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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ANGELES

CARRIE PRODROMIDES, an individual,

Plaintiff,

vs.

SHORELINE TREATMENT CENTER, INC., a
California Corporation; RACHEL LEVI, an
individual, and DOES 1 through 50, inclusive,

Defendants.

CLASS ACTION

Case No: 20STCV47287

Hon. Stuart Rice

Dept. 1

**DECLARATION OF ROLANDO J.
GUTIERREZ, ESQ. IN SUPPORT OF
PLAINTIFF CARRIE PRODROMIDES'
MOTION AND MOTION FOR FINAL
APPROVAL OF CLASS ACTION AND
PRIVATE ATTORNEY GENERAL ACT
SETTLEMENT**

Date: June 7, 2024

Time: 10:30 a.m.

Dept.: 1

Complaint Filed: December 10, 2020

Initial Trial Date: None

1 **DECLARATION OF ROLANDO J. GUTIERREZ, ESQ.**

2 I, Rolando J. Gutierrez, hereby declare as follows:

3 1. I am over the age of 18 and a resident of California. I am admitted and licensed to
4 practice law before all state courts within the State of California. I am co-counsel for Plaintiff CARRIE
5 PRODROMIDES and the Putative Class. I have personal knowledge of the matters stated herein. If
6 called as a witness, I could and would testify truthfully and competently thereto under oath.

7 2. I submit this declaration pursuant in support of Plaintiff Carrie Prodromides' Notice Of
8 Motion And Motion For Final Approval of Class Action and PAGA Settlement.

9 **BACKGROUND**

10 3. On December 10, 2020, on behalf of Ms. Prodromides, my office filed a Class Action
11 Complaint against Defendants Shoreline Treatment Center, Inc., Rachel Levi, and Does 1 through 50, for
12 (1) Failure to Pay Overtime and Double Time Compensation, (2) Failure to Provide Meal Periods, (3)
13 Failure to Provide Rest Periods, (4) Failure to Provide Accurate Itemized Wage Statements, (5) Waiting
14 Time Penalties, and (6) Unfair Competition and Unlawful Business Practices. On April 28, 2021, my
15 office filed a First Amended Class Action Complaint ("FAC") alleging a cause of action seeking civil
16 penalties pursuant to the Private Attorney General Act of 2004 ("PAGA").

17 4. This Action alleges that Defendants Shoreline Treatment Center, Inc. and Rachel Levi
18 operate a home health residential treatment and outpatient facility that treats patients with eating
19 disorders. Certain non-exempt employees, such as Ms. Prodromides, were required to work an
20 alternative workweek schedule ("AWS"). The Action alleges that prior to the implementation of the
21 AWS, Defendants were legally required to follow an election procedure mandated under the Industrial
22 Wage Order 5. *See* 8 CAL. CODE REGS. § 11050(3)(C), *see also*, LAB. CODE §§ 511 & 517. I
23 confirmed in discovery that the election had not taken place. Thus, Ms. Prodromides and other
24 employees worked at least 12 hours per shift without timely rest periods or meal breaks, and without
25 overtime compensation.

26 5. On August 20, 2021, Ms. Prodromides filed three Amendments to Complaint,
27 substituting Shoreline Treatment Center, LLC, as "Doe 1"; Odyssey Behavioral Healthcare, LLC,
28 ("OBHC"), as "Doe 2"; and 108 Roycroft, LLC ("Roycroft"), as "Doe 3". OBHC is the successor entity

of Shoreline, and since December 2020 now operates Shoreline treatment facilities in Southern California. For purposes of this Motion, the term “Shoreline” collectively refers to Defendant Shoreline Treatment Center, Inc., Defendant Shoreline Treatment Center, LLC, and OBHC. To effectuate the Settlement, on October 23, 2023, with leave of Court Plaintiff filed a Second Amended Complaint, which is now the “Operative Complaint” for purposes of Final Approval, and dismissed Defendant 108 Roycroft, without prejudice.

6. In or around August 2021, I discovered that Defendants Shoreline and Levi sought the release of all claims, known and unknown, from members of the putative class in exchange for a pre-determined “release benefit.” Certain Class Members signed either a “Release Benefit Agreement” or a “Revised Release Benefit Agreement” (collectively “Release Benefit Agreement”).

7. My office engaged in extensive discovery and investigation regarding the existence and nature of these agreements, wherein she discovered that 73 individuals had signed a Release Benefit Agreement. Defendants paid an aggregate of \$173,661 to these Class Members for the release of all claims, known or unknown (“Total Release Benefit Amount”).

DISCOVERY AND INVESTIGATION

8. Between June 10, 2021 and October 6, 2022, my office engaged in extensive formal discovery related to, *inter alia*, Defendants' wage-and-hour policies, procedures, and practices; Defendants' compliance with their wage-and-hour policies, procedures, and practices; Defendants' affirmative defenses, including the Release Benefit Agreements that Defendants transmitted to putative Class Members in or around August 2021; and the re-classification of certain employees from exempt to non-exempt after the initiation of this Action. More specifically:

(a) On June 10, 2021, my office propounded a first set of discovery to Defendants Shoreline Treatment Center, Inc. and Rachel Levi seeking information related to Defendants Shoreline Treatment Center, Inc. and Rachel Levi's wage-and-hour policies, procedures, and practices.

(b) On June 21, 2021, my office propounded a second set of discovery to Defendants Shoreline Treatment Center, Inc. and Rachel Levi, which related specifically to issues of standing and adequacy.

- 1 (c) On June 26, 2021, my office propounded a third set of discovery to Defendants
2 Shoreline Treatment Center, Inc. and Rachel Levi, which related to issues of class
3 size and ascertainability.
- 4 (d) On June 29, 2021, my office propounded a fourth set of discovery to Defendants
5 Shoreline Treatment Center, Inc. and Rachel Levi, which related to suspected
6 communications with certain putative class members.
- 7 (e) On August 21, 2021, my office propounded a fifth set of Requests for Production
8 and Special Interrogatories to Defendant Rachel Levi, seeking information related
9 to Defendants' affirmative defenses.
- 10 (f) On September 10, 2021, my office propounded sixth set of Requests for
11 Production and Special Interrogatories to Defendant Rachel Levi, along with a
12 fifth set of Requests for Admission and Form Interrogatories, as well as a fourth
13 set of all four discovery devices to Defendant Shoreline Treatment Center, Inc.,
14 all seeking discovery related to the Release Benefit Agreements and Revised
15 Release Benefit Agreements that Defendants transmitted to putative class
16 members in or around August 2021, and information about certain employees' re-
17 classification status during the pending litigation.
- 18 (g) On November 17, 2021, I took the deposition of Defendant Rachel Levi, and on
19 the following day I took the deposition of Jennfier Teutscher, a party-affiliated
20 witness. These depositions uncovered information about the release agreements
21 that Defendants secured from certain putative class members.
- 22 (h) On November 23, 2021, my office propounded a first set of Requests for
23 Admission and Form Interrogatories-General to Defendants 108 Roycroft, LLC
24 and Odyssey Behavioral Healthcare, LLC. In addition to seeking information
25 related to the background of these Defendants, this discovery sought to determine
26 whether Defendants 108 Roycroft, LLC and Odyssey Behavioral Healthcare,
27 LLC were parties to the release agreements transmitted to putative class members.
- 28 (i) On December 15, 2021, my office propounded additional discovery to Defendants

Shoreline Treatment Center, LLC and Rachel Levi regarding their sixth affirmative defense styled “settlement and release agreement.”

(j) On October 6, 2022, I took the second deposition of Defendant Rachel Levi, regarding Defendant’s policies, procedures, and practices, and efforts to ensure compliance thereto.

9. In addition to formal discovery, I personally reviewed the employee handbooks that Ms. Prodromides provided me; I inquired with the Department of Industrial Relations to determine if Defendants had conducted any election procedures in accordance with 8 CAL. CODE REGS. § 11050(3)(C), *et seq.*, and sections 511 and 517 of the California Labor Code; I spoke with and interviewed putative class members; and I conducted extensive legal research with respect to the implementation of alternative workweek schedules, and the invalidation of the Release Benefit Agreements.

MEDIATION AND SETTLEMENT NEGOTIATIONS

10. On August 15, 2022, my office transmitted a letter to the Defense Counsel in which it outlined Ms. Prodromides’ bases for moving to invalidate the release agreements. When this letter was communicated to Defense Counsel, the authority supporting Ms. Prodromides’ anticipated motion was meticulously researched and her motion was fully briefed and ready to be filed. After extensive meet-and-confer efforts, and after having taken three depositions, the Parties agreed to mediate.

11. In advance of mediation, Defendants provided my office with class data that included employee names, anonymous identification numbers, termination dates, written meal break waivers, AWS status, release benefit amounts, payroll records, and timekeeping records for all non-exempt employees. I retained an expert to analyze the data who formulated damage models based on violation rates outlining Defendants’ maximum exposure, which I reviewed and analyzed prior to mediation. The data revealed that individuals who worked under the AWS were not paid overtime for work exceeding eight (8) hours a day and/or forty (40) hours in a workweek. The data also revealed that non-exempt employees who were not subject to the AWS were similarly not paid overtime compensation.

12. On January 12, 2023, the Parties mediated the Action with professional neutral, Kim Deck, Esq., of Judicate West. A full-day mediation did not result in a compromise, but the Parties

1 continued negotiations with the aid of Ms. Deck.

2 13. On January 31, 2023, the Parties accepted a mediator’s proposal. The terms of the
3 settlement are memorialized in the “Class Action and PAGA Settlement and Release Agreement” (the
4 “Agreement”). A true and correct copy of the Agreement is attached hereto and labeled as “Exhibit 1.”

5 **KEY TERMS OF THE SETTLEMENT**

6 14. The terms of the settlement were initially reduced to writing within the “Class Action and
7 PAGA Settlement and Release Agreement” (the “Agreement”). At the Court’s request, my office
8 submitted to the Court an Amended Class Action and PAGA Settlement and Release Agreement
9 (“Amended Agreement”) on October 26, 2023. The Court entered its Preliminary Approval Order on
10 November 14, 2023.

11 15. Prior to the date the class notice was set to issue, Counsel for the Parties discovered a
12 discrepancy with the Total Release Benefit Amount. The Parties submitted to the Court a proposed
13 addendum (“Addendum”), along with a “Revised Class Notice,” amending the Total Release Benefit
14 Amount from \$173,661 to \$178,484.77, resolving the discrepancy. On December 28, 2023, the Court
15 approved both the Addendum and the Revised Class Notice and issued the Amended Preliminary
16 Approval Order (“Amended PAO”).

17 16. The following key terms of the Settlement are summarized from the Amended
18 Agreement, the Addendum, and the Revised Class Notice, which are all attached and incorporated into
19 the Court’s Amended PAO.

20 17. Attached is a true and correct copy of the Amended PAO, labeled as “Amended
21 Preliminary Approval Order,” which attaches the Amended Agreement as “Exhibit 1,” the Addendum as
22 “Exhibit 2,” and the Revised Class Notice as “Exhibit B” to Exhibit 2.

23 18. The “Class” or “Settlement Class” is defined as: “all current and former non-exempt
24 employees who work or worked for any of the Defendants at any Shoreline Treatment Center facility in
25 California during the Class Period and includes the ‘Non-Release Benefit Subclass’ and the ‘Release
26 Benefit Subclass’.” (Amended PAO, p. 2:7-11; *id*, p. 2, n. 1, Ex. 1 thereto, ¶¶ 2.14. and 2.57.) The Class
27 Period is from December 10, 2016 to March 10, 2023. (Amended PAO, p. 2:20; *id*, p. 2, n. 1, Ex. 1
28 thereto, ¶ 2.14.)

1 19. The “Non-Release Benefit Subclass” is defined as: “all non-exempt employees who
2 worked for any of the Defendants during the Class Period but did not sign a [Release Benefit Agreement]
3 releasing Defendants from the claims raised in the Action and did not receive compensation for releasing
4 Defendants from the claims raised in the Action.” (Amended PAO, p. 2:13-15; *id*, p. 2, n. 1, Ex. 1
5 thereto, ¶ 2.39.) Based on the discovery and class data exchanged in the Action, there are approximately
6 113 members in the Non-Release Benefit Subclass.

7 20. The “Release Benefit Subclass” is defined as: “all non-exempt employees who worked
8 for any of the Defendants during the Class Period and who signed a [Release Benefit Agreement]
9 releasing Defendants from the claims raised in the Action or received payments for releasing Defendants
10 from the claims raised in the Action.” (Amended PAO, p. 2:13-15; *id*, p. 2, n. 1, Ex. 1 thereto, ¶ 2.51.)
11 There are approximately 73 members in the Release Benefit Subclass. There are two individuals who
12 signed settlement agreements that were separately and independently negotiated by their respective
13 private counsel. (Amended PAO, p. 2, n. 1; Ex. 1 thereto, ¶ 6.2.1.) I personally reviewed the release
14 agreements for these two individuals and determined that they should not be considered part of the
15 Settlement, and their respective workweeks are not counted towards aggregate Workweeks for the Class.

16 21. The “PAGA Period” means the period from May 29, 2019 to March 10, 2023.
17 (Amended PAO, p. 2, n. 1, Ex. 1 thereto, ¶ 2.46.)

18 22. Defendants agree to pay \$500,000 to fund the Settlement (the “Settlement Fund”), which
19 aggregated with the Total Release Benefit Amount of \$178,484.77 constitutes a “Gross Settlement
20 Amount” valued at \$678,484.77. (Amended PAO, p. 2, n. 1, Ex. 1 thereto, ¶¶ 2.27. and 2.58; Amended
21 PAO, p. 2, n. 1, Ex. 2 thereto, ¶ 5.1.)

22 23. The “Net Settlement Amount” is the Settlement Fund of \$500,000 less the following
23 deductions, subject to Court approval:

- 24 (a) **PAGA Allocation.** A PAGA allocation of \$25,000, of which 75% (\$18,750) shall
25 be paid to LWDA, which represents the “LWDA PAGA Payment” and 25%
26 (\$6,250) paid to Aggrieved Employees. (Amended PAO, p. 2, n. 1, Ex. 1 thereto,
27 ¶¶ 2.34., 5.3.1-5.3.1.2.) Each Aggrieved Employee will receive his or her share of
28 the amount allocated to the Aggrieved Employees (i.e., \$6,250), which represents

1 the “Individual PAGA Payment”. (Ex. 1 thereto, ¶ 2.29.) The Individual PAGA
2 Payment shall be calculated by dividing \$6,250 by the total number of Aggrieved
3 Employees in the PAGA Group and multiplying the result by the number of
4 PAGA Pay Periods worked within the PAGA Period. (*Id.*, Ex. 1 thereto, ¶
5 5.3.1.2.)

6 (b) ***Settlement Fund Fee Payment and Class Counsel Expenses.*** Under the terms of
7 the Settlement, Defendants will not oppose Class Counsel’s fee application of up
8 to 35% of the Settlement Fund in the amount of \$175,000 (the “Settlement Fund
9 Fee Payment”). (Amended PAO, p. 2, n. 1, Ex. 1 thereto, ¶¶ 5.3.4. and 8.1.) Class
10 Counsel, however, reduce their Settlement Fund Fee Payment request to 33.333%
11 of the Settlement Fund (i.e., \$166,665), the remainder of which will go to and
12 benefit the Participating Class Members. Defendants will also not oppose Class
13 Counsel’s request for costs not to exceed \$45,000 (“Class Counsel Expenses”).
14 (Amended PAO, p. 2, n. 1; Ex. 1 thereto, ¶ 5.3.4.) As of the filing of this motion,
15 Class Counsel has incurred \$48,604.15 in costs. If the Court approves an amount
16 less than the foregoing, the remainder will be allocated to the Net Settlement
17 Amount for distribution to the Participating Class Members. (Amended PAO, p.
18 2, n. 1, Ex. 1 thereto, ¶ 5.3.4.2.)

19 (c) ***Class Representative Service Award.*** Under the terms of the Settlement,
20 Defendants agree to not oppose a “Service Award” request of up to \$15,000 to
21 Ms. Prodromides for initiating and providing her services in support of the
22 Action. (Amended PAO, p. 2, n. 1, Ex. 1 thereto, ¶¶ 2.36 and 5.3.3.) Ms.
23 Prodromides, however, reduces her request to \$7,500, the remainder of which will
24 go to and benefit the Participating Class Members.) If the Court approves a lesser
25 amount, the Administrator will allocate the unapproved portion to the Net
26 Settlement Amount for distribution to Participating Class Members. (Ex. 1
27 thereto, ¶ 5.3.3.2.)

28 (d) ***The Administrator.*** The Parties agreed to appoint CPT Group, Inc. as the

“Administrator.” (Amended PAO, p. 2, n. 1, Ex. 1 thereto, ¶¶ 2.2 and 11.1.) The Parties have allocated an amount not to exceed \$13,000 as the “Administration Expenses Payment.” (*Id.*; Ex. 1 thereto, ¶¶ 2.3 and 5.3.2.) If the expense of administering the Settlement is less than \$13,000, the Administrator will allocate the remainder to Net Settlement Amount for distribution to Participating Class Members. (*Ibid.*)

(e) ***Total Net Settlement Amount Eligible for Participating Class Members.*** If the Court approves the amounts requested for the PAGA Allocation, the Settlement Fund Fee Payment, Class Counsel Expenses, the Service Award, and the Administrator’s Expenses, the Net Settlement Amount eligible for distribution to the Participating Class Members is \$242,835. *See also*, Amended PAO, p. 3:3-5.

24. From the Net Settlement Amount, each “Participating Class Member” will receive a lump sum payment, which will be determined by “dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and multiplying the result by each Participating Class Member’s Workweeks.” (Amended PAO, p. 2, n. 1, Ex. 1 thereto, ¶¶ 2.37 and 5.4.) Participating Class Members within the Release Benefit Subclass will have their Individual Class Payment offset by the Release Benefit already received with any outstanding amount capped at \$100, and the remainder reverting to the Participating Class Members within the Non-Release Benefit Subclass to be distributed on a pro rata basis.¹ (Amended PAO, p. 2, n. 1, Ex. 2 thereto, ¶ 5.4.)

25. While the gross value of the Settlement is \$678,484.77, the Settlement Fund is limited to \$500,000 because Defendants have already paid an Aggregate Release Benefit Amount of \$178,484.77

¹ For example:

- If a Participating Class Member is to receive \$2,000 under the Settlement, but has already received a Release Benefit of \$1,500, this Participating Class Member will receive \$100, and the remainder of 400 (i.e., \$2,000 - \$1,500 = \$500 - \$100 = \$400) will be distributed to the Participating Class Members within the Non-Release Benefits Subclass on a pro-rata basis.

- If a Participating Class Member is to receive \$2,000 under the Settlement, but has already received a Release Benefit of \$2,500, this Participating Class Member will receive no additional money, and the residue of \$2,500 will be distributed to the Participating Class Members within the Non-Release Benefits Subclass on a pro-rata basis.

1 to the Release Benefits Subclass. If the Court approves the LWDA PAGA Payment, the Individual
2 PAGA Payments, the Settlement Fund Fee Payment, Class Counsel Expenses, the Service Payment, and
3 the Administrator's Expenses, the average recovery for Participating Class Members within the Non-
4 Release Benefits Class would be approximately, \$1,084.23, assuming no opt outs. But by implementing
5 this distribution structure with a \$100 cap, the Participating Class Members within the Non-Release
6 Benefits Subclass will not have to bear the entirety of the costs associated with these expenses, while
7 safeguarding against a potential windfall to the Release Benefits Subclass, thereby increasing the average
8 recovery for Participating Class Members within the Non-Release Benefits Class approximately
9 \$2,100.79.

10 26. This distribution structure also benefits the Release Benefits Subclass. Since the Release
11 Benefit amounts were not based on Participating Class Member's Workweeks, this distribution structure
12 provides an additional recovery within the Release Benefits Subclass who received a Release Benefit
13 amount less than what they would have received under the Settlement. This distribution structure
14 increases the average recovery for Participating Class Members within the Release Benefits Class from
15 \$2,052.74 to \$2,099.20, while safeguarding against using money due to the Non-Release Benefit
16 Subclass from subsidizing the additional recovery paid to the Release Benefit Subclass. (Amended PAO,
17 p. 2, n. 1, Ex. 1 thereto, ¶ 5.4.1.)

18 27. Each Participating Class Member's payment is allocated as one-third (33.33%) for unpaid
19 wages reported on an IRS W-2 basis, and two-thirds (66.67%) as penalties and interest reported on an
20 IRS 1099 basis. (*Id.*, ¶ 5.4.1.)

21 28. The following releases shall become effective when Defendants transmit the Settlement
22 Fund to the Administrator and fund all employer payroll taxes owed on the wage portion of the
23 Individual Class Payments, (Amended PAO, p. 2, n. 1, Ex. 1 thereto, ¶ 9.1.):

- 24 (a) ***Ms. Prodromides' Release:*** Ms. Prodromides and her respective former and
25 present representatives, agents, attorneys, heirs, administrators, successors, and
26 assigns, will release all claims she may have against Releasees² arising out of or
27

28 ² "Releasees" means and refers to "Defendants and all of their former and/or present parents, subsidiaries,
and affiliates and each of their respective officers, directors, managers, owners, executives, partners,

related to her employment with any of the Defendants. (*Id.*, Ex. 1 thereto, ¶ 9.1.1.) Ms. Prodromides' release includes a waiver of section 1542 of the California Civil Code. (*Id.*, Ex. 1 thereto, ¶ 9.1.2.)

(b) ***Participating Class Members' Release:*** The class release is limited to:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Releasees from the claims alleged in the Action, as well as any potential or reasonably related claims that could have been alleged in the Action based on the facts asserted in the Action arising during the Class Period, including state wage and hour claims, claims for wages, fees, over time, double time, minimum wage, on-duty meal periods, off-duty meal periods, off-duty rest periods, meal break penalties, rest break penalties, timely payment violations, accurate and complete wage statements violations, failure to furnish employee file and payroll records, and wages and all claims under the PAGA based on the foregoing. This release includes but is not limited to claims alleging violations of Labor Code §§ 201, 201.3, 202, 203, 204, 210, 212, 218.5, 218.6, 226, 226.3, and 226.7, et seq.; Labor Code §§ 510, 512, 558, et seq.; Labor Code §§ 1194, 1197.1, 1198, 1198.5, 1199, et seq.; Labor Code §§ 2698 et seq. (i.e. any PAGA claims); sections 3, 9, 11, and 12 of the applicable IWC Wage Order; 8 Cal. Code Regs. §§ 2, 3, 9881, 9881.1, 11050, et seq.; Bus. & Profs. Code § 17200-05, et seq.; and interest/costs pursuant to Civ. Code § 3289 and Code Civ. Proc. §§ 1021.5, and 1032.

(*Id.*, Ex. 1 thereto, ¶ 9.1.3.)

(c) ***Aggrieved Employees Release.*** All Aggrieved Employees, including those who opt out of the settlement, will release "Releasees from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, during the PAGA Period based on facts stated in the Operative Complaint and the PAGA Notice."

(*Id.*, Ex. 1 thereto, ¶ 9.1.4.)

29. The Release Benefit Agreements signed by each Participating Class Member within the Release Benefit Subclass shall be invalidated upon Final Approval, and the Release Benefit Subclass shall be bound by the Participating Class Members' Release. (*Id.*, Ex. 1 thereto, ¶ 6.1.)

30. Neither the Gross Settlement Amount, Settlement Fund, nor the Net Settlement Amount shall revert to Defendants. (*Id.*, Ex. 1 thereto, ¶ 5.5.) Any unclaimed funds from any uncashed checks, plus any interest thereon, shall escheat to the California State Controller's Unclaimed Property Fund

employees, shareholders, agents, attorneys, and any other successors, predecessors, assigns, or legal representatives." (Amended PAO, p. 2, n. 1, Ex. 1 thereto, ¶ 9.1.1.)

pursuant to the Unclaimed Property Law (CALIFORNIA CIVIL CODE § 1500, *et seq.*) in the names of the Class Members after 180 days from mailing. (*Id.*)

31. In addition to the Settlement Fund Fee Payment, Defendants agree, subject to Court approval, to directly pay Class Counsel a “Direct Fee Payment of \$59,494.32 (i.e., 33.333% of the Total Release Benefit Amount). (*Id.*; Ex. 2 thereto, ¶ 8.2.) The Direct Fee Payment is in recognition that the Release Benefits paid to the Release Benefit Subclass were inspired by this Action, and to prevent the Non-Release Benefit Subclass from having to bear the entire cost of attorneys’ fees. Otherwise, a request for 33.333% of the Gross Settlement Amount would require \$226,159.32 to be deducted from the Settlement Fund. Under this structure, however, only \$166,665 would need to be deducted from the Settlement Fund, while Defendants will directly pay the balance of \$59,494.32, thereby reducing fee deduction amount from the Settlement Fund by \$59,494.32, which will only benefit the Participating Class Members. The Settlement is not contingent on Court approval of the Direct Fee Payment, nor shall it alter or affect the Net Settlement Amount to be distributed to the Participating Class Members or the Aggrieved Employees.

32. The Revised Class Notice sets forth in plain terms, a statement of the case, the terms of the Settlement, the approximate amount of attorneys’ fees and costs, Ms. Prodromides’ requested service award, the Direct Fee Payment request, and an explanation of how the settlement allocations are calculated. (Amended PAO, p. 2, n. 2, Ex. B thereto; Declaration of Jeremy Talavera (“Talavera Decl.”), ¶ 8 (Ex. A thereto).) The first page of the Revised Class Notice sets forth the approximate amount each Class Member and/or Aggrieved Employee will receive from the Net Settlement Amount (assuming that all Class Members participate in the settlement), as well as an identification of the number of workweeks for each Class Member. (Amended PAO, p. 2, n. 2, Ex. B thereto.) The Revised Class Notice also explained the methods for Class Members to dispute the number of workweeks, object to the Settlement, and request exclusion from the non-PAGA portion of the Settlement. (*Ibid.*)

MY EXPERIENCE

33. I obtained my Juris Doctorate Degree from Southwestern Law School in December of 2009.

34. In 2010, I joined a prominent complex litigation firm in Los Angeles California, ARIAS

OZZELLO & GIGNAC, LLP³ (“AOG”), which specializes in complex matters such as wage and hour and consumer class actions, multidistrict litigation, and personal injury matters involving catastrophic injuries, as a law clerk primarily conducting legal research and drafting law and motion documents.

35. After obtaining my license to practice law in 2011, I worked as an associate at AOG where I focused my practice in areas of wage and hour and consumer class actions, multidistrict litigation, and personal injury matters involving catastrophic injuries until May of 2015.

36. With respect to my wage and hour experience, while working at AOG I litigated numerous cases to resolution, which entailed drafting complaints, defending demurrers, engaging in complex discovery issues including *Pioneer/Belaire-West* notice procedures, mediations, class certification, class administration/class notice, defending motions for summary judgments, and settlement approvals. My experience also includes appellate practice.

37. Since my separation from AOG in May of 2015, I have continued primarily litigating wage and hour cases, both individual and class action matters, and both on the plaintiff side and on the defense side.

38. Here is a sampling of my representative matters:

(a) Early in my career at AOG, I assisted senior lawyers with legal research and law and motion on the following matters:

- A consumer class action captioned *James Laliberte v. Pacific Mercantile Bank*; OC Sup. Ct. Case No. 03CC07092.
- A wage and hour class action captioned *Ugas V. H R Block Enterprises, LLC*; Cal. CD Case No. CV 09-6510-CAS (SHx).
- A wage and hour class action captioned *Braulio Juarez v. Kmart Corporation, et al.*; Contra Costa Sup. Ct. No. CIVMSC0602246.
- A wage and hour class action captioned *Sergio Gutierrez v. California Commerce Club, Inc.*; LA Sup. Ct. Case No. BC360704.

(b) As lead or co-counsel, I have actively litigated and/or am currently litigating, the

³ Arias Ozzello & Gignac, LLP is now known as Arias Sanguinetti, LLP.

1 following matters:

- 2 • A wage and hour class action captioned *Rodolfo Soto v. RIMA Private*
3 *Security Services, Inc., et al.*; LA Sup. Ct. Case No BC462676. Class
4 certification was granted on April 25, 2014, after which the defendants filed
5 bankruptcy.
- 6 • A wage and hour class action captioned *Darryle F. Harris v. Jackson-Jones*
7 *Corporation, et al.*; LA Sup. Ct. Case No. BC461009. Class certification was
8 granted on September 18, 2013, but due to a large number of opt outs, the
9 case was decertified before trial.
- 10 • A wage and hour class action captioned *Edward L. Caloia v. Fleetwood*
11 *Limousine, Ltd.*; LA Sup. Ct. Case No. BC458404. Motion for class
12 certification denied.
- 13 • A consumer class action captioned *Adrian Popescu v. SBE Entertainment*
14 *Group, LLC*; LA Sup. Ct. Case No. BC494064, resulting in a claims-made
15 settlement.
- 16 • A consumer class action captioned *Paul Ulman v. Central Mortgage*
17 *Company, et al.*; LA Sup. Ct. Case No BC465454, resulting in a class
18 settlement of \$250,000 of unreimbursed property tax refunds involving the
19 sale of real estate owned (REO) properties.
- 20 • A wage and hour class action/PAGA Action defense matter captioned
21 *Martinez v. DMCG, Inc.*; Los Angeles Sup. Ct. Case No. BC661162 (related
22 case: *Girardot v. Bail Hotline Bail Bonds, Inc.*; Los Angeles. Sup. Ct. Case
23 No. BC700131), resulting in a settlement of \$750,000.
- 24 • A wage and hour class action captioned *Ramirez v. Real Time Staffing*
25 *Services, Inc.*; Los Angeles Sup. Ct. Case No: BC715058. After an
26 unsuccessful appeal challenging the trial court's order compelling the matter
27 to arbitration and striking the class allegations (Second Appellate District
28 Case No: B313232), the parties settled the individual claims.

- A wage and hour class action/PAGA action captioned *Carrie Prodromides v. Shoreline Treatment Center, Inc., et. al.*, Los Angeles Sup. Ct. Case No. 20STCV47287, which recently settled for \$678,484.77, pending final approval.
- A wage and hour class action/PAGA action captioned *Nicole Wheat v. Mario Marovic, et. al.*; Orange Count Sup. Ct. Case No. 30-2021-01210986-CU-OE-CXC (related case: *Natasha Konishi et al. v. The Lounge Group, Inc., et al.*; Orange Count Sup. Ct. Case No. 30-2021-01201250-CU-OE-CXC, which recently settled for \$1,750,000, pending preliminary approval.
- A wage and hour class action/PAGA action captioned *Miller v. LS & Partners @ CA, LLC*; Los Angeles Sup. Ct. Case No. BC706919, which involved a successful writ petition challenging the trial court’s order striking certain class claims (Second Appellate District Case No: B313147), ultimately resulting in a settlement of \$1,500,000, pending preliminary approval.
- A wage and hour class action/PAGA action captioned *Lindsay Shelton v W.B. Restaurant Partners, LP, et al.*; Los Angeles Sup. Ct. Case No. 22STCV22904. Due to an arbitration agreement with a class waiver, the individual and class claims were dismissed and compelled to arbitration, while the “non-individual PAGA” claims were stayed pending the California Supreme Court’s decision in *Adolph v. Uber Technologies, Inc.* (Cal. S.C. Case No. G059860). After engaging in mediation, the parties settled the individual claims.
- A wage and hour class action/PAGA Action defense matter captioned *Pereira v. Bulldog Auction House, LLC*; Los Angeles Sup. Ct Case No. 23STCV12188, which is still pending.
- A wage and hour class action matter captioned *Mario Palma v. Moshe Librush, et al.*; Los Angeles Sup. Ct Case No. 23STCV25579, which is still pending.

- A wage and hour class action matter captioned *Jeremy McArthur v. Pacific Design Center 1, LLC, et al.*; Los Angeles Sup. Ct Case No. 24STCV03908, which is currently pending.

(c) I have also performed contract work for other class action attorneys assisting with limited or discrete issues, including:

- *Antelope Valley Groundwater Cases*; LA Sup. Ct Case No. JCCP4408, Lead Case No. BC325201; Court of Appeal Case No. F075451, assisting with drafting of appellate briefs related to the discrete issue of attorneys' fees.
- *David Krypt v. Able Building Maintenance*; LASC No. BC569154, assisting with law and motion related to class discovery.
- *Andrey Castrejon v. Karen Kane, Inc.*; LASC BC537058 (related case: *Patricia Lopez v. Karen Kane, Inc.* (LASC No. BC569548), assisting with law and motion related to class discovery.
- *Munoz v. Converse Inc. et al.*; Cal. ND Case No. 3:15-cv-03971-WHO, assisting with general law and motion practice.
- *Amiri v. Cox Communications California, LLC*; Cal. CD Case No. 8:16-cv-00540-CIC-RAO, assisting with general law and motion practice.

(d) While not a class action, it is noteworthy that I filed an individual wage and hour case in December of 2015 on behalf of a decedent who died during the course and scope of employment, which resulted in a confidential six-figure settlement in February 2017.

39. As of the date of this declaration, my customary hourly rate ranges are approximately between \$525 and \$550 an hour, which is commensurate with my years of experience in complex class action litigation.⁴ For this action, attorney Nicholas Ramirez of my office is claiming hourly rate of \$300,

⁴ According to the 2022 Real Rate Report, a Wolters Kluwer publication, the median and average hourly rates for Los Angeles area attorneys with seven or more years of experience in 2022 was \$550 and \$600, respectively, while the median and average hourly rates for "Litigation" associates in the Los Angeles area was \$615 and \$642, respectively. In addition, in a 2014 survey from ALM Legal Intelligence published by the National Law Journal reported the hourly rates of the Los Angeles office of SHEPPARD MULLIN RICHTER

1 which I believe is below his market rate. Attached is a true and correct copy of the Declaration of
2 Nicholas Ramirez in Support of Plaintiff's Motion for Preliminary Approval and labeled as "Exhibit
3 3." Also, for this action Co-Counsel Richard Kim is claiming an hourly rate of \$400, (*see* concurrently
4 filed Declaration of Richard Kim ("Kim Decl."), ¶ 12), which I believe is below his market rate. These
5 rates are not being opposed or challenged.

6 **THE PROPOSED SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE**

7 40. Prior to mediation, my office and I engaged in extensive discovery and investigation,
8 including (1) reviewing hundreds of pages of written policies and procedures, specifically those
9 contained in employee handbooks; (2) inquiring with the California Department of Industrial Relations to
10 determine if Defendants had conducted any election procedures in accordance with 8 CAL. CODE REGS. §
11 11050(3)(C), *et seq.*, and sections 511 and 517 of the California Labor Code; (3) reviewing
12 approximately 5,632 pages of documents consisting of employee timesheets, payroll data, paystubs,
13 signed Release Benefit Agreements, and emails, texts, and social media messages related to the Release
14 Benefit Agreements; (4) drafting a Belaire-West Notice and retaining an administrator to issue it to the
15 Class; (5) interviewing putative class members; (6) conducting extensive legal research with respect to
16 the implementation of alternative workweek schedules, and the invalidation of the Release Benefit
17 Agreements; (7) taking three depositions, and (8) studying the damage analysis and models provided by
18 Ms. Prodromides' expert.

19 41. Based on the data provided by the Defendants prior to mediation, Ms. Prodromides'
20 expert created a damage model based on the following benchmarks and assumptions:

- 21 (a) Approximate class size of 168, with 53 of those individuals subjected to the
22 AWS, and 112 non-AWS;
23 (b) Approximately 5,199 total workweeks (extrapolated up to date of mediation);
24 (c) Average hourly rate: \$23.94; and
25 (d) An estimated number of 93 individuals were terminated or resigned.

26 42. An addition, based on Ms. Prodromides' theories of liability, the damage model assumes
27

28 & HAMPTON, LLP, a leading wage and hour class action defense firm, at \$535 on the higher end, \$275 on the
lower end, and an average of \$415. (<https://www.law.com/nationallawjournal/almID/1202636785489/>)

the following:

- (a) A 100% violation rate for off-the-clock work by the non-AWS employees;
- (b) A 100% meal break violation rate for the AWS employees.
- (c) A 100% rest break violation rate for all class members.

43. Based on the foregoing benchmarks and assumptions, Defendants' maximum exposure is estimated to be approximately \$1,741,378, which is broken down as follows:

Unpaid Overtime Premiums (Plus Interest)	\$200,887
Off-the-Clock Work (Plus Interest)	\$119,995
Liquidated Damages (Plus Interest)	\$119,995
Meal Period Violations (Plus Interest)	\$151,013
Rest Break Violations (Plus Interest)	\$441,108
Wage Statement Penalties	\$174,040
Waiting Time Penalties	\$534,341
TOTAL	\$1,741,378

44. Despite Defendants' maximum exposure, I recognize the challenges of proving Ms. Prodromides' class claims, along with the risks, complexities, expense, and duration of further litigation. More specifically, Defendants' scheme to pick off putative Class Members. If the parties were to not settle, the Action was set to veer towards a contested hearing regarding the validity and/or enforceability of the Release Benefit Agreements. On the other hand, if Ms. Prodromides had successfully challenged the Release Benefits Agreements, there is a legitimate possibility that Defendants could cure the defects contained within the Release Benefit Agreements and devise a second campaign to secure release agreements from putative Class Members. In either event, my office would have incurred significant costs, which would deplete potential recovery for the Class, and the size of the Class would be significantly reduced.

45. In addition, the Action is not yet certified. In the Second Interim Report From the Study of California Class Action Litigation, published by the Judicial Council of California in February 2010, only 22% of class actions get certified. (<https://www.courts.ca.gov/documents/classaction-certification.pdf>).

46. Even if Ms. Prodromides were to be successful in achieving class certification (and potentially opposing a motion for decertification), my office would have still need to engage in merits discovery, and Ms. Prodromides would still have the challenge of proving the existence and nature of her

1 claims. Defendants will undoubtedly challenge the violation rate assumptions for off-the clock work and
2 rest break claims. Given that lack of records to prove off-the-clock claims, individual inquiries may
3 become necessary, rendering trial unmanageable. And, given that records of rest breaks are not
4 maintained (and not required to be maintained), Ms. Prodromides' rest break claims face the same
5 challenge.

6 47. Another challenge is whether Defendants knew, or should have known, that the non-
7 AWS employees were working overtime hours. And, even if Ms. Prodromides prevails on her underlying
8 claims, she will also need to prove that Defendants' violations of Labor Code sections 203 and 226 were
9 **willful**. The wage statement and waiting time penalties alone constitute 40.68% of Defendants'
10 maximum exposure.

11 48. Upon balancing the strengths of Ms. Prodromides' case against the risks associated with
12 continued litigation, I believe that the Gross Settlement Amount valued at \$673,661 represents a
13 substantial recovery for a class of 186 individuals. Assuming the Court approves the full amount of
14 Class Counsel Fees Payment, Class Counsel Expenses, the Service Award, and the Administration
15 Expenses Payment, in theory the average recovery by Participating Class Members within the Non-
16 Release Benefits Class would be \$2,411.32, while the average recovery by Participating Class Members
17 within the Release Benefits Class would be \$2,416.55.

18 49. In summary, taking into account the risks and uncertainties of prevailing at certification
19 and at trial, the Gross Settlement Amount of \$673,661 represents approximately 38.69% of Defendants'
20 maximum exposure, which is an extremely reasonable and adequate resolution for the Class.

21 50. In addition, I am of the opinion that the amount allocated to PAGA, \$25,000 (of which
22 \$18,750 will be paid to the LWDA, and 25% (\$6,250) paid to Aggrieved Employees in addition to their
23 respective share from the Net Settlement Amount), is reasonable and appropriate. The Parties negotiated
24 a good faith amount for PAGA penalties, which was not the product of self-interest at the expense of
25 Class Members. This allocation is in line with allocation approved by other courts. *See e.g., Nelson v.*
26 *Avon Products, Inc.* (N.D. Cal. 2017) 2017 WL 733145 (granting final approval of \$1,800,000 settlement
27 with \$10,000 as the PAGA payment); *Taylor v. Shippers Transport Express, Inc.* (C.D. Cal. 2015) 2015
28 WL 12658457, *19 (settlement reached for \$11,040,000 with a PAGA payment of \$50,000, which "is

greater than [PAGA] awards deemed reasonable and approved in other cases”); *Franco v. Ruiz Food Products, Inc.* (E.D. Cal. 2012) 2012 WL 5941801, * 14 (a settlement of \$2,500,000 with \$10,000 as the PAGA payment “comports with settlement approval of PAGA awards in other cases”). It also bears mentioning that representative PAGA claims, in general, may face manageability challenges depending on the anticipated California Supreme Court decision of *Estrada v. Royalty Carpet Mills* (Cal. Sup. Ct. Case No. S274340).

51. I served notice of Ms. Prodromides’ Motion for Final Approval was submitted to the LWDA on May 16, 2024.

THE REQUEST FOR ATTORNEYS’ FEES AND COST IS REASONABLE

52. My office and the Law Office of Richard Kim, P.C., as Class Counsel, request an aggregate fee award of \$226,159.33 (i.e., 33.333% of the Gross Settlement Amount), of which \$166,665 shall be paid from the Settlement Fund (i.e., 33.333% of the Settlement Fund), and a “Direct Fee Payment” of \$59,494.32 (i.e., 33.333% of the Aggregate Release Benefit Amount) to be paid by Defendants. My office and the Law Office of Richard Kim, P.C., as Class Counsel, also request reimbursement of litigation expenses of \$45,000.⁵

53. The lodestar calculation for Class Counsel is itemized as follows:

Name	Position	Rate	Hours	Totals
Rolando Gutierrez	Senior Counsel	\$525.00	314.3	\$165,007.50
Richard Kim	Senior Counsel	\$400.00	114.1	\$45,640.00
Nicholas Ramirez	Junior Counsel	\$300.00	182.25	\$54,675.00
Scott Tucker	Paralegal	\$185.00	7.6	\$1,406.00
Don Adove	Paralegal	\$185.00	10.1	\$1,868.50
Chris Kinney	Paralegal	\$185.00	13.9	\$2,571.50
Totals			642.25	\$271,168.50

54. My office has incurred the following expenses:

⁵ My office and the Law Office of Richard Kim, P.C. had initially entered into a co-counseling and attorney fee-splitting agreement with the Law Office of Mike McLachlan, a true and correct copy of which is attached herewith and labeled as “Exhibit 4.” On June 3, 2022, Mr. McLachlan indicated, and confirmed, that he is waiving his lien on fees, except his costs. Attached is an email from Mr. McLachlan confirming as such and labeled as “Exhibit 5.” Mr. McLachlan's costs are \$2,415.01.

Item	Cost
Belaire -West Notice	\$565.12
Case Anywhere	\$1,734.00
Courier Service	\$99.50
Court E Filing	\$270.40
Court Reporter	\$8,026.35
Expert Witness Fees	\$13,537.50
Photocopies	\$2,099.25
Color Photocopies	\$72.00
Process Service	\$217.40
Videographer	\$6,178.00
Westlaw	\$12,115.22
Total	\$44,914.74

55. The Law Offices of Richard Kim and Mike McLachlan⁶ incurred costs of \$1,274.40 and \$2,415.01, respectively. Overall, the total costs incurred to date are \$48,604.15. I believe that these costs are reasonable and necessary in achieving this favorable Settlement.

56. Class Counsel has invested significant time and resources into this case solely on a contingent basis. (See, ¶¶ 8-13 and 40-50, *supra*; see also, Kim Decl., ¶¶ 3-7.) The contingent risks in these types of cases are very real and occur regularly. I believe that this work was reasonably necessary to advance this litigation and position it for settlement, or dispositive motions and/or trial if settlement ultimately proved unsuccessful.

57. In addition, my office spent a considerable time finalizing the Settlement, including, *inter alia*, negotiating and drafting a long-form Agreement and Class Notice form (1) drafting and filing an amended complaint redefine the class and allege a claim for declaratory relieve, as required under the terms of the Settlement, (2) drafting and filing the MPA and all supporting documents, and appearing at the hearing, (3) revising the Agreement and submitting additional briefing to the Court, (4) working with and overseeing the Administrator, (5) responding to class member inquiries following distribution of the Class Notice, (6) researching and drafting the final approval papers and the anticipated appearance at the hearing.

⁶ See note 5, *supra*.

AMENDED PRELIMINARY APPROVAL ORDER

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Attorneys for Plaintiff and the Putative Class

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ANGELES

CARRIE PRODROMIDES, an individual,

Plaintiff,

vs.

SHORELINE TREATMENT CENTER, INC., a
California Corporation; RACHEL LEVI, an
individual, and DOES 1 through 50, inclusive,

Defendants.

CLASS ACTION

Case No: 20STCV47287

Hon. Stuart Rice

Dept. 1

**~~[PROPOSED]~~ AMENDED ORDER
GRANTING CONDITIONAL CLASS
CERTIFICATION AND PRELIMINARY
APPROVAL OF CLASS ACTION AND
PRIVATE ATTORNEY GENERAL
SETTLEMENT**

Complaint Filed: December 10, 2020

Initial Trial Date: None

FILED
Superior Court of California
County of Los Angeles

12/28/2023

David W. Slayton, Executive Officer / Clerk of Court

By: A. He Deputy

Electronically Received 12/27/2023 06:42 PM

[PROPOSED] AMENDED ORDER

On September 27, 2023, at 10:30 a.m., this case came for hearing before the Honorable Stuart M. Rice in Department 1 of the Superior Court, County of Los Angeles, located at 312 North Spring Street, Los Angeles, California 90012, for Plaintiff Carrie Prodromides' unopposed Motion for Conditional Class Certification and Preliminary Approval of Class Action and Private Attorney General Act Settlement and Release Agreement ("Motion"). The day prior to the hearing, September 26, 2023, the Court issued its checklist for preliminary approval for class action settlements directing Plaintiff to address certain deficiencies articulated in the checklist. During the hearing of September 27, 2023, Plaintiff was ordered to file supplemental documents correcting these deficiencies.

With leave of Court, on October 23, 2023, Plaintiff filed a second amended complaint, which became the "Operative Complaint" for final approval. On October 26, 2023, Plaintiff filed a supplemental brief, along with supplemental declarations and documents correcting the deficiencies discussed during the hearing of September 27, 2023. On October 30, 2023, the Court instructed Plaintiff to submit a revised Amended Proposed Preliminary Approval Order articulating the monetary aspects of the settlement and the intended disbursements from the overall gross recovery, which Plaintiff submitted on November 10, 2023.

On November 14, 2023, the Court issued an order preliminarily approving the Amended Class Action and PAGA Settlement and Release Agreement. On December 22, 2023, Plaintiff and Defendants Shoreline Treatment Center, LLC (F/K/A Shoreline Treatment Center, Inc.), Rachel Levi, Odyssey Behavioral Healthcare, LLC, and 108 Roycroft, LLC, submitted a proposed stipulated order seeking approval of an Addendum to the Amended Class Action and PAGA Settlement and Release Agreement to the Court for approval.

The Court, having fully reviewed the unopposed Motion, the supporting memorandum of Points and Authorities, Declarations of Rolando J. Gutierrez, Nicholas L. Ramirez, and Richard Kim, filed in support thereof, the Supplemental Declaration of Rolando J. Gutierrez and the Amended Class Action and PAGA Settlement and Release Agreement attached thereto, the Addendum to the Amended Class Action and PAGA Settlement and Release Agreement (the Amended Class Action and PAGA Settlement and Release Agreement and the Addendum to the Amended Class Action and

PAGA Settlement and Release Agreement are jointly referred to as the “Settlement Agreement”),¹ the proposed Amended Notice of Class Action Settlement (“Class Notice”),² and having carefully analyzed the Settlement Agreement and the Class Notice, **HEREBY MAKES THE FOLLOWING ORDERS:**

1. The Court grants preliminary approval of the Settlement and the Settlement Class based upon the terms set forth in the Settlement Agreement, attached hereto as Exhibits 1 and 2, incorporated herein by this reference, and made a part of this Order. For settlement purposes only, the Court grants conditional certification of the following “Settlement Class” defined as:

All current and former non-exempt employees who work or worked for Defendants Shoreline Treatment Center, Inc., Shoreline Treatment Center, LLC, or Odyssey Behavioral Healthcare, LLC at any Shoreline Treatment Center facility in California during at any time during the time-period of December 10, 2016 through March 10, 2023, and includes the “Non-Release Benefit Subclass” and the “Release Benefit Subclass.”

The “Non-Release Benefit Subclass” includes:

All non-exempt employees who worked for any of the Defendants during the Class Period but did not sign a Release Benefit Agreement or a Revised Release Benefit Agreement releasing Defendants from the claims raised in the Action and did not receive compensation for releasing Defendants from the claims raised in the Action.

The “Release Benefit Subclass” includes:

All non-exempt employees who worked for any of the Defendants during the Class Period and who signed a Release Benefit Agreement or a Revised Release Benefit Agreement releasing Defendants from the claims raised in the Action or received payments for releasing Defendants from the claims raised in the Action.

The Class Period is from December 10, 2016 to March 10, 2023.

2. The gross value of Settlement is \$678,484.77, which consists of (1) a payment by the Defendants of \$500,000 to fund the Settlement (the “Settlement Fund”), and (2) an aggregate amount of \$178,484.77 that Defendants already paid to the Release Benefits Subclass (the “Total Release

¹ The Amended Class Action and PAGA Settlement and Release Agreement, and the Addendum to the Amended Class Action and PAGA Settlement and Release Agreement, are attached hereto and labeled as Exhibits 1 and 2, respectively.

² The Class Notice is attached to the Addendum to the Amended Class Action and PAGA Settlement and Release Agreement, labeled as Exhibit B, a copy of which is also attached to this Order labeled as Exhibit B.

Benefit Amount”). The “Net Settlement Amount” is the Settlement fund of \$500,000 less the following deductions, subject to Court Approval:

PAGA Allocation.....	\$25,000 ³
Settlement Fund Fee Payment	\$166,665 ⁴
Class Counsel Expenses	\$45,000
Class Representative Service Award	\$7,500
Administrator Expenses Payment	\$13,000
Total Net Settlement Amount to Participating Class Members	\$242,835

3. The Court finds that the Settlement falls within the range of reasonableness and appears to be valid, subject only to any objections that may be raised at the final fairness hearing and final approval by this Court.

4. The Court confirms Rolando J. Gutierrez and Nicholas L. Ramirez of BROWN WHITE & OSBORN, LLP and Richard Kim from the LAW OFFICE OF RICHARD KIM, PC. as Class Counsel for purposes of settlement.

5. The Court hereby appoints Carrie Prodromides as the Class Representative

6. The Court confirms CPT Group, Inc. as the Claims Administrator.

7. The Court finds that the form of Class Notice to the Settlement Class regarding the pendency of the action and of the Settlement, and the methods of giving notice to members of the Settlement Class, constitute the best notice practicable under the circumstances, and constitute valid, due, and sufficient notice to the Settlement Class. The form and method of giving notice complies with the requirements of California Code of Civil Procedures § 382, California Civil Code § 1781, California Rules of Court 3.766 and 3.769, the California and United States Constitutions, and other applicable law.

³ Of which 75% (\$18,750) shall be paid to Labor & Workforce Development Agency, and 25% (\$6,250) shall be paid to the Aggrieved Employees.

⁴ The “Settlement Fund Fee Payment” represents 33.333% of the Settlement Fund. At Final Approval, Class Counsel will also request approval of a “Direct Fee Payment” of \$59,494.32, which represents 33.333% of the Total Release Benefit Amount, to be paid directly by the Defendants. The Direct Fee Payment is in recognition that the Release Benefits paid to the Release Benefit Subclass were inspired by this action, and to prevent the Non-Release Benefit Subclass from having to bear the entire cost of attorneys’ fees. The Settlement is not contingent on approval of the Direct Fee Payment, nor shall the Direct Fee Payment alter or affect the Net Settlement Amount to be distributed to the Participating Class Members or the Aggrieved Employees from the Settlement Fund.

1 8. The Court approves the procedures for Settlement Class members to opt out of or
2 object to the Settlement, as set forth in the Class Notice and the Settlement. The Class Notice shall
3 provide at least 60 calendar days' notice for members of the Settlement Class to submit disputes, opt
4 out of, or object to the Settlement.

5 9. The Court finds that the procedures and requirements for filing objections in
6 connection with the Final Fairness Hearing are intended to ensure the efficient administration of
7 justice and the orderly presentation of any Settlement Class Member's objection to the Settlement, in
8 accordance with the due process rights of all Settlement Class Members.

9 10. The Court directs the Claims Administrator to mail the Class Notice to the members of
10 the Settlement Class in accordance with the terms of the Settlement, by no later than January 11,
11 2024.

12 11. The Final Fairness Hearing on the question of whether the Settlement should be finally
13 approved as fair, reasonable, and adequate is scheduled in Department 1 of this Court, located at 312
14 North Spring Street, Los Angeles, CA 90012, on June 7, 2024, at 10:30 a.m.

15 12. At the Final Fairness Hearing, the Court will consider: (a) whether the Settlement
16 should be approved as fair, reasonable, and adequate for the Settlement Class; (b) whether a judgment
17 granting final approval of the Settlement should be entered; and (c) whether Plaintiffs' application for
18 an enhancement payment, claims administration costs, Labor and Workforce Development Agency's
19 ("LWDA") share of PAGA penalties, and Class Counsel's attorneys' fees and costs should be
20 granted.

21 13. Class Counsel shall file memoranda, declarations, or other statements and materials in
22 support of their request for final approval, including Plaintiff's application for enhancement
23 payments, claims administration costs, LWDA's share of PAGA penalties, and Class Counsel's
24 attorneys' fees and costs no later than May 15, 2024.

25
26 ///

27 ///

28 ///

14. The Court orders the following Implementation Schedule for further proceedings:

Event	Timing
Class Notice mailed to Class Members.	January 11, 2024
Deadline to opt-out, object, or challenge workweek/PAGA pay period count.	60 days after the Class Notice is mailed (the “Response Deadline”), plus an additional 14 days for re-mailed Class Notices.
Plaintiff files Motion for Final Approval, Motion for Attorneys’ Fees and Reimbursement of Costs, and Motion for Enhancements Award.	16 court days before the Final Approval hearing date, or May 15, 2024.
Final Approval Hearing	June 7, 2024, at 10:30 a.m.

15. Pending the Final Fairness Hearing, all proceedings in this action, other than proceedings necessary to carry out or enforce the terms and conditions of the Settlement and this Order, are stayed.

16. Counsel for the Parties are hereby authorized to utilize all reasonable procedures in connection with the administration of the Settlement that are not materially inconsistent with either this Order or the terms of the Settlement.

IT IS SO ORDERED.

Dated: 12/28/2023



A handwritten signature in black ink, appearing to read "Stuart M. Rice".

Stuart M. Rice / Judge
HONORABLE STUART M. RICE

EXHIBIT 1

AMENDED CLASS ACTION AND PAGA SETTLEMENT AND RELEASE AGREEMENT

1. PREAMBLE

1.1 This Class Action and PAGA Settlement and Release Agreement (hereinafter “Settlement Agreement”) is made and entered into by and between Plaintiff Carrie Prodromides, on behalf of herself and the Settlement Class (as defined below), and Defendant Shoreline Treatment Center, LLC, a California limited liability company formerly known as Shoreline Treatment Center, Inc., a California corporation; Defendant Rachel Levi; Defendant Odyssey Behavioral Healthcare, LLC, a Delaware limited liability company; and Defendant 108 Roycroft, LLC, a California limited liability company to settle Plaintiff Carrie Prodromides’ putative class and representative action currently pending in the Superior Court for the State of California for the County of Los Angeles, No. 20STCV47287.

2. DEFINITIONS

2.1 “Action” means the lawsuit entitled *Carrie Prodromides v. Shoreline Treatment Center, Inc., et. al.*, Case No. 20STCV47287, initiated on December 10, 2020, and pending in the Superior Court of California for the County of Los Angeles.

2.2 “Administrator” means CPT Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

2.3 “Administration Expenses Payment” means the expenses incurred by the Administrator in effectuating the Settlement, not to exceed \$13,000.

2.4 “Aggrieved Employee” means all current and former non-exempt employees who work or worked for any of the Defendants at any Shoreline Treatment Center facility in California during the Class Period.

2.5 “Aggregate Release Benefit Amount” means the \$173,661 paid to members of the Release Benefit Subclass by Defendants in exchange for signing Release Benefit Agreements and Revised Release Benefit Agreements.

2.6 “Amended PAGA Notice” means Named Plaintiff’s letter to Defendants and the LWDA on December 15, 2020.

2.7 “Class Counsel” or “Plaintiffs’ Counsel” means Rolando J. Gutierrez, Esq. and Nicholas L. Ramirez, Esq. of BROWN WHITE & OSBORN LLP.

2.8 “Class Counsel Fees” means the amount allocated to Class Counsel for payment of reasonable attorneys’ fees incurred to prosecute the Action, which consists of the Settlement Fund Fee Payment and the Direct Fee Payment.

2.9 “Class Counsel Expenses Payment” means the amounts allocated to Class Counsel for reimbursement of expenses incurred to prosecute the Action.

2.10 “Class Data” means Class Member identifying information in Defendants’ possession including the Class Member’s name, last-known mailing address, social security number, and number of Class Period Workweeks and PAGA Pay Periods.

2.11 “Class Member” or “Settlement Class Member” means a member of the Settlement Class, as either a Participating Class Member or Non-Participating Class Member, including a Non-Participating Class Member who qualifies as an Aggrieved Employee.

2.12 “Class Member Address Search” means the Administrator’s investigation and search for

current Class Member mailing addresses using all reasonably available sources, methods, and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

2.13 “Class Notice” or “Notice of Settlement” means and refers to the document attached hereto as “EXHIBIT A”.

2.14 “Class Period” means the period from December 10, 2016 to March 10, 2023.

2.15 “Court” means the Superior Court of California, County of Los Angeles.

2.16 “Date of Preliminary Approval” means the date the Court approves the Settlement Agreement and the exhibits thereto and enters an order providing for notice to the Class, an opportunity to opt out of the Class, an opportunity to submit timely objections to the Settlement Agreement, and setting a hearing for Final Approval of Settlement, including approval of attorneys’ fees and costs.

2.17 “Deficient Request for Exclusion” means a Request for Exclusion that is not signed by the Class Member who submitted or is submitting the Request for Exclusion or otherwise cannot be verified by the Administrator as being an authentic Request for Exclusion submitted by the Class Member.

2.18 “Deficient Opt-Out” means a Class Member who submitted a Deficient Request for Exclusion and failed to cure the Deficient Request for Exclusion within the time limit provided in the Settlement Agreement.

2.19 “Defendants” means and refers to Defendant Shoreline Treatment Center, LLC, a California limited liability company formerly known as Shoreline Treatment Center, Inc., a California corporation; Defendant Rachel Levi; and Defendant Odyssey Behavioral Healthcare, LLC, a Delaware limited liability company.

2.20 “Defendants’ Counsel” or “Defense Counsel” means Defendants’ counsel of record, Karina B. Sterman, Esq., and James W. Hill, Esq. of GREENBERG GLUSKER FIELDS CLAMAN & MACHTINGER LLP.

2.21 “Direct Fee Payment” means the amount to be paid by Defendants to Class Counsel for reimbursement of reasonable attorneys’ fees in recognition that the payments made in exchange for the execution of the Release Benefit Agreements and Revised Release Benefit Agreements signed by Settlement Class Members were inspired by this Action, and to help prevent the Non-Release Benefit Subclass from having to bear the entire cost of attorneys’ fees, subject to Court Approval.

2.22 “Effective Date” means the date when both of the following have occurred: (a) the Court enters a Judgment on its order granting Final Approval; and (b) the Judgment is final. The Judgment is final as of the latest of the following events: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Member objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues remittitur.

2.23 “Final Approval” means the Court’s order granting final approval of the Settlement.

2.24 “Final Approval Hearing” means the Court’s hearing on the Motion for Final approval of the Settlement.

2.25 “Final Approval Order” means the Court’s order approving the Settlement after the Final Approval Hearing.

2.26 “Final Judgment” means the Judgment entered by the Court upon granting a Final

Approval Order.

2.27 “Gross Settlement Amount” means \$673,661.00, which consists of Aggregate Release Benefit Amount plus the Settlement Fund.

2.28 “Individual Class Payment” means each Participating Class Member’s pro rata share of the Net Settlement Amount calculated pursuant to the formula set forth in Section 5.4.

2.29 “Individual PAGA Payment” means each Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated pursuant to the formula set forth in Section 5.3.1.2.

2.30 “Judgment” means the judgment entered by the Court based upon the Final Approval.

2.31 “Late Request for Exclusion” means a Request for Exclusion that is submitted to the Administrator after the end of the Class Period.

2.32 “Late Opt-Out” means a Class Member who submitted a Late Request for Exclusion.

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

2.34 “LWDA PAGA Payment” means seventy-five (75) percent of the PAGA Penalties paid to the LWDA under section 2699(i) of the California Labor Code.

2.35 “Named Plaintiff” means and refers to Plaintiff Carrie Prodromides.

2.36 “Named Plaintiff Service Payment” means the payment to the Named Plaintiff for initiating the Action and providing services in support of the Action, which is not to exceed \$15,000.

2.37 “Net Settlement Amount” is the portion of the Settlement Fund eligible for distribution to Settlement Class Members. The Net Settlement Amount is the Settlement Fund, less the following payments in the amounts approved by the Court: (a) all applicable employee tax withholdings; (b) Individual PAGA Payments; (c) the LWDA PAGA Payment; (d) the Settlement Fund Fee Payment; (e) the Class Counsel Expenses Payment; (f) Named Plaintiff Service Payment; and (g) the Administrator’s Expenses, as allocated pursuant the terms and conditions set forth in this Settlement Agreement. The remainder is to be paid to Participating Class Members as Individual Class Payments and to Aggrieved Employees as Individual PAGA Payments.

2.38 “Non-Participating Class Member” means any Class Member who opted out of the Settlement by sending the Administrator a valid, authentic, and timely Request for Exclusion.

2.39 “Non-Release Benefit Subclass” shall mean and include all non-exempt employees who worked for any of the Defendants during the Class Period but did not sign a Release Benefit Agreement or a Revised Release Benefit Agreement releasing Defendants from the claims raised in the Action and did not receive compensation for releasing Defendants from the claims raised in the Action.

2.40 “Operative Complaint” means Named Plaintiff’s second amended class action complaint filed on October 23, 2023.

2.41 “PAGA” means the California Private Attorneys General Act (Labor Code §§ 2698, *et seq.*).

2.42 “PAGA Group” means each and every Aggrieved Employee, collectively.

2.43 “PAGA Notice” means Named Plaintiff’s letter to the LWDA on May 29, 2020.

2.44 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.

2.45 “PAGA Penalties” means the remedies available under PAGA, which consists of the LWDA PAGA Payment and the Individual PAGA Payment.

2.46 “PAGA Period” means the period from May 29, 2019 to March 10, 2023.

2.47 “Participating Class Member” means a Class Member who does not submit a valid, authentic, and timely Request for Exclusion from the Settlement, a Class Member who submits a Deficient Request for Exclusion, or who submits a valid, authentic, and timely Request for Exclusion but thereafter rescinds the Request for Exclusion within the Response Deadline.

2.48 “Parties” means Named Plaintiff and Defendants, collectively.

2.49 “Preliminary Approval” or “Preliminary Approval Order” means the Court’s order granting Preliminary Approval of the Settlement.

2.50 “Qualified Settlement Fund” or “QSF” means the Qualified Settlement Fund created under section 468B-1 of the Internal Revenue Code (Title 26 of the United States Code), to be overseen by the Administrator.

2.51 “Release Benefit Subclass” shall mean and include all non-exempt employees who worked for any of the Defendants during the Class Period and who signed a Release Benefit Agreement or a Revised Release Benefit Agreement releasing Defendants from the claims raised in the Action or received payments for releasing Defendants from the claims raised in the Action.

2.52 “Release Benefit Agreement” means the Release Benefit Agreement dated August 17, 2021 that Defendants communicated to the Settlement Class.

2.53 “Request for Exclusion” means a Class Member’s submission of a written request signed by the Class Member to be excluded (i.e., opt out) from the Settlement, not including the PAGA Penalties portion of this Settlement. The Request for Exclusion will be extended by fourteen (14) days for Class Members whose Class Notices are re-mailed.

2.54 “Response Deadline” means sixty (60) calendar days after the Administrator mails the Class Notice to Class Members and Aggrieved Employees and shall be the last date on which the Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her objection to the Settlement. Class Members to whom Class Notices are re-sent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.

2.55 “Revised Release Benefit Agreement” means the Release Benefit Agreement dated August 23, 2021 that Defendants communicated to the Settlement Class.

2.56 “Settlement” means the disposition of the Action effectuated by this Settlement Agreement and the Judgment.

2.57 “Settlement Class” means and includes all current and former non-exempt employees who work or worked for any of the Defendants at any Shoreline Treatment Center facility in California during the Class Period and includes the Non-Release Benefit Subclass and the Release Benefit Subclass.

2.58 “Settlement Fund” means the amount of \$500,000.00 Defendants agree to pay, which aggregated with the of \$173,661 already paid to the members of the Release Benefit Subclass shall constitute the Gross Settlement Amount (as defined in paragraph 2.27), except as provided in paragraph 5.7 below. The Settlement Fund shall be used to pay (a) the Settlement Class, including all applicable employee tax withholdings excluding all employer-paid payroll taxes including employer FICA, FUTA, and SDI contributions; (b) the Individual PAGA Payments; (c) the LWDA PAGA Payment; (d) the Settlement Fund Fee Payment; (e) the Class Counsel Expenses Payment; (f) Named Plaintiff Service Payment; and (g) the Administrator’s Expenses, as allocated pursuant the terms and conditions set forth in this Settlement Agreement.

2.59 “Settlement Fund Fee Payment” means the amount allocated to Class Counsel for reimbursement of reasonable attorneys’ fees incurred to prosecute the Action, which is to be paid from the Settlement Fund, subject to Court Approval.

2.60 “Workweek” means any week during which a Class Member worked for any of Defendants or a combination thereof for at least one day, during the Class Period.

3. RECITALS

3.1 WHEREAS, Named Plaintiff initiated the Action on December 10, 2020, against Defendant Shoreline Treatment Center, Inc. and Defendant Rachel Levi alleging seven causes of action for: (1) Failure to Pay Overtime and Double Time Compensation [Cal. Lab. Code §§ 510, 511, 1194, 1198, and 8 Cal. Code Regs. § 11050(3), *et seq.*]; (2) Failure to Provide Meal Periods [Cal. Lab. Code §§ 226.7, 512, and 8 Cal. Code Regs. § 11050(11), *et seq.*]; (3) Failure to Provide Rest Periods [Cal. Lab. Code §§ 226.7 and 8 Cal. Code Regs. § 11050(12)]; (4) Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226]; (5) Waiting Time Penalties [Cal. Lab. Code §§ 201, 202, and 203]; (6) Penalties Pursuant to the Private Attorney General Act (“PAGA”) [Cal. Lab. Code § 2699, *et seq.*]; and (7) Unfair Competition and Unlawful Business Practices [Cal. Bus. & Prof. Code § 17200, *et seq.*].

3.2 WHEREAS, prior to the initiation of the Action, on May 29, 2020, Named Plaintiff gave notice to Defendant Shoreline Treatment Center, Inc. and the LWDA by sending the PAGA Notice.

3.3 WHEREAS, on December 15, 2020, Named Plaintiff gave timely notice to Defendants Shoreline Treatment Center, Inc., Defendant Rachel Levi, and the LWDA by sending the Amended PAGA Notice, pursuant to 2699.3(a) of the CALIFORNIA LABOR CODE.

3.4 WHEREAS, on April 28, 2021, Named Plaintiff filed her first amended complaint as a matter of right alleging a PAGA cause of action.

3.5 WHEREAS, in or about August 2021, Defendants communicated Release Benefit Agreements and Revised Release Benefit Agreements to the Settlement Class Members.

3.6 WHEREAS, certain members of the Settlement Class signed a Release Benefit Agreement or a Revised Release Benefit Agreement, and/or received payments in exchange for a general release of all claims against Defendants, whether known or unknown, including claims beyond those alleged in this Action.

3.7 WHEREAS, Named Plaintiff conducted extensive discovery, including depositions, related to class issues.

3.8 WHEREAS, the Parties agreed to mediate the Action with professional neutral, Kim Deck, Esq. of Judicate West, on January 12, 2023.

3.9 WHEREAS, prior to the mediation of January 12, 2023, Class Counsel obtained, through formal and informal discovery, employee data such as wage statements, pay stubs, payroll data in electronic format, timesheets, time data in electronic format, and the like, for each Class Member, and retained an expert to analyze the employee data in advance of mediation.

3.10 WHEREAS, on January 12, 2023, the Parties participated in private mediation with Ms. Deck, who subsequently issued a mediator’s proposal that was accepted by all the Parties, the material terms of which are encompassed within this Settlement Agreement.

3.11 WHEREAS, to effectuate the Settlement, on October 23, 2023, Plaintiff filed the Operative Complaint alleging a cause of action for declaratory relief invalidating the Release Benefit Agreements and the Revised Release Benefit Agreements signed by members of the Release Benefit Subclass.

3.12 WHEREAS, based on the documents and information gathered through discovery and investigation, and applicable law or extension thereof, Named Plaintiff and Class Counsel believe this Action is meritorious. Class Counsel have conducted a thorough investigation into the facts of this case and have diligently pursued an investigation of the claims against Defendants, as well as Defendants' affirmative defenses, including the affirmative defense of waiver and release based on the Release Benefit Agreements signed by certain Settlement Class Members. Based on Class Counsel's own independent investigation and evaluation, Class Counsel are of the opinion that the Settlement is fair, reasonable, and adequate and is in the best interests of the Settlement Class in light of all known facts and circumstances, including the complexity of the Action, the risk of significant delay, the risk that Defendants will continue their efforts to secure additional releases from the Settlement Class Members, the defenses that could be asserted by Defendants both to certification and on the merits, the risks and expense of trial, and appellate risk.

3.13 WHEREAS, Defendants and Defense Counsel have also investigated the facts surrounding Named Plaintiff's claims on behalf of themselves and the Settlement Class and have defended themselves from such claims. Defendants deny any liability or wrongdoing of any kind associated with Named Plaintiff's claims as alleged in the complaint, the first amended complaint, and the Operative Complaint, as defined in paragraph 2.40.

3.14 WHEREAS, Named Plaintiff has not filed her motion for class certification, and as such, the Court has not granted class certification in the Action.

3.15 WHEREAS, the entry of Final Judgment in this Action shall, as more specifically discussed herein, resolve all claims that were or reasonably could have been alleged in the Operative Complaint filed in this Action, with the exception of any claims that might be retained by Non-Participating Class Members in the Non-Release Benefit Subclass.

3.16 WHEREAS, the Court has jurisdiction over the Parties and the subject matter of the Action. The Court will have continuing jurisdiction over the terms and conditions of the Settlement Agreement, until all payments and obligation provided for herein have been fully performed.

3.17 WHEREAS, the Parties, Class Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3.18 WHEREAS, the Parties, Class Counsel, and Defense Counsel agree to cooperate and take all steps necessary and appropriate to obtain preliminary and final approval of this Settlement, and to effectuate its terms.

3.19 WHEREAS, each of the foregoing Recitals are incorporated into the Settlement Agreement as if fully set forth in the body of the Settlement Agreement.

4. THE OPERATIVE COMPLAINT

4.1 Leave To File A Second Amended Complaint. On October 23, 2023, Named Plaintiff was granted leave to file a second amended complaint, which was filed on October 23, 2023 becoming the Operative Complaint in the Action for purposes of Final Approval only, defining the "Settlement Class" to include all current and former non-exempt employees who work or worked for any of the Defendants at any Shoreline Treatment Center facility in California during the Class Period, and includes the Non-Release Benefit Subclass and the Release Benefit Subclass, and the "Class Period" defined as the period from December 10, 2016 through March 10, 2023.

4.1.1 The Operative Complaint alleges a cause of action for declaratory relief on behalf of the Release Benefit Subclass invalidating the Release Benefit Agreements and Revised Release Benefit Agreements signed by the Settlement Class.

4.1.2 On October 23, 2023, Defendant 108 Roycroft, LLC, was dismissed without prejudice.

4.1.3 Defendants shall not be required to file an answer or other responsive pleading to the Operative Complaint, and Named Plaintiff agrees that no default shall be taken, nor shall there be any other pleadings filed without mutual consent of the Parties, or unless required by the Court.

5. SETTLEMENT FUNDING AND ALLOCATION

5.1. Gross Settlement Amount. Except as otherwise provided in paragraphs 5.6 and 5.7 of this Settlement Agreement, and subject to Court approval, in consideration for the releases provided in section 9 of this Settlement Agreement, Defendants agree to pay the Settlement Fund of \$500,000, which aggregated with the Aggregate Release Benefit Amount of \$173,661 Defendants already paid to the members of the Release Benefit Subclass shall constitute the Gross Settlement Amount of \$673,661.

5.2. Funding. No later than fifteen (15) days after Final Approval, Defendants shall transmit by wire or electronic transfer, the Settlement Fund of \$500,000 to a QSF titled in the name “Shoreline Treatment Center Wage and Hour Settlement Fund,” which shall be created and maintained by the Administrator.

5.3. Payments from the Settlement Fund. The Administrator will make and deduct the following payments from the Settlement Fund in the amounts specified by the Court in the Final Approval Order:

5.3.1. For PAGA Penalties. From the Settlement Fund, a payment of \$25,000 shall be allocated for PAGA Penalties. In connection with the Court’s review and approval of the Settlement, the Parties shall notify the LWDA of the existence of the Settlement Agreement. Should the LWDA object to the amount of this PAGA allocation, the Parties agree to work together in good faith to negotiate the amount of PAGA Penalties until the Parties are notified by the LWDA that the updated PAGA allocation is sufficient. If the Court approves the PAGA Allocation in an amount less than the amount requested, the Administrator shall allocate the remainder to the Net Settlement Amount.

5.3.1.1. Payment to LWDA. From the PAGA Allocation of PAGA Penalties, 75% (i.e., \$18,750) shall be paid to the LWDA, which represents the LWDA PAGA Payment, within thirty (30) days the Administrator’s receipt of the Settlement Fund.

5.3.1.2. Payment to Aggrieved Employees. From the PAGA Allocation of PAGA Penalties, 25% (i.e., \$6,250) shall be paid to PAGA Group, from which each Aggrieved Employee (including Non-Participating Class Members who are Aggrieved Employees) shall receive his or her Individual PAGA Payment, within thirty (30) days the Administrator’s receipt of the Settlement Fund. The Individual PAGA Payment shall be calculated by dividing \$6,250 by the total number of Aggrieved Employees in the PAGA Group and multiplying the result by the number of PAGA Pay Period the Aggrieved Employee worked within the PAGA Period. The Administrator shall report the Individual PAGA Payments on IRS 1099 Forms. If the Court approves the Individual PAGA Payment in an amount less than the amount requested, the Administrator shall allocate the remainder to the Net Settlement Amount.

5.3.2. To The Administrator. From the Settlement Fund, the Administration Expenses

Payment to the Administrator not to exceed \$13,000. If the expense of administering the Settlement is less than \$13,000, the Administrator will allocate the remainder to Net Settlement Amount for distribution to Participating Class Members.

5.3.3. To The Named Plaintiff. From the Settlement Fund, Named Plaintiff, or Class Counsel acting on behalf of Named Plaintiff, may seek from the Court a Named Plaintiff Service Payment not to exceed \$15,000, for serving as Named Plaintiff. This amount is in addition to any pro rata recovery to which Named Plaintiff may be entitled from the Net Settlement Amount and shall be reported on an IRS 1099 basis. Defendants agree not to oppose this request by Named Plaintiff or by Class Counsel on Named Plaintiff's behalf.

5.3.3.1. The Parties agree that the Court's approval, modification, or denial of any request for the Named Plaintiff Service Payment is not a condition to this Settlement Agreement and is to be considered by the Court separately from the fairness, reasonableness, adequacy, and good faith of the Settlement.

5.3.3.2. Any order or proceeding relating to the application by Named Plaintiff, or Class Counsel acting on behalf of Named Plaintiff, for the Named Plaintiff Service Payment shall not operate to terminate or modify this Settlement Agreement. If the Court approves the Named Plaintiff Service Payment in an amount less than the amount requested, the Administrator shall allocate the remainder to the Net Settlement Amount.

5.3.4. To Class Counsel. From the Settlement Fund, Class Counsel will move the Court for payment of the Settlement Fund Fee Payment as set forth in paragraph 8.1, in addition to a Class Counsel Expense Payment of up to \$45,000. Defendants agree not to oppose these requests or applications by Class Counsel.

5.3.4.1. The Parties agree that the Court's approval, modification, or denial of any request for the Settlement Fund Fee Payment and/or Class Counsel Expenses Payment is not a condition to this Settlement Agreement and is to be considered by the Court separately from the fairness, reasonableness, adequacy, and good faith of the Settlement.

5.3.4.2. Any order or proceeding relating to the application by Class Counsel for an award of attorneys' fees and costs shall not operate to terminate or modify this Settlement Agreement. If the Court approves the Settlement Fund Fee Payment and/or Class Counsel Expenses Payment in an amount less than amount requested, the Administrator shall allocate the remainder to the Net Settlement Amount.

5.4. Net Settlement Amount Payments to Each Participating Class Member. The Net Settlement Amount represents the balance of the Settlement Fund, as defined in paragraph 2.58, which shall be paid to Participating Class Members within thirty (30) days of the Administrator's receipt of the Settlement Fund. Each Individual Class Payment shall be calculated by dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class during the Class Period and multiplying the result by each Participating Class Member's Workweeks. For each Participating Class Member who is a member of the Release Benefit Subclass, his or her Individual Class Payment shall be offset by the amount he or she received from the Aggregate Release Benefit Amount (i.e., each Release Benefit Subclass member's Individual Class Payment will be reduced by the amount each member of the Release Benefit Subclass has already been paid from the Aggregate Release Benefit Amount) and any outstanding amount due shall be capped at \$235, with the remainder reverting to the Net Settlement

Amount for distribution the Participating Class Members within the Non-Release Benefit Subclass to be distributed on a pro rata basis.

5.4.1. The Parties agree that the Individual Class Payment shall be allocated 1/3 (i.e., 33.33%) as unpaid wages and reported on an IRS W-2 basis, and 2/3 (i.e., 66.67%) as penalties and interest to be reported on an IRS 1099 basis.

5.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive an Individual Class Payment. The Administrator shall retain amounts equal to each Non-Participating Class Member's Individual Class Payment in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis. Any additional recovery for Participating Class Members under this paragraph shall be determined by the Administrator before Individual Class Payments are paid and shall be included within each Participating Class Member's Individual Class Payment.

5.5. Non-Reversionary. The Gross Settlement Amount, Settlement Fund, or the Net Settlement Amount shall not revert to Defendants.

5.6. Class Size, Workweeks, and Aggrieved Employee Pay Periods. Based on a review of their records to date, Defendants estimate there are 186 Class members who collectively worked a total of approximately 5,488 Workweeks, and 158 Aggrieved Employees who worked a total of 2,167 PAGA Pay Periods.

5.7. Escalator Clause. If the number of total Workweeks and/or Pay Periods worked by the Class is more than 10% greater than 5,400 (i.e., if there are 5,941 or more Workweeks worked by the Class), Defendants agree to increase the Settlement Fund on a proportional basis (i.e., if there was a 12% increase in the number of workweeks worked by the Class, Defendants agrees to increase the Settlement Fund by 2%). If the number of Class Members is more than 10% of this figure (i.e., if there are 195 or more members in Class), Defendants agree to increase the Settlement Fund on a proportional basis (i.e., if there was a 12% increase in the number of workweeks worked by the Class, Defendants would agree to increase the Settlement Fund by 2%).

5.8. Delivery of Class Data. No later than fifteen (15) days after the Court grants Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel Spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Settlement Agreement. Defendants will have a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted Class Member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible, but no later than five (5) days after the discovery of their omission(s), to the Administrator. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use their best efforts, in good faith, to resolve any issues related to missing or omitted Class Data.

6. DECLARATORY RELIEF

6.1. Invalidation Of Signed Release Benefit Agreements And Revised Release Benefit Agreements. For all Participating Class Members who are members of the Release Benefit Subclass, declaratory relief shall issue upon Final Approval invalidating each Release Benefit Agreement and each

Revised Release Benefit signed by each Participating Class Member from the Release Benefit Subclass. Participating Class Members who are in the Release Benefit Subclass shall be bound by the releases set forth in paragraphs 9.1.3 and 9.1.4. The issuance of declaratory relief as set forth herein is conditional upon the Court granting Final Approval of the Settlement Agreement.

6.1.1. Individuals who signed individual settlement agreements during the Class Period that were separately and independently negotiated by counsel, shall not be considered a Release Benefit Agreement or Revised Release Benefit Agreement (as defined in paragraphs 2.52 and 2.55, respectively) and shall not be included in the Release Benefit Subclass and their individual settlement agreements shall not be invalidated, but they will still remain members of the Settlement Class and considered Aggrieved Employees. The individuals who signed individual settlement agreements during the Class Period that were separately and independently negotiated by counsel, shall each be considered a Non-Participating Class Member.

6.1.2. Defendants represent and warrant that only two (2) Settlement Class Members signed individual settlement agreements that were independently negotiated by their own counsel, and further represent and warrant that they will not solicit additional individual settlement agreements from the remaining members of the Settlement Class.

7. CERTIFICATION OF THE CLASS FOR SETTLEMENT PURPOSES

7.1 The Parties agree that, if this Settlement is approved, certification of the Class is a conditional certification for settlement purposes only. If, for any reason, the Court does not grant final approval of the Settlement as negotiated by the Parties, or if Final Approval of the Settlement as negotiated by the Parties is not given following the appeal of any order by the Court, or if for any reason the Effective Date does not occur, the certification of the Class shall be deemed null and void without further action by the Court or any of the Parties, and the second amended complaint shall be stricken, as articulated in paragraph 15.2 below. In such circumstances, each Party shall retain all of their respective rights and shall be returned to their respective legal positions prior to the execution of this Settlement Agreement. Neither this Settlement Agreement nor any of its accompanying exhibits nor any orders entered by the Court in connection with this Settlement Agreement shall be admissible or used for any purpose in this Action or any other legal proceeding, except for enforcement of the same.

8. CLASS COUNSEL FEE PAYMENT

8.1 Fee Payment From The Settlement Fund. Class Counsel will seek Court approval of a Settlement Fund Fee Payment of \$175,000.00 (i.e., 35% of the Settlement Fund) in attorneys' fees to be paid from the Settlement Fund as indicated in paragraph 5.3.4. Defendants agree not to oppose this application for the Settlement Fund Fee Payment.

8.2 Direct Fee Payment By The Defendants. In addition to the Settlement Fund Fee Payment, and in recognition that the payments made in exchange for the execution of the Release Benefit Agreements and Revised Release Benefit Agreements signed by Settlement Class Members were inspired by this Action, Class Counsel will seek Court Approval of a Direct Fee Payment of \$60,781.35 (i.e., 35% of the Aggregate Release Benefit Amount), to be paid by Defendants no later than fifteen (15) days after Final Approval.

8.2.1 The Parties understand and acknowledge that the purpose of the Direct Fee Payment is to help prevent the Non-Release Benefit Subclass from having to bear the entire cost of attorneys' fees, thereby minimizing the amount of fee deduction from the Settlement Fund by \$60,781.35.

Defendants agree not to oppose this application for the Direct Fee Payment.

9. RELEASE OF CLAIMS

9.1 Effective on the date when Defendants transmit the Settlement Fund to the Administrator and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Named Plaintiff, Class Members, and Class Counsel will release all claims against all Releasees, as follows:

9.1.1 Named Plaintiff's Release. Named Plaintiff and her respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns release and discharge Defendants and all of their former and/or present parents, subsidiaries, and affiliates and each of their respective officers, directors, managers, owners, executives, partners, employees, shareholders, agents, attorneys, and any other successors, predecessors, assigns, or legal representatives (collectively, "Releasees"), from all claims arising out of or related to Named Plaintiff's employment with any of the Defendants, including but not limited to the claims alleged in the Action, as well as any potential claims which could have been alleged in the Action based on the facts asserted in the Action or which are reasonably related to the claims in the Action, arising during the Class Period, including state wage and hour claims, claims for wages, fees, overtime, double time, minimum wage, on-duty meal periods, off-duty meal periods, off-duty rest periods, meal break penalties, rest break penalties, timely payment violations, accurate and complete wage statements violations, failure to furnish employee file and payroll records, and wages and all claims under the PAGA based on the foregoing. This release includes but is not limited to claims alleging violations of Labor Code §§ 201, 201.3, 202, 203, 204, 210, 212, 218.5, 218.6, 226, 226.3, and 226.7, *et seq.*; Labor Code §§ 510, 512, 558, *et seq.*; Labor Code §§ 1194, 1197.1, 1198, 1198.5, 1199, *et seq.*; Labor Code §§ 2698 *et seq.* (i.e., any PAGA claims); sections 3, 9, 11, and 12 of the applicable IWC Wage Order; 8 Cal. Code Regs. §§ 2, 3, 9881, 9881.1, 11050, *et seq.*; Bus. & Profs. Code § 17200-05, *et seq.*; and interest/costs pursuant to Civ. Code § 3289 and Code Civ. Proc. §§ 1021.5, and 1032. Named Plaintiff's Release does not extend to any claims or actions to enforce this Settlement Agreement, or to any claims for vested benefits, workers' compensation benefits that arose at any time, or based on occurrences outside of the Class Period. Named Plaintiff acknowledges that she may discover facts or law different from, or in addition to, the facts and law that Named Plaintiff now knows or believes to be true but agrees, nonetheless, that Named Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or the Named Plaintiff's discovery of them.

9.1.2 Named Plaintiff's Waiver of Rights Under Section 1542 of the California Civil Code. For the purposes of Named Plaintiff's Release, Named Plaintiff expressly waives and relinquishes the provisions, rights, and benefits of section 1542 of the California Civil Code, which provides:

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

9.1.3. Release by Participating Class Members. All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs,

administrators, successors, and assigns, release Releasees from the claims alleged in the Action, as well as any potential or reasonably related claims that could have been alleged in the Action based on the facts asserted in the Action arising during the Class Period, including state wage and hour claims, claims for wages, fees, over time, double time, minimum wage, on-duty meal periods, off-duty meal periods, off-duty rest periods, meal break penalties, rest break penalties, timely payment violations, accurate and complete wage statements violations, failure to furnish employee file and payroll records, and wages and all claims under the PAGA based on the foregoing. This release includes but is not limited to claims alleging violations of Labor Code §§ 201, 201.3, 202, 203, 204, 210, 212, 218.5, 218.6, 226, 226.3, and 226.7, et seq.; Labor Code §§ 510, 512, 558, et seq.; Labor Code §§ 1194, 1197.1, 1198, 1198.5, 1199, et seq.; Labor Code §§ 2698 et seq. (i.e. any PAGA claims); sections 3, 9, 11, and 12 of the applicable IWC Wage Order; 8 Cal. Code Regs. §§ 2, 3, 9881, 9881.1, 11050, et seq.; Bus. & Profs. Code § 17200-05, et seq.; and interest/costs pursuant to Civ. Code § 3289 and Code Civ. Proc. §§ 1021.5, and 1032. Except as further provided in paragraph 9.1.4 of this Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

9.1.4. Release of PAGA Claims by Aggrieved Employees. All Aggrieved Employees, including Non-Participating Class Members, are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Releasees from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, during the PAGA Period based on facts stated in the Operative Complaint and the PAGA Notice.

10. EXCLUSIONS, OBJECTIONS, CHALLENGES, BINDING EFFECT, AND UNCASHED CHECKS

10.1. Requests for Exclusions (Opt-Outs).

10.1.1. Any Class member who wishes to opt-out of and be excluded from the Settlement must send the Administrator, by facsimile, electronic mail, or mail, a signed written Request for Exclusion by the Response Deadline, which is no later than sixty (60) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notices is re-mailed).

10.1.2. To be valid, the Request for Exclusion shall include: (a) the Class Member's name, address, and electronic mail address or telephone number; (b) a statement that the Class Member desires to exclude himself or herself from the Settlement; (c) the last four digits of the Class Member's social security number; and (d) must be timely faxed, electronically mailed, or postmarked, by the Response Deadline.

10.1.3. Every Class Member who does not submit a timely and valid Request for Exclusion (including those who submits a Deficient Request for Exclusion) shall be deemed to be a Participating Class Member under this Settlement Agreement, entitled to all benefits and shall be bound by all terms and conditions of the Settlement Agreement, including Participating Class Members' releases articulated in paragraphs 9.1.3 and 9.1.4 of this Settlement Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

10.1.4. Every Class Member who submits a valid and timely Request for Exclusion is a

Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in paragraphs 9.1.4 of this Agreement and are eligible for an Individual PAGA Payment.

10.2 Objections to the Settlement.

10.2.1. Only Participating Class Members (i.e., Class Members who do not opt out) may object to the Settlement. A Class Member who wishes to object to the Settlement must submit to the Administrator a written brief or statement of objection. The objection must (1) state the full name of the Class Member; (2) be signed by that Class Member; (3) state the grounds for the objection; and (4) be postmarked by the Response Deadline and returned to the Administrator at the address specified on the Notice. The deadline for Class Members' written objection(s) shall be extended by an additional fourteen (14) days beyond the Response Deadline for any Class Member whose Class Notice is re-mailed. The Administrator will inform the Class Member of the extended deadline within the re-mailed Class Notice.

10.2.2. Class Members shall be permitted to withdraw their objections in writing by submitting a withdrawal statement to the Administrator no later than one (1) business day before the Final Approval Hearing, or as otherwise ordered by the Court.

10.2.3. Any Class Members who fail to timely submit written objections pursuant to this section shall be deemed to have waived any objections and shall be foreclosed from filing any appeal from any Final Approval Order issued by this Court.

10.3. Challenging The Calculation of Workweeks. Each Class Member will have the opportunity, should he or she disagree with Defendants' records regarding the number of workweeks worked during the applicable Class Period and/or PAGA Pay Periods worked during the PAGA Period as stated in the Class Notice, to provide documentation and/or an explanation postmarked or to be received by the Administrator within forty-five (45) days of the mailing of the Class Notice in support of his or her claim of a different number of workweeks and/or PAGA pay periods. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks and PAGA Pay Periods contained in the Class Notice are correct so long as they are consistent with the Class Data. If there is a dispute related to the number of workweeks and/or PAGA pay periods, the Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or PAGA Pay Periods to Class Counsel and Defense Counsel will work in good faith to determine whether an adjustment is warranted. The Administrator's determination of each Class Member's allocation of Workweeks and/or PAGA Pay Periods shall be final and binding upon the Participating Class Member and the Parties and not appealable or otherwise susceptible to challenge.

10.4. Uncashed Checks/Escheat. Checks issued to Participating Class Members and/or Aggrieved Employees pursuant to this Settlement Agreement shall remain negotiable for a period of one hundred and eighty (180) days from the date of mailing. The Administrator shall void any checks not negotiated within one hundred eighty (180) calendar days from their issue, but this Settlement Agreement and the Releases provided herein will nonetheless be binding on the Participating Class Members and/or Aggrieved Employees as if they had negotiated the checks. Any unclaimed funds from any uncashed checks, plus any interest thereon, shall escheat to the California State Controller's Unclaimed Property Fund pursuant to the Unclaimed Property Law (CALIFORNIA CIVIL CODE § 1500, *et seq.*) in the names of

the Participating Class Members and/or Aggrieved Employees who did not negotiate their respective Individual Class Payment and/or Individual PAGA Payment.

11. SETTLEMENT ADMINISTRATION

11.1 The Parties have agreed to the appointment of CPT Group, Inc. to perform the duties of Administrator. As a condition of employment, the Administrator agrees to be bound by this Settlement Agreement and to perform, as a fiduciary, all duties specified in this Settlement Agreement in exchange for the Administration Expenses Payment. The Parties and their respective counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

11.2 Administrative Duties. The Administrator shall have a duty to perform or observe all administrative duties to be performed or observed by the Administrator contained in this Agreement as follows:

11.2.1 Notice to Class Members

11.2.1.1. No later than three (3) business days after the Administrator's receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

11.2.1.2. No later than fifteen (15) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via First-Class United States Postal Service ("USPS") mail, the Class Notice substantially in the form attached to this agreement as Exhibit A. The first page of the Class Notice shall estimate the dollar amounts of each Individual Class Payment and/or Individual PAGA Payment payable to each Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

11.2.1.3. No later than three (3) business days after the Administrator's receipt of any Class Notice returned by the USPS as undeliverable, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

11.2.2 Website, Email Address, and Toll-Free Number. The Administrator will establish, maintain, and use a static internet website to post information of interest to Class Members including the date, time, and location for the Final Approval Hearing, and copies of the Settlement Agreement; Motion for Preliminary Approval; the Preliminary Approval; the Class Notice; the Motion for Final Approval; the Motion for the Class Counsel Fees, Class Counsel Expenses Payment, and Named Plaintiff Service Payment; the Final Approval; and the Judgment.

11.2.3 Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion and objections to ascertain their validity. No later than five (5) days after the expiration of the Response Deadline, the Administrator shall electronically mail to Class Counsel and Defense Counsel a list containing the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (the "Exclusion List"), and a list containing the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion. The

Administrator shall retain the originals of all opt-out letters (including postmarked envelopes) received and shall make copies of such opt-out letters to the Parties upon request.

11.2.4 Weekly Reports. The Administrator shall, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed and/or re-mailed, Class Notices returned undelivered, valid and authentic Requests for Exclusion received, Deficient Requests for Exclusion received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (the “Weekly Report”). The Weekly Report shall include the Administrator’s assessment of the validity of all Requests for Exclusion and objections and shall attach copies of all Requests for Exclusion and objections received, whether valid or invalid.

11.2.5 Administrator’s Declaration and Final Reports.

11.2.5.1. Within ten (10) days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements, by employee identification number only, made under this Settlement Agreement.

11.2.5.2. No later than fourteen (14) days before the date by which Named Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel a signed declaration suitable for filing in Court in which the Administrator attests to its due diligence and compliance with all obligations under this Settlement Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undeliverable, attempts to conduct a Class Member Address Search, the re-mailing of Class Notices, the total number of valid and authentic Requests for Exclusion from Settlement it received (which includes attaching the Exclusion List to the declaration), the total number of Deficient Requests for Exclusion it received, the number of written objections it received, and attesting to its disbursement of all payments required under this Settlement Agreement. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel shall be responsible for filing the Administrator’s declaration(s) with the Court.

11.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund under United States Treasury Regulation section 1.468B-1.

11.3.1 The Administrator shall serve as Trustee of the Qualified Settlement Fund and shall act as a fiduciary with respect to the handling, management, and distribution of the Qualified Settlement Fund, including payment of valid claims and reporting as required for the account. The Administrator shall act in a manner necessary to qualify this fund as “Qualified Settlement Fund” under section 1.468B and to maintain such qualification.

11.3.2 The Administrator shall be responsible for filing tax returns for the Settlement Fund and paying from the Settlement Fund any taxes owed with respect to the Settlement Fund. The Administrator shall calculate and deduct required Class Member’s share of withholdings and payroll taxes from each Individual Class Payment and/or Individual PAGA Payment prior to mailing each Individual Class Payment and/or Individual PAGA Payment. All taxes shall be paid out of the Settlement Fund, and the Administrator shall have and use its own Employer Identification Number for the purpose of providing reports to state and federal tax authorities.

11.3.3 Within thirty (30) days after the expiration date of the last-issued settlement check that Participating Class Members and/or Aggrieved Employees fail to negotiate within one hundred eighty (180) days, the Administrator shall provide to Class Counsel and Defense Counsel a declaration that it mailed the settlement checks to Participating Class Members and/or Aggrieved Employees, and if uncashed, that such amounts have been sent to the California State Controller's Unclaimed Property Fund pursuant to the Unclaimed Property Law (CALIFORNIA CIVIL CODE § 1500, *et seq.*) in the names of the Participating Class Members and/or Aggrieved Employees who did not negotiate Individual Class Payment and/or Individual PAGA Payment.

11.3.4 After all payments have been disbursed from the Qualified Settlement Fund, the Administrator shall dissolve the Qualified Settlement fund and file a return (SF-1120) with the IRS.

12. PRELIMINARY APPROVAL

12.1 Motion for Preliminary Approval. Within twenty-five (25) days of full execution of this Settlement Agreement, Named Plaintiff will move the Court for a Preliminary Approval Order seeking (a) preliminary approval of this Settlement Agreement; (b) preliminary certification of the Action for settlement purposes; (c) appointment the Named Plaintiff and Class Counsel as adequate representatives for the Class; (d) approval of the form and content for the proposed Notice to the Class; (e) an order directing mailing of the Notice to the Class; (f) appointment of the Administrator, approval of the Settlement Administration, and preliminary approval of the proposed Administrative Expenses Payment; (g) preliminary approval of the proposed Named Plaintiff Service Payment; (h) preliminary approval of the application for Class Counsel Fees and the Class Counsel Expenses Payment; (i) and a date for the Final Approval Hearing along with a related briefing schedule ("Motion for Preliminary Approval").

12.2 Duty to Cooperate. The Parties will work with one another in good faith and agree on the form of any proposed orders or notices to the Class and shall work in good faith to reasonably and promptly present the settlement to the Court for Preliminary Approval. Class Counsel will prepare the Motion for a Preliminary Approval, and will provide Defense Counsel with the opportunity to review the Motion for a Preliminary Approval and provide input at least five (5) days before it is filed. Defendants and Defense Counsel agree to not oppose the Motion for a Preliminary Approval so long as it complies with the terms of this Settlement Agreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Settlement Agreement, Class Counsel and Defense Counsel will work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Settlement Agreement and otherwise satisfy the Court's concerns.

13. FINAL APPROVAL AND FINAL JUDGEMENT

13.1 Motion For Final Approval. The Final Approval Hearing shall be held for the purpose of obtaining the Final Approval Order and entry of Judgment approving this Settlement Agreement and releasing the claims of the Participating Class Members, which shall be approximately twenty-five (25) calendar days, subject to the Court's calendar, after the Response Deadline. Class Counsel will prepare the Motion for Final Approval, and provide Defense Counsel with the opportunity to review the Motion for Final Approval and provide input at least five (5) days before it is filed. Class Counsel shall file the Motion for Final Approval sixteen (16) calendar days before the calendared Final Approval Hearing.

13.2 Response to Objections. Each Party retains the right to respond to any objections raised by any Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

13.3 Final Approval Order and Final Judgment. At the Final Approval Hearing, Named Plaintiff will request the Court to grant and enter a Final Approval as follows: (a) approving the Settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions; (b) approving the Class Counsel Fees and the Class Counsel Expenses Payment; (c) approving the Named Plaintiff Service Payment; (d) approving the PAGA Penalties settlement and allocation; (e) approving Administration Expenses Payment; and (f) entering Final Judgment. After entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

13.4 Notice. Notice of Final Judgment shall be posted on the Administrator's website. Class Counsel shall give timely notice of the judgment to the LWDA under Labor Code section 2699(l)(3).

13.5 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of the releases provided in section 9), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Settlement Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Named Plaintiff Service Payment, Class Counsel Fees, Class Counsel Expenses Payment, and/or Administration Expenses Payment shall not constitute a material change to the Settlement Agreement.

13.6 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (a) enforcing this Settlement Agreement and/or Judgment, (b) addressing settlement administration matters, and (c) addressing post-Judgment matters as permitted by law.

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

13.8 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material change to this Settlement Agreement (including, but not limited to, the scope of the release provided in section 9), this Settlement Agreement shall be null and void. The Parties shall nevertheless work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing—on a 50/50 basis—any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Named Plaintiff Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

14. BREACH OF THIS AGREEMENT

14.1 If, prior to entry of Judgment, a Party materially breaches this Settlement Agreement, the non-breaching party may either (1) terminate the Settlement and continue to prosecute or defend the action; or (2) request that the Court enter judgment pursuant to section 664.6 of the CODE OF CIVIL PROCEDURE. A reasonable variation from the deadlines contained herein shall not constitute a material breach, absent a finding from the Court to the contrary.

14.2 In the event of any breach of this Settlement Agreement or any action to enforce this Settlement Agreement, the prevailing party is entitled to attorneys' fees and costs in connection with such action.

15. VOIDING THE AGREEMENT

15.1 If 10% or more of the Non-Release Benefit Subclass elect to opt out of the settlement, Defendants may, at their election, rescind the settlement and all actions taken in their furtherance of it will be thereby null and void, Defendants may, at their election, rescind the settlement and all actions taken in its furtherance of it will be thereby null and void. Defendants must exercise this right of rescission, in writing, to Class Counsel, within thirty (30) calendar days after the Administrator sends the final Exclusion List to Defense Counsel. If the option to rescind is exercised, then Defendants shall be solely responsible for all costs of the claims administration accrued to that point.

15.2 In the event that the Court fails to grant final approval of the Settlement, or if the appropriate appellate court fails to approve the Settlement and the Parties have been unsuccessful in addressing the Court or appellate court's concerns in good faith, as required by paragraph 13 herein or if the Settlement Agreement is otherwise voided, the Parties agree that: (a) the Settlement Agreement shall have no force and effect and the Parties shall be restored to their respective positions prior to entering into it, and no Party shall be bound by any of the terms of the Settlement Agreement, and the issuance of any declaratory relief as set forth herein shall be voided; (b) Defendants shall have no obligation to make any payments to the Settlement Class, the Settlement Administrator, the LWDA, Named Plaintiff or her counsel; (c) any preliminary approval order, final approval order or judgment, shall be vacated, and (d) the Second Amended Complaint shall be stricken rendering the first amended complaint the operative complaint.

16. AMENDED JUDGMENT

16.1 If any amended judgment is required under section 334 of the CODE OF CIVIL PROCEDURE, the Parties will work together in good faith to jointly submit a proposed amended judgment.

17. MISCELLANEOUS PROVISIONS

17.1. No Admission of Liability. This Settlement Agreement represents a compromise and settlement of disputed claims. Nothing in this Settlement Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Named Plaintiff that Defendants' affirmative defenses in the Action have merit. The Parties agree that the class certification and representative treatment is for purposes of this Settlement Agreement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval, or enter Judgment, Defendants reserve the right to contest certification of any class, and Defendants reserve all available affirmative defenses to the claims in the Action, and Named Plaintiff reserves the right to move for class certification and to contest Defendants' affirmative defenses. The Settlement, this Settlement

Agreement, and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Settlement Agreement).

17.2 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, appeal from the Judgment, or to refrain from participating in the Settlement, directly or indirectly, through any means. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's obligations owed to Class Members.

17.3 Confidentiality. To the extent permitted by law, all agreements made, and orders entered into during the Action and in this Settlement Agreement relating to the confidentiality of information shall survive the execution of this Settlement Agreement.

17.4 Use and Return of Class Data. Information provided to Class Counsel pursuant to section 1152 of the EVIDENCE CODE, and all copies and summaries of the Class Data provided to Class Counsel by Defendants and Defense Counsel in connection with mediation, other settlement negotiations, or in connection with the Settlement, may be only used with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. No later than ninety (90) days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Named Plaintiff and/or Class Counsel shall destroy all papers and electronic versions of Class Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

17.5 Cooperation. The Parties and their counsel shall cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence, and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Settlement Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

17.6 Headings. The descriptive heading of any section or paragraph of this Settlement Agreement is inserted for convenience of reference only and does not constitute part of this Settlement Agreement.

17.7 Drafting. The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arms-length negotiations between the Parties. Neither Party shall be considered the "drafter" of this Settlement Agreement for purposes of having terms construed against that Party, and this Settlement Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or his, her, or its counsel participated in the drafting of this Settlement Agreement.

17.8 Extensions of Time. If a Party cannot reasonably comply with an obligation under this Settlement Agreement by the deadline(s) applicable to such obligation as set forth herein, that Party may apply to the Court for a reasonable extension of time to fulfill that obligation. Consent to such a request shall not be unreasonably withheld by the other Party.

17.9 Modifications of the Settlement Agreement. This Settlement Agreement, and all parts of it,

may be amended, modified, changed, or waived only by an express written instrument signed by all the Parties or their representatives, and approved by the Court.

17.10 Governing Law. The rights and obligations of the Parties herein shall be construed and enforced in accordance with, and shall be governed by, the law of the State of California, without regard to the principles of conflict of laws.

17.11 No Impact on Benefit Plans. Neither the Settlement nor any amounts paid under the Settlement will modify any previously credited hours or service under any employee benefit plan, policy, or bonus program sponsored by Releasees. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlements under Releasees' sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Settlement shall not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other form of compensation for purposes of any Releasees' benefit plan, policy, or bonus program. Releasees retain the right to modify the language of Releasees' benefit plans, policies, and bonus programs to effect this intent, and to make clear that any amounts paid pursuant to this Settlement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies, and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits not required by this Settlement.

17.12 Integration. This Settlement Agreement, along with the attached exhibits, contains the entire agreement between the Parties relating to the Settlement. All prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or by such Party's counsel, are merged herein. No rights herein may be waived except for in writing.

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

17.14 Parties' Authority. The respective signatories to this Settlement Agreement each represent that they are fully authorized to enter into this Settlement and bind the respective Parties to its terms and conditions.

17.15 No Prior Assignments. The Parties hereto represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights herein released and discharged as set forth herein.

17.16 Binding on Successors. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, and successors.

17.17 No Tax Advice. Neither Named Plaintiff, Class Counsel, Defendants, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of the United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

17.18 Notices. All notices, demands, or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by electronic mail or messenger, addressed as follows:

<i>Class Counsel For Plaintiff Carrie Prodromides and the Settlement Class</i>	<i>Counsel For Defendants</i>
Rolando J. Gutierrez, Esq. <i>rgutierrez@brownwhitelaw.com</i> Nicholas L. Ramirez, Esq. <i>nramirez@brownwhitelaw.com</i> BROWN WHITE & OSBORN LLP 333 South Hope Street, 40 th Floor Los Angeles, California 90071-1406 Tel: (213) 613-0500 Fax: (213) 613-0550	Karina B. Sterman, Esq. <i>ksterman@greenbergglusker.com</i> James W. Hill, Esq. <i>jhill@greenbergglusker.com</i> GREENBERG GLUSKER FIELDS CLAMAN & MACHTINGER, LLP 2049 Century Park East, Suite 2600 Los Angeles, California 90076 Tel: (310) 553-3610 Fax: (310) 553-0687

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

17.20. Class Member Signatories. It is agreed that because the members of the Class are so numerous, it is impossible or impractical to have each member of the Class execute this Settlement Agreement. The Class Notice attached hereto will advise all Class Members of the binding nature of the release and such shall have the same force and effect as if this Settlement Agreement were executed by each member of the Class.

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

CARRIE PRODROMIDES

DATED: Oct 26, 2023

By:  Carrie Prodromides (Oct 26, 2023 10:43 PDT)

RACHEL LEVI

DATED: _____

By: _____

<i>Class Counsel For Plaintiff Carrie Prodromides and the Settlement Class</i>	<i>Counsel For Defendants</i>
Rolando J. Gutierrez, Esq. <i>rgutierrez@brownwhitelaw.com</i> Nicholas L. Ramirez, Esq. <i>nramirez@brownwhitelaw.com</i> BROWN WHITE & OSBORN LLP 333 South Hope Street, 40 th Floor Los Angeles, California 90071-1406 Tel: (213) 613-0500 Fax: (213) 613-0550	Karina B. Sterman, Esq. <i>ksterman@greenbergglusker.com</i> James W. Hill, Esq. <i>jhill@greenbergglusker.com</i> GREENBERG GLUSKER FIELDS CLAMAN & MACHTINGER, LLP 2049 Century Park East, Suite 2600 Los Angeles, California 90076 Tel: (310) 553-3610 Fax: (310) 553-0687

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CARRIE PRODROMIDES

DATED: _____

By: _____

DATED: **10/25/23**

RACHEL LEVI

By: Rachel Levi, LMFT

108 ROYCROFT, LLC

DATED: 10/25/23

By: 
Name: Rachel Levi
Title: CEO

ODYSSEY BEHAVIORAL HEALTHCARE, LLC

DATED: _____

By: _____
Name: Scott Sarnacke
Title: CFO

SHORELINE TREATMENT CENTER, LLC,
FKA SHORELINE TREATMENT CENTER, INC.

DATED: _____

By: _____
Name: Scott Sarnacke
Title: Treasurer

APPROVED AS TO FORM:

DATED: _____

BROWN WHITE & OSBORN, LLP
LAW OFFICES OF RICHARD KIM, PC

By: _____
ROLANDO J. GUTIERREZ
NICHOLAS L. RAMIREZ
RICHARD KIM
Attorneys for Carrie Prodromides

DATED: 10.26.2023

GREENBERG GLUSKER FIELDS
CLAMAN & MACHTINGER, LLP

By: 
KARINA B. STERMAN
JAMES W. HILL
Attorneys for Defendants

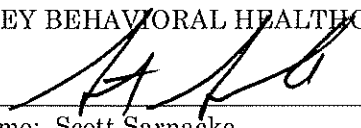
108 ROYCROFT, LLC

DATED: _____

By: _____
Name: Rachel Levi
Title: CEO

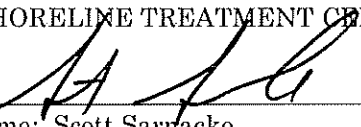
ODYSSEY BEHAVIORAL HEALTHCARE, LLC

DATED: 10/26/23

By: 
Name: Scott Sarnacke
Title: CFO

SHORELINE TREATMENT CENTER, LLC,
FKA SHORELINE TREATMENT CENTER, INC.

DATED: 10/26/23

By: 
Name: Scott Sarnacke
Title: Treasurer

APPROVED AS TO FORM:

DATED: _____

BROWN WHITE & OSBORN, LLP
LAW OFFICES OF RICHARD KIM, PC

By: _____
ROLANDO J. GUTIERREZ
NICHOLAS L. RAMIREZ
RICHARD KIM
Attorneys for Carrie Prodromides

DATED: _____

GREENBERG GLUSKER FIELDS
CLAMAN & MACHTINGER, LLP

By: _____
KARINA B. STERMAN
JAMES W. HILL
Attorneys for Defendants

108 ROYCROFT, LLC

DATED: _____

By: _____
Name: Rachel Levi
Title: CEO

ODYSSEY BEHAVIORAL HEALTHCARE, LLC

DATED: _____

By: _____
Name: Scott Sarnacke
Title: CFO

SHORELINE TREATMENT CENTER, LLC,
FKA SHORELINE TREATMENT CENTER, INC.

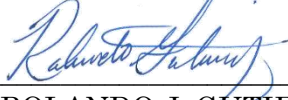
DATED: _____

By: _____
Name: Scott Sarnacke
Title: Treasurer

APPROVED AS TO FORM:

DATED: October 25, 2023

BROWN WHITE & OSBORN, LLP
LAW OFFICES OF RICHARD KIM, PC

By:  _____
ROLANDO J. GUTIERREZ
NICHOLAS L. RAMIREZ
RICHARD KIM
Attorneys for Carrie Prodromides

DATED: _____

GREENBERG GLUSKER FIELDS
CLAMAN & MACHTINGER, LLP

By: _____
KARINA B. STERMAN
JAMES W. HILL
Attorneys for Defendants

2023.10.25 Amended Long Form Agreement (Final) (RJG Signed)

Final Audit Report

2023-10-26

Created:	2023-10-26
By:	Nathan Seong (nseong@richkimlaw.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAUh-BDtLushHVE4NisX4ecdXb3BCdlbnNU

"2023.10.25 Amended Long Form Agreement (Final) (RJG Signed)" History

-  Document created by Nathan Seong (nseong@richkimlaw.com)
2023-10-26 - 4:59:20 PM GMT
-  Document emailed to carrieprodro@gmail.com for signature
2023-10-26 - 4:59:39 PM GMT
-  Email viewed by carrieprodro@gmail.com
2023-10-26 - 5:41:59 PM GMT
-  Signer carrieprodro@gmail.com entered name at signing as Carrie Prodromides
2023-10-26 - 5:42:59 PM GMT
-  Document e-signed by Carrie Prodromides (carrieprodro@gmail.com)
Signature Date: 2023-10-26 - 5:43:01 PM GMT - Time Source: server
-  Agreement completed.
2023-10-26 - 5:43:01 PM GMT

EXHIBIT A

**COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT
AND HEARING DATE FOR FINAL COURT APPROVAL**

Carrie Prodromides v. Shoreline Treatment Center, Inc., et. al.
Los Angeles County Superior Court Case No. 20STCV47287

**The Superior Court For The State Of California Has Authorized This Notice.
Read It Carefully! You Are Not Being Sued. This Notice Is Not Junk Mail, Spam, An Advertisement, Or
Solicitation By A Lawyer.**

You are entitled to receive money from settlement arising from an employee class action lawsuit (the “Action”) against Defendants Shoreline Treatment Center, LLC; Rachel Levi; and Odyssey Behavioral Healthcare, LLC (collectively, “Defendants”) for alleged wage and hour violations. The Action was filed by a former employee of one or more of the Defendants, Plaintiff Carrie Prodromides (“Plaintiff”), and seeks payment of (1) back wages for non-exempt hourly employees (“Class Members”) who worked for Defendants at any Shoreline Treatment Center facility in California during the “Class Period” of December 10, 2016 to March 10, 2023; and (2) penalties under the California Private Attorney General Act (“PAGA”) for all non-exempt hourly employees who worked for Defendants at any Shoreline Treatment Center facility in California during the PAGA Period from May 29, 2019 to March 10, 2023 (“Aggrieved Employees”).

The proposed settlement has two main parts: (1) a “Class Settlement” requiring Defendants to fund “Individual Class Payments,” and (2) a “PAGA Settlement” requiring Defendants to fund “Individual PAGA Payments” and pay penalties to the California Labor and Workforce Development Agency (“LWDA”). The Class Settlement and the PAGA Settlement are jointly referred to herein as the “Settlement.”

Your Individual Class Payment is estimated to be \$ [REDACTED] (less withholdings) and your Individual PAGA Payment is estimated to be \$ [REDACTED]. The actual amount you may receive will likely be different and will depend on a number of factors, which is explained in more detail in **Section 5(E)** of this Notice. The above estimates are based on Defendants’ records that show you worked [REDACTED] **workweeks** during the Class Period and [REDACTED] **pay periods** during the PAGA Period. If you did not work during the PAGA Period, you will not receive an Individual PAGA Payment.

While the Court has preliminarily approved the Proposed Settlement, it has not yet decided whether to grant final approval of the settlement. **A final approval hearing (“Final Approval Hearing”) regarding the Proposed Settlement of this class action will be held on April 3, 2024 10:30 a.m. at the Los Angeles County Superior Court of the State of California, Department 1 located at 312 North Spring Street, Los Angeles, CA 90012.** The hearing will be held to determine whether the Proposed Settlement is fair, reasonable, and adequate.

Read this Notice carefully. Your legal rights are affected whether you act or not. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants in the exchange for the settlement.

If you worked for any of the Defendants during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don’t have to do anything to participate in the Settlement to be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a “Participating Class Member,” though, you will give up your right to assert wage claims arising during the Class Period and PAGA Period penalty claims against Defendants.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the class settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you

opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue wage claims arising during the Class Period against Defendants, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendants will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	If you do nothing, you will be a “Participating Class Member,” eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants that are covered by this Settlement (Released Claims). See Section 5(F) of this Notice.
YOU CAN OPT OUT OF THE CLASS ACTION SETTLEMENT BUT NOT THE PAGA SETTLEMENT THE OPT-OUT DEADLINE IS	If you do not want to fully participate in the Settlement and wish to fully retain your rights to pursue the non-PAGA Labor Code claims at issue in the Action, you can opt-out of the Class Settlement by sending the Administrator (defined in Section 5(B), below) a written Request for Exclusion (defined in Section 6(D), below). Once excluded, you will be a “Non-Participating Class Member” who is no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the Settlement. If you opt-out of the Class Settlement, your share of the non-PAGA Settlement proceeds may be divided up amongst the Participating Class Members. See Section 6(D) of this Notice. If you are an Aggrieved Employee, you legally cannot opt-out of the PAGA Settlement. Defendants must pay the Individual PAGA Payments to all Aggrieved Employees and all Aggrieved Employees must give up their rights to pursue PAGA claims during the Class Period.
PARTICIPATING CLASS MEMBERS CAN OBJECT TO THE CLASS SETTLEMENT BUT NOT THE PAGA SETTLEMENT WRITTEN OBJECTIONS MUST BE SUBMITTED BY	Any Participating Class Members may object to the any aspect of the Class Settlement. The Court’s decision whether to grant final approval of the Settlement will include a determination of how much will be paid to Plaintiff and to Class Counsel who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Plaintiff or Class Counsel, but every dollar paid to them reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Plaintiff and/or Class Counsel if you think they are unreasonable. See Section 6(C) of this Notice.
YOU CAN PARTICIPATE IN THE FINAL APPROVAL HEARING, SCHEDULED FOR April 3, 2024, at 10:30 a.m.	The Court’s Final Approval Hearing is scheduled to take place on April 3, 2024, at 10:30 a.m. . You do not have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone, or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the settlement at the Final Approval Hearing. See Section 6(C) of this Notice.

**YOU CAN CHALLENGE
THE CALCULATION OF
YOUR
WORKWEEKS/PAY
PERIODS**

**WRITTEN
CHALLENGES MUST
BE SUBMITTED BY**

The amounts of your Individual Class Payment and Individual PAGA Payment (if any) depend on how many workweeks you worked during the Class Period and how many pay periods you worked during the PAGA Period, respectively.

The number of workweeks in the Class Period and the number of pay periods in the PAGA Period you worked according to Defendants' records is stated on the first page and **Section 5(E)** of this Notice. If you disagree with either of these numbers, you must challenge it by **Section 6(B)** of this Notice. Any dispute as to the number of workweeks and/or pay periods must be in writing. The Administrator will investigate and determine if the dispute appears to be valid. Defendants' records will be presumed accurate so you must include proof substantiating your dispute.

1. WHAT IS THE PURPOSE OF THIS NOTICE?

Plaintiff and Defendants have reached a settlement of a class action involving non-exempt employees who worked for Defendants at any Shoreline Treatment Center facility in California at any time between December 10, 2016 to March 10, 2023. Defendants' records indicate that you are a Class Member covered by this settlement. Judge Stuart M. Rice of the Los Angeles County Superior Court of the State of California is overseeing the class action. The lawsuit is known as *Carrie Prodromides v. Shoreline Treatment Center, Inc., et al.*, Los Angeles County Case Number 20STCV47287 (defined above as the "Action").

2. WHAT IS THE ACTION ABOUT?

The Action alleges that Defendants violated California labor laws (and related Industrial Wage Order) by failing to pay overtime and double time compensation, wages due upon termination and failing to provide meal periods, rest periods, and accurate itemized wage statements. Based on these same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (California Labor Code §§ 2698, *et seq.*) and unfair competition and unlawful business practices (California Business and Professional Code §§ 17200, *et seq.*) Plaintiff is represented by Rolando J. Gutierrez, Esq. and Nicholas L. Ramirez, Esq. of BROWN WHITE & OSBORN LLP and Richard Kim, Esq. of LAW OFFICES OF RICHARD KIM, PC.

You can read Plaintiff's allegations as stated in the Operative Complaint, which is available at **[Administrator's website]**.

3. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

The Court has not decided whether Plaintiff or Defendants are correct. Plaintiff and Defendants reached a settlement by mediating this Action with an experienced neutral mediator by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. By signing a lengthy written settlement agreement (the "Settlement Agreement") and agreeing to jointly ask the Court to enter judgment ending the Action and enforcing the terms of the Settlement Agreement, Plaintiff and Defendants have negotiated a proposed settlement that is subject to the Court's final approval. Both sides agree the proposed settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merits of any of Plaintiff's claims. Plaintiff and Class Counsel strongly believe that the settlement is a good deal for you because they believe that: (a) Defendants have agreed to pay a fair, reasonable, and adequate amount considering the strengths of the claims and the risks and uncertainties of continued litigation; and (b) settlement is in the best interests of the Class Members and the Aggrieved Employees. The Court preliminarily approved the proposed settlement as fair, reasonable, and adequate, authorized this Notice, and has scheduled a hearing to determine final approval.

4. HOW DO I KNOW IF I AM A PART OF THE SETTLEMENT?

Anyone who fits into the following description of the "Settlement Class" and one of the following "Subclasses" is a part of the settlement.

The “Settlement Class” means:

All current and former non-exempt employees who work or worked for Defendants Shoreline Treatment Center, Inc., Shoreline Treatment Center, LLC, or Odyssey Behavioral Healthcare, LLC at any Shoreline Treatment Center facility in California during at any time during the time-period of December 10, 2016 through March 10, 2023, and includes the “Non-Release Benefit Subclass” and the “Release Benefit Subclass.”

The “Non-Release Benefit Subclass” means:

All non-exempt employees who worked for any of the Defendants during the Class Period but did not sign a Release Benefit Agreement or a Revised Release Benefit Agreement releasing Defendants from the claims raised in the Action and did not receive compensation for releasing Defendants from the claims raised in the Action.

The “Release Benefit Subclass” means:

All non-exempt employees who worked for any of the Defendants during the Class Period and who signed a Release Benefit Agreement or a Revised Release Benefit Agreement releasing Defendants from the claims raised in the Action or received payments for releasing Defendants from the claims raised in the Action.

It has been determined from Defendants’ business records that you are a member of the Class and one of the Subclasses.

5. TERMS OF THE SETTLEMENT

A. WHO IS PAYING WHAT FOR THE SETTLEMENT?

Defendants agreed to pay \$500,000 (the “Settlement Fund”) to settle all the claims of Plaintiff, Class Members, and Aggrieved Employees. The Settlement Fund will be deposited into an account controlled by the Administrator. The Administrator will use the Settlement Fund to pay: (1) Individual Class Payments, (2) Individual PAGA Payments, (3) payment to Plaintiff for initiating the Action and providing services in support of the Action (the “Class Representative Service Payment”), (4) Class Counsel’s fees and litigation expenses, the expenses incurred by the Administrator to effectuate the settlement, and (5) penalties paid to the California Labor and Workforce Development Agency (“LWDA”).

B. THE ADMINISTRATOR

The Court has appointed the neutral company, [REDACTED] (the “Administrator”) to administer the settlement, including sending this Notice, calculating and making payments, and processing any Class Member’s Request for Exclusion. The Administrator will also decide Class Member challenges over workweeks and/or pay periods, mail and re-mail settlement checks and tax forms, and perform any other tasks necessary to administer the settlement.

C. WHAT WILL THE SETTLEMENT FUND PAY?

At the Final Approval Hearing, Plaintiff and/or Class Counsel will request the Court to approve the following deductions from the Settlement Fund (\$500,000), the amounts for which will be decided by the Court at the Final Approval Hearing:

- i. Up to \$25,000.00 for PAGA penalties, of which seventy-five percent (75%) (i.e., \$18,750) shall be remitted to the LWDA as the LWDA PAGA payment and the remaining twenty-five percent (25%) (i.e., \$6,250) shall be distributed to Aggrieved Employees based on their PAGA Period pay periods.
- ii. Up to \$7,500 to Plaintiff as a Class Representative Service Payment for filing the Action, working with Class Counsel, and representing the Class. The Class Representative Service Payment is awarded to Plaintiff in addition to any Individual Class Payment and Individual PAGA Payment awarded to Plaintiff.
- iii. Up to \$166,665.00 (which represents thirty-five percent (33.333%) of the Settlement Fund) to Class Counsel for attorneys’ fees and up to \$45,000 for Class Counsel’s litigation expenses. To

date, Class Counsel have worked and incurred expenses in and for the Action without payment.

- iv. Up to \$13,000 from the Settlement Fund to the Administrator for services to administer the settlement.

After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Settlement Fund (the "Net Settlement Amount") to Class Members. Any Participating Class Member has the right to object to any portion of these deductions. The Court will consider all objections.

D. HOW WILL THE NET SETTLEMENT AMOUNT BE DISTRIBUTED AMONG CLASS MEMBERS?

The Net Settlement Amount of up to \$242,835 will be distributed as follows:

i. Individual Class Payments.

The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of workweeks worked by each individual Participating Class Member. Participating Class Members within the Release Benefit Subclass will have their Individual Class Payment offset by the Release Benefit already received with any outstanding amount capped at \$235, and the remainder reverting to the Participating Class Members within the Non-Release Benefit Subclass to be distributed on a pro rata basis.

ii. The Individual PAGA Payments.

The Administrator will also calculate the Individual PAGA Payments by (a) dividing \$6,250.00 by the total number of PAGA pay periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period pay periods worked by each individual Aggrieved Employee.

iii. Taxes Treatment Of Payments To The Class Members.

Plaintiff and Defendants are requesting the Court to approve an allocation of one-third (1/3) of each Individual Class Payment toward taxable wages (the "Wage Portion") and the remaining two-thirds (2/3) of towards penalties and interest (the "Non-Wage Portion"). The Wage Portion is subject to withholding and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes it owes on the Wage Portion. You must pay your own portion of payroll and income taxes on the Wage Portion, and such amounts shall be withheld from your Individual Class Payment. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and Defendants have agreed to this allocation, neither side is giving you any advice on whether your Individual Class Payment and/or Individual PAGA Payment are taxable and how much you might owe in taxes. You should consult with a tax advisor concerning the tax consequences of the payment you received under the settlement.

E. WHAT WILL MY APPROXIMATE RECOVERY BE?

Based on Defendants' records, and the Parties' current assumptions, **your Individual Class Payment is estimated to be \$ [redacted] (less withholding) and your Individual PAGA Payment is estimated to be \$ [redacted]**. These are approximate amounts. The actual amounts you may receive will likely be different and will depend on a number of factors, including (i) the number of Settlement Class Members who ultimately participate in the settlement; (ii) the ultimate costs of providing notice and administering the settlement; and (iii) the amount that the Court ultimately awards with respect to the Class Representative Service Payment, Class Counsel's fees and litigation expenses. If no amount is stated for your Individual PAGA Payment, then according to Defendants' records, you are not eligible for an Individual PAGA Payment under the settlement because you did not work during the PAGA Period.

The above estimates are based on Defendants' records that show **you worked [redacted] workweeks** during the Class Period and **you worked [redacted] pay periods** during the PAGA Period. <<In addition, you already received \$ [redacted] for signing either a Release Benefit Agreement or a Revised Release Benefit Agreement, which offsets from your Individual Class Payment amount.>>

If you believe that you worked more workweeks during either the Class Period or the PAGA Period, you

can submit a challenge by the deadline date indicated in Section 6(B) of this Notice. <<You cannot challenge the amount you previously received for signing a Release Benefit Agreement or a Revised Release Benefit Agreement.>>

F. WHAT CLAIMS WOULD I BE RELEASING IF I DO NOT OPT-OUT OF THE SETTLEMENT?

Upon final approval of the Settlement and when Defendants have fully funded the Settlement Fund and separately pay the employer share of payroll taxes, each Class Member who has not opted out of the settlement (i.e., each Participating Class Member) will be legally barred from asserting any of the claims released under the settlement. This means that unless you have opted-out by submitting a valid and timely Request for Exclusion, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or related entities for wages based on the facts during the Class Period or PAGA penalties based on the facts during the PAGA Period, as alleged in the Operative Complaint. The Participating Class Members and the Aggrieved Employees shall be bound by the following two releases:

i. The Participating Class Members' Release.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, release Defendants and all of their former and/or present parents, subsidiaries, and affiliates and each of their respective officers, directors, managers, owners, executives, partners, employees, shareholders, agents, attorneys, and any other successors, predecessors, assigns, or legal representatives, from all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint. Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

In addition, Participating Class Members within the Release Benefit Subclass shall be bound by the foregoing release, and the releases stated in Release Benefit Agreement, or the Revised Release Benefit Agreement, shall be invalidated and deemed voided upon the Court's entry of final approval of this Settlement. Participating Class Members within the Release Benefit Subclass shall not be required to pay back any money they received for signing a Release Benefit Agreement or a Revised Release Benefit Agreement.

ii. The Aggrieved Employees' Release.

Aggrieved Employees shall also be bound by the release of any claims for civil penalties under section 2699, *et seq.* of the California Labor Code that were or could have been alleged in the Operative Complaint, even if they formally opted out of the Class and are no longer bound by the other provisions of the above release that are not claims for civil penalties under section 2699, *et seq.* This means that all Aggrieved Employees (including Non-Participating Class Members) cannot sue, continue to sue, or participate in any other PAGA claim against Defendants or their related entities based on the facts during the PAGA Period alleged in the Operative Complaint. The Aggrieved Employees release provides as follows:

All Participating Class Members and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Defendants and all of their former and/or present parents, subsidiaries, and affiliates and each of their respective officers, directors, managers, owners, executives, partners, employees, shareholders, agents, attorneys, and any other successors, predecessors, assigns, or legal representatives, from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on facts during the PAGA Period stated in the Operative Complaint and the PAGA notice sent to the LWDA on May 29, 2020.

G. DEFENDANTS' DIRECT FEE PAYMENT TO CLASS COUNSEL.

Defendants will also directly pay Class Counsel for reimbursement of reasonable attorneys' fees in recognition that the payments made in exchange for the execution of the Release Benefit Agreements and Revised Release Benefit Agreements by the Release Benefits Subclass, which is an aggregate amount of \$173,661, were inspired by this Action.

In addition to the payment of attorneys' fees from the Settlement Fund (see **Section 5(C)(iii)**, above), Class Counsel will seek Court approval of a "Direct Fee Payment" of \$60,781.35 (i.e., 35% of \$173,661), which shall be paid by Defendants. This Direct Fee Payment is to help prevent Participating Class Members within the Non-Release Benefit Subclass from having to bear the entire cost of attorneys' fees, thereby minimizing the amount of fee deduction from the Settlement Fund by \$60,781.35. Approval of the Direct Fee Payment shall not alter or affect the Net Settlement Amount to be distributed to the Participating Class Members or the Aggrieved Employees.

H. THE PROPOSED SETTLEMENT IS SUBJECT TO COURT APPROVAL AND WILL BE VOID IF THE COURT DENIES FINAL APPROVAL.

It is possible that the Court may decline to grant final approval of the Settlement or decline to enter judgment on its order granting final approval. It is also possible that the Court will enter a judgment on its order granting final approval that is subsequently reversed on appeal. Plaintiff and Defendants have agreed that, in either case, the settlement will be void, meaning that Defendants will not pay any money and Class Members will not release any claims against Defendants.

6. YOUR RIGHTS AND OPTIONS

A. HOW WILL I GET PAID?

For every Participating Class Member (*i.e.*, every Class Member who does not opt-out), the Administrator will send, by U.S. Mail, an Individual Class Payment Check, and a separate Individual PAGA Payment check to every to those who qualify as Aggrieved Employees. For every Non-Participating Class Member (*i.e.*, every Class Member who opted out of the Settlement) who qualify as Aggrieved Employees, the Administrator will send, by U.S. Mail, a single Individual PAGA Payment check.

The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check(s) expires (the void date). If you do not negotiate the check(s) by the void date, your check(s) will be automatically cancelled. Any unclaimed funds from any uncashed checks, plus any interest thereon, shall be distributed to the California State Controller's Unclaimed Property Fund in the names of the Participating Class Members and/or Aggrieved Employees.

Your check(s) will be sent to the same address as indicated on this Notice. If you change your address (or want your check sent to a different address), please be sure to notify the Administrator as soon as possible. Sections **6(B) and **9** of this Notice have the Administrator's contact information.**

B. CAN I DISPUTE THE NUMBER OF WEEKS OR PAY PERIODS DEFENDANTS CLAIM I WORKED?

Yes. If you disagree with the number of workweeks and/or PAGA Period pay periods reported for you in Defendants' records, you may file a written dispute with the Administrator by [redacted]. You can submit your challenge by signing and sending a letter to the Administrator via mail, email, or fax to the Administrator at the following address:

[redacted] CLASS ACTION ADMINISTRATOR

[Administrator]

[Address]

[Telephone, Email and fax]

The Administrator's contact information is also provided below, **Section 9**.

If you file a timely written dispute as to the number of workweeks, you must submit written proof supporting your dispute. In the absence of any contrary documentation, the Administrator is entitled to presume that the workweeks contained in this Notice are correct so long as they are consistent with the Class Data. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve the workweek and/or pay period challenges based on your submission and input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defense Counsel. The Administrator's determination is final and binding. You cannot appeal or otherwise challenge the Administrator's final decision.

Do not contact the court to dispute the calculation of your workweeks and/or PAGA Period pay periods.

C. CAN I OBJECT TO THE SETTLEMENT?

Yes, but *only* as to the Class Settlement *and only if* you do not opt out of the Class Settlement. If you do not wish to opt out of the Class Settlement but disagree with any portion of the Class Settlement, you have the right to file an objection. If you opt out of the Class Settlement, you will be ineligible to object to any portion of the Class Settlement.

If you do not opt out of the Class Settlement, you can object to the Class Settlement and you can give reasons for why you think the Court should not approve it. The Court will consider your position. To object, you may either mail, fax, or email your objection to the Administrator no later than [redacted] days after the mailing of this Notice or appear. If you object to the Class Settlement, you must state the specific reason for your objection, including any legal support, as well as your full legal name, date of birth, and the dates you worked as a non-exempt employee of Defendants.

Whether or not you object to or opt out of the Class Settlement, you may not object to the PAGA Settlement for any reason. This means that, if you qualify as an Aggrieved Employee, you will automatically be bound by the PAGA Settlement and related release.

D. CAN I OPT-OUT OF THE SETTLEMENT?

Yes, but *only* to the Class Settlement. You cannot opt out of the PAGA Settlement. You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing that you wish to opt out of the Class Settlement. The easiest way to notify the Administrator is to submit a written and signed request to be excluded from the Class Settlement ("Request for Exclusion") by [redacted]. The Request for Exclusion should be a letter from a Class Member or his/her representative and must: (a) include your name, the last four digits of your social security number, and your signature; and (b) indicate that you desire to exclude yourself from the Class Settlement. Excluded Class Members (*i.e.*, Non-Participating Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue wage-and-hour claims against Defendants. If you submit a timely and valid Request for Exclusion, as determined by the Administrator, you will be ineligible to object to any aspect of the Settlement.

You cannot opt out of the PAGA Settlement. Class Members who exclude themselves from the Class Settlement (*i.e.*, Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Action.

If you opt out of the Class Settlement, your share of the non-PAGA Settlement proceeds may be divided up amongst the Participating Class Members.

E. WHAT IF I DO NOTHING?

If you do nothing, you will receive your Individual Class Payment and/or Individual PAGA Payment, if any, from the Net Settlement Amount after the Court grants final approval. If you do not cash your settlement check(s), you will still be bound by all the terms of the settlement, including the waivers and releases discussed in **Section 5(F)**, and you will be prevented from suing Defendants or participating in any other litigation or class action relating to the matters being settled in this Action.

7. PROHIBITION AGAINST RETALIATION

Defendants have agreed to this settlement, and they shall not discriminate or retaliate against any Class Member who accepts benefits under this Settlement. Your participation in this Settlement will in no way affect your employment relationship with Defendants.

8. FINAL APPROVAL OF SETTLEMENT

A. HOW AND WHEN WILL THE COURT PROVIDE FINAL APPROVAL OF THE SETTLEMENT?

The Los Angeles County Superior Court of the State of California will hold a Final Approval Hearing on April 3, 2024 at 10:30 a.m. in Department 1, located at 312 North Spring Street, Los Angeles, CA 90012, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve the Class Representative Service Payment, Class Counsel's fees and litigation expenses, the Direct Fee

Payment, and the expenses incurred by the Administrator to effectuate the settlement. The Court will invite comments from objectors, Class Counsel, and Defense Counsel before making a decision. Though your attendance is not required, you may attend (or hire a lawyer to attend at your expense) either personally or virtually via [remote language]. It is possible the Court may reschedule the Final Approval Hearing. You should check the Administrator's website [redacted] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

B. WHEN WILL I GET MY SETTLEMENT CHECK(S)?

If there are no appeals to the Court's order granting final approval of the settlement, the check representing the Individual Class Payment and/or Individual PAGA Payment will be mailed out approximately [redacted] days after the Court enters judgment on its order granting final approval of the Settlement.

9. GETTING MORE INFORMATION

This Notice does not contain all the terms of the proposed Settlement or all of the details of these proceedings. For more detailed information, you may refer to the underlying documents and papers on file with the Court.

You may also visit the [redacted] website at [Administrator's website] to find specific documents related to this case and be able to access the Notice and other forms. There is no charge to view the documents on this website.

You may also contact Class Counsel or the Administrator for information about this Action:

<i>Class Counsel For Plaintiff Carrie Prodromides and The Settlement Class</i>	
Rolando J. Gutierrez, Esq. rgutierrez@brownwhitelaw.com Nicholas L. Ramirez, Esq. nramirez@brownwhitelaw.com BROWN WHITE & OSBORN LLP 333 South Hope Street, 40th Floor Los Angeles, California 90071-1406 Tel: (213) 613-0500 Fax: (213) 613-0550	Richard Kim, Esq. rkim@richkimlaw.com LAW OFFICES OF RICHARD KIM, PC 6131 Orangethorpe Avenue, Suite 370 Buena Park, California 90620-4929 Tel: (714) 276-1122 Fax: (714)276-1120
<i>The Administrator</i>	
[Name] [Address]	

DO NOT CALL, WRITE, OR OTHERWISE CONTACT THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

EXHIBIT 2

ADDENDUM TO AMENDED CLASS ACTION AND PAGA SETTLEMENT AND RELEASE AGREEMENT

This Addendum to the Amended Class Action and PAGA Settlement and Release Agreement (“Addendum”) is entered into by and between Plaintiff Carrie Prodromides, on behalf of herself and the Settlement Class, and Defendant Shoreline Treatment Center, LLC, a California limited liability company formerly known as Shoreline Treatment Center, Inc., a California corporation; Defendant Rachel Levi; Defendant Odyssey Behavioral Healthcare, LLC, a Delaware limited liability company; and Defendant 108 Roycroft, LLC, a California limited liability company, as follows:

WHEREAS, on November 14, 2023, the Los Angeles Superior Court, County of Los Angeles, issued an order preliminarily approving an Amended Class Action and PAGA Settlement and Release Agreement (Amended Class Action and PAGA Settlement) submitted by the Parties in the civil action styled *Carrie Prodromides v. Shoreline Treatment Center, Inc., et. al.*, Case No. 20STCV47287;

WHEREAS, the Amended Class Action and PAGA Settlement defines the “Aggregate Release Benefit Amount” as \$173,661;

WHEREAS, the Amended Class Action and PAGA Settlement defines the “Gross Settlement Amount” as \$673,661;

WHEREAS, based on the “Aggregate Release Benefit Amount” of \$173,661, a cap on the monetary recovery for the “Release Benefit Subclass” is set at \$235;

WHEREAS, prior to the date the class notice was set to issue, Counsel for the Parties discovered that the Aggregate Release Benefit Amount is \$178,484.77, not \$173,661, which is a difference of \$4,823.77;

WHEREAS, because of this discrepancy, the Parties enter into this Addendum to amend the Aggregate Release Benefit Amount and the Gross Settlement Amount, and to adjust the cap set for the Release Benefit Subclass.

NOW, THEREFORE, in consideration of the foregoing, the Parties agree to amend the following paragraphs in the Amended Class Action and PAGA Settlement, which shall be incorporated therein in full, subject to Court approval:

2.5. “Aggregate Release Benefit Amount” means the \$178,484.77 paid to members of the Release Benefit Subclass by Defendants in exchange for signing Release Benefit Agreements and Revised Release Benefit Agreements.

2.13. “Class Notice” or “Notice of Settlement” means and refers to the document attached to this Addendum as “EXHIBIT B”.

2.27. “Gross Settlement Amount” means \$678,484.77, which consists of Aggregate Release Benefit Amount plus the Settlement Fund.

2.58. “Settlement Fund” means the amount of \$500,000.00 Defendants agree to pay, which aggregated with the of \$178,484.77 already paid to the members of the Release Benefit Subclass shall constitute the Gross Settlement Amount (as defined in paragraph 2.27), except as provided in paragraph 5.7 of the Amended Class Action and PAGA Settlement. The Settlement Fund shall be used to pay (a) the Settlement Class, including all applicable employee tax withholdings excluding all employer-paid payroll taxes including employer FICA, FUTA, and SDI contributions; (b) the Individual PAGA Payments; (c) the LWDA PAGA Payment; (d) the Settlement Fund Fee Payment; (e) the Class Counsel Expenses Payment; (f) Named Plaintiff Service Payment; and (g) the Administrator’s Expenses, as allocated pursuant the terms and conditions set forth in this Settlement Agreement.

5.1. Gross Settlement Amount. Except as otherwise provided in paragraphs 5.6 and 5.7 of the Amended Class Action and PAGA Settlement, and subject to Court approval, in consideration for the releases provided in section 9 of the Amended Class Action and PAGA Settlement, Defendants agree to pay the Settlement Fund of \$500,000, which aggregated with the Aggregate Release Benefit Amount of \$178,484.77 Defendants already paid to the members of the Release Benefit Subclass shall constitute the Gross Settlement Amount of \$678,484.77.

5.4. Net Settlement Amount Payments to Each Participating Class Member. The Net Settlement Amount represents the balance of the Settlement Fund, as defined in paragraph 2.58 of the Amended Class Action and PAGA Settlement, which shall be paid to Participating Class Members within thirty (30) days of the Administrator’s receipt of the Settlement Fund. Each Individual Class Payment shall be calculated by dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class during the Class Period and multiplying the result by each Participating Class Member’s Workweeks. For each Participating Class Member who is a member of the Release Benefit Subclass, his or her Individual Class Payment shall be offset by the amount he or she received from the Aggregate Release Benefit Amount (i.e., each Release Benefit Subclass member’s Individual Class Payment will be reduced by the amount each member of the Release Benefit Subclass has already been paid from the Aggregate Release Benefit Amount) and any outstanding amount due shall be capped at \$100, with the remainder reverting to the Net Settlement Amount for distribution the Participating Class Members within the Non-Release Benefit Subclass to be distributed on a pro rata basis.

8.2. Direct Fee Payment By The Defendants. In addition to the Settlement Fund Fee Payment, and in recognition that the payments made in exchange for the execution of the Release Benefit Agreements and Revised Release Benefit Agreements signed by Settlement Class Members were inspired by this Action, Class Counsel will seek Court Approval of a Direct Fee Payment of \$59,494.32 (i.e., 33.333% of the Aggregate Release Benefit Amount), to be paid by Defendants no later than fifteen (15) days after Final Approval.

8.2.1. The Parties understand and acknowledge that the purpose of the Direct Fee Payment is to help prevent the Non-Release Benefit Subclass from having to bear the entire cost of attorneys' fees, thereby minimizing the amount of fee deduction from the Settlement Fund by \$59,494.32. Defendants agree not to oppose this application for the Direct Fee Payment.

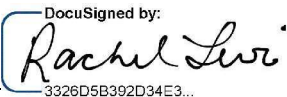
CARRIE PRODROMIDES

DATED: Dec 22, 2023

By: 
Carrie Prodromides (Dec 22, 2023 13:14 PST)

RACHEL LEVI

DATED: 12/22/2023 | 8:52 AM PST

By: 
3326D5B392D34E3...

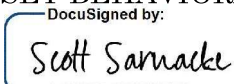
108 ROYCROFT, LLC

DATED: 12/22/2023 | 8:52 AM PST

By: 
3326D5B392D34E3...
Name: Rachel Levi
Title: CEO

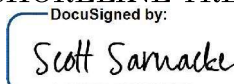
ODYSSEY BEHAVIORAL HEALTHCARE, LLC

DATED: 12/22/2023 | 11:48 AM PST

By: 
C92DF3DBE59547A...
Name: Scott Sarnacke
Title: CFO

SHORELINE TREATMENT CENTER, LLC,
FKA SHORELINE TREATMENT CENTER, INC.

DATED: 12/22/2023 | 11:48 AM PST

By: 
C92DF3DBE59547A...
Name: Scott Sarnacke
Title: Treasurer

APPROVED AS TO FORM:

DATED: 12/22/2023

BROWN WHITE & OSBORN, LLP
LAW OFFICES OF RICHARD KIM, PC

By: _____


ROLANDO J. GUTIERREZ
NICHOLAS L. RAMIREZ
RICHARD KIM
Attorneys for Carrie Prodromides

DATED: 12.22.23

GREENBERG GLUSKER FIELDS
CLAMAN & MACHTINGER, LLP

By: _____

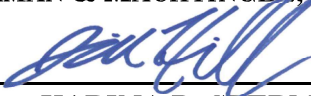

KARINA B. STERMAN
JAMES W. HILL
Attorneys for Defendants

EXHIBIT B

**COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT
AND HEARING DATE FOR FINAL COURT APPROVAL**

Carrie Prodromides v. Shoreline Treatment Center, Inc., et. al.
Los Angeles County Superior Court Case No. 20STCV47287

**The Superior Court For The State Of California Has Authorized This Notice.
Read It Carefully! You Are Not Being Sued. This Notice Is Not Junk Mail, Spam, An Advertisement, Or
Solicitation By A Lawyer.**

You are entitled to receive money from settlement arising from an employee class action lawsuit (the “Action”) against Defendants Shoreline Treatment Center, LLC; Rachel Levi; and Odyssey Behavioral Healthcare, LLC (collectively, “Defendants”) for alleged wage and hour violations. The Action was filed by a former employee of one or more of the Defendants, Plaintiff Carrie Prodromides (“Plaintiff”), and seeks payment of (1) back wages for non-exempt hourly employees (“Class Members”) who worked for Defendants at any Shoreline Treatment Center facility in California during the “Class Period” of December 10, 2016 to March 10, 2023; and (2) penalties under the California Private Attorney General Act (“PAGA”) for all non-exempt hourly employees who worked for Defendants at any Shoreline Treatment Center facility in California during the PAGA Period from May 29, 2019 to March 10, 2023 (“Aggrieved Employees”).

The proposed settlement has two main parts: (1) a “Class Settlement” requiring Defendants to fund “Individual Class Payments,” and (2) a “PAGA Settlement” requiring Defendants to fund “Individual PAGA Payments” and pay penalties to the California Labor and Workforce Development Agency (“LWDA”). The Class Settlement and the PAGA Settlement are jointly referred to herein as the “Settlement.”

Your Individual Class Payment is estimated to be \$ [REDACTED] (less withholdings) and your Individual PAGA Payment is estimated to be \$ [REDACTED]. The actual amount you may receive will likely be different and will depend on a number of factors, which is explained in more detail in **Section 5(E)** of this Notice. The above estimates are based on Defendants’ records that show you worked **[REDACTED] workweeks** during the Class Period and **[REDACTED] pay periods** during the PAGA Period. If you did not work during the PAGA Period, you will not receive an Individual PAGA Payment.

While the Court has preliminarily approved the Proposed Settlement, it has not yet decided whether to grant final approval of the settlement. **A final approval hearing (“Final Approval Hearing”) regarding the Proposed Settlement of this class action will be held on June 7, 2024, at 10:30 a.m. at the Los Angeles County Superior Court of the State of California, Department 1 located at 312 North Spring Street, Los Angeles, CA 90012.** The hearing will be held to determine whether the Proposed Settlement is fair, reasonable, and adequate.

Read this Notice carefully. Your legal rights are affected whether you act or not. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants in the exchange for the settlement.

If you worked for any of the Defendants during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don’t have to do anything to participate in the Settlement to be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a “Participating Class Member,” though, you will give up your right to assert wage claims arising during the Class Period and PAGA Period penalty claims against Defendants.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the class settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you

opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue wage claims arising during the Class Period against Defendants, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendants will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	If you do nothing, you will be a “Participating Class Member,” eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants that are covered by this Settlement (Released Claims). See Section 5(F) of this Notice.
YOU CAN OPT OUT OF THE CLASS ACTION SETTLEMENT BUT NOT THE PAGA SETTLEMENT THE OPT-OUT DEADLINE IS	If you do not want to fully participate in the Settlement and wish to fully retain your rights to pursue the non-PAGA Labor Code claims at issue in the Action, you can opt-out of the Class Settlement by sending the Administrator (defined in Section 5(B), below) a written Request for Exclusion (defined in Section 6(D), below). Once excluded, you will be a “Non-Participating Class Member” who is no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the Settlement. If you opt-out of the Class Settlement, your share of the non-PAGA Settlement proceeds may be divided up amongst the Participating Class Members. See Section 6(D) of this Notice. If you are an Aggrieved Employee, you legally cannot opt-out of the PAGA Settlement. Defendants must pay the Individual PAGA Payments to all Aggrieved Employees and all Aggrieved Employees must give up their rights to pursue PAGA claims during the Class Period.
PARTICIPATING CLASS MEMBERS CAN OBJECT TO THE CLASS SETTLEMENT BUT NOT THE PAGA SETTLEMENT WRITTEN OBJECTIONS MUST BE SUBMITTED BY	Any Participating Class Members may object to the any aspect of the Class Settlement. The Court’s decision whether to grant final approval of the Settlement will include a determination of how much will be paid to Plaintiff and to Class Counsel who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Plaintiff or Class Counsel, but every dollar paid to them reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Plaintiff and/or Class Counsel if you think they are unreasonable. See Section 6(C) of this Notice.
YOU CAN PARTICIPATE IN THE FINAL APPROVAL HEARING, SCHEDULED FOR <u>June 7, 2024, at 10:30 a.m.</u>	The Court’s Final Approval Hearing is scheduled to take place on June 7, 2024, at 10:30 a.m. You do not have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone, or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the settlement at the Final Approval Hearing. See Section 6(C) of this Notice.

**YOU CAN CHALLENGE
THE CALCULATION OF
YOUR
WORKWEEKS/PAY
PERIODS**

**WRITTEN
CHALLENGES MUST
BE SUBMITTED BY**

The amounts of your Individual Class Payment and Individual PAGA Payment (if any) depend on how many workweeks you worked during the Class Period and how many pay periods you worked during the PAGA Period, respectively.

The number of workweeks in the Class Period and the number of pay periods in the PAGA Period you worked according to Defendants' records is stated on the first page and **Section 5(E)** of this Notice. If you disagree with either of these numbers, you must challenge it by **Section 6(B)** of this Notice. Any dispute as to the number of workweeks and/or pay periods must be in writing. The Administrator will investigate and determine if the dispute appears to be valid. Defendants' records will be presumed accurate so you must include proof substantiating your dispute.

1. WHAT IS THE PURPOSE OF THIS NOTICE?

Plaintiff and Defendants have reached a settlement of a class action involving non-exempt employees who worked for Defendants at any Shoreline Treatment Center facility in California at any time between December 10, 2016 to March 10, 2023. Defendants' records indicate that you are a Class Member covered by this settlement. Judge Stuart M. Rice of the Los Angeles County Superior Court of the State of California is overseeing the class action. The lawsuit is known as *Carrie Prodromides v. Shoreline Treatment Center, Inc., et al.*, Los Angeles County Case Number 20STCV47287 (defined above as the "Action").

2. WHAT IS THE ACTION ABOUT?

The Action alleges that Defendants violated California labor laws (and related Industrial Wage Order) by failing to pay overtime and double time compensation, wages due upon termination and failing to provide meal periods, rest periods, and accurate itemized wage statements. Based on these same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (California Labor Code §§ 2698, *et seq.*) and unfair competition and unlawful business practices (California Business and Professional Code §§ 17200, *et seq.*) Plaintiff is represented by Rolando J. Gutierrez, Esq. and Nicholas L. Ramirez, Esq. of BROWN WHITE & OSBORN LLP and Richard Kim, Esq. of LAW OFFICES OF RICHARD KIM, PC.

You can read Plaintiff's allegations as stated in the Operative Complaint, which is available at **[Administrator's website]**.

3. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

The Court has not decided whether Plaintiff or Defendants are correct. Plaintiff and Defendants reached a settlement by mediating this Action with an experienced neutral mediator by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. By signing a lengthy written settlement agreement (the "Settlement Agreement") and agreeing to jointly ask the Court to enter judgment ending the Action and enforcing the terms of the Settlement Agreement, Plaintiff and Defendants have negotiated a proposed settlement that is subject to the Court's final approval. Both sides agree the proposed settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merits of any of Plaintiff's claims. Plaintiff and Class Counsel strongly believe that the settlement is a good deal for you because they believe that: (a) Defendants have agreed to pay a fair, reasonable, and adequate amount considering the strengths of the claims and the risks and uncertainties of continued litigation; and (b) settlement is in the best interests of the Class Members and the Aggrieved Employees. The Court preliminarily approved the proposed settlement as fair, reasonable, and adequate, authorized this Notice, and has scheduled a hearing to determine final approval.

4. HOW DO I KNOW IF I AM A PART OF THE SETTLEMENT?

Anyone who fits into the following description of the "Settlement Class" and one of the following "Subclasses" is a part of the settlement.

The “Settlement Class” means:

All current and former non-exempt employees who work or worked for Defendants Shoreline Treatment Center, Inc., Shoreline Treatment Center, LLC, or Odyssey Behavioral Healthcare, LLC at any Shoreline Treatment Center facility in California during at any time during the time-period of December 10, 2016 through March 10, 2023, and includes the “Non-Release Benefit Subclass” and the “Release Benefit Subclass.”

The “Non-Release Benefit Subclass” means:

All non-exempt employees who worked for any of the Defendants during the Class Period but did not sign a Release Benefit Agreement or a Revised Release Benefit Agreement releasing Defendants from the claims raised in the Action and did not receive compensation for releasing Defendants from the claims raised in the Action.

The “Release Benefit Subclass” means:

All non-exempt employees who worked for any of the Defendants during the Class Period and who signed a Release Benefit Agreement or a Revised Release Benefit Agreement releasing Defendants from the claims raised in the Action or received payments for releasing Defendants from the claims raised in the Action.

It has been determined from Defendants’ business records that you are a member of the Class and one of the Subclasses.

5. TERMS OF THE SETTLEMENT

A. WHO IS PAYING WHAT FOR THE SETTLEMENT?

Defendants agreed to pay \$500,000 (the “Settlement Fund”) to settle all the claims of Plaintiff, Class Members, and Aggrieved Employees. The Settlement Fund will be deposited into an account controlled by the Administrator. The Administrator will use the Settlement Fund to pay: (1) Individual Class Payments, (2) Individual PAGA Payments, (3) payment to Plaintiff for initiating the Action and providing services in support of the Action (the “Class Representative Service Payment”), (4) Class Counsel’s fees and litigation expenses, the expenses incurred by the Administrator to effectuate the settlement, and (5) penalties paid to the California Labor and Workforce Development Agency (“LWDA”).

B. THE ADMINISTRATOR

The Court has appointed the neutral company, [REDACTED] (the “Administrator”) to administer the settlement, including sending this Notice, calculating and making payments, and processing any Class Member’s Request for Exclusion. The Administrator will also decide Class Member challenges over workweeks and/or pay periods, mail and re-mail settlement checks and tax forms, and perform any other tasks necessary to administer the settlement.

C. WHAT WILL THE SETTLEMENT FUND PAY?

At the Final Approval Hearing, Plaintiff and/or Class Counsel will request the Court to approve the following deductions from the Settlement Fund (\$500,000), the amounts for which will be decided by the Court at the Final Approval Hearing:

- i. Up to \$25,000.00 for PAGA penalties, of which seventy-five percent (75%) (i.e., \$18,750) shall be remitted to the LWDA as the LWDA PAGA payment and the remaining twenty-five percent (25%) (i.e., \$6,250) shall be distributed to Aggrieved Employees based on their PAGA Period pay periods.
- ii. Up to \$7,500 to Plaintiff as a Class Representative Service Payment for filing the Action, working with Class Counsel, and representing the Class. The Class Representative Service Payment is awarded to Plaintiff in addition to any Individual Class Payment and Individual PAGA Payment awarded to Plaintiff.
- iii. Up to \$166,665.00 (which represents thirty-five percent (33.333%) of the Settlement Fund) to Class Counsel for attorneys’ fees and up to \$45,000 for Class Counsel’s litigation expenses. To

date, Class Counsel have worked and incurred expenses in and for the Action without payment.

- iv. Up to \$13,000 from the Settlement Fund to the Administrator for services to administer the settlement.

After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Settlement Fund (the "Net Settlement Amount") to Class Members. Any Participating Class Member has the right to object to any portion of these deductions. The Court will consider all objections.

D. HOW WILL THE NET SETTLEMENT AMOUNT BE DISTRIBUTED AMONG CLASS MEMBERS?

The Net Settlement Amount of up to \$242,835 will be distributed as follows:

i. Individual Class Payments.

The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of workweeks worked by each individual Participating Class Member. Participating Class Members within the Release Benefit Subclass will have their Individual Class Payment offset by the Release Benefit already received with any outstanding amount capped at \$100, and the remainder reverting to the Participating Class Members within the Non-Release Benefit Subclass to be distributed on a pro rata basis.

ii. The Individual PAGA Payments.

The Administrator will also calculate the Individual PAGA Payments by (a) dividing \$6,250.00 by the total number of PAGA pay periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period pay periods worked by each individual Aggrieved Employee.

iii. Taxes Treatment Of Payments To The Class Members.

Plaintiff and Defendants are requesting the Court to approve an allocation of one-third (1/3) of each Individual Class Payment toward taxable wages (the "Wage Portion") and the remaining two-thirds (2/3) of towards penalties and interest (the "Non-Wage Portion"). The Wage Portion is subject to withholding and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes it owes on the Wage Portion. You must pay your own portion of payroll and income taxes on the Wage Portion, and such amounts shall be withheld from your Individual Class Payment. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and Defendants have agreed to this allocation, neither side is giving you any advice on whether your Individual Class Payment and/or Individual PAGA Payment are taxable and how much you might owe in taxes. You should consult with a tax advisor concerning the tax consequences of the payment you received under the settlement.

E. WHAT WILL MY APPROXIMATE RECOVERY BE?

Based on Defendants' records, and the Parties' current assumptions, **your Individual Class Payment is estimated to be \$ [redacted] (less withholding) and your Individual PAGA Payment is estimated to be \$ [redacted]**. These are approximate amounts. The actual amounts you may receive will likely be different and will depend on a number of factors, including (i) the number of Settlement Class Members who ultimately participate in the settlement; (ii) the ultimate costs of providing notice and administering the settlement; and (iii) the amount that the Court ultimately awards with respect to the Class Representative Service Payment, Class Counsel's fees and litigation expenses. If no amount is stated for your Individual PAGA Payment, then according to Defendants' records, you are not eligible for an Individual PAGA Payment under the settlement because you did not work during the PAGA Period.

The above estimates are based on Defendants' records that show **you worked [redacted] workweeks** during the Class Period and **you worked [redacted] pay periods** during the PAGA Period. **<<In addition, you already received \$ [redacted] for signing either a Release Benefit Agreement or a Revised Release Benefit Agreement, which offsets from your Individual Class Payment amount.>>**

If you believe that you worked more workweeks during either the Class Period or the PAGA Period, you

can submit a challenge by the deadline date indicated in Section 6(B) of this Notice. <<You cannot challenge the amount you previously received for signing a Release Benefit Agreement or a Revised Release Benefit Agreement.>>

F. WHAT CLAIMS WOULD I BE RELEASING IF I DO NOT OPT-OUT OF THE SETTLEMENT?

Upon final approval of the Settlement and when Defendants have fully funded the Settlement Fund and separately pay the employer share of payroll taxes, each Class Member who has not opted out of the settlement (i.e., each Participating Class Member) will be legally barred from asserting any of the claims released under the settlement. This means that unless you have opted-out by submitting a valid and timely Request for Exclusion, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or related entities for wages based on the facts during the Class Period or PAGA penalties based on the facts during the PAGA Period, as alleged in the Operative Complaint. The Participating Class Members and the Aggrieved Employees shall be bound by the following two releases:

i. The Participating Class Members' Release.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, release Defendants and all of their former and/or present parents, subsidiaries, and affiliates and each of their respective officers, directors, managers, owners, executives, partners, employees, shareholders, agents, attorneys, and any other successors, predecessors, assigns, or legal representatives, from all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint. Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

In addition, Participating Class Members within the Release Benefit Subclass shall be bound by the foregoing release, and the releases stated in Release Benefit Agreement, or the Revised Release Benefit Agreement, shall be invalidated and deemed voided upon the Court's entry of final approval of this Settlement. Participating Class Members within the Release Benefit Subclass shall not be required to pay back any money they received for signing a Release Benefit Agreement or a Revised Release Benefit Agreement.

ii. The Aggrieved Employees' Release.

Aggrieved Employees shall also be bound by the release of any claims for civil penalties under section 2699, *et seq.* of the California Labor Code that were or could have been alleged in the Operative Complaint, even if they formally opted out of the Class and are no longer bound by the other provisions of the above release that are not claims for civil penalties under section 2699, *et seq.* This means that all Aggrieved Employees (including Non-Participating Class Members) cannot sue, continue to sue, or participate in any other PAGA claim against Defendants or their related entities based on the facts during the PAGA Period alleged in the Operative Complaint. The Aggrieved Employees release provides as follows:

All Participating Class Members and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Defendants and all of their former and/or present parents, subsidiaries, and affiliates and each of their respective officers, directors, managers, owners, executives, partners, employees, shareholders, agents, attorneys, and any other successors, predecessors, assigns, or legal representatives, from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on facts during the PAGA Period stated in the Operative Complaint and the PAGA notice sent to the LWDA on May 29, 2020.

G. DEFENDANTS' DIRECT FEE PAYMENT TO CLASS COUNSEL.

Defendants will also directly pay Class Counsel for reimbursement of reasonable attorneys' fees in recognition that the payments made in exchange for the execution of the Release Benefit Agreements and Revised Release Benefit Agreements by the Release Benefits Subclass, which is an aggregate amount of \$178,484.77, were inspired by this

Action. In addition to the payment of attorneys' fees from the Settlement Fund (see **Section 5(C)(iii)**, above), Class Counsel will seek Court approval of a "Direct Fee Payment" of \$59,494.32 (i.e., 33.333% of \$178,484.77), which shall be paid by Defendants. This Direct Fee Payment is to help prevent Participating Class Members within the Non-Release Benefit Subclass from having to bear the entire cost of attorneys' fees, thereby minimizing the amount of fee deduction from the Settlement Fund by \$59,494.32. Approval of the Direct Fee Payment shall not alter or affect the Net Settlement Amount to be distributed to the Participating Class Members or the Aggrieved Employees.

H. THE PROPOSED SETTLEMENT IS SUBJECT TO COURT APPROVAL AND WILL BE VOID IF THE COURT DENIES FINAL APPROVAL.

It is possible that the Court may decline to grant final approval of the Settlement or decline to enter judgment on its order granting final approval. It is also possible that the Court will enter a judgment on its order granting final approval that is subsequently reversed on appeal. Plaintiff and Defendants have agreed that, in either case, the settlement will be void, meaning that Defendants will not pay any money and Class Members will not release any claims against Defendants.

6. YOUR RIGHTS AND OPTIONS

A. HOW WILL I GET PAID?

For every Participating Class Member (*i.e.*, every Class Member who does not opt-out), the Administrator will send, by U.S. Mail, an Individual Class Payment Check, and a separate Individual PAGA Payment check to every to those who qualify as Aggrieved Employees. For every Non-Participating Class Member (*i.e.*, every Class Member who opted out of the Settlement) who qualify as Aggrieved Employees, the Administrator will send, by U.S. Mail, a single Individual PAGA Payment check.

The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check(s) expires (the void date). If you do not negotiate the check(s) by the void date, your check(s) will be automatically cancelled. Any unclaimed funds from any uncashed checks, plus any interest thereon, shall be distributed to the California State Controller's Unclaimed Property Fund in the names of the Participating Class Members and/or Aggrieved Employees.

Your check(s) will be sent to the same address as indicated on this Notice. If you change your address (or want your check sent to a different address), please be sure to notify the Administrator as soon as possible. Sections **6(B) and **9** of this Notice have the Administrator's contact information.**

B. CAN I DISPUTE THE NUMBER OF WEEKS OR PAY PERIODS DEFENDANTS CLAIM I WORKED?

Yes. If you disagree with the number of workweeks and/or PAGA Period pay periods reported for you in Defendants' records, you may file a written dispute with the Administrator by [redacted]. You can submit your challenge by signing and sending a letter to the Administrator via mail, email, or fax to the Administrator at the following address:

[redacted] CLASS ACTION ADMINISTRATOR

[Administrator]

[Address]

[Telephone, Email and fax]

The Administrator's contact information is also provided below, **Section 9**.

If you file a timely written dispute as to the number of workweeks, you must submit written proof supporting your dispute. In the absence of any contrary documentation, the Administrator is entitled to presume that the workweeks contained in this Notice are correct so long as they are consistent with the Class Data. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve the workweek and/or pay period challenges based on your submission and input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defense Counsel. The Administrator's determination is final and binding. You cannot appeal or otherwise challenge the Administrator's final decision.

Do not contact the court to dispute the calculation of your workweeks and/or PAGA Period pay periods.

C. CAN I OBJECT TO THE SETTLEMENT?

Yes, but *only* as to the Class Settlement *and only if* you do not opt out of the Class Settlement. If you do not wish to opt out of the Class Settlement but disagree with any portion of the Class Settlement, you have the right to file an objection. If you opt out of the Class Settlement, you will be ineligible to object to any portion of the Class Settlement.

If you do not opt out of the Class Settlement, you can object to the Class Settlement and you can give reasons for why you think the Court should not approve it. The Court will consider your position. To object, you may either mail, fax, or email your objection to the Administrator no later than [redacted] days after the mailing of this Notice or appear. If you object to the Class Settlement, you must state the specific reason for your objection, including any legal support, as well as your full legal name, date of birth, and the dates you worked as a non-exempt employee of Defendants.

Whether or not you object to or opt out of the Class Settlement, you may not object to the PAGA Settlement for any reason. This means that, if you qualify as an Aggrieved Employee, you will automatically be bound by the PAGA Settlement and related release.

D. CAN I OPT-OUT OF THE SETTLEMENT?

Yes, but *only* to the Class Settlement. You cannot opt out of the PAGA Settlement. You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing that you wish to opt out of the Class Settlement. The easiest way to notify the Administrator is to submit a written and signed request to be excluded from the Class Settlement ("Request for Exclusion") by [redacted]. The Request for Exclusion should be a letter from a Class Member or his/her representative and must: (a) include your name, the last four digits of your social security number, and your signature; and (b) indicate that you desire to exclude yourself from the Class Settlement. Excluded Class Members (*i.e.*, Non-Participating Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue wage-and-hour claims against Defendants. If you submit a timely and valid Request for Exclusion, as determined by the Administrator, you will be ineligible to object to any aspect of the Settlement.

You cannot opt out of the PAGA Settlement. Class Members who exclude themselves from the Class Settlement (*i.e.*, Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Action.

If you opt out of the Class Settlement, your share of the non-PAGA Settlement proceeds may be divided up amongst the Participating Class Members.

E. WHAT IF I DO NOTHING?

If you do nothing, you will receive your Individual Class Payment and/or Individual PAGA Payment, if any, from the Net Settlement Amount after the Court grants final approval. If you do not cash your settlement check(s), you will still be bound by all the terms of the settlement, including the waivers and releases discussed in **Section 5(F)**, and you will be prevented from suing Defendants or participating in any other litigation or class action relating to the matters being settled in this Action.

7. PROHIBITION AGAINST RETALIATION

Defendants have agreed to this settlement, and they shall not discriminate or retaliate against any Class Member who accepts benefits under this Settlement. Your participation in this Settlement will in no way affect your employment relationship with Defendants.

8. FINAL APPROVAL OF SETTLEMENT

A. HOW AND WHEN WILL THE COURT PROVIDE FINAL APPROVAL OF THE SETTLEMENT?

The Los Angeles County Superior Court of the State of California will hold a Final Approval Hearing on June 7, 2024, at 10:30 a.m. in Department 1, located at 312 North Spring Street, Los Angeles, CA 90012, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve the Class Representative Service Payment, Class Counsel's fees and litigation expenses, the Direct Fee

Payment, and the expenses incurred by the Administrator to effectuate the settlement. The Court will invite comments from objectors, Class Counsel, and Defense Counsel before making a decision. Though your attendance is not required, you may attend (or hire a lawyer to attend at your expense) either personally or virtually via [remote language]. It is possible the Court may reschedule the Final Approval Hearing. You should check the Administrator's website [redacted] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

B. WHEN WILL I GET MY SETTLEMENT CHECK(S)?

If there are no appeals to the Court's order granting final approval of the settlement, the check representing the Individual Class Payment and/or Individual PAGA Payment will be mailed out approximately [redacted] days after the Court enters judgment on its order granting final approval of the Settlement.

9. GETTING MORE INFORMATION

This Notice does not contain all the terms of the proposed Settlement or all of the details of these proceedings. For more detailed information, you may refer to the underlying documents and papers on file with the Court.

You may also visit the [redacted] website at [Administrator's website] to find specific documents related to this case and be able to access the Notice and other forms. There is no charge to view the documents on this website.

You may also contact Class Counsel or the Administrator for information about this Action:

<i>Class Counsel For Plaintiff Carrie Prodromides and The Settlement Class</i>	
Rolando J. Gutierrez, Esq. rgutierrez@brownwhitelaw.com Nicholas L. Ramirez, Esq. nramirez@brownwhitelaw.com BROWN WHITE & OSBORN LLP 333 South Hope Street, 40th Floor Los Angeles, California 90071-1406 Tel: (213) 613-0500 Fax: (213) 613-0550	Richard Kim, Esq. rkim@richkimlaw.com LAW OFFICES OF RICHARD KIM, PC 6131 Orangethorpe Avenue, Suite 370 Buena Park, California 90620-4929 Tel: (714) 276-1122 Fax: (714)276-1120
<i>The Administrator</i>	
[Name] [Address]	

DO NOT CALL, WRITE, OR OTHERWISE CONTACT THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

EXHIBIT 3

Rolando J. Gutierrez, Esq. (SBN: 276230)
rgutierrez@brownwhitelaw.com
Nicholas L. Ramirez, Esq. (SBN: 337942)
nramirez@brownwhitelaw.com
BROWN WHITE & OSBORN LLP
333 South Hope Street, 40th Floor
Los Angeles, California 90071
Tel: (213) 613-0500 | Fax: (213) 613-0550

Richard Kim, Esq. (SBN: 272184)
rkim@richkimlaw.com
LAW OFFICES OF RICHARD KIM, PC
6131 Orangethorpe Ave., Suite 370
Buena Park, CA 90620-4929
Tel: (714) 276-1122 | Fax: (714) 276-1120

Attorneys for Plaintiff and the Putative Class

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ANGELES

CARRIE PRODROMIDES, an individual,

Plaintiff,

vs.

SHORELINE TREATMENT CENTER, INC., a
California Corporation; RACHEL LEVI, an
individual, and DOES 1 through 50, inclusive,

Defendants.

CLASS ACTION

Case No: 20STCV47287

Hon. Stuart Rice

Dept. 1

**DECLARATION OF NICHOLAS L.
RAMIREZ, ESQ. IN SUPPORT OF
PLAINTIFF CARRIE PRODROMIDES'
NOTICE OF MOTION AND MOTION FOR
CONDITIONAL CLASS CERTIFICATION
AND PRELIMINARY APPROVAL**

Date: September 27, 2023

Time: 10:30 a.m.

Dept.: 1

Complaint Filed: December 10, 2020

Initial Trial Date: None

1 **DECLARATION OF NICHOLAS L. RAMIREZ, ESQ.**

2 I, Nicholas L. Ramirez, hereby declare as follows:

3 1. I am over the age of 18 and a resident of California. I am admitted and licensed to
4 practice law before all state courts within the State of California. I am co-counsel for Plaintiff CARRIE
5 PRODROMIDES and the Putative Class. I have personal knowledge of the matters stated herein. If
6 called as a witness, I could and would testify truthfully and competently thereto under oath.

7 2. I submit this declaration pursuant in support of Plaintiff Carrie Prodromides' Notice of
8 Motion and Motion for Conditional Class Certification and Preliminary Approval.

9 3. I obtained my Juris Doctor, *cum laude*, from Loyola University Chicago School of Law
10 in May 2020. During my third year of law school, I worked as a Judicial Extern for the Honorable
11 Thomas M. Durkin of the United States District Court for the Northern District of Illinois.

12 4. Prior to obtaining my law license, I clerked at KASHFIAN & KASHFIAN, LLP ("K&K"), a
13 boutique firm in Century City, California. In June 2021, I obtained my license to practice law in
14 California and was promoted to Associate at K&K, where I was primarily involved in employment
15 litigation and business and corporate litigation, and assisted with intellectual property litigation, real
16 estate litigation, and personal injury. At K&K, I helped the Partners with legal research, law and motion,
17 and settlement related to numerous individual employment cases in which the plaintiffs alleged
18 discrimination, retaliation, wrongful termination, failure to provide meal and rest breaks, waiting time
19 penalties, and other Fair House and Employment Act and Labor Code claims.

20 5. I joined BROWN WHITE & OSBORN LLP ("BWO") in June 2022 as an Associate. At
21 BWO, I have assisted with a wide range of matters, including complex matters (*e.g.*, wage and hour and
22 consumer class actions), anti-SLAPP, criminal defense, and personal injury. Although my practice
23 encompasses various subject matters, I have primarily litigated wage and hour class actions on the
24 plaintiff side and on the defense side, including:

- 25 (a) A wage and hour class action/PAGA action captioned *Miller v. LS & Partners @*
26 *CA, LLC*; Los Angeles Sup. Ct. Case No. BC706919, which involved a successful
27 writ petition challenging the trial court's order striking certain claims (Second
28 Appellate District Case No: B313147), ultimately resulting in a settlement of

\$1,500,000, pending preliminary approval.

(b) A wage and hour class action/PAGA action captioned *Nicole Wheat v. Mario Marovic, et. al.*; Orange Count Sup. Ct. Case No. 30-2021-01210986-CU-OE-CXC (related case: *Natasha Konishi et al. v. The Lounge Group, Inc., et al.*); Orange Count Sup. Ct. Case No. 30-2021-01201250-CU-OE-CXC, which recently settled for \$1,750,000, pending preliminary approval.

(c) A wage and hour class action/PAGA action captioned *Lindsay Shelton v W.B. Restaurant Partners, LP, et al.*; Los Angeles Sup. Ct. Case No. 22STCV22904. Due to an arbitration agreement with a class waiver, the individual and class claims were dismissed and compelled to arbitration, while the “non-individual PAGA” claims were stayed pending the California Supreme Court’s decision in *Adolph v. Uber Technologies, Inc.* (Cal. S.C. Case No. G059860). After the publication of the *Adolph* decision, the Parties are set to mediate the non-individual PAGA claims.

(d) A wage and hour class action/PAGA Action defense matter captioned *Pereira v. Bulldog Auction House, LLC*; Los Angeles Sup. Ct Case No. 23STCV12188, which is still pending.

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1 6. As of the date of this declaration, my customary hourly rate ranges are approximately
2 between \$350 an hour, which is commensurate with my years of experience in complex class action
3 litigation.¹
4

5 I declare under penalty of perjury, under the laws of the State of California, that the foregoing is
6 true and correct, this 13th day of September, 2023, in Los Angeles, California.

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8 
9 _____
10 NICHOLAS L. RAMIREZ, DECLARANT
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25 ¹ According to the 2022 Real Rate Report, a Wolters Kluwer publication, the hourly rates for Los Angeles
26 area attorneys with fewer than three years of experience within the first quartile in 2022 was \$439, while the
27 hourly rates for “Litigation” associates in the Los Angeles area within the first quartile \$408. In addition, in a
28 2014 survey from ALM Legal Intelligence published by the National Law Journal reported the hourly rates of
the Los Angeles office of SHEPPARD MULLIN RICHTER & HAMPTON, LLP, a leading wage and hour class
action defense firm, at \$535 on the higher end, \$275 on the lower end, and an average of \$415.
(<https://www.law.com/nationallawjournal/almID/1202636785489/>)

EXHIBIT 4

AMENDED FEE AND EXPENSE SHARING AGREEMENT

This **Amended Fee and Expense Sharing Agreement** ("Agreement") is entered into by and among McLachlan Law, APC ("ML") Rolando J. Gutierrez, attorney at law, ("RJG"), LAW OFFICES OF RICHARD KIM, PC. ("RK"), and BROWN WHITE & OSBORN LLP ("BWO") (ML, RJG, RK, and BWO are collectively referred as the "Parties"), as follows:

RECITALS

A. ML, RJG, and RK, as co-counsel pursuant to a dually executed retainer agreement, filed a putative class action on December 10, 2020, in the Superior Court of California, County of Los Angeles, styled *Carrie Prodromides v. Shoreline Treatment Center, Inc., et. al.*; Los Angeles Superior Court Case No. 20STCV47287 (the "Action");

B. On December 10, 2020, ML, RJG, and RK executed a Fee and Expense Sharing Agreement with respect to the prosecution of the Action;

C. RJG made a lateral transition to Brown White & Osborn LLP ("BWO"), on July 1, 2021;

D. ML, RJG, and RK each desire that RJG, through BWO, continue as co-counsel in the Action; and

E. The Parties are entering into this Agreement with the understanding that RJG, through BWO, will continue as co-counsel for both the Class Action and the PAGA Action, with each Party endeavoring to perform roughly the equivalent share of the work going forward, and with the understanding that ML, RJG, and RK have performed substantial work in Action.

NOW THEREFORE, the Parties hereby agree to the following terms:

1. **Responsibilities of Costs and Expenses.** The Parties shall advance all out-of-pocket expenses incurred in connection the Action on a dollar-for-dollar basis. No party shall incur an expense in excess of \$2,000 in connection with the Case without the joint approval of the Parties.

2. **Recovery of Fees and Costs.** The Parties understand that they are undertaking the representation of the Action on a contingency basis. If this Action is resolved, whether through settlement or judgment, on a class basis and/or as a claim under the Private Attorney General Act ("PAGA"), the Parties shall file a motion with the court seeking to impose upon Defendants the payment of such attorneys' fees, costs, and expenses. At the time of a fee application, RJG's time prior to moving to BWO will be billed as if incurred at BWO and split between BWO and RJG as they deem fit. The court-approved fees and costs (the "Fee Award") shall be allocated as follows:

- a. All court-approved expenses shall be reimbursed to the Parties who incurred said expenses;

- b. After reimbursement of expenses have been deducted from the Fee Award, any amounts remaining (the "Net Fee") shall be calculated and divided among the Parties by the total value of the reasonable hours ("Total Value of Fees") billed by each Party that reasonably lead to the resolution of the Action.¹ To calculate the Total Value of Fees, the Parties shall apply the following hourly rates, adjusted as necessary as market rates fluctuate: (1) Mike McLachlan - \$760, (2) Rolando Gutierrez - \$525, (3) Richard Kim - \$400, and (4) any associate of Richard Kim or BWO - \$300); paralegal and staff rates will be billed at their standard market rates, with paralegals in the range of \$130-\$185 per hour);
- c. If the court reduces the attorneys' fees in the Fee Award as a whole without identifying which of the Parties' hourly rates or time entries are reduced in calculating the Fee Award, the Net Fee for each Party shall be reduced accordingly on a pro-rata basis. For instance, if the court reduces attorneys' fees by 20% based upon a lodestar/multiplier analysis, then each Parties' respective Net Fee, as defined in paragraph 2(b) of this Agreement, shall be reduced accordingly by 20%. If the court reduces the attorney's fees in the Fee Award by identifying which of the Parties hourly rates or time entries are reduced in calculating the Fee Award, the Net Fee shall be reduced accordingly for each Party based on the court's Order.

3. **Expenses Not Approved By The Court.** In the event that the Court disapproves the reimbursement of any expense by the Parties, then, absent exigent circumstances (e.g., a patently unreasonable expense incurred by one firm without the knowledge or approval of the other firm), the loss attributable to any such unreimbursed expense shall be borne equally by the Parties.

4. **Requests For Statement Of Fees Or Expenses Incurred.** At any time upon reasonable request, any Party shall be entitled to a statement of the fees and/or expenses incurred by the Parties through the last date of the month immediately preceding the date of the request.

5. **Superseding Effect.** The Parties acknowledge and agree as follows This Agreement supersedes the prior Fee and Expense Sharing Agreement of December 6, 2020, although the terms of that prior agreement still govern during the term of that agreement as among ML, RJG, and ML from December 20, 2020, through the execution of this Agreement.

¹ For example, if a Party bills 10 hours at \$200 an hour (for a total value of \$2,000) and a second party bills 10 hours at \$400 an hour (for a total value of \$4,000), and a third Party bills 10 hours at \$600 per hour (for a total value of \$6,000), and the fourth Party bills 10 hours at \$800 per hour (for a total value of \$8,000), the first Party is entitled to receive 10% of the Net Fee, the second party is entitled to receive 20% of the Net Fee, the third Party is entitled to receive 30% of the Net Fee, and the fourth Party is entitled to receive 40% of the Net Fee.

6. **Substitution of Attorney.** Upon the full execution of this Agreement, the Parties will endeavor to secure Carrie Prodromides' consent and execution of a Substitution of Attorney form, after which BWO will cause to be filed with the Superior Court and served on all parties to the Action.

7. **No Fee Increase.** The total fee charged to the client has not increased solely by reason of this Agreement.

Executed on this ____ day of July, 2021.

McLACHLAN LAW, APC

Michael D.

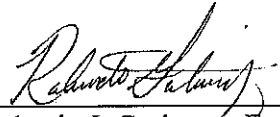
By: **McLachlan**

Michael D. McLachlan, Esq.

Digitally signed by Michael D. McLachlan
DN: cn=Michael D. McLachlan,
o=McLachlan Law, APC, ou,
email=mmike@mcclachlan-law.com, c=US
Date: 2021.07.28 14:14:42 -07'00'

Executed on this 27th day of July, 2021.

ROLANDO J. GUTIERREZ, ATTORNEY AT LAW

By: 

Rolando J. Gutierrez, Esq.

Executed on this ____ day of July, 2021.

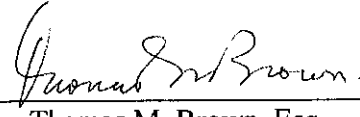
LAW OFFICES OF RICHARD KIM, PC

By: _____

Richard Kim, Esq.

Executed on this 27th day of July, 2021.

BROWN WHITE & OSBORN LLP

By: 

Thomas M. Brown, Esq.

Client's Informed Consent

I have read the foregoing and consent hereto.

Dated: _____, 2021

Carrie Prodromides

6. **Substitution of Attorney.** Upon the full execution of this Agreement, the Parties will endeavor to secure Carrie Prodromides' consent and execution of a Substitution of Attorney form, after which BWO will cause to be filed with the Superior Court and served on all parties to the Action.

7. **No Fee Increase.** The total fee charged to the client has not increased solely by reason of this Agreement.

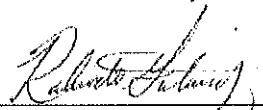
Executed on this ____ day of July, 2021.

McLACHLAN LAW, APC

By: _____
Michael D. McLachlan, Esq.

Executed on this 27th day of July, 2021.

ROLANDO J. GUTIERREZ, ATTORNEY AT LAW

By: 
Rolando J. Gutierrez, Esq.

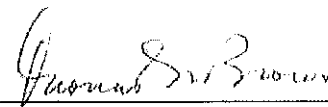
Executed on this 28 day of July, 2021.

LAW OFFICES OF RICHARD KIM, PC

By: 
Richard Kim, Esq.

Executed on this 27th day of July, 2021.

BROWN WHITE & OSBORN LLP

By: 
Thomas M. Brown, Esq.

Client's Informed Consent

I have read the foregoing and consent hereto.

Dated: 7/28, 2021


Carrie Frances Prodromides (Jul 28, 2021 16:34 PDT)
Carrie Prodromides

EXHIBIT 5

Rolando J. Gutierrez

From: Mike McLachlan <mike@mclachlan-law.com>
Sent: Friday, June 3, 2022 11:24 AM
To: Richard Kim; Rolando J. Gutierrez
Cc: Katelyn Furman
Subject: [EXTERNAL] RE: Prodromides v. Shoreline
Attachments: Prodromides Costs - McLachlan Law.pdf

CAUTION: Email originated outside the firm.

Guys, as I indicated before, I'm waiving my lien for fees on this case, but I would like to get my costs back at the end of the show. My costs are attached.

Keep me posted. I hope you two get paid on this one.

Mike McLachlan

McLachlan Law, APC
2447 Pacific Coast Highway, Suite 100
Hermosa Beach, CA 90254
Office: 310-954-8270
Fax: 310-954-8271

From: Richard Kim <rkim@richkimlaw.com>
Sent: Wednesday, December 1, 2021 7:13 PM
To: Rolando J. Gutierrez <rgutierrez@brownwhitelaw.com>; Mike McLachlan <mike@mclachlan-law.com>; Ian Nomura <inomura@richkimlaw.com>
Cc: Thomas Brown <tbrown@brownwhitelaw.com>; Letty Perez <lperez@brownwhitelaw.com>; Chris Kinney <ckinney@brownwhitelaw.com>; Katelyn Furman <katelyn@mclachlan-law.com>
Subject: Prodromides v. Shoreline

Rolando and Mike,

Please cc Ian Nomura to any future emails regarding this matter. Ian is an attorney with my firm and will be working with us on this matter going forward.

Best Regards,

Richard Kim, Esq.
LAW OFFICES OF RICHARD KIM PC
6131 Orangethorpe Ave., Suite 370
Buena Park, CA 90620
Phone: (714) 276-1122
Fax: (714) 276-1120
Email: Rkim@richkimlaw.com

Statement of Confidentiality

The contents of this e-mail message and any attachments are confidential and are intended solely for addressee. The information may also be legally privileged. This transmission is sent in trust, for the sole purpose of delivery to the intended recipient. If you have received this transmission in error, any use, reproduction or dissemination of this transmission is strictly prohibited. If you are not the intended recipient, please immediately **notify** the sender by reply e-mail or phone and **delete** this message and its attachments, if any.

1 **PROOF OF SERVICE**

2 **RE: *Prodromides v. Shoreline Treatment Center, Inc, et. al.***
3 **Case No: 20STCV47287**

4 I am employed in the State of California, County of Los Angeles. I am over the age of 18 and not
5 a party to the within suit; my business address is 333 South Hope Street, 40th Floor, Los Angeles, CA
6 90071.

7 On **May 16, 2024** I served true and correct copies the following document(s) described as:

8 **DECLARATION OF ROLANDO J. GUTIERREZ, ESQ. IN SUPPORT OF PLAINTIFF**
9 **CARRIE PRODROMIDES' MOTION AND MOTION FOR FINAL APPROVAL OF CLASS**
10 **ACTION AND PRIVATE ATTORNEY GENERAL ACT SETTLEMENT**

11 on the interested parties in this action as follows:

12 Karina B. Stermann, Esq.
13 *KStermann@ggfirm.com*
14 James W. Hill, Esq.
15 *JHill@ggfirm.com*
16 **GREENBERG GLUSKER FIELDS**
17 **CLAMAN & MACHTINGER, LLP**
18 2049 Century Park East, Suite 2600
19 Los Angeles, CA 90076

20 Richard Kim, Esq.
21 *rkim@richkimlaw.com*
22 **LAW OFFICES OF RICHARD KIM, PC**
23 6131 Orangethorpe Ave., Suite 370
24 Buena Park, CA 90620-4929

Attorneys for Plaintiffs and the Putative Class

25 *Attorneys for Defendants*
26 **SHORELINE TREATMENT CENTER, LLC,**
27 *f/k/a SHORELINE TREATMENT CENTER,*
28 **INC.; RACHEL LEVI; ODYSSEY**
BEHAVIORAL HEALTHCARE, LLC; 108
ROYCROFT, LLC

1 ☒ **BY ELECTRONIC SERVICE VIA CASEANYWHERE:** Complying with California Rule
2 of Court 2.251 and Code of Civil Procedure § 1010.6, *et. seq.*, and in compliance with the
3 Court's Case Management Order, I caused true and correct copies of the documents to be served
4 through Case Anywhere at www.caseanywhere.com to the email address(es) of the person(s)
5 identified above.

6 ☒ **STATE:** I declare under penalty of perjury under the laws of the State of California that the
7 foregoing is true and correct.

8 Executed on **May 16, 2024** at Los Angeles, California.

9
10 Don Adove
11 Type or Print Name

12 
13 Signature

1 **PROOF OF SERVICE**

2 **RE: *Prodromides v. Shoreline Treatment Center, Inc, et. al.***
3 **Case No: 20STCV47287**
LWDA Case No: LWDA-CM-793145-20

4 I am employed in the State of California, County of Los Angeles. I am over the age of 18 and not
5 a party to the within suit; my business address is 333 South Hope Street, 40th Floor, Los Angeles, CA
90071.

6 On **May 16, 2024** I served true and correct copies the following document(s) described as:

7 **DECLARATION OF ROLANDO J. GUTIERREZ, ESQ. IN SUPPORT OF PLAINTIFF**
8 **CARRIE PRODROMIDES' MOTION AND MOTION FOR FINAL APPROVAL OF CLASS**
ACTION AND PRIVATE ATTORNEY GENERAL ACT SETTLEMENT

9 on the interested parties in this action as follows:

10 Labor and Workforce Development Agency
11 800 Capital Mal, Suite 500
Sacramento, California 95814

12 ☒ **BY ELECTRONIC SUBMISSION:** Complying with CAL. LAB. CODE §§ 2699(l)(4) and
13 2699.3, I caused true and correct copies of the documents to be served on the Labor and
14 Workforce Development Agency through its online platform at <https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html>.

15 ☒ **STATE:** I declare under penalty of perjury under the laws of the State of California that the
16 foregoing is true and correct.

Executed on **May 16, 2024** at Los Angeles, California.

17
18 Rolando J. Gutierrez
19 Type or Print Name

Signature 