

SETTLEMENT AGREEMENT AND RELEASE OF PAGA CLAIM

This Settlement Agreement and Release of PAGA Claim ("Settlement Agreement") is made by and between Plaintiffs Anetra Applewhite ("Applewhite"), Gladys Cardenas ("Cardenas"), Karen Franco ("Franco"), and Earnest C. Rhea (collectively referred to as "Plaintiffs"), on behalf of themselves and as representatives for the California Labor and Workforce Development Agency ("LWDA") as well as all other PAGA Employees, and Defendants Stars Behavioral Health Group Holding Company, Stars Behavioral Health Group, Inc., Valley Star Behavioral Health, Inc., Star View Children and Family Services, Inc. ("Defendants"), who may collectively be referred to herein as the "Parties," and each may be individually referred to as a "Party."

A. Definitions

The following terms, when used in this Settlement Agreement, shall have the following meanings:

1. "Actions" or "Lawsuits" means *Anetra Applewhite, et al. v. Stars Behavioral Health Group, Inc., et al.*, San Bernardino County Superior Court, Case Number CIVDS2017661, *Karen Franco v. Stars Behavioral Health Group, Inc., et al.*, Los Angeles County Superior Court, Case Number: 21STCV33697, and *Earnest C. Rhea v. Star View Behavioral Health, Inc.*, Los Angeles County Superior Court, Case Number: 20STCV49490.
2. Settlement Agreement means this Settlement Agreement and Release of PAGA Claim, including any attached Exhibits.
3. "Approval Date" means the date that the Court enters the Final Order and Judgment.
4. "Attorneys' Fees and Costs" means the amount of one-third of the Gross Settlement Amount, or Five Hundred Thirty-Two Thousand Eight Hundred Dollars and Zero Cents (\$533,333.00) which shall be allocated to Plaintiffs' Counsel for attorneys' fees, and costs not to exceed \$28,000, all of which shall be paid out of the Gross Settlement Amount. This Settlement Agreement is not conditioned on approval of the Attorneys' Fees and Costs; in other words, this Settlement Agreement shall remain in full force and effect if the Court awards less than the requested Attorneys' Fees and Costs. If less than one-third of the Gross Settlement Amount is awarded for Attorneys' Fees and Costs, the difference shall return to the Net Settlement Amount.
5. "Court" (or "Judge") means the San Bernardino County Superior Court, the Honorable Joseph T. Ortiz, judge presiding.
6. "Defendants" means Stars Behavioral Health Group Holding Company, Stars Behavioral Health Group, Inc., Valley Star Behavioral Health, Inc., Star View Behavioral Health, Inc., and Star View Children and Family Services, Inc.
7. "Defendants' Counsel" means David G. Hoiles, Jr. and Annalyse E. Butler of Jackson Lewis P.C.

8. “Effective Date” means the latter of the following dates: (a) sixty-one (61) days after the Court’s entry of the Final Order and Judgment; or, (b) if a timely appeal is made, ten (10) business days after the final resolution of that appeal if the appeal is rejected, the Settlement Agreement is upheld, and the Final Order and Judgment is no longer subject to further judicial review.

9. “Eligible Pay Period” means any pay period in which a PAGA Employee worked during the PAGA Release Period.

10. “Final Order and Judgment” means the Court’s order approving this Labor Code Private Attorneys General Act of 2004 (“PAGA”) Settlement and Final Judgment. The Final Order and Judgment will be submitted, substantially in the form attached hereto as **Exhibit 1**, in connection with the motion or stipulation for approval of this Settlement Agreement.

11. “Gross Settlement Amount” means the settlement amount that Defendants will pay in connection with this Settlement, which is One Million Six Hundred Thousand Dollars and Zero Cents (\$1,600,000). This is a non-reversionary Settlement; no portion of the Gross Settlement Amount will revert to Defendants under any circumstances.

12. “LWDA Settlement Proceeds” means the seventy-five percent (75%) of the Net Settlement Amount that shall be paid to the LWDA.

13. “Net Settlement Amount” means the amount that remains after deducting Attorneys’ Fees and Costs, Settlement Administration Costs, and the Service Awards, from the Gross Settlement Amount.

14. “Notice” means the notice that will be sent to the PAGA Employees with payment after the Final Order and Judgment is entered by the Court. The Notice will be sent to PAGA Employees substantially in the form attached hereto as **Exhibit 2**. The Notice will also be sent in English and Spanish.

15. “LWDA Notices” means the letters submitted by Applewhite on June 5, 2020, Rhea on August 11, 2020, and Franco on July 8, 2021, to the LWDA notifying the LWDA and Defendants of alleged California Labor Code violations by Defendants.

16. “Operative Complaint” means Plaintiffs’ First Amended Complaint Pursuant to PAGA that will be filed on behalf of Plaintiffs, attached hereto as **Exhibit 3**, which Plaintiffs will file, by stipulation of the Parties, prior to the submission of a stipulation or motion for approval of this Settlement Agreement.

17. “PAGA Employees” means all hourly, non-exempt employees who worked for Defendants in California at any time from June 5, 2019, through December 31, 2024.

18. “PAGA Employees Settlement Proceeds Fund” means the twenty-five percent (25%) of the Net Settlement Amount that shall be paid to the PAGA Employees.

19. “PAGA Claims” means the PAGA Employees’ claims under California Labor Code §§ 2698 *et. seq.* based on alleged predicate violations of California Labor Code §§ 201, 201.3, 202, 203, 204, 204b, 205, 205.5, 218, 218.6, 226, 226.2, 226.3, 226.7, 227.3, 232, 232.5, 246, 432, 510, 512, 558, 1174,

1174.5, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 1199, 2802, 2698, 2699, 2699.5, 2810.5, IWC Wage Order 4-2001, Sections 3, 4, 7, 11, 12, 14 (suitable seating), Business and Professions Code §§ 17200, 17201, 17201.5, 17202, 17203, 17204, 17205, 17206, 17207, 17208, only, during the PAGA Release Period as alleged in the Operative Complaint. No other claims shall be released by the PAGA Employees other than Plaintiffs pursuant to the terms of this Settlement Agreement and no other claims are encompassed within the PAGA Claims.

20. “PAGA Release Period” means June 28, 2019, through December 31, 2024.

21. “Parties” means Plaintiffs and Defendants collectively.

22. “Plaintiffs” means Anetra Applewhite, Gladys Cardenas, Karen Franco, and Earnest C. Rhea.

23. “Plaintiffs’ Counsel” means Scott Ernest Wheeler of the Wheeler Law Firm, APC, Aubry Wand of The Wand Law Firm, P.C., David D. Bibiyan and Vedang J. Patel, of the Bibiyan Law Group, P.C. and Marcus J. Bradley of Bradley/Grombacher LLP.

24. “Released Parties” means Defendants Stars Behavioral Health Group Holding Company, Stars Behavioral Health Group, Inc., Valley Star Behavioral Health, Inc., Star View Children and Family Services, Inc. and Defendants’ direct and indirect past, present, and future parent corporations, affiliates, subsidiaries, partners, divisions, predecessors, insurers, reinsurers, professional employment organizations, representatives, successors, and assigns, and their current and former employees, attorneys, officers, owners, members, managers, directors, and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and their administrators and fiduciaries, both individually and in their business capacities.

25. “Settlement Administrator” means Xpand Legal Consulting, or any other administrator proposed by the Parties and approved by the Court. The Settlement Administrator will be responsible for, *inter alia*, sending Notice and payments to PAGA Employees and the LWDA and distributing other payments as set forth in this Settlement Agreement. The Parties and their counsel represent that they do not have any involvement in the governance or work of the Settlement Administrator.

26. “Settlement Administration Costs” means the maximum amount of \$12,500, which shall be paid to the Settlement Administrator for performing the duties provided under this Settlement Agreement. If less than \$12,500 is approved for Settlement Administration costs, the difference shall return to the Net Settlement Amount.

27. “Service Award” means the combined total amount of \$40,000.00, which shall be allocated equally between Plaintiffs, or \$10,000 to each Plaintiff, subject to Court approval, in recognition for their efforts in prosecuting the Actions, obtaining the benefit of the Settlement Agreement, and as consideration for Plaintiffs’ released claims, which includes a broad general release, against Defendants. The Service Award shall be paid from the Gross Settlement Amount. This Settlement Agreement is not conditioned on approval of the Service Award; in other words, this Settlement Agreement shall remain in full force and effect if the Court awards less than the requested \$40,000.00. If less than \$40,000.00 is awarded to Plaintiffs, the difference shall return to the Net Settlement Amount.

B. General

1. On September 1, 2020, Applewhite filed an action in the San Bernardino County Superior Court, pursuant to PAGA, alleging failure to pay meal and rest periods, overtime and minimum wages, failure to provide meal periods, failure to pay all wages due to discharged and quitting employees, failure to pay timely wages, failure to maintain records, failure to furnish accurate itemized wage statements, and failure to reimburse for reasonable and necessary business expenses. On December 29, 2020, Rhea filed a class action alleging failure to pay overtime wages, failure to pay minimum wages, failure to provide for meal periods, failure to provide for rest periods, waiting time penalties, wage statement violations, failure to indemnify, unfair business competition, penalties per Labor Code §210, penalties per Labor Code §226.3, violation of Labor Code §558, violation of Labor Code §1197.1, and penalties per Labor Code §2699 (Rhea's individual claims in the *Rhea* action were compelled to arbitration and the Rhea action is currently stayed.) On September 13, 2021, Franco filed an action in the Los Angeles County Superior Court, pursuant to the PAGA, alleging failure to provide required meal periods, failure to provide required rest breaks, failure to pay reporting time pay, failure to provide adequate seating, failure to pay all wages at the time of separation, failure to provide accurate wage statements, and failure to indemnify business expenses. (Franco's individual claims in the *Franco* action were compelled to arbitration and the Franco action is currently stayed.)

2. On March 11, 2024, following extensive investigation and the exchange of data and documents related to the claims alleged, the Parties participated in a mediation with Todd A. Smith, Esq. After a full-day mediation, the Parties were initially unable to reach a settlement agreement. After further settlement discussions, the Parties were able to reach a settlement of the Actions.

3. Defendants deny all of the allegations and claims asserted in the Actions and deny that they or any of the Released Parties have committed any misconduct, statutory or regulatory violation, wrongdoing, or any other actionable conduct of any kind.

4. The Parties have conducted a thorough investigation into the facts of the Actions. This included, *inter alia*, conducting extensive informal discovery that involved the exchange of information and documents relating to the PAGA Claims. Defendants produced information relating to the Eligible Pay Periods, the number of PAGA Employees and payroll records for the PAGA Employees, which included sample wage statements. Based on the foregoing information and on their own independent investigation and evaluation, Plaintiffs' Counsel are of the opinion that the settlement with Defendants for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the LWDA and PAGA Employees in light of all known facts and circumstances, including the risk of significant delay, uncertainty associated with litigation, various defenses asserted by Defendants, and potential appellate issues. Defendants and counsel for Defendants also agree that the settlement is fair.

5. The Parties understand, acknowledge, and agree that this Settlement Agreement constitutes a compromise of the PAGA Claims and that it is the desire and intention of the Parties to affect a final and complete resolution of the Actions, including the PAGA Claims, against Defendants. The Parties further acknowledge that this Settlement Agreement is a compromise of disputed claims and that nothing in this Settlement Agreement shall be construed as an admission of liability by Defendants.

6. Under California law, the State may assess and collect civil penalties from employers for violations of certain provisions of the California Labor Code. (*See* Cal. Lab. Code §§ 2698 *et seq.*) Under PAGA, however, if an “aggrieved employee” “give[s] written notice by certified mail to the [State] and the employer of the specific provision of the [Labor Code] alleged to have been violated,” and the State thereafter decides not to investigate, as was the case here, or does investigate and determines that a citation against the employer should not issue, the employee may, “as an alternative” to enforcement by the State, act as a proxy or agent of the state’s labor law enforcement agencies and bring a civil action under PAGA to recover civil penalties “on behalf of himself or herself and other current or former employees.” *Id.* “[C]ivil penalties recovered by aggrieved employees shall be distributed as follows: 75 percent to the state and 25 percent to the aggrieved employees.” *Id.*

7. California Labor Code § 2699(1)(2) provides that the trial court shall “review and approve any settlement of any civil action filed pursuant to this part.” Plaintiffs will submit this Settlement Agreement to the LWDA concurrently with the filing of the motion for approval with the Court.

8. In consideration of the promises and agreements contained herein, the Parties agree and covenant as follows:

C. Terms of Settlement

1. Subject to the Court’s approval of the Settlement Agreement pursuant to California Labor Code § 2699(1)(2), which the Parties and their counsel agree to recommend in good faith to the Court, the Parties agree to the following binding settlement of the Actions.

2. The Gross Settlement Amount will be distributed in the following manner:

- a. **Settlement Administration Costs:** The costs associated with settlement administration (e.g. preparing and mailing payments to LWDA and PAGA Employees, tax documentation, etc.) shall be paid from the Gross Settlement Amount and shall not exceed \$12,500.
- b. **Attorneys’ Fees and Costs:** The Parties agree that, subject to the Court’s review and approval, Plaintiffs’ Counsel will be paid one-third of the Gross Settlement Amount (\$533,333) as attorneys’ fees, which will be paid from the Gross Settlement Amount, plus actual litigation costs not to exceed \$50,000.00 incurred in connection with work performed to litigate the Actions and obtain Court approval of the Settlement Agreement, which will be paid from the Gross Settlement Amount.
- c. **Service Awards to Plaintiffs.** The Parties agree that, subject to the Court’s review and approval, Plaintiffs will each be paid a service award of \$10,000.00, or for a combined total of \$40,000.00). The Service Awards will be paid from the Gross Settlement Amount.
- d. **Net Settlement Amount:** After deducting Settlement Administration Costs, Attorneys’ Fees and Costs, and the Service Awards from the Gross Settlement

Amount, the remainder forms the Net Settlement Amount (which totals approximately \$964,167.00 if the amounts set forth above are approved by the Court). The Net Settlement Amount shall be allocated seventy-five percent (75%) to the LWDA as the LWDA Proceeds, which is estimated to total approximately \$723,125.25. The remaining twenty-five percent (25%) of the Net Settlement Amount, which is estimated to total approximately \$241,041.75, shall be paid to the PAGA Employees on a *pro rata* basis, which shall be determined based on the number of Eligible Pay Periods that he or she worked for Defendants during the PAGA Release Period and shall be calculated as follows:

The PAGA Employees Settlement Proceeds Fund will be divided by the total number of Eligible Pay Periods worked by all PAGA Employees during the PAGA Release Period, and the resulting figure will be referred to as the “Multiplier.” Each PAGA Employee’s *pro rata* share of the PAGA Employees Settlement Proceeds Fund will be determined by multiplying the Eligible Pay Periods that the PAGA Employee worked by the Multiplier. That amount shall be referred to as the PAGA Employee’s “Individual Share.”

- e. **Taxes and Reporting:** The PAGA Employees’ Individual Share will be treated as non-wage income and reported by the Settlement Administrator on IRS Form 1099 (if applicable) to the respective PAGA Employee and applicable governmental authorities.

D. Release as to the PAGA Claims

1. Upon the Effective Date, Plaintiffs, as the representatives for the State of California, and on behalf of all PAGA Employees, will forever completely release and discharge the Released Parties with respect to all PAGA Claims, which are based on all alleged violations of Labor Code §§201, 201.3, 202, 203, 204, 204b, 205, 205.5, 218, 218.6, 226, 226.2, 226.3, 226.7, 227.3, 232, 232.5, 246, 432, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 1199, 2802, 2698, 2699, 2699.5, 2810.5, IWC Wage Order 4-2001, Sections 3, 4, 7, 11, 12, 14 (suitable seating), Business and Professions Code §§17200, 17201, 17201.5, 17202, 17203, 17204, 17205, 17206, 17207, 17208, only, as alleged in the Operative Complaint, which arose during the PAGA Release Period.

2. In accordance with California law as stated in *inter alia* *Arias v. Superior Court* (2009) 46 Cal.4th 969, 985, a judgment in “a representative action brought by an aggrieved employee under the Labor Code Private Attorneys General Act of 2004 . . . is binding not only on the named employee Plaintiffs but also on government agencies and any aggrieved employee not a party to the proceeding,” which the Final Order shall so reflect. Accordingly, the Final Order and Judgment shall be binding on all PAGA Employees (including all nonparty aggrieved employees) as to all PAGA Claims. The Final Order and Judgment shall not bind nor release the PAGA Employees of any individual wage claims (or other individual claims).

E. Release by Named Plaintiffs Only

- 1. Release and Covenant Not to Sue

- a. In consideration for the terms and provisions of the Agreement, Plaintiffs, for themselves, and for their heirs, assigns, partners, executors, conservators, administrators, agents, employees, attorneys, past and present (collectively, "Plaintiffs' Affiliates"), hereby fully and without limitation release, covenant not to sue, and forever discharge the Released Parties from any and all rights, claims, contracts, agreements, debts, demands, liabilities, actions, and causes of action, whether in law or in equity, suits, damages, liabilities, losses, attorneys' fees, costs, and expenses, of whatever nature whatsoever, known or unknown, fixed or contingent, suspected or unsuspected, that Plaintiffs or the Plaintiffs' Affiliates now have, or may ever have, against Defendants, or any of the other Released Parties, for any matter, occurring on or before the date they sign this Settlement Agreement.
- b. Without limiting the generality of the foregoing, Plaintiffs acknowledge that this general release applies to any and all claims they or the Plaintiffs' Affiliates now have, or may ever have, against Defendants, or any of the other Released Parties, that arise out of or are in any way related to any alleged violation of any federal or state law that regulates any aspect of the employer-employee relationship, including any claims for any alleged violations of any federal or state employment discrimination, harassment, and retaliation laws, including the California Fair Employment and Housing Act (which prohibits discrimination, harassment, and retaliation based upon one's actual or perceived ancestry, race, religion, sex, sexual orientation, gender, gender identity, gender expression, age, color, national origin, disability, medical condition, military or veteran status and marital status), the California Family Rights Act, Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, and the Family Medical Leave Act; as well as the Equal Pay Act; the Fair Labor Standards Act, the Employee Retirement Income Security Act of 1974, the California Business and Professions Code, the California Labor Code, including Plaintiffs' individual PAGA claims, and the California Wage Orders; as well as any claims for any alleged violation of public policy or retaliation; any claims for wages, hours, unpaid overtime, failure to pay minimum wage, failure to pay for downtime or waiting time, failure to provide meal or rest breaks or pay one hour's wages in lieu thereof, failure to indemnify for all work-related expenditures and losses, and all related statutory claims, including but not limited to, alleged violation of California Labor Code sections 201-204, 208, 210, 215-216, 218.5, 225.5, 226, 226.3, 226.6, 226.7, 450, 510, 512, 558, 1102.5, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802, 2926, 2927, California Business and Professions Code sections 17000 and 17200 et. seq., the relevant Wage Orders issued by the Industrial Welfare Commission, Civil Code sections 52 and 52.1, or any other claim for any statutory penalty that could have been asserted under California law that arise from the allegations as described, any claims concerning or related to meal and/or rest breaks, inaccurate wage statements, any other employment-related claims under any federal, state, or local law, statute, regulation, or ordinance; and any and all common-law causes of action, including breach of contract, breach of implied contract, breach of the covenant of good faith and fair dealing, fraud, misrepresentation, unfair competition, unfair business

practices, false advertising, negligence, defamation, infliction of emotional distress, invasion of privacy, and wrongful termination, which arise from any and all events occurring on or before the Effective Date of this Settlement Agreement, including without limitation, all claims arising from action or inaction by Defendants, or any of the Released Parties.

- c. Notwithstanding the generality of the foregoing, Plaintiffs also understand and agree that they are not waiving any right or claim that cannot be waived as a matter of law, such as the right to file a charge with or participate in an investigation by a governmental administrative agency.

2. To effect a full and complete general release as described above, Plaintiffs expressly waive and relinquish all rights and benefits of section 1542 of the Civil Code of the State of California and do so understanding and acknowledging the significance and consequence of specifically waiving section 1542. Section 1542 of the Civil Code of the State of California states as follows:

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.

Plaintiffs' general releases shall become effective on the Effective Date.

The general release set forth in Paragraph E of this Settlement Agreement applies only to Plaintiffs. It does not apply to any of the other PAGA Employees.

F. Settlement Approval and Implementation Procedures

1. Pursuant to California Labor Code § 2699(1)(2), or otherwise for the purposes of obtaining Court approval of the Settlement Agreement, Plaintiffs will file a motion for approval, declaration(s) advocating that the Settlement Agreement is fair, adequate, and reasonable, and any other documents in support of approval of the Settlement Agreement. Defendants shall not oppose the filing of any of these documents. Defendants shall also reasonably cooperate with any efforts to obtain approval of this Settlement Agreement.

2. Within ten (10) days of the filing of the First Amended Complaint in the *Applewhite* action, Plaintiffs Rhea and Franco shall move to dismiss their respective civil actions pending in Los Angeles County Superior Court, and Rhea also shall move to dismiss his individual arbitration that is pending before JAMS, Reference Number 5220003973.

3. No later than ten (10) calendar days after the Effective Date, Defendants shall provide the Settlement Administrator, which shall be formatted as a Microsoft Excel spreadsheet or Microsoft Word Document, with the following information for each PAGA Employee: his/her full name; social security number; last known address; last known telephone number; and dates of active employment during the PAGA Release Period (the "PAGA Employees List"). This information shall be treated as and remain confidential and shall be used solely to manage the notice and payment process described herein, and it shall not be disclosed to anyone other than the Settlement Administrator, except to applicable taxing

authorities, or pursuant to express written authorization of Defendants, the individual in question, or by order of the Court.

4. No later than ten (10) calendar days after the Effective Date, Defendants shall fully fund the Gross Settlement Amount by transmitting by wire transfer the Gross Settlement Amount to the Settlement Administrator.

5. Within ten (10) calendar days of receiving the Gross Settlement Amount and the PAGA Employees List, the Settlement Administrator will make all payments provided under this Settlement Agreement, including: (1) payment of attorneys' fees and costs to Plaintiffs' Counsel, (2) payment of Service Awards to Plaintiffs, (3) payment to the LWDA, (4) payment to PAGA Employees, and (5) payment to itself for administration costs. With respect to payments to PAGA Employees, the Settlement Administrator shall send by first-class mail, to their last known address, the Court-approved Notice of this Settlement Agreement, and their Individual Share of the PAGA Employees Settlement Proceeds Fund. The Settlement Administrator will skip trace and re-mail all returned, undelivered mail within ten (10) days of receiving notice that a notice was undeliverable.

6. PAGA Employees shall have one hundred eighty (180) calendar days after the mailing to cash or deposit their settlement checks. If any PAGA Employee's check is not cashed or deposited within that period, the check will be voided and a stop-payment will be issued. Any funds in the Settlement Administrator's account as a result of a failure to timely cash a settlement check shall be paid to the State of California Controller's Unclaimed Property division in the name of the respective PAGA Employee. Neither Defendants, Defendants' Counsel, Plaintiffs' Counsel nor Plaintiffs will have any liability for lost or stolen settlement checks, forged signatures on settlement checks, unauthorized negotiation of settlement checks or failure to timely cash a settlement check within the 180-day period.

7. Upon the Effective Date, the Parties will: (i) be bound by the terms and conditions of this Settlement Agreement, and the releases set forth therein; and (ii) be deemed to have waived all objections and oppositions to the fairness, reasonableness, and adequacy of the Settlement Agreement and the Court's Final Order and Judgment.

G. Miscellaneous Provisions.

1. **Additional Pay Periods:** Defendants represent that the PAGA Employees worked no more than 186,000 aggregate pay periods for Defendants in California during the PAGA Release Period. If the number of workweeks worked by PAGA Employees during this period exceeds 186,000 by more than 5% (or 9,300 pay periods), the Gross Settlement Amount shall increase on a pro rata basis for each additional pay period over 195,300.

2. **Voiding the Settlement Agreement:** The Settlement Agreement shall be voidable and unenforceable as to all Parties herein at the option of either Party if (a) the Court should for any reason fail to approve this Settlement Agreement in the form agreed to by the Parties, or (b) the Court should for any reason fail to enter a Final Order and Judgment, or (c) the approval of the Settlement Agreement and Final Order and Judgment is reversed, modified or declared or rendered void. In that event, then neither the Settlement Agreement nor any of the related negotiations or proceedings shall be of any force or effect, and all Parties to the Settlement Agreement shall stand in the same position, without prejudice, as if the

Settlement Agreement had been neither entered into nor filed with the Court. Any fees already incurred by the Settlement Administrator shall be paid by Defendants. Notwithstanding the foregoing, the Parties shall attempt in good faith to cure any perceived defects in the Settlement Agreement to facilitate approval.

3. **Waiver:** The waiver by one Party of any breach of this Settlement Agreement by another Party shall not be deemed a waiver of any other prior or subsequent breach of this Settlement Agreement.

4. **Parties' Authority:** The signatories hereto represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.

5. **Mutual Full Cooperation:** The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement Agreement, Plaintiffs' Counsel shall, with the assistance and cooperation of Defendants and Defendants' Counsel, take all necessary steps to secure the Court's approval of the Settlement Agreement, and the Final Order and Judgment.

6. **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 released and discharged by this Settlement Agreement.

7. **No Admission:** Nothing in this Settlement Agreement nor action taken in implementation thereof shall be construed to be an admission or concession by Plaintiffs that their claims do not have merit or by Defendants of any liability or wrongdoing as to Plaintiffs, PAGA Employees, or any other person, and Defendants specifically disclaim any such liability or wrongdoing. Nor will any of the foregoing be used in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this Settlement Agreement may be used in any court proceeding that has as its purpose the interpretation, implementation, or enforcement of the settlement or any orders or judgments of the Court entered into in connection therewith. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and risks. This Settlement Agreement and any related Court documents or orders are not and may not be cited or admitted as evidence of liability. If the Court does not grant approval of this Settlement Agreement, then the Parties revert to their previous positions and Defendants will contend that a representative action is not appropriate.

8. **Binding Settlement:** Nothing contained herein, nor the consummation of this Settlement Agreement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendants or any of the other Released Parties. Each of the Parties hereto has entered into this Settlement Agreement with the intention of avoiding further disputes and litigation with the attendant inconvenience and expenses. This Settlement Agreement is a settlement document and shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408, be inadmissible in evidence

in any proceeding, except an action or proceeding to approve the settlement, and/or interpret or enforce this Settlement Agreement.

9. **Enforcement Actions:** Except as otherwise provided in this Settlement Agreement, in the event that one or more of the Parties to this Settlement Agreement institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this Settlement Agreement, the successful Party or Parties shall be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs incurred in connection with any enforcement actions.

10. **Notices:** All notices shall be provided by United States mail and electronic mail. Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third calendar day after mailing by United States mail and electronic mail, addressed as follows:

To Plaintiffs:

The Wheeler Law Firm, APC
Scott Ernest Wheeler
250 West First Street, Suite 216
Claremont, California 91711
Telephone: (909) 621-4988
Facsimile: (909) 621-4622

To Defendants:

Jackson Lewis P.C.
David G. Hoiles, Jr.
Annalyse E. Butler
225 Broadway, Suite 1800
San Diego, CA 92101
Telephone: (619) 573-4900
Facsimile: (619) 573-4901

11. **Construction:** The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arms' length negotiations between the Parties and that 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 or its counsel participated in the drafting of this Settlement Agreement.

12. **Captions and Interpretations:** Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a recital.

13. **Modification:** This Settlement Agreement may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. This Settlement Agreement

may not be discharged except by performance in accordance with its terms or by a writing signed by all of the Parties hereto.

14. **Choice of Law:** This Settlement Agreement shall be governed by and construed, enforced and administered in accordance with the laws of the State of California, without regard to its conflicts-of-law rules.

15. **Integration Clause:** This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

16. **Binding On Assigns:** This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

17. **Counterparts:** This Settlement Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully-signed Settlement Agreement, which shall be binding upon and effective as to all Parties. Electronic delivery shall be deemed an original.

18. **Entire Agreement:** This Settlement Agreement sets forth the entire agreement between the Parties hereto and fully supersedes any and all prior and/or supplemental understandings, whether written or oral, between the Parties concerning the subject matter of this Settlement Agreement. Any modification to this Settlement Agreement must be in writing and signed by the Parties.

IN WITNESS WHEREOF, the parties knowingly and voluntarily executed this Settlement Agreement and Release as of the date set forth below.

Dated: 1/13/2025

PLAINTIFF

DocuSigned by:

F1D5D5C192594EE...

Anetra Applewhite

Dated: _____

PLAINTIFF

Gladys Cardenas

may not be discharged except by performance in accordance with its terms or by a writing signed by all of the Parties hereto.

14. **Choice of Law:** This Settlement Agreement shall be governed by and construed, enforced and administered in accordance with the laws of the State of California, without regard to its conflicts-of-law rules.

15. **Integration Clause:** This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

16. **Binding On Assigns:** This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

17. **Counterparts:** This Settlement Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully-signed Settlement Agreement, which shall be binding upon and effective as to all Parties. Electronic delivery shall be deemed an original.

18. **Entire Agreement:** This Settlement Agreement sets forth the entire agreement between the Parties hereto and fully supersedes any and all prior and/or supplemental understandings, whether written or oral, between the Parties concerning the subject matter of this Settlement Agreement. Any modification to this Settlement Agreement must be in writing and signed by the Parties.

IN WITNESS WHEREOF, the parties knowingly and voluntarily executed this Settlement Agreement and Release as of the date set forth below.

Dated: _____

PLAINTIFF

Anetra Applewhite

1/10/2025
Dated: _____

PLAINTIFF

Signed by:
Gladys Cardenas
1D5026B4AF6B424...

Gladys Cardenas

Dated: 1/16/2025 _____

PLAINTIFF

DocuSigned by:
Karen Franco

757FDCAE76834D8...
Karen Franco

Dated: _____

PLAINTIFF

Earnest C. Rhea

Dated: _____

DEFENDANT, Stars Behavioral Health Group
Holding Company

Name: _____

Title: _____

Dated: _____

DEFENDANT, Stars Behavioral Health Group,
Inc.,

Name: _____

Title: _____

Dated: _____

DEFENDANT, Star View Children and Family
Services, Inc.

Name: _____

Title: _____

Dated: _____

PLAINTIFF

Dated: 01/16/2025

Karen Franco

PLAINTIFF

Earnest Rhea
Earnest Rhea (Jan 16, 2025 09:26 PST)

Earnest C. Rhea

Dated: _____

DEFENDANT, Stars Behavioral Health Group
Holding Company

Name: _____

Title: _____

Dated: _____

DEFENDANT, Stars Behavioral Health Group,
Inc.,

Name: _____

Title: _____

Dated: _____

DEFENDANT, Star View Children and Family
Services, Inc.

Name: _____

Title: _____

Dated: _____

DEFENDANT, Star View Behavioral Health, Inc.

Name: _____

Title: _____

Dated: _____

DEFENDANT, Valley Star Behavioral Health, Inc.

Name: _____

Title: _____

APPROVED AS TO FORM:

Dated: _____

1/16/25

THE WHEELER LAW FIRM, APC



Scott Ernest Wheeler
Justin A. Wheeler

Dated: _____

1/16/2025

THE WAND LAW FIRM, P.C.



Aubry Wand

Dated: _____

BIBIYAN LAW GROUP, P.C.

David D. Bibiyan
Vedang J. Patel

Dated: _____

BRADLEY/GROMBACHER LLP

Marcus J. Bradley

Attorneys for Plaintiffs and the other PAGA
Employees

Dated: _____

JACKSON LEWIS P.C.

David G. Hoiles, Jr.
Annalyse E. Butler

Attorneys for Defendants, Stars Behavioral Health
Group Holding Company, Stars Behavioral Health
Group, Inc., Valley Star Behavioral Health, Inc.,
Star View Behavioral Health, Inc., and Star View
Children and Family Services, Inc.

APPROVED AS TO FORM:

Dated: _____

THE WHEELER LAW FIRM, APC

Scott Ernest Wheeler
Justin A. Wheeler

Dated: _____

THE WAND LAW FIRM, P.C.

Aubry Wand

Dated: 1/16/25

BIBIYAN LAW GROUP, P.C.

Vedang J. Patel
David D. Bibiyan
Vedang J. Patel

Dated: _____

BRADLEY/GROMBACHER LLP

Marcus J. Bradley

Attorneys for Plaintiffs and the other PAGA
Employees

Dated: _____

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Attorneys for Defendants, Stars Behavioral Health
Group Holding Company, Stars Behavioral Health
Group, Inc., Valley Star Behavioral Health, Inc.,
Star View Behavioral Health, Inc., and Star View
Children and Family Services, Inc.

APPROVED AS TO FORM:

Dated: _____

THE WHEELER LAW FIRM, APC

Scott Ernest Wheeler
Justin A. Wheeler

Dated: _____

THE WAND LAW FIRM, P.C.

Aubry Wand

Dated: _____

BIBIYAN LAW GROUP, P.C.

David D. Bibiyan
Vedang J. Patel

Dated: _____

1/16/25

BRADLEY/GROMBACHER LLP

Marcus J. Bradley

Attorneys for Plaintiffs and the other PAGA
Employees

Dated: _____

JACKSON LEWIS P.C.

David G. Hoiles, Jr.
Annalyse E. Butler

Attorneys for Defendants, Stars Behavioral Health
Group Holding Company, Stars Behavioral Health
Group, Inc., Valley Star Behavioral Health, Inc.,
Star View Behavioral Health, Inc., and Star View
Children and Family Services, Inc.

EXHIBIT 1

1 **THE WHEELER LAW FIRM, APC**
2 Scott Ernest Wheeler (SBN 187998)
3 Justin A. Wheeler (SBN 342226)
4 250 West First Street, Suite 216
5 Claremont, CA 91711
6 Telephone: (909) 621-4988
7 Email: sew@scottwheelerlawoffice.com
8 jaw@scottwheelerlawoffice.com

9 **THE WAND LAW FIRM, P.C.**
10 Aubry Wand (SBN 281207)
11 100 Oceangate, Suite 1200
12 Long Beach, CA 90802
13 Telephone: (310) 590-4503
14 Email: awand@wandlawfirm.com

15 *Counsel for Plaintiffs Anetra Applewhite and Gladys*
16 *Cardenas*

17 *[Additional Counsel on Following Page]*

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO

ANETRA APPLEWHITE, *et al.*,

Plaintiffs,

v.

STARS BEHAVIORAL HEALTH GROUP,
INC., *et al.*,

Defendants.

Case No.: 30-2024-01377367-CU-OE-CXC

**[PROPOSED] FINAL ORDER AND
JUDGMENT**

1 **BIBIYAN LAW GROUP, P.C.**

2 David D. Bibiyan (SBN 287811)

3 david@tomorrowlaw.com

4 Vedang J. Patel (SBN 328647)

5 vedang@tomorrowlaw.com

6 1460 Westwood Boulevard

7 Los Angeles, California 90024

8 Telephone: (310) 438-5555

9 *Attorneys for Plaintiff Earnest C. Rhea*

10 **BRADLEY/GROMBACHER, LLP**

11 Marcus J. Bradley (SBN 174156)

12 31365 Oak Crest Drive, Suite 240

13 Westlake Village, California 91361

14 Telephone: (805) 270-7100

15 Email: mbradley@bradleygrombacher.com

16 *Attorneys for Plaintiff Karen Franco*

1 **[PROPOSED] FINAL ORDER AND JUDGMENT**

2 The Court has before Plaintiffs' Unopposed Motion for Approval of PAGA Settlement,¹ and
3 determining that the Settlement provides genuine and meaningful relief that benefits the public, is fair,
4 adequate, reasonable, and otherwise being fully informed and good cause appearing therefor, it is hereby
5 ORDERED, ADJUDGED, AND DECREED AS FOLLOWS:

6 1. Unless otherwise provided herein, all capitalized terms used herein shall have the same
7 meaning as defined in the Settlement Agreement and Release ("Settlement Agreement"). The Court has
8 jurisdiction over the subject matter of this lawsuit and all matters relating thereto, and over all parties to
9 the action.

10 2. The Court finds that the Settlement has been reached as a result of serious and non-collusive,
11 arm's-length negotiations. The Court has considered the nature of the claims, the procedural history of this
12 case, the amounts to be paid under the Settlement, the involvement of an experienced private mediator to
13 facilitate the Settlement, the risks of continued litigation that Plaintiffs would face, the civil penalties
14 recoverable if Plaintiffs were to prevail at trial on their theories of liability under their PAGA claim, the
15 allocation of settlement proceeds among the PAGA Employees, and the fact that a settlement represents a
16 compromise of the Parties' respective positions rather than the result of a finding of liability at trial.

17 3. The Court hereby finds the Settlement involves the resolution of a bona fide dispute, was
18 entered into in good faith, and is fair, reasonable, and adequate. The Court also finds that the Settlement
19 provides genuine and meaningful relief that benefits the public consistent with the purpose of the Private
20 Attorneys General Act of 2004, California Labor Code § 2699, *et seq.*

21 4. The Court therefore approves the Settlement as set forth in the Settlement Agreement and
22 directs the Parties to effectuate the Settlement according to the terms set forth in the Settlement Agreement.

23 5. Neither the Settlement nor any of the terms set forth in the Settlement Agreement are
24 admissions by Defendants, or any of the other Released Parties, of liability on any of the allegations alleged
25 in the Action, nor is this Order a finding of the validity of any claims in the Action, or of any wrongdoing
26 by Defendants, or any of the other Released Parties.

27 _____
28 ¹ The Court has also reviewed and considered the records and files of this case, as well as all documents
submitted in connection with the Motion for Approval of PAGA Settlement.

1 6. The Court finds that Plaintiffs' Counsel has adequately represented the Plaintiffs, the PAGA
2 Employees, and the LWDA throughout the litigation and for purposes of entering into and implementing
3 the Settlement.

4 7. The Court finds that the Settlement, and in particular the Gross Settlement Amount ("GSA")
5 of \$1,600,000 to be distributed as set forth herein and in the Settlement Agreement, is in all respects fair,
6 reasonable, and adequate and is hereby approved. *See* California Labor Code § 2699(1)(2).

7 8. Pursuant to the terms of the Settlement, Administration Costs in the amount of \$12,500,
8 which are necessary and reasonable to administer the Settlement, are hereby granted and shall be paid to
9 Xpand Legal Consulting, the designated third-party Settlement Administrator.

10 9. Pursuant to the terms of the Settlement, the requested attorneys' fees in the amount of
11 \$533,333 are reasonable under both the common fund method and the lodestar method. The GSA represents
12 a true and common fund, as Defendants must pay the full GSA and no amount of the GSA will return to
13 Defendants under any circumstances. It is recognized that attorneys who recover a common fund are
14 entitled to a reasonable fee award from the fund. *See, e.g., Boeing Co. v. Van Gemert* (1980) 444 U.S. 472,
15 478 ("a litigant or a lawyer who recovers a common fund for the benefit of persons other than himself or
16 his client is entitled to a reasonable attorney's fee from the fund as a whole."); *In re Washington Public*
17 *Power Supply Sys. Sec. Litig.* (9th Cir. 1994) 19 F.3d 1291, 1300 ("[T]hose who benefit from the creation
18 of the fund should share the wealth with the lawyers whose skill and effort helped create it."); *Serrano v.*
19 *Priest* (1977) 20 Cal.3d 25, 34 ("[W]hen a number of persons are entitled in common to a specific fund,
20 and an action brought by a plaintiff or Plaintiff for the benefit of all results in the creation or preservation
21 of that fund, such plaintiff or Plaintiff may be awarded attorney's fees out of the fund. [Citations.]").

22 10. Moreover, one-third or more of the common fund is standard in settlements similar to this
23 one. *See, e.g., Laffitte v. Robert Half International Inc.* (2016) 1 Cal.5th 480, 506 (approving fees of one-
24 third of the common fund); *In re Consumer Privacy Cases* (2009) 175 Cal.App.4th 545, 558 n.13
25 ("Empirical studies show that, regardless whether the percentage method or the lodestar method is used,
26 fee awards in class actions average around one-third of the recovery."); *Chavez v. Netflix, Inc.* (2008) 162
27 Cal.App.4th 43, 66 n.11 (recognizing that fee awards in class actions average around one-third of the
28 recovery"). Courts also regularly approve fee awards in excess of one-third of the fund. *See, e.g., Scott, et*

1 *al. v. Kuehne+Nagel, Inc.*, Cal. Sup. Ct. San Bernardino Cty. No. CIVDS1707477 (awarding 35% of the
2 common fund); *Cubillas v. Dav-El Los Angeles*, 2018 WL 3760657, at *3-4 (Cal. Sup. Ct.) (awarding 40%
3 of the common fund); *Weber v. Einstein Noah Restaurant Group, Inc.*, No. 37-2008-00077680 (San Diego
4 Super. Ct.) (awarding 40% of the common fund); *Crandall v. U-Haul Intl., Inc.*, No. BC178775 (L.A.
5 Super. Ct.) (awarding 40% of the common fund); Cabraser, California Class Actions Practice and
6 Procedures, § 15.03 (Lexis Nexis 2003) (finding that payment of 30% to 45% of the fund amount toward
7 attorneys' fees has been determined to be a reasonable amount).

8 11. The Court also finds that the requested attorneys' fees are reasonable under the lodestar
9 method, or as a crosscheck on the percentage fee. *See Laffitte*, 1 Cal.5th at 506.

10 12. The Court further finds that Plaintiffs' counsel's requested litigation costs of \$---- are
11 reasonable and were necessary to prosecute the action.

12 13. Accordingly, and consistent with California Labor Code § 2699(g)(1), which authorizes an
13 award of attorneys' fees and costs, the requested attorneys' fees in the amount of \$533,333 and litigation
14 costs in the amount of \$----, are hereby granted and the fees and costs to each firm shall be paid to Plaintiffs'
15 Counsel as follows: \$----- to the Wheeler Law Firm, APC; \$----- to The Wand Law Firm, P.C.; \$----- to
16 Bibiyan Law Group, P.C.; and \$----- to Bradley/Grombacher LLP.

17 14. Pursuant to the terms of the Settlement, a Service Award in the amount of \$10,000 shall be
18 paid to each of the four Plaintiffs, Anetra Applewhite, Gladys Cardenas, Karen Franco, and Earnest C.
19 Rhea, to recognize their efforts in prosecuting this action for the benefit of the State of California and
20 PAGA Employees, and Plaintiffs' broad general release of all of their individual claims against Defendants.
21 Courts approve comparable service awards in PAGA settlements like this one. *See, e.g., Chandler, et al. v.*
22 *Compass Group USA*, Stanislaus Cty. Sup. Ct. No. CV-23-003352; *Sanchez v. BSK Associates*, San
23 Bernardino Cty. Sup. Ct. Case No. CIVSB2309732 (Ortiz, J.); *Garcia v. Macy's West Stores, Inc.*, San
24 Bernardino County Superior Court, Case No. CIVDS1515007 (Sept. 13, 2017) (awarding the PAGA
25 plaintiff a service award of \$10,000).

26 15. After deducting Settlement Administration Costs, Attorneys' Fees and Costs, and the
27 Service Awards from the GSA, the remainder of \$-----, consistent with California Labor Code § 2699(i),
28

1 shall be allocated seventy-five percent (75%) to the LWDA and twenty-five percent (25%) to PAGA
2 Employees. Accordingly, \$----- shall be paid to the LWDA, and \$----- shall be paid to PAGA Employees.

3 16. Upon the Funding Date, Plaintiffs, as the representatives for the State of California, and on
4 behalf of PAGA Employees, will forever completely release and discharge Defendants and the Released
5 Parties from any claims for the recovery of civil penalties under the California Private Attorneys General
6 Act, California Labor Code § 2698, *et. seq.*, based on all alleged violations of Labor Code §§201, 201.3,
7 202, 203, 204, 204b, 205, 205.5, 218, 218.6, 226, 226.2, 226.3, 226.7, 227.3, 232, 232.5, 246, 432, 510,
8 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 1199, 2802, 2698, 2699, 2699.5,
9 2810.5, IWC Wage Order 4-2001, Sections 3, 4, 7, 11, 12, 14 (suitable seating), Business and Professions
10 Code §§17200, 17201, 17201.5, 17202, 17203, 17204, 17205, 17206, 17207, 17208, only, as alleged in the
11 Operative Complaint, which arose during the PAGA Release Period. This Settlement shall not impact any
12 PAGA Employee's ability to assert California Labor Code claims other than PAGA claims (i.e., a claim
13 brought under California Labor Code § 2698, *et. seq.*) or any other individual claims that may belong to
14 PAGA Employees.

15 17. The terms of the Settlement Agreement, and this Order, are binding on the Plaintiffs and
16 PAGA Employees, and those terms shall have res judicata and other preclusive effect in all pending and
17 future claims, lawsuits or other proceedings maintained by or on behalf of PAGA Employees, to the extent
18 those claims, lawsuits or other proceedings constitute Released Claims as set forth in the Settlement
19 Agreement.

20 18. Neither this Order nor the Settlement Agreement (nor any other document referred to herein,
21 nor any action taken to carry out this Order) is, may be construed as, or may be used as, an admission or
22 concession by or against Defendants or the Released Parties of the validity of any claim or actual or
23 potential fault, wrongdoing, or liability. Entering into or carrying out the Settlement Agreement, and any
24 negotiations or proceedings related to it, shall not be considered as, or deemed evidence of, an admission
25 or concession as to Defendants' denials or defenses and shall not be offered or received in evidence in any
26 action or proceeding against any party hereto in any court, administrative agency or other tribunal for any
27 purpose whatsoever, except as evidence of the Settlement or to enforce the provisions of this Order and the
28 Settlement Agreement; provided, however, that this Order and the Settlement Agreement may be filed in

1 any action against or by Defendants or the Released Parties to support a defense of res judicata, collateral
2 estoppel, release, waiver, good-faith settlement, judgment bar or reduction, full faith and credit, or any
3 other theory of claim preclusion, issue preclusion or similar defense or counterclaim.

4 19. Judgment in this matter is entered in accordance with the terms of the Settlement Agreement
5 and Approval Order. This judgment is intended to be a final disposition of the above captioned action in
6 its entirety, and it is intended to be immediately appealable.

7 20. The Court reserves exclusive and continuing jurisdiction over the lawsuit for the purposes
8 of supervising the implementation, enforcement, construction, administration, and interpretation of the
9 Settlement Agreement and this Order.

10 **IT IS SO ORDERED.**

11
12 DATED: _____

13 HONORABLE JOSEPH T. ORTIZ
14 JUDGE OF THE SUPERIOR COURT
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EXHIBIT 2

NOTICE OF SETTLEMENT OF PAGA REPRESENTATIVE ACTION

Applewhite, et al. v. Stars Behavioral Health Group, Inc., et al.
San Bernardino County Superior Court Case No. CIVDS2017661

Aggrieved Employee

Address

Address

Enclosed is a check in the amount of \$_____, which is your settlement payment for a portion of the civil penalties agreed to be paid in the settlement of a lawsuit entitled, *Applewhite, et al. v. Stars Behavioral Health Group, Inc., et al.*, San Bernardino County Superior Court Case No. CIVDS2017661 (the "Action"). The Action was consolidated with the following two actions: *Franco v. Stars Behavioral Health Group, Inc., et al.*, Los Angeles County Superior Court, Case Number: 21STCV33697, and *Rhea v. Star View Behavioral Health, Inc.*, Los Angeles County Superior Court, Case Number: 20STCV49490.

You are receiving this check in connection with a Court-approved settlement (the "Settlement") in the Action brought on a representative basis under the California Labor Code Private Attorneys General Act of 2004, California Labor Code §§ 2698, *et seq.* ("PAGA"). The Settlement provides for the settlement of claims for civil penalties for purported violations of the California Labor Code on behalf of all current and former non-exempt employees who were employed by Stars Behavioral Health Group Holding Company, Stars Behavioral Health Group, Inc., Valley Star Behavioral Health, Inc., Star View Behavioral Health, Inc., and Star View Children and Family Services, Inc. ("Defendants") in California during the PAGA Period, which is June 5, 2019 through December 31, 2024.

The PAGA statute provides that 75% of any recovery pursuant to the Settlement be paid to the State of California and 25% of any recovery be paid to the allegedly "aggrieved employee" group, which in this case is the group of PAGA Employees. Each PAGA Employee's share from the 25% portion of the settlement allocated to the "aggrieved employee" group is based on a formula that takes into account the number of pay periods in which a PAGA Employee was employed by the Company during the PAGA Period.

Your settlement check shall remain valid for one hundred eighty (180) calendar days from the date the check is mailed. If your check remains uncashed after that time, it shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law in your name.

The Court has not made a determination about Plaintiffs' allegations. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of the claim. Defendants deny all claims and allegations in the Action and maintain that they have fully complied with all applicable Labor Code provisions.

The Settlement resolves all claims for civil penalties and extinguishes your right to bring, or to be represented by another person in, a PAGA claim against Defendants and Released Parties based on alleged violations of Labor Code §§201, 201.3, 202, 203, 204, 204b, 205, 205.5, 218, 218.6, 226, 226.2, 226.3, 226.7, 227.3, 232, 232.5, 246, 432, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 1199, 2802, 2698, 2699, 2699.5, 2810.5, IWC Wage Order 4-2001, Sections 3, 4, 7, 11, 12, 14 (suitable seating), Business and Professions Code §§17200, 17201, 17201.5, 17202, 17203, 17204, 17205, 17206, 17207, 17208, which arose during the PAGA Release Period. This release applies to you, regardless of whether you cash your check.

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

[ADMIN NAME]

[ADDRESS]

[ADDRESS]

[ADDRESS]