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

LAVEDA SCOTT, as an individual and on behalf
of all others similarly situated, and as a private
attorney general,

Plaintiffs,

vs.

HUMANGOOD, a California corporation;
HUMANGOOD NORCAL, a California
corporation; HUMANGOOD SOCAL, a
California corporation; HUMANGOOD
FRESNO, a California corporation;
HUMANGOOD AFFORDABLE HOUSING, a
California corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No. CIVDS2016835

[Hon. David Cohn, Department S26]

**DECLARATION OF SIMON L. YANG IN
SUPPORT OF PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: October 12, 2022
Time: 10:00 a.m.
Department: S26

Complaint Filed: September 1, 2020

1 I, Simon L. Yang, declare as follows:

2 1. I am an attorney admitted to practice in the State of California and, with the law firm
3 Diversity Law Group, P.C., am counsel of record for Plaintiff. I make this declaration on the basis of my
4 own personal knowledge, except as to those matters stated on information and belief and, as to those
5 matters, I believe them to be true. If called as a witness, I could testify competently as to the facts stated
6 in this declaration.

7 2. On September 1, 2020, Plaintiff, LaVeda Scott, initiated this class and private attorney
8 general action. Upon the initiation of the Action, Plaintiff and Defendants HumanGood, HumanGood
9 NorCal, HumanGood SoCal, HumanGood Fresno, and HumanGood Affordable Housing met and
10 conferred about the alleged claims. On or about July 2, 2021, Plaintiff served initial written discovery.
11 On or about August 24, 2021, Defendants served responses to the written discovery. On October 19,
12 2021, Defendants served written discovery on Plaintiff. Defendants also provided Plaintiff with
13 information about various defenses, including those based on a class action settlement in *Haji v. BE*
14 *Group*, San Diego County Superior Court Case No. 37-2017-00025918-CU-OE-CTL

15 3. The Parties supplemented formal discovery by continuing to exchange information and
16 documentation pursuant to informal methods to assist them in exploring the possibility of a mediated
17 resolution. Defendants provided the relevant numbers of individuals, workweeks, shifts of varying
18 lengths, and premiums paid, for example, among other things. Defendants' willingness to supplement
19 formal discovery with informal discovery enabled Plaintiff to evaluate the full scope of Defendants'
20 potential liability. Ultimately, the Parties agreed to schedule a mediation.

21 4. On June 2, 2022, the Parties attended mediation with Michael Loeb. With the mediator's
22 assistance and based on a mediator's proposal, the Parties were able to negotiate the settlement terms in
23 the Class Action Settlement Agreement (the "Agreement"), a true and correct copy of which is attached
24 as **Exhibit 1**.

25 5. There are approximately 7,350 Class Members. The Agreement requires Defendants to
26 pay \$3,750,000.00—or approximately \$510.20, on average, per Class Member. Although actual
27 underpayments of sick pay, overtime, holiday pay, or missed meal and rest break premiums amounted to
28 comparatively smaller sums, Plaintiff argued that underpaid wages resulted in Labor Code section 203

1 penalties of up to 30 days wages. Lab. Code § 203.¹ With respect to meal and rest break violations,
2 Plaintiff contended that Defendants were liable for an additional hour of regular rate wages. With
3 respect to wage statement violations, Plaintiff contended that Defendants were liable for up to \$100 in
4 penalties per wage statement under Section 226(e). Under PAGA, Plaintiff contended that Defendants
5 also would be liable for an additional \$50 per pay period under Section 558 and \$100 per pay period
6 under Sections 210 and 2699(f).

7 6. Defendants contested the merits and denied they were liable at all. Moreover, even if
8 Plaintiff prevailed on the merits, Defendants contested the extent of liability. For example, with respect
9 to wage statement liability, Defendants contended that (i) liability under Section 226(e) would be subject
10 to additional defenses requiring proof of injuries resulting from knowing and intentional violations.
11 Likewise, with respect to PAGA liability, Defendants contended that PAGA penalties would be subject
12 to discretionary reductions. With respect to meal and rest break violations, Defendants contended that (i)
13 there were no violations, (ii) if there were, they were individualized issues not amenable to a
14 representative proceeding, and (iii) employees in any event were already paid premiums. With respect to
15 liability from underpaid wages, Defendants contended that they would not be subject to Section 203
16 penalties, based on a good faith defense.

17 7. While the Parties disagree on the application of the law to the facts, each Party
18 recognized in negotiations that, if taken to trial, the other Party would at least have reasonable
19 arguments, such that the Gross Settlement Amount to which the Parties agreed was reasonable.
20 Ultimately, based on data through May 2, 2022, available at mediation on June 2, 2022, Plaintiff argued
21 that a representative trial would result in total potential class recovery of at least \$39,421,942.65—which
22 included \$20,942,668.80 in penalties under Section 203. Under PAGA, Plaintiff argued that the potential
23 total PAGA recovery amounted to approximately \$18,480,00.00 in additional liability. Plaintiff contends
24 that the Gross Settlement Amount of \$3,750,000.00—or 9.51% of the potential class recovery or 6.48%
25 of the total potential class and PAGA recovery—is an excellent result. As litigation costs are not
26 expected to exceed \$25,000, it is expected that, on average, each Class Member would be allocated
27

28

¹ Except as otherwise noted, all “Section” references are to the Labor Code.

1 \$268.03 in Settlement Payments and employee shares of PAGA Penalties (*after* all requested payments
2 from the Gross Settlement Amount).²

3 8. Although I am confident that litigation of the claims would result in a classwide judgment
4 against Defendant, I recognize the inherent risks in litigation, including the specific risks that class
5 certification could be denied, liability could not be established at trial, or the applicable law could
6 change. I recognize that the settlement resulting from extensive arm's length negotiations between the
7 Parties is fair, reasonable, and adequate for each participating Class Member, given the inherent risks of
8 litigation, as well as the potential for appeals and the costs of pursuing litigation.

9 9. I am one of the primary attorneys on this matter. My qualifications are as follows: After
10 completing my undergraduate education at The Wharton School at the University of Pennsylvania in
11 2004 with concentrations in Management and Human Resources, I continued studying labor and
12 employment issues by enrolling in post-graduate education at the School of Labor and Employment
13 Relations at the University of Illinois. I determined before enrolling in law school that I wanted to
14 practice labor and employment law in California. I thus received my J.D. from UCLA School of Law in
15 2008. During law school, I spent the summer of 2006 with the National Labor Relations Board, Region
16 21, and the summer of 2007 with the law firm of Seyfarth Shaw LLP in 2007.

17 10. Upon graduating from law school in 2008, I practiced labor and employment law at
18 Seyfarth Shaw LLP, a well-regarded labor and employment firm. I was elevated to partner in 2019. My
19 practice focused on wage and hour class, collective, and representative actions, with a particular
20 emphasis on matters involving the Labor Code Private Attorneys General Act of 2004 ("PAGA").
21 During my time with Seyfarth Shaw LLP, I was a primary attorney on numerous wage and hour class,
22 collective, and representative actions that resulted in published opinions, including for example, *Ehret v.*
23 *WinCo Foods, LLC*, 26 Cal. App. 6th 1 (2018) (affirming summary judgment in PAGA action based on
24 absence of meal period violations in light of collectively bargained waiver of meal periods on shifts of
25 not more than six hours), and *Ruelas v. Costco Wholesale Corporation*, 67 F. Supp. 3d 1137 (C.D. Cal.

26
27 ² The amount paid on average to each Class Member may increase, depending on how many Class
28 Members opt out of the class action settlement. The amount actually paid to any Class Member may
increase or decrease depending on his or her number of relevant pay periods during the Class Period.

1 Sept. 8, 2014) (obtaining dismissal of wage statement allegations in PAGA representative action). I was
2 also able to obtain experience litigating representative claims or wage and hour matters through trial and
3 appeal. *E.g., Velazquez v. Costco Wholesale Corporation*, 603 Fed. App'x 584 (9th Cir. Mar. 25, 2015)
4 (reversing award of waiting-time penalties based on lack of evidence supporting any willful failure to
5 pay wages); *Ward v. Costco Wholesale Corporation*, 552 Fed. App'x 631 (9th Cir. Jan. 9, 2014)
6 (affirming bench-trial judgment in favor of defendant against named plaintiff and 18 opt-in plaintiffs in
7 collective action with involving deductions from final paychecks). I also litigated class certification on
8 numerous matters. *E.g., Martinez v. Guess?, Inc.*, Los Angeles Superior Court Case No. BC 498326
9 (denial of class certification on behalf of retail employees alleging off-the-clock work).

10 11. Based on my experience in wage and hour class, collective, and representative actions, I
11 have been interviewed and quoted in articles published in the Northern California Record about
12 legislative efforts to reform PAGA. I also have published articles on myriad topics relevant to wage and
13 hour class and representative action litigation, including for example articles on California kin care
14 requirements in *Employee Relations Law Journal* (Vol. 36, No. 2), the extraterritorial application of
15 California employment laws in *The Recorder* (134RD Year No. 28), and California meal and rest break
16 laws in *California Transportation News*, a publication of the California Construction Trucking
17 Association.

18 12. In 2020 I left Seyfarth Shaw LLP and joined my current firm, Diversity Law Group, P.C.,
19 which also focuses primarily on employment law. I have handled a number of wage and hour class and
20 representative actions and continue litigating such matters in numerous Superior Courts and District
21 Courts. From matters with both Seyfarth Shaw LLP and Diversity Law Group, P.C., I have successfully
22 mediated the resolution of dozens of wage and hour class, collective, and representative actions. I have
23 obtained class certification and been appointed class counsel. No court has ever found me to be
24 inadequate class counsel.

25 13. My co-counsel and I will adequately represent the Class Members in this action.
26 Plaintiff's Counsel have and will zealously represent Plaintiff and the Class and pursue this lawsuit to its
27 conclusion.
28

14. Along with the filing of the motion for preliminary approval of the settlement in this matter, I have directed my office staff to simultaneously upload a copy of the motion papers to the Labor and Workforce Development Agency (“LWDA”) in compliance with Section 2699(1)(2) and (4). Similarly, upon approval of a settlement in this matter, my regular practice would be to direct my office staff to upload a copy of the Court’s judgment, papers, or other orders awarding civil penalties under PAGA.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 19th day of September 2022, at Pasadena, California.

Simon L. Yang

EXHIBIT 1

CLASS ACTION SETTLEMENT AGREEMENT

This Class Action Settlement Agreement (“Settlement Agreement”) is made and entered into between LaVeda Scott (“Plaintiff” or “Class Representative”); and HumanGood, HumanGood NorCal, HumanGood SoCal, HumanGood Fresno, and HumanGood Affordable Housing (collectively “Defendants” or “HumanGood”) subject to the approval of the Court, as provided below. This Settlement Agreement is intended by Plaintiff and Defendants to fully, finally, and forever resolve, discharge, and settle the Action (as defined below) and Released Claims (as defined below), upon and subject to the terms and conditions hereof, as follows:

1. Definitions.

As used herein, for the purposes of this Settlement Agreement only, the following terms will be defined as set forth below:

1.1 “Action” refers to the civil action entitled: *Laveda Scott v. HumanGood, et al.*, Case No. CIVDS2016835, in the Superior Court of California, San Bernardino County.

1.2 “Class” or “Class Members” refers to all current and former non-exempt employees of Defendants in the State of California at any time during the Settlement Period, except for *Haji* Settlement Class Members who did not perform work for any of the Defendants after September 28, 2018.

1.3 “Class Counsel” refers to the attorneys of record for the Class Representative, Diversity Law Group, P.C.

1.4 “Class Notice” refers to the form of direct-mail notice substantially in the form attached as “**Exhibit A**,” as may be modified by the Court.

1.5 “Class Period” means the period from April 6, 2016 through June 2, 2022.

1.6 “Complaint” refers to the operative Second Amended Complaint in this Action.

1.7 “Court” refers to the Superior Court of California, County of San Bernardino.

1.8 “Effective Date” refers to the date the Final Approval Order and Judgment is signed if no objections to the Settlement are filed. If objections are filed and overruled, then the Effective Date is 65 days following date the Final Approval Order and Judgment is signed. If an appeal is taken from the Final Approval Order and Judgment, then the Effective Date will be ten business days after the appeal is withdrawn or after an appellate decision affirming the final approval decision becomes final.

1.9 “Final Approval Hearing” refers to the hearing at which the Court will make a final determination whether the terms of the Settlement are fair, reasonable, and adequate for the Class and meet all applicable requirements for approval.

1.10 “Final Approval Order and Judgment” refers to the final order by the Court approving the Settlement following the Final Approval Hearing and entering final judgment.

1.11 “Gross Settlement Amount” (also referred to herein as “GSA”) refers to the maximum settlement payment of Three Million Seven Hundred Fifty Thousand Dollars and No Cents (\$3,750,000.00) Defendants will be obligated to make, except that Defendants shall bear, in addition, all employer-side payroll tax payments due and payable to federal and state tax authorities as a result of this Settlement.

1.12 “*Haji* Settlement Class Members” refers to individuals who were members of the settlement class in *Haji v. Be.Group*, San Diego Superior Court Case No. 37-2017-00025918-CU-OE-CTL.

1.13 “Net Settlement Amount” (also referred to herein as “NSA”) is the GSA minus Court-approved attorney’s fees and litigation costs, Settlement Administration Costs, Service Award, and the PAGA Penalties. The NSA is the maximum amount that will be available for distribution to Settlement Class Members, except for those Class Members who qualify as PAGA Members.

1.14 “PAGA Member” means any Class Member employed by Defendants during the PAGA Period.

1.15 “PAGA Penalties” refers to the Six Hundred Thousand Dollars (\$600,000.00) allocated to Plaintiff’s PAGA claims which shall be paid as follows: 75% of the PAGA Penalties shall be paid to the LWDA as its share of the of civil penalties for PAGA claims; and 25% shall be distributed to the PAGA Members according to the formula set forth in Section 8.

1.16 “PAGA Period” means the period from April 6, 2019 through June 2, 2022.

1.17 “Parties” are Plaintiff and Defendants.

1.18 “Released Claims” are those claims defined in Section 16.

1.19 “Released Parties” include Defendants and their present and former parent companies, subsidiaries, divisions, related, or affiliated companies, and their officers, directors, employees, agents, attorneys, insurers, successors, and assigns.

1.20 “Request for Exclusion” refers to a request to be excluded from the Settlement, which must be made in writing in conformity with the requirements set forth in the Class Notice, as well as the Court’s order granting preliminary approval, and received or mailed to the Administrator and postmarked on or before the Response Deadline.

1.21 “Response Deadline” is forty-five (45) calendar days after the date that the Class Notice is mailed to Class Members and is the deadline by which Class Members’ Requests for Exclusion, disputes regarding Settlement Payments, and/or objections must be received or postmarked in order to be timely.

1.22 “Service Award” refers to monetary award to the Plaintiff, in an amount not to exceed Ten Thousand Dollars (\$10,000), or other amount as approved by the Court, to be paid for from the Gross Settlement Amount, subject to approval by the Court, as described below.

1.23 “Settlement Administrator” refers to Phoenix Settlement Administrators, the third-party administrator mutually selected by the parties, subject to approval by the Court, to perform the notice, claims administration, and distribution functions further described in this Settlement Agreement.

1.24 “Settlement Administration Costs” refers to the cost of paying the Settlement Administrator. This cost will be paid out of the GSA, in an amount not to exceed Forty Five Thousand Dollars (\$45,000.00), or such other amount approved by the Court.

1.25 “Settlement Class” or “Settlement Class Member” refers to Class Members who do not request exclusion from the Settlement.

1.26 “Settlement Payment” refers to the amount paid to each Settlement Class Member.

2. Procedural History and Recitals.

On September 1, 2020, Plaintiff initiated the Action by filing her complaint in San Bernardino County Superior Court asserting claims against Defendants Humangood, HumanGood NorCal, HumanGood SoCal, and HumanGood Fresno for (1) Violation of California Labor Code § 226.7; (2) Violation of California Labor Code § 226(a); (3) Violation of California Business & Professions Code §§ 17200, et seq.; and (5) Violation of California Labor Code § 2698, et seq.

On November 16, 2021, Plaintiff filed her First Amended Complaint asserting claims for (1) Violation of California Labor Code § 226.7; (2) Violation of California Labor Code §§ 226.7 and 512(a); (3) Violation of California Labor Code § 226(a); (4) Violation of California Business & Professions Code §§ 17200, et seq.; and (5) Violation of California Labor Code § 2698, et seq.

Before or when Plaintiff moves for preliminary approval of the Settlement Agreement, the Parties will jointly stipulate for leave to file a Second Amended Complaint to add HumanGood Affordable Housing as a Defendant, and shall include additional allegations and claims including claims relating to Defendants' payment of minimum wages, sick time wages, holiday wages, regular rate of pay calculations, and final wages.

2.1 On June 2, 2022, the Parties participated in a mediation session with Mr. Michael Loeb, an experienced mediator. Following the mediation, the Parties reached the basic terms of a settlement which are memorialized in this formal settlement agreement, subject to approval by the Court. The Parties jointly represent that this is a fair, reasonable, and adequate settlement and have arrived at this Settlement through arms-length negotiations, considering all relevant factors, present and potential.

2.2 This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendants of liability or wrongdoing. Additionally, Defendants reserve the right to contest any issues relating to class certification and liability if the Settlement is not approved. Defendants deny that they have engaged in any unlawful activity, has failed to comply with the law in any respect, has any liability to anyone under the claims asserted in the Action, or that but for the Settlement, a Class should be certified in the Action. Notwithstanding, in the interest of avoiding further litigation, Defendants desire to fully and finally settle Released Claims.

NOW THEREFORE, in consideration of the covenants and agreements set forth herein, and of the release of all Released Claims, Plaintiff and Defendants agree to the terms and provisions of this Settlement Agreement, subject to the approval of the Court.

3. Limitation on Effect of Settlement.

The Parties agree that certification of a class is appropriate for settlement purposes only. In the event that the Settlement is not finally approved, or the Settlement is otherwise terminated, and any class and representative action, which was certified for settlement purposes only, shall be vacated, and shall be of no force or effect whatsoever and shall not be admissible nor construed as an admission or concession of any kind by the Parties, in whole or part, and Defendants expressly reserve all rights to challenge certification of a class on all available grounds.

4. Establishment of the GSA.

Within 10 business days after the Effective Date, Defendants shall transmit the GSA to the Settlement Administrator, in addition to an amount equal to employer-side payroll taxes due on the wage component of the NSA. This Settlement is non-reversionary and under no circumstances will any part of the GSA revert to Defendants.

5. Calculation of the NSA and Distribution of Settlement Proceeds.

5.1.1 The NSA shall be paid pro rata to each Settlement Class Member based on the number of weeks worked by the Settlement Class Member as a percentage of the weeks worked by all Class Members during the Class Period (but excluding any workweeks before September 28, 2018, for any *Haji* Settlement Class Members).

5.1.2 One-fifth of each Settlement Payment will be allocated as wages and reported on an IRS Form W-2; and the remaining four-fifths of each Settlement Payment will be allocated as penalties and interest and reported on an IRS Form 1099.

5.1.3 If a Class Member timely and validly submits a Request for Exclusion, as set forth herein, that Class Member's share will return to the NSA and will be distributed to the remaining Settlement Class Members.

5.2 Payments to Settlement Class Members pursuant to this Settlement Agreement will not be construed as compensation for purposes of determining eligibility for or benefit calculations of any health and welfare benefit plan, retirement benefit plan, vacation benefit plan, unemployment compensation, including, without limitation, all plans, subject to Employee Retirement Income Security Act ("ERISA"). The Parties agree these payments do not represent any modification of any employee's previously-credited hours of service or other eligibility criteria under any employee pension benefit plan, employee welfare benefit plan, or other program or policy.

6. Attorneys' Fees and Costs.

Class Counsel shall request attorneys' fees up to one-third of the GSA (\$1,250,000) for attorneys' fees; and actual litigation costs incurred. Defendants agree to not oppose Class Counsel's request for attorneys' fees and costs in these amounts. The terms of this Settlement Agreement will not be abrogated and will continue in full force even if the Court awards a lower amount of attorneys' fees or costs than requested by Class Counsel. However, Class Counsel retains the right to appeal any such reductions, but

such an appeal will delay Defendants' obligation to make all payments set forth in this Settlement Agreement. Any unapproved amounts of attorneys' fees and litigation costs will be added to the NSA and will be distributed to the Settlement Class Members.

7. Service Award.

Class Counsel shall request a Service Award of up to Ten Thousand Dollars (\$10,000) for Plaintiff. Any unapproved amount will be added to the NSA and be distributed to the Settlement Class Members.

8. PAGA Penalties

Subject to Court approval, \$600,000 of the GSA shall be attributed to Plaintiff's claims under PAGA. The Settlement Administrator shall apportion and distribute the \$600,000 payment as follows: (a) \$450,000 shall be paid to the LWDA as its 75% share of the settlement of civil penalties for PAGA claims; and (b) \$150,000 shall be paid pro rata to each PAGA Member based on the number of weeks worked by the PAGA Member as a percentage of the weeks worked by all PAGA Members during the PAGA Period.

9. Costs of Settlement Administration.

The Parties have mutually agreed to the selection of Phoenix Settlement Administrators ("Settlement Administrator"), to undertake the administration of the Settlement in this Action. The administration duties include, without limitation, the following: establishing and maintaining a qualified settlement account for the NSA, obtaining tax identification number(s) for Defendant applicable to the Settlement, calculating the Class Member Payments, performing an initial National Change of Address (NCOA) search upon receipt of the Class Member mailing addresses, mailing the Class Notices, performing one skip trace on Class Notices which are returned as undeliverable, reviewing and processing Requests for Exclusion, disputes, and objections, setting up a toll-free number, mailing the Class Members Payments and tax forms to the Settlement Class Members, and setting up a static website regarding the Settlement. The Settlement Administrator will report payment of the individual Class Member Payments to all required taxing and other authorities, take appropriate withholdings, forward payments for withholdings and issue Internal Revenue Service Forms W-2 and 1099. The Parties estimate that the costs and expenses of administration of the settlement will not exceed \$45,000.00. Any amounts allocated but not paid to the Settlement Administrator will be added to the NSA and distributed to the class *pro rata*.

10. Notice Administration.

10.1.1 Within 14 calendar days of the order granting preliminary approval of the Settlement (“Preliminary Approval Order”) Defendants shall provide the Settlement Administrator with the following information (“Class Data List”):

(a) the names, last known addresses, last known telephone numbers, and Social Security numbers of each Class Member; and

(b) the number of weeks worked by each Class Member in California during the Settlement Period and PAGA Period (but excluding any workweeks before September 28, 2018, for any *Haji* Settlement Class Members).

10.1.2 Within seven calendar days of its receipt of the Class Data List, the Settlement Administrator shall access the National Change of Address (“NCOA”) Database, and update the addresses contained therein.

10.1.3 Within 14 calendar days of its receipt of the Class Data List, the Settlement Administrator shall provide the Class Notice by bulk first class mail, forwarding requested, to the Class Members at the addresses identified through the process described above.

10.1.4 As to any Class Notices that are returned as undeliverable, or where the NCOA Database indicates that the last known address of any Class Member is invalid or otherwise undeliverable, the Settlement Administrator will perform a skip trace procedure and re-mail all returned, undelivered mail within five calendar days of the date on which the Settlement Administrator is informed that a Class Notice is undeliverable or otherwise invalid.

10.1.5 The Settlement Administrator and all those working through, in concert with, or on behalf of the Settlement Administrator, shall be obligated to take all reasonable steps to maintain the confidentiality of Class Member information and to carry out the other duties enumerated in the Settlement Agreement, including calculating each Class Member’s potential share of the Settlement.

10.1.6 The Settlement Administrator shall provide Defendants’ counsel and Class Counsel with weekly summary reports, including the total number of Class Notices that were returned as undeliverable, the total number of objections, disputes, and/or Requests for Exclusion. The Settlement Administrator shall maintain records of its work, which will be available for inspection upon request by Defendants’ counsel or Class Counsel.

10.1.7 The Class Notice will be a pre-printed, in substantially the form attached hereto as **Exhibit A** and to be approved by the Court. In addition to other information contained on the Class Notice, the Class Notice will include an explanation of the *pro rata* distribution formula used to determine the share of the Net Settlement Amount that he or she may be entitled to receive under the Settlement

11. Requests for Exclusion.

11.1 Any Class Member may elect to opt out of the Settlement by submitting a written Request for Exclusion to the Settlement Administrator, postmarked no later than the Response Deadline. The Request for Exclusion must contain the following: full name, signature, address and last four digits of his or her social security number; name and case number, and a clear statement that he or she seeks to be excluded from the Settlement. The Settlement Administrator shall immediately send all Requests for Exclusion to Defendants' counsel and Class Counsel. A Class Member who fails to comply with the opt out procedure set forth herein on or before the Response Deadline will not be excluded and will instead be bound by all provisions of the Settlement Agreement and all orders issued pursuant thereto.

11.2 Any Class Member who elects to opt out of the Class in the manner and within the time limits specified above (1) will not have any rights under the Settlement Agreement; (2) will not be entitled to receive any compensation under the Settlement Agreement; (3) will not have standing to submit any objection to the Settlement Agreement; and (4) will not be bound by the Settlement Agreement.

11.3 Except for persons who elect to opt out of the Settlement in the manner and within the time limits specified above, in the Preliminary Approval Order, and in the Class Notice, all Class Members, will be deemed to be within the Settlement Class for all purposes under this Settlement Agreement, will be bound by the terms and conditions of this Settlement Agreement (including the release provisions in Section 16 and its subparts), including all orders issued pursuant thereto, and will be deemed to have waived all unstated objections and opposition to the fairness, reasonableness, and adequacy of this Settlement Agreement, and any of its terms.

11.4 PAGA Members may not request exclusion from either (1) the release of the PAGA claims or (2) payments for the release of the PAGA claims.

12. Objections.

Any Class Member who does not request exclusion from the Settlement may object to the Settlement by sending the Settlement Administrator, not later than the Response Deadline, a written

statement objecting to the Settlement. The written objection must contain: full name, address, last four digits of his or her social security number, the case name and number, and a clear statement of the basis for his or her objection. The Settlement Administrator shall immediately send all objections to counsel for Defendants and Class Counsel.

Counsel for the Parties shall file any responses to any objections at the time the Motion for Final Approval is filed. Class Members may, prior to the Final Approval Hearing, withdraw their objections or opt out requests in a writing to the Settlement Administrator, which may then be filed with the Court.

PAGA Members may not object to either (1) the release of the PAGA claims or (2) payments for the release of the PAGA claims.

13. Resolution of Disputes.

If any Class Member timely disputes the number of weeks listed on his or her Class Notice, the dispute will be submitted to the Settlement Administrator, who will examine the records and either verify the calculation or provide a corrected calculation. Disputes must be in writing and submitted to the Settlement Administrator, received or postmarked on or before the Response Deadline. The dispute must contain: Class Member's full name, address, signature, and last four digits of his or her Social Security number; and any facts supporting the Class Member's dispute, along with any supporting materials confirming that the weeks attributed to him or her are incorrect. The Settlement Administrator's determination of disputes will be final and non-appealable.

14. Payment Procedure.

14.1 Payments to Settlement Class Members and PAGA Members, Class Counsel, Class Representative, Taxing Authorities and LWDA: Within 10 days of receipt of the GSA, the Settlement Administrator will distribute, subject to approval by the Court: (a) Payments to Settlement Class Members and PAGA Members; (b) attorneys' fees and costs to Class Counsel; (c) Settlement Administration Costs to the Settlement Administrator; (d) Service Award to the Class Representative; (e) applicable tax withholdings and employer's portion of payroll tax to the appropriate taxing authorities and (f) the LWDA's share of the PAGA Penalties.

14.2 Uncashed Checks: The entire NSA shall be distributed. If any check issued to any Settlement Class Member is returned as undeliverable, the Settlement Administrator will make every reasonable effort to locate the Settlement Class Member and re-mail the check. If, within 180 days of

payment, any funds remain as the result of returned and/or uncashed, stale checks, those funds shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 *et seq.*, for the benefit of those Settlement Class Members who did not cash their checks, until such time that they claim their property. The Parties agree that this disposition results in no “unpaid residue” under California Code of Civil Procedure § 384, because the entire NSA will be paid out to Settlement Class Members, whether or not they all cash their settlement checks.

15. Taxes.

15.1 Employer’s Portion of Payroll Taxes: Defendants shall pay the employer’s portion of payroll taxes with respect to the wage portion of Settlement Payments separately and in addition to the GSA.

15.2 Tax Treatment of Service Award: Plaintiff will receive an IRS Form 1099 for her individual Service Award and will be responsible for payment of any taxes owing on said amount.

15.3 Tax Treatment of Attorneys’ Fees and Cost Award: Class Counsel will receive an IRS Form 1099 for any amount awarded to Class Counsel in the form of attorneys’ fees or costs and will be responsible for payment of any taxes owing on said amount.

15.4 No Tax Advice: The Parties are not giving any tax advice in connection with the settlement or any payments to be made pursuant to this settlement including, but not limited to, within the meaning of United States Treasury Circular 230 (31 CFR part 10, as amended). The Parties do not assume any liability for taxes, fees, costs, or assessments resulting from any Settlement Class Members’ failure to timely pay his or her share of taxes, interest, fees, or penalties owed

16. Release.

16.1 Settlement Class Members’ Released Claims: Upon the court’s final approval of the class settlement and entry of final judgment, each class member shall be deemed to have released Defendants and all of their present and former parent companies, subsidiaries, divisions, related, or affiliated companies, and their officers, directors, employees, agents, attorneys, insurers, successors, and assigns (collectively the “Released Parties”), from any and all “Settlement Class Members’ Released Claims.” For the purposes of this Agreement, the Settlement Class Members’ Released Claims are defined as: Any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorney’s fees, damages, actions or causes of action which are alleged, or reasonably could have been alleged based on the facts and claims asserted in the operative complaint filed in this action, including without limitation

to, claims for restitution and other equitable relief, claims for unpaid wages, unpaid overtime wages, meal/rest period penalties, waiting time penalties, unfair business practices, failure to provide accurate wage statements, declaratory relief, accounting, injunctive relief, civil penalties brought under the Labor Code Private Attorneys General Act of 2004 (Labor Code Section 2698 et seq.), claims for penalties of any nature whatsoever arising out of the Released Claims, or any other benefit claimed on account of allegations and claims which are reasonably related to the allegations and claims asserted in the operative complaint filed in this action and thus could have been asserted. This release shall apply to claims arising at any point during the Settlement Period or PAGA Period. The release shall exclude claims for vested benefits, wrongful termination, unemployment insurance, disability, workers' compensation, claims arising while classified as exempt from overtime, claims outside of the Settlement Period, or any other claim or right that as a matter of law cannot be waived or released.

16.2 Plaintiff's General Release: Plaintiff releases acquits, discharges, and covenants not to sue any of the Released Parties for any claim, whether known or unknown, which she has ever had, or hereafter may claim to have, arising on or before the date she signs this Agreement, including without limitation to, any claims relating to or arising out of any aspect of her relationship with Defendants, or the termination of that relationship, any claims for unpaid compensation, wages, reimbursement for business expenses, penalties, or waiting time penalties under the California Labor Code, the California Business and Professions Code, the federal Fair Labor Standards Act, 29 U.S.C. section 201, et seq., or any state, county or city law or ordinance regarding wages or compensation; any claims for employee benefits, including without limitation, any claims under the Employee Retirement Income Security Act of 1974; any claims of employment discrimination on any basis, including without limitation, any claims under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, 42 U.S.C. section 1981, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1991, the Family and Medical Leave Act of 1993, the California Government Code, or any other state, county or city law or ordinance regarding employment discrimination. Plaintiff acknowledges and agrees that the foregoing general release is given in exchange for the consideration provided to Plaintiff under this Agreement by Defendants. However, this release shall not apply to claims for workers' compensation benefits, unemployment insurance benefits, pension or retirement benefits, or any other claim or right that as a matter of law cannot be waived or released.

Plaintiff expressly waive any rights or benefits available to her under the provisions of Section 1542 of the California Civil Code, which provides 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 RELEASING PARTY.

17. Application for Preliminary Approval Order.

17.1 After the Parties' execution of this Settlement Agreement, Plaintiff shall file a motion for preliminary approval of the Settlement, requesting a Preliminary Approval Order that contains the following provisions:

- 17.1.1** preliminarily approving the Settlement Agreement;
- 17.1.2** preliminarily approving and certifying the Class for settlement purposes only;
- 17.1.3** approving the form of the Class Notice, and finding that the proposed method of disseminating the Class Notice meet the requirements of due process and is the best notice practicable under the circumstances;
- 17.1.4** establishing the procedures and the deadline by which Class Members may assert objections to the Settlement, seek exclusion from the Settlement, and/or dispute their Settlement Shares;
- 17.1.5** establishing a deadline for the Parties to submit papers/briefing in response to any objections and in support of final approval of the Settlement Agreement; and
- 17.1.6** setting a date for the Final Approval Hearing.

18. Final Approval Order and Judgment.

18.1 If the Settlement is preliminarily approved by the Court, the Parties shall thereafter request that the Court enter an order granting final approval of the Settlement and judgment based thereon ("Final Approval Order and Judgment"), which includes the following provisions:

- 18.1.1** confirming certification of the Class for settlement purposes only;
- 18.1.2** finding that the dissemination of the Class Notice in the form and manner ordered by the Court was accomplished as directed, met the requirements of due process; and

18.1.3 finally approving the Settlement Agreement as fair, reasonable, and adequate and directing consummation of the Settlement in accordance with its terms and provisions;

18.1.4 directing the Parties to implement the terms of the Settlement Agreement;

18.1.5 releasing and discharging the Released Parties from any and all liability with respect to the Released Claims;

18.1.6 awarding reasonable attorneys' fees and litigation costs to Class Counsel as determined by the Court;

18.1.7 awarding Service Award to Class Representative as determined by the Court;

18.1.8 awarding Settlement Administration Costs to the Settlement Administrator as determined by the Court;

18.1.9 approving the allocation of PAGA Penalties to the LWDA;

18.1.10 entering final judgment on the operative Complaint; and

18.1.11 preserving continuing and exclusive jurisdiction over all matters related to the administration and consummation of the terms of this Settlement and enforcement of the Judgment.

19. Escalator Clause.

If the weeks worked by all Class Members combined exceeds 720,460 by ten percent or more (i.e., by more than 72,046) the Gross Settlement Amount shall increase on a pro rata basis equal to the percentage increase exceeding ten percent (e.g., if the actual number were fourteen and one-half percent greater than 720,460, then the Gross Settlement Amount would be increased by four and one-half percent).

20. No Admissions.

The Parties understand and agree that this Settlement Agreement is the result of a good faith compromise settlement of disputed claims, and no part of this Settlement Agreement, or the negotiations leading thereto, or any document filed in support thereof, whether or not the Settlement is finally approved and/or consummated, may be offered or should be construed as an admission of any wrongdoing by Defendants or the Released Parties.

21. Avoidance of Undue Publicity.

The Parties and their counsel agree that they will not issue any press releases, communicate to the press, media, or to the public, through social media or otherwise, the settlement terms or amount unless and until Plaintiff has filed his motion for preliminary approval of the Settlement. Nothing herein will

restrict Class Counsel from including publicly available information regarding this settlement in future judicial submissions regarding Class Counsel's qualifications and experience.

22. Non-Disparagement

Released Parties agree that all inquiries about Plaintiff shall be referred to Human Resources, who will confirm the Plaintiff's dates of employment and position held. No other information concerning Plaintiff's work histories will be provided by Human Resources without authorization from Plaintiff.

23. Construction.

This Settlement Agreement was entered into after substantial good faith, arm's-length negotiations between the Parties. This Settlement Agreement has been entered into without any coercion and under no duress. The Parties acknowledge and agree that all Parties had an equal hand in drafting this Settlement Agreement so that it will not be deemed to have been prepared or drafted by one party or another.

24. Due Authority of Attorneys.

Each of the attorneys executing this Settlement Agreement on behalf of one or more Parties hereto warrants and represents that he or she has been duly authorized and empowered to execute this Settlement Agreement on behalf of each such respective Party and to bind them to the terms hereof. The parties also warrant that this Agreement is entered into knowingly and willingly and there is no fraud, duress, or undue influence.

25. Entire Agreement.

This Settlement Agreement (including Exhibits hereto) sets forth the entire agreement of the Parties with respect to its subject matter and supersedes any and all other prior agreements and all negotiations leading up to the execution of this Settlement Agreement, whether oral or written, regarding the subjects covered herein. The Parties acknowledge that no representations, inducements, warranties, promises, or statements relating to the subjects covered herein, oral or otherwise, have been made by any of the Parties that are not embodied or incorporated by reference herein. Except as otherwise set forth in this Agreement, any notice, order, judgment, or other exhibit that requires approval of the Court must be approved without material alteration that substantially changes or increases the cost of compliance with this Settlement Agreement in order for this Settlement Agreement to become effective. Before invoking this provision to challenge the effectiveness of this Settlement Agreement, the invoking party shall consult with, and if necessary mediate in good faith with, the other party in an effort to resolve any such challenge.

26. Modification or Amendment.

This Settlement Agreement may not be modified or amended except in a writing signed by all signatories hereto or their attorneys or their successors in interest.

27. Successors.

This Settlement Agreement will be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, successors and assigns, and upon any corporation, partnership or other entity into or with which any Party hereto may merge, combine, or consolidate.

28. Counterparts.

This Agreement may be executed in one or more counterparts by facsimile or electronic signature which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument. Any executed counterpart shall be admissible in evidence to prove the existence and contents of this Agreement.

29. Waivers.

The waiver by any Party of any breach of this Settlement Agreement will not be deemed or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous, of this Settlement Agreement.

30. Governing Law.

This Settlement Agreement will be governed by and construed, enforced, and administered in accordance with the internal laws of the State of California. The parties intend for this Agreement to be admissible and binding under Code of Civil Procedure section 664.6.

31. Headings.

The headings contained in this Settlement Agreement are for convenience and reference purposes only, and will not be given weight in its construction.

32. Notices.

Any notices, requests, demands, or other communications required or permitted to be given pursuant to this Settlement Agreement, other than the contemplated Class Notice to the Class Members, must be in writing and mailed as follows:

32.1 To Class Representative, the Class and Class Counsel to the attention of Larry W. Lee, Diversity Law Group, P.C., 515 South Figueroa Street, Suite 1250, Los Angeles, California, 90071; Telephone: (213) 488-6555.

32.2 To Defendants, to the attention of Aaron A. Buckley, Paul, Plevin, Sullivan & Connaughton LLP, 101 West Broadway, Ninth Floor, San Diego, California 92101; Telephone: (619) 237-5200.

IN WITNESS WHEREOF, this Settlement Agreement has been duly executed by and on behalf of the Parties, as follows:

Plaintiff and Class Representative

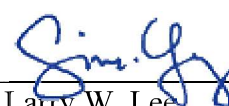
Dated: September 16, 2022 By: 
D2B4EE91FAB14ED...
Laveda Scott

HumanGood

Dated: September, 2022 By: _____
Bethany Ghassemi
General Counsel

APPROVED AS TO FORM:

**Counsel for Plaintiff and
Proposed Class Counsel**

Dated: September 16, 2022 By: 
Larry W. Lee
Simon L. Yang
Diversity Law Group, P.C.

Counsel for Defendants

Dated: September, 2022 By: _____
Aaron A. Buckley
Aaron J. Schu
Paul, Plevin, Sullivan & Connaughton LLP

EXHIBIT A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

LaVeda Scott v. HumanGood et al.

Case No. CIVDS2016835

Superior Court of California, San Bernardino County,

If you worked as a nonexempt employee of HumanGood, HumanGood NorCal, HumanGood SoCal, HumanGood Fresno, and HumanGood Affordable Housing in California at any time during the period April 6, 2016 through June 2, 2022, you may be entitled to receive money from a class action settlement.

The Superior Court of California, County of San Bernardino, authorized this Class Notice.

This is not a solicitation from a lawyer.

PLEASE READ THIS CLASS NOTICE CAREFULLY. YOUR LEGAL RIGHTS ARE AFFECTED BY IT.

- The settlement resolves a class-action lawsuit, *LaVeda Scott v. HumanGood, et al.* (the “Lawsuit”), which alleges Defendants: (1) Failed to Provide Rest Periods; (2) Failed to Provide Meal Periods; (3) Failed to Pay or Timely Pay Earned Wages; (4) Failed to Pay Sick Pay Wages; (5) Failed to Provide Compliant Wage Statements; (6) Engaged in Unfair or Unlawful Business Practices; and (7) Violated the California Labor Code under the Private Attorneys General Act.
- Defendants vigorously deny the claims in the Lawsuit and contends that they fully complied with all applicable laws. The Court has not made any determination of the validity of the claims in the Lawsuit.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND RECEIVE PAYMENT	Get a payment, and give up your legal rights to pursue claims released by the settlement of the Lawsuit.
OPT OUT OF THE SETTLEMENT	Exclude yourself from the Settlement, get no payment, and retain your legal rights to pursue claims that would otherwise be released by the settlement of the Lawsuit.
OBJECT TO THE SETTLEMENT	If you do not opt out, you may write to the Settlement Administrator, Phoenix Settlement Administrators, about why you object to the settlement and they will forward your concerns to counsel which will then be provided to the Court. If the Court approves the Settlement despite your objection, you will still be bound by the Settlement. If you timely object, you or your attorney may also address the Court during the Final Approval hearing scheduled for [Date and Time] in Department S26 of the San Bernardino County Superior Court.

- The \$3,750,000 Gross Settlement Amount will be used to settle claims of all Settlement Class Members. The amount of each Settlement Class Member’s individual settlement payment will be determined by the number of weeks the Settlement Class Member worked in California from April 6, 2016 through June 2,

2022 (“Class Period”), as well as the number of weeks worked from April 6, 2019 through June 2, 2022 (the “PAGA Period”). Settlement Class Members who worked during the PAGA Period are referred to below as “PAGA Members.”

- The Court has preliminarily approved this settlement. A final fairness hearing addressing the fairness, adequacy, and reasonableness of the Settlement will be held on [FINAL APPROVAL HEARING DATE] to determine whether the Settlement should receive the Court’s final approval.
- Lawyers for the Class Members will be asking the Court to award \$1,250,000 to be paid out of the settlement (one-third of the Gross Settlement Amount) as attorneys’ fees for investigating the facts, litigating the case, and negotiating the settlement, as well as actual costs incurred during the case. They also will ask the Court to approve a service award in the amount of \$10,000 to Plaintiff, who assisted in litigating this case for the benefit of all Class Members, and who will also provide a general release of claims.
- Any questions? Read on or visit www. .com.

BASIC INFORMATION

1. Why did I get this Class Notice package?

Defendants’ records show that you work, or previously worked, for Defendants in California as a nonexempt employee during the Settlement Period. You were sent this Class Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options before the Court decides whether to finally approve the settlement. If the Court approves the settlement and then any objections and appeals are resolved, a “Settlement Administrator” appointed by the Court will make the payments described in this Notice. This Notice explains the Lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

2. What is this Lawsuit about?

Plaintiff in this Lawsuit, LaVeda Scott, alleged that during the Settlement Period, Defendants violated California law and failed to provide legally-compliant meal periods, failed to provide legally-compliant rest breaks, failed to pay and timely pay all earned wages, failed to pay and timely pay all sick pay wages, and failed to provide legally-compliant wage statements. As noted above, Defendants deny each of these allegations and contends that Plaintiff’s claims have no merit whatsoever. A copy of the most recent version of the complaint may be found at www. .com.

3. Why is this a class action?

In a class action, one or more people called Class Representatives make allegations on behalf of other people whom they allege have similar claims. All these people comprise a Class and are referred to as Class Members, except those who decide to exclude themselves from the Class. One court resolves the issues for all Class Members.

4. Why is there a settlement?

The Parties disagree on the probable outcome of the case with respect to liability and damages. The Plaintiff believes the claims asserted against Defendants are valid and could be proven if the case went to trial. Defendants believe the Plaintiff’s claims have no merit and that they would not prevail if the case went to trial. The Defendants further contend that, other than in the context of this settlement, the case is not suitable for class treatment. The Court has not decided in favor of the Plaintiff or the Defendants. There has been no trial in this case. Instead, both sides recognize the risks, expenses, and disruption that are associated with continued litigation, and they have therefore chosen to resolve their differences by entering into a settlement. The Parties entered into this settlement after arms-

length negotiations while using the services of an experienced and neutral mediator. The Plaintiff and Class Counsel believe that this settlement is fair and reasonable and is in the best interests of all Class Members.

5. What is a class action settlement?

The Court must approve the terms of the settlement described below as fair and reasonable to the class. Once approved, the settlement will affect all Class Members except those who choose to opt out. This Class Notice explains your legal rights, the terms of the settlement, what you must do to participate, and the amount of money you may get. Please read this entire Class Notice carefully.

6. How do I know if I am a Class Member?

If you fit the following description then you are a Class Member: Nonexempt employees who worked for HumanGood, HumanGood NorCal, HumanGood SoCal, HumanGood Fresno, or HumanGood Affordable Housing in California during the Settlement Period.

7. Are there exceptions to being included?

You are not a Class Member if you were not employed by Defendants as a nonexempt employee in California during the Settlement Period. You are also not a Class member if you were part of the class action settlement in *Haji v. Be.Group*, San Diego Superior Court Case No. 37-2017-00025918-CU-OE-CTL, and did not perform work for any of the Defendants after September 28, 2018. You can also choose to be excluded from this settlement by opting out of this settlement, in which case you will not be a Settlement Class Member.

8. I'm still not sure if I am a Class Member. What should I do?

You may contact the Settlement Administrator for further information, or you may also contact Class Counsel at the phone number provided in Section 22 of this Notice. Or, you can do nothing, and if you are entitled to a payment you will be paid. Be mindful, however, that if this Class Notice reaches you and the address where you now live is different, you should contact the Settlement Administrator and provide updated information so that any future correspondence or the settlement check itself reaches you and is not returned as an address unknown.

9. What does the settlement provide?

The Parties have agreed to settle the Lawsuit for a "Gross Settlement Amount" of Three Million Seven Hundred Fifty Thousand Dollars and No Cents (\$3,750,000). This means that the entire Gross Settlement Amount will be paid out, subject to various Court-approved deductions listed below in this Section. In addition to the Gross Settlement Amount, Defendants will bear all employer-side payroll tax payments due and payable to federal and state tax authorities as a result of this Settlement. The Gross Settlement Amount shall be deemed in satisfaction of: (1) the claims in the Lawsuit; (2) claims for attorneys' fees not to exceed one-third of the Gross Settlement Amount (\$1,250,000) and costs of Class Counsel actually incurred up to \$25,000; (3) a service payment to Plaintiff not to exceed \$10,000; (4) all costs of third-party settlement administration not expected to exceed \$45,000 or such other amount approved by the Court; and (5) payment to the Labor and Workforce Development Agency of \$450,000 as its share of the PAGA civil penalties.

10. How was payment calculated?

The funds payable to Settlement Class Members will be divided up pro rata using the following formulas:

From the Gross Settlement Amount, payments will be made to the Class Counsel, the Class Representative, and the Settlement Administrator, and \$600,000 shall be designated as "PAGA Penalties". What remains after these payments are made is called the "Net Settlement Amount," depending on the final Court-approved

deductions as discussed above. The Net Settlement Amount shall be paid pro rata to each Settlement Class Member based on the number of weeks worked by the Settlement Class Member in California during the Settlement Period (but excluding any weeks before September 18, 2018, for any members of the *Haji v. Be.Group* settlement class). The PAGA Penalties shall be distributed as follows: 75% (\$450,000) shall be paid to the Labor and Workforce Development Agency, and the remaining 25% (\$150,000) shall be paid pro rata to each PAGA Member based on the number of weeks worked by the PAGA Member in California during the PAGA Period.

11. How much will I get from the settlement?

Defendants' records indicate that you worked <<[REDACTED]>> weeks as a nonexempt employee of Defendants during the Settlement Period. Defendants' records indicate that you worked <<[REDACTED]>> weeks as a nonexempt employee of Defendants during the PAGA Period. Based on these records, your estimated payment as a Settlement Class Member would be \$<<EstimatedAward>>.

Class Members who do not opt-out will be paid out of the Net Settlement Amount. One-fifth of each Settlement Payment will be designated for alleged unpaid wages, for which an IRS Form W-2 shall be issued. The remaining four-fifths of each Individual Settlement Payment will be designated for interest and penalties, for which an IRS Form 1099 shall be issued.

If you believe you had a different number of weeks worked than the number referenced above, you may dispute your calculation by providing written documentation to the Settlement Administrator supporting your position on or before **[RESPONSE DEADLINE]**. Your dispute must contain: your full name, address, signature, and last four digits of your Social Security number; and any facts supporting your dispute, along with any supporting materials confirming that the weeks attributed to you are incorrect. If you do not dispute your weeks worked calculation and do not opt out of the settlement, you will be bound by the settlement and receive a settlement payment. The Settlement Administrator's determination of disputes will be final and non-appealable. **In other words, if you are a Class Member, you do not need to take any action to receive the settlement payment set forth above.**

12. When would I get my payment?

As set forth in Section 18, below, the Court will hold a hearing on **[DATE OF FINAL APPROVAL]** to decide whether to approve the settlement. If the Court approves the settlement, after that there may be appeals if anyone has filed a timely objection. It is always uncertain when these objections and appeals can be resolved, and resolving them can take time. To check on the progress of the settlement, you may call the Settlement Administrator at **XXX-XXX-XXXX**, or contact Class Counsel (see Question 22 for contact info.). *Please be patient.*

13. What claims am I releasing?

Upon the court's final approval of the class settlement and entry of final judgment, each Settlement Class Member shall be deemed to have released Defendants and all of their present and former parent companies, subsidiaries, divisions, related, or affiliated companies, and their officers, directors, employees, agents, attorneys, insurers, successors, and assigns (collectively the "Released Parties"), from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorney's fees, damages, actions or causes of action which are alleged, or reasonably could have been alleged based on the facts and claims asserted in the operative complaint filed in this action, including without limitation to, claims for restitution and other equitable relief, claims for unpaid wages, unpaid overtime wages, meal/rest period penalties, waiting time penalties, unfair business practices, failure to provide accurate wage statements, declaratory relief, accounting, injunctive relief, civil penalties brought under the Labor Code Private Attorneys General Act of 2004 (Labor Code Section 2698 et seq.), claims for penalties of any nature whatsoever arising out of the Released Claims, or any other benefit claimed on account of allegations and claims which are reasonably related to the allegations and claims asserted in the operative complaint filed in this action and thus could have been asserted. This release shall apply to claims arising at any point during the Settlement Period. The release shall exclude claims for vested benefits,

wrongful termination, unemployment insurance, disability, workers' compensation, claims arising while classified as exempt from overtime, claims outside of the Settlement Period, or any other claim or right that as a matter of law cannot be waived or released.

14. Do I have a lawyer in this case?

The Court has appointed Diversity Law Group, P.C. to represent you and all the other Class Members in this action. Class Counsel will be compensated from the Gross Settlement Amount as discussed in this Class Notice. If you want to be represented by your own lawyer, you may hire one at your own expense.

15. How will the lawyers be paid?

Class Counsel will ask the Court to approve payment of \$1,250,000 (one-third of the Gross Settlement Amount) to them for attorneys' fees, as well as their actual costs up to \$25,000. The fees will pay Class Counsel for investigating the facts, litigating the case and negotiating and finalizing the settlement. Defendants have agreed not to oppose Class Counsel's application for these fees and expenses. The Court may choose to award less than the amount requested by Class Counsel. All other payments to the Plaintiff and to the Settlement Administrator also come from the Gross Settlement Amount.

16. How can I opt out of this settlement?

You can opt out of this settlement and retain your rights. To do so, you must prepare and submit in writing your signed and dated statement that you want to be excluded from the settlement. You must include your name, address and last four digits of your social security number; the name of the case and the case number, and a clear statement that you seek to be excluded from the Settlement. Your written statement must be received or mailed to the Settlement Administrator, Phoenix Settlement Administrators, and be postmarked no later than **[RESPONSE DEADLINE]**, or it will not be considered and you will still remain a Settlement Class Member, and be bound by the settlement. Phoenix Settlement Administrators's address is listed in section 23, below.

17. How do I tell the Court that I do not agree with the settlement?

If you do not opt out, you can object to the settlement if you do not agree with it. You should give reasons why you think the Court should not approve the settlement and the Court will consider your views. To object, and to have the Court hear your views, you should send a letter saying that you object to the settlement and give your reasons. Be sure to include your name, address and last four digits of your social security number, case name and number, and provide both the legal and the factual reasons you object to the settlement, and indicate whether you intend to appear at the Final Fairness Hearing. Your objection is to be mailed to the Settlement Administrator, Phoenix Settlement Administrators, and must be postmarked no later than **[RESPONSE DEADLINE]**. Phoenix Settlement Administrators' address is listed in section 23, below.

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you do not have to appear at the hearing.

18. When and where will the Court decide whether to approve the settlement?

The Court will hold a Fairness Hearing on **[DATE OF FINAL APPROVAL HEARING]** in Department S26 of the San Bernardino County Superior Court. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections and they have been properly lodged, the Court will consider them. The Judge will listen to people who attend the hearing and who do not opt out. The Court may also decide how much to pay to Class Counsel. At or after the hearing, the Court will decide whether to approve the settlement. We do not know how long this decision will take.

19. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Judge may have. But you are welcome to come at your own expense. If you sent an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but that is not required.

20. May I speak at the hearing?

If you wish to speak at the Final Approval Hearing, you may appear at the scheduled Final Approval Hearing. You cannot speak at the hearing if you have excluded yourself from the Settlement.

21. What happens if I do nothing at all?

You will be a member of the settlement class. You will be bound by the release as set forth under question 13. Once the Settlement is finally approved by the Court, and the necessary deadlines have passed, you will be mailed your settlement check.

GETTING MORE INFORMATION

22. Are there more details about the settlement?

This Class Notice summarizes the proposed settlement. You may call or contact the Settlement Administrator or Class Counsel if you would like more information about the case. The pleadings and other records in this litigation, including the Settlement Agreement, may be also obtained on the settlement website here: url.com. The pleadings and other records in this litigation may be examined online on the San Bernardino County Superior Court's website, at <https://cap.sb-court.org/search>. After arriving at the website, enter the case number (CIVDS2016835) as the case number and click 'SEARCH.' Images of every document filed in the case may be purchased at a minimal charge. Class Counsel may be reached at:

DIVERSITY LAW GROUP, PC
Larry W. Lee
lwlee@diversitylaw.com
Simon L. Yang
sly@diversitylaw.com
515 South Figueroa Street, Suite 1250
Los Angeles, California 90071
Tel: (213) 488-6555
Fax: (213) 488-6554

23. How do I get more information?

You may visit www., call the Settlement Administrator at [[phone](tel:)], or Class Counsel above, or write to the Settlement Administrator at [[address](#)].

PLEASE DO NOT CONTACT THE COURT OR DEFENDANT WITH INQUIRIES.