paragraph 43, in  
12 exchange for the consideration set forth in this Agreement, Plaintiff agrees to expressly waive the  
13 provisions of California Civil Code § 1542, which provides as follows:

14                   A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS  
15                   THAT THE CREDITOR OR RELEASING PARTY DOES NOT  
16                   KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT  
17                   THE TIME OF EXECUTING THE RELEASE AND THAT, IF  
18                   KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY  
                    AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR  
                    OR RELEASED PARTY.

19           The Plaintiff's general release and waiver of California Civil Code § 1542 shall cover the time  
20           period from the start of her employment with Defendants up to the Effective Date.

21           **D. Settlement Administration**

22           45. Settlement Administrator's Duties in General. The Settlement Administrator shall be  
23 responsible for (a) processing the data provided by Defendants to be used in calculating Individual  
24 Settlement Payments; (b) preparing, printing, and mailing to Aggrieved Employees the PAGA  
25 Payment Letter, as well as following up with reasonable skip tracing; (c) calculating and mailing  
26 Individual Settlement Payments to Aggrieved Employees; (d) filing any required federal and state  
27 tax forms and related agency reporting; (e) filing any required reports with the Court; and (g) all  
28 other tasks described in this Stipulation, as to which the Parties mutually agree, and/or which the

1 Court orders the Settlement Administrator to perform.

2 46. Delivery of the Aggrieved Employees List. Within ten (10) business days after the  
3 Effective Date, Defendants will provide the Aggrieved Employees List to the Settlement  
4 Administrator; Plaintiff's Counsel will not receive a copy of the list. The Settlement Administrator  
5 shall not use the Aggrieved Employees List or any information contained therein for any purpose  
6 other than to administer the Settlement in accordance with this Settlement Agreement. Upon  
7 completion of the administration of the Settlement, the Settlement Administrator shall destroy the  
8 Aggrieved Employees List and any information contained therein or return it and all copies to  
9 Defendants' Counsel.

10 47. Funding of the Gross PAGA Settlement Amount. No later than 10 business days  
11 after the Effective Date, Defendants will deposit the Gross PAGA Settlement Amount into a  
12 settlement fund established by the Settlement Administrator by check, Automated Clearing House  
13 (ACH) transfer, or wire transfer.

14 48. Distribution of Settlement Payments. Within fifteen (15) business days after the  
15 Effective Date, the Settlement Administrator will issue payments to: (a) Aggrieved Employees;  
16 (b) the LWDA; (c) Plaintiff; and (d) Plaintiff's Counsel. The Settlement Administrator will mail  
17 Individual Settlement Payments to Aggrieved Employees, along with the PAGA Payment Letter  
18 explaining the reason for the payment, via regular First-Class U.S. Mail, using the most current,  
19 known mailing addresses identified in the Aggrieved Employees List. The Settlement  
20 Administrator shall provide Defendants' Counsel and Plaintiff's Counsel the report described in  
21 Paragraph 50 and obtain approval from all counsel before mailing Individual Settlement  
22 Payments. The Settlement Administrator will also issue a payment to itself for Court-approved  
23 services performed in connection with the Settlement on the fortieth (40) day after the Effective  
24 Date or upon providing the Declaration of Payment, described in Paragraph 56, whichever is later.

25 49. Confirmation of Contact Information. Prior to mailing, the Settlement  
26 Administrator will perform a search based on the National Change of Address Database for  
27 information to update and correct for any known or identifiable address changes. Any Individual  
28 Settlement Payments returned to the Settlement Administrator as non-deliverable will be sent,

1 along with the PAGA Payment Letter explaining the reason for the payment, promptly via regular  
2 First-Class U.S. Mail, to the forwarding address affixed thereto. If no forwarding address is  
3 provided, the Settlement Administrator will promptly attempt to determine the correct address by  
4 lawful use of skip-tracing, or other search methods using the name, address and/or Social Security  
5 number of the Aggrieved Employee involved, and shall then perform a re-mailing if another  
6 mailing address is identified. With regard to any Aggrieved Employee whose Individual  
7 Settlement Payment is returned as non-deliverable, and for whom the Settlement Administrator is  
8 unable to determine a reliable address using reasonable and customary methods, his or her  
9 Individual Settlement Payment will escheat to the State of California, in the name of and for the  
10 benefit of such Aggrieved Employee.

11 50. Reports Regarding Settlement Administration. The Settlement Administrator will  
12 provide Defendants' Counsel and Plaintiff's Counsel reports regarding the administration of the  
13 Settlement Agreement as needed or requested. At a minimum, the Settlement Administrator shall  
14 provide to Defendants' Counsel and Plaintiff's Counsel, at least two (2) calendar days before the  
15 distribution required in Paragraph 48, an anonymized report confirming the total number of  
16 Aggrieved Employees on the Aggrieved Employees List, the aggregate total number of pay  
17 periods on the Aggrieved Employees List, and the highest, lowest, and average estimated  
18 Individual Settlement Payments.

19 51. Procedures For Uncashed Checks. Checks for Individual Settlement Payments shall  
20 be negotiable for one hundred eighty (180) calendar days from the date of their issuance. If a check  
21 is returned to the Settlement Administrator as undeliverable during the 180-day period, the  
22 Settlement Administrator shall take all reasonable efforts to identify the Aggrieved Employee's  
23 correct address, including the performance of a "skip-trace." If an updated address can be  
24 identified, the Settlement Administrator shall issue another check to the Aggrieved Employee and  
25 mail it to the Aggrieved Employee at his or her updated address. An Aggrieved Employee who  
26 fails to negotiate or receive their Individual Settlement Payment check despite the procedures  
27 described herein shall nevertheless remain bound by the Settlement and the release of the Released  
28 Claims contained herein.

1           52. The funds represented by Individual Settlement Payment checks remaining  
2 uncashed for more than one hundred eighty (180) days after issuance (collectively, “Uncashed  
3 Settlement Checks”) shall be voided and then shall be transmitted to the Controller of the State of  
4 California to be held pursuant to the Unclaimed Property Law, California Code of Civil Procedure  
5 § 1500, *et seq.* in the names of those Aggrieved Employees who did not cash their settlement  
6 check until such time they claim their property. After the expiration of the 180-calendar day check  
7 cashing period, as outlined above, the Settlement Administrator shall begin the process of  
8 transferring the funds in accordance with California Code of Civil Procedure §§ 1500-1582 and  
9 the timing requirements set forth by the Office of the State Controller.

10           53. Administration of Taxes by the Settlement Administrator. The Settlement  
11 Administrator will be responsible for issuing to Plaintiff, Aggrieved Employees, and Plaintiff’s  
12 Counsel any 1099, and/or other tax forms as may be required by law for all amounts paid pursuant  
13 to this Settlement.

14           54. Sending Settlement Agreement and Judgment to LWDA. Before or concurrent with  
15 Plaintiff’s filing of a motion for approval of the Settlement, Plaintiff’s Counsel will send this  
16 Settlement Agreement to the LWDA pursuant to Section 2699(1)(2) of the Labor Code. Within ten  
17 (10) days after entry of a judgment or order approving, denying, or modifying the award of civil  
18 penalties contemplated by this Settlement Agreement, Plaintiff’s Counsel will submit a copy of  
19 the judgment or order to the LWDA pursuant to Section 2699(1)(3) of the Labor Code.

20           55. Declaration of Payment. Within sixty (60) calendar days after the Effective Date,  
21 the Settlement Administrator shall prepare a declaration of payment stating that all payments  
22 required under the Settlement have been made. If requested, Plaintiff’s Counsel shall file the  
23 Settlement Administrator’s declaration with the Court.

24           56. Declaration Regarding Uncashed Settlement Check Funds. Within ten (10)  
25 calendar days after the date the Settlement Administrator transfers the total amount of funds  
26 represented by the Uncashed Settlement Checks consistent with the State’s Unclaimed Property  
27 Law, the Settlement Administrator will prepare a declaration stating the total amount of funds  
28 represented by Uncashed Settlement Checks and confirming that the procedures for the treatment

1 of Uncashed Settlement Checks established by this Stipulation have been followed. If requested,  
2 Plaintiff's Counsel shall file the Settlement Administrator's declaration with the Court.

3 **E. Miscellaneous Provisions**

4 57. Acknowledgement that the Settlement is Fair, Adequate and Reasonable. The  
5 Parties and their respective counsel believe that this Settlement is a fair, adequate, and reasonable  
6 settlement of the Action, and they have arrived at this Settlement through arm's length  
7 negotiations, taking into account all relevant factors, present and potential.

8 58. Mutual Cooperation. The Parties and their counsel will cooperate with each other  
9 and use their best efforts to effect the implementation of the Settlement. Such cooperation shall  
10 include, but not be limited to, execution of such other documents and the taking of such other  
11 actions as may reasonably be necessary to fulfill the terms of this Settlement. The Parties shall use  
12 their best efforts, including all efforts contemplated by this Stipulation and any other efforts that  
13 may become necessary by Court Order, or otherwise, to effectuate this Stipulation and the terms  
14 set forth herein.

15 59. No Admissions By The Parties. Plaintiff has claimed and continues to claim that  
16 the Released Claims have merit and give rise to liability on the part of Defendants. Defendants  
17 claim that the Released Claims have no merit and do not give rise to liability. This Agreement is  
18 a compromise of disputed claims. Nothing contained in this Agreement and no documents referred  
19 to herein and no action taken to carry out this Agreement may be construed or used as an admission  
20 by or against the Defendants or Defendants' Counsel or Plaintiff or Plaintiff's Counsel as to the  
21 merits or lack thereof of the claims asserted.

22 60. Amendment Or Modification. This Settlement may not be amended or modified  
23 except in a writing signed by the Parties or their successors-in-interest and requires approval by  
24 the Court.

25 61. Mutual Drafting of Agreement. The Parties agree that the terms of this Stipulation  
26 and the accompanying exhibits are the result of lengthy, arm's length negotiations, and that this  
27 Stipulation shall not be construed in favor of or against any of the Parties by reason of the extent  
28 to which any of the Parties or their respective counsel participated in the drafting of this

1 Stipulation.

2 62. Attorney Authorization. Plaintiff's Counsel and Defendants' Counsel warrant and  
3 represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate  
4 action required or permitted to be taken by such Parties pursuant to this Settlement to effectuate  
5 its terms, and to execute any other documents required to effectuate the terms of this Settlement.

6 All modifications or amendments require Court approval.

7 63. Modification of Agreement. This Agreement, and any and all parts of it, may be  
8 amended, modified, changed, or waived only by an express written instrument signed by all Parties  
9 or their successors-in-interest and is subject to and requires Court approval.

10 64. Binding on Successors and Assigns. This Stipulation is binding upon, and inures to  
11 the benefit of, the Parties' successors and assigns.

12 65. Governing Law. This Stipulation shall be governed by and interpreted according to  
13 the laws of the State of California.

14 66. Exhibits Incorporated By Reference. The terms of this Stipulation include the terms  
15 set forth in any attached Exhibit, which are incorporated by this reference as though fully set forth  
16 herein. Any Exhibit to this Stipulation is an integral part of the Settlement.

17 67. Invalidity Of Any Provision. Before declaring any provision of this Stipulation  
18 invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible  
19 consistent with applicable precedents so as to define all provisions of this Settlement valid and  
20 enforceable.

21 68. Unalleged Claims. Plaintiff and Plaintiff's Counsel are not currently aware of any:  
22 (a) unalleged PAGA claims in addition to, or different from, those which are finally and forever  
23 settled and released against the Released Parties by this Settlement; and (b) unalleged facts or  
24 legal theories upon which any PAGA claims could be brought against Defendants, except such  
25 facts and theories specifically alleged in the operative complaint in this Action. Plaintiff and  
26 Plaintiff's Counsel further represent that, other than the instant Action, they have no current  
27 intention of asserting any other claims against Defendants in any judicial or administrative forum.  
28 Plaintiff and Plaintiff's Counsel further represent that they do not currently know of or represent

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1 any persons who have expressed interest in pursuing litigation or seeking any recovery against  
2 Defendants.

3 69. No Publicity. Plaintiff and Plaintiff's Counsel agree not to publicize the Settlement,  
4 including the fact of the Settlement, its terms or contents, and the negotiations underlying the  
5 Settlement, in any manner or form, directly or indirectly, to any person or entity, except Aggrieved  
6 Employees and as shall be contractually required to effectuate the terms of the Settlement. Plaintiff  
7 and Plaintiff's Counsel agree not to issue press releases, communicate with, or respond to any  
8 media or publication entities, publish information in manner or form, whether printed or  
9 electronic, on any medium or otherwise communicate, whether by print, video, recording or any  
10 other medium, with any person or entity concerning the Settlement, including the fact of the  
11 Settlement, its terms or contents and the negotiations underlying the Settlement, except as shall  
12 be contractually required to effectuate the terms of the Settlement. This Paragraph does not  
13 prohibit Plaintiff's Counsel from discussing this case or any aspect of this Settlement with  
14 Plaintiff, or any court or opposing counsel. This Paragraph also does not prohibit Plaintiff's  
15 Counsel from disclosing their status as counsel in this case, making objective and truthful  
16 reference to the Settlement and any attorney fee award in any future pleading in another litigation,  
17 or disclosing on their law firm website their role as counsel in the Action.

18 70. Notices. Whenever this Stipulation requires or contemplates that one of the Parties  
19 shall or may give notice to the other, notice shall be provided by e-mail and/or next-day (excluding  
20 Saturdays, Sundays and Legal Holidays) express delivery service addressed to the address of the  
21 Party's counsel appearing in this Stipulation.

22 71. Attorneys' Fees and Costs. The Parties shall bear their own respective attorneys'  
23 fees and costs incurred in and/or arising out of the Action, except as otherwise provided for in this  
24 Stipulation and as later approved by the Court.

25 72. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction  
26 with respect to the interpretation, implementation and enforcement of the terms of this Agreement  
27 and all orders and judgments entered in connection therewith, and the Parties and their counsel  
28 hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing and

enforcing the settlement embodied in this Agreement and all orders and judgments entered in connection therewith pursuant to California Code of Civil Procedure section 664.6.

73. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however, that either party may appeal any court order that materially alters the Settlement Agreement's terms.

74. Binding Agreement. The Parties intend that this Settlement shall be fully enforceable and binding on all Parties, and that it shall be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law. This Stipulation is also binding upon, and inures to the benefit of, the Parties' successors and assigns.

75. Entire Agreement. This Stipulation and any attached Exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

76. Counterparts. This Stipulation may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties to this Agreement exchange among themselves copies or originals of the signed counterparts.

77. Parties' Authority. The signatories to this Stipulation, including any person executing this Stipulation on behalf of a corporate signatory, warrant and represent that they are fully authorized to enter into this Stipulation and to bind the Parties hereto to the terms and conditions of the Stipulation.

**IN WITNESS WHEREOF**, the Parties and their counsel have executed this Stipulation on the date below their signatures or the signature of their representatives. The date of the Stipulation shall be the date of the latest signature.

Dated: \_\_\_\_\_, 202~~1~~

**PLAINTIFF AMANDA BAILEY**

\_\_\_\_\_  
Amanda Bailey

1  
2  
3 Dated: \_\_\_\_\_, 202~~21~~<sup>4</sup>

**DEFENDANT NATIONAL  
THERAPUETIC SERVICES, INC.**

4  
5  
6 \_\_\_\_\_  
National Therapeutic Services, Inc.

7 By:  
8 Its:

9 Dated: \_\_\_\_\_, 202~~21~~<sup>4</sup>  
10 **LLC**

**DEFENDANT JOSHUA HOUSE,**

11  
12 \_\_\_\_\_  
Joshua House, LLC

13 By:  
14 Its:

15 *Approved as to form only*

16  
17 Dated: ~~December~~ \_\_\_\_\_, 202~~21~~<sup>4</sup>

**COUNSELONE, PC**

18  
19 By: \_\_\_\_\_  
20 Jennifer L. Connor, Esq.  
21 Anthony J. Orshansky, Esq.  
22 Attorneys for Plaintiff

23 Dated: ~~December~~ \_\_\_\_\_, 202~~21~~<sup>4</sup>  
24 **WESTERFELD LLP**

**WALRAVEN &**

25  
26  
27 By: \_\_\_\_\_  
28 Brian A. Selvan, Esq.  
Attorneys for Defendants National  
Therapeutic Services, Inc. and Joshua

House, LLC

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1 **PROOF OF SERVICE**

2 STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

3 I am employed in the County of Los Angeles, State of California. I am over the age of 18  
4 and not a party to the within action; my business address is 9301 Wilshire Boulevard, Suite 650,  
Beverly Hills, CA 90210.

5 On August 23, 2022, I caused to be served the following document(s) to the address(es)  
6 and by the method of service described below:

7 **FURTHER SUPPLEMENTAL DECLARATION OF JENNIFER L. CONNOR IN  
SUPPORT OF MOTION FOR APPROVAL OF PAGA ACTION SETTLEMENT**

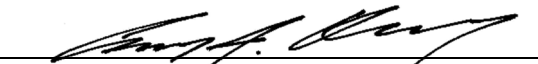
8 Brian A. Selvan  
9 Tianyao (Calvin) Zhou  
10 **WALRAVEN & WESTERFELD LLP**  
20 Enterprise, Suite 310  
11 Aliso Viejo, CA 92656  
Email: bselvan@walravenlaw.com  
Email: cxz@walravenlaw.com

12 *Attorneys for Defendants*

13 [X] (BY E-SERVICE) I delivered to LEGAL DOCUMENT SERVER, an e-filing and  
14 e-service provider with the Superior Court of California for the County of Orange,  
the above-described document(s), to be filed and electronically served through the  
Superior Court's e-filing system on the above registered participants on this date.

15 I declare under penalty of perjury that the above is true and correct.

16 Executed on August 23, 2022 at Beverly Hills, California.

17  
18   
19 Anthony J. Orshansky  
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