

SALUSKY LAW GROUP, APC
Anna R. Salusky, Esq. (SBN: 222484)
3738 Bayer Avenue, Suite 104, Long Beach, CA 90808
Tel: (562)855-0004/ Fax: (562)855-0002
Email: asalusky@saluskylaw.com

Attorney for Plaintiff GINA GOMEZ, on behalf of herself and all others similarly situated.

FINKELSTEIN & KRINSK LLP
Jeffrey R. Krinsk, Esq. (SBN: 109234)
501 West Broadway, Suite 1260, San Diego, California 92101
Telephone: (619) 238-1333/ Facsimile: (619) 238-5425
Email: jrk@classactionlaw.com

HILLIER DIGIACCO LLP
Francis A. DiGiacco, Esq. (SBN: 265625)
600 W. Broadway, Suite 700, San Diego, CA 92101
Telephone: (619) 500-7906/ Fax: (619) 839-3895
Email: frankie@hdlawllp.com

Attorneys for Plaintiff JANNETTE GALLEGOS, similarly situated individuals, and Aggrieved Employees

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

JANETTE GALLEGOS, individually, and
on behalf of other members of the general
public similarly situated and as an
aggrieved employee pursuant to the Private
Attorneys General Act ("PAGA"),

Plaintiff,

v.

CHILDREN'S INSTITUTE, INC., a
California non-profit corporation; and
DOES 1 through 10, inclusive

Defendants.

GINA GOMEZ, on behalf of herself and all
others similarly situated and the general public,

Plaintiffs,

v.

CHILDREN'S INSTITUTE, INC., a California
Nonprofit Public Benefit Corporation; and DOES
1 through 50 inclusive,

Defendants.

Lead Case No. 21STCV19276
Related to Case No.: 21STCV35411
Hon. Elihu M. Berle
Dept.: 6

CLASS ACTION

**CLASS ACTION AND PAGA SETTLEMENT
AGREEMENT**

1 This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and
2 between plaintiffs JANETTE GALLEGOS and GINA GOMEZ (collectively “Plaintiffs”) and
3 defendant CHILDREN’S INSTITUTE INC. (“Defendant”). The Agreement refers to Plaintiffs
4 and Defendant collectively as “Parties,” or individually as “Party.”

5 **1. DEFINITIONS.**

6 1.1. “Action” means the Plaintiffs’ lawsuits alleging wage and hour violations against
7 Defendant captioned *Janette Gallegos v. Children’s Institute, Inc., et al.*, Case No. 21STCV19276,
8 initiated on May 21, 2021, and pending in Superior Court of the State of California, County of Los
9 Angeles, and *Gina Gomez v. Children’s Institute, Inc., et al.*, Case No. 21STCV35411, initiated
10 on September 27, 2021 and pending in the Superior Court of the State of California, County of
11 Los Angeles.

12 1.2. “Administrator” means Rust Consulting, the neutral entity the Parties have agreed to
13 appoint to administer the Settlement.

14 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid
15 from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance
16 with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary
17 Approval of the Settlement.

18 1.4. “Aggrieved Employee” means “a person employed by Defendant in California and
19 classified as a non-exempt, hourly employee, who worked for Defendant during the PAGA
20 Period”.

21 1.5. “Class” means “all persons employed by Defendant in California and classified as non-
22 exempt hourly employees, who worked for Defendant during the Class Period”.

23 1.6. “Class Counsel” means Anna R. Salusky of SALUSKY LAW GROUP, APC, Jeffrey
24 R. Krinsk, Esq., of FINKELSTEIN & KRINSK LLP and Francis A. DiGiacco, Esq., of HILLIER
25 DIGIACCO LLP.

26 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment”
27 mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and
28 expenses, respectively, incurred to prosecute the Action.

1.8. "Class Data" means Class Member identifying information in Defendant's possession including the Class Member's name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

1.9. "Class Member" or "Settlement Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

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

1.11. "Class Notice" means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12. "Class Period" means the period from May 21, 2017 through the date of preliminary approval.

1.13. "Class Representatives" means the named Plaintiffs in the operative complaints in the Action seeking Court approval to serve as a Class Representative.

1.14. "Class Representative Service Payments" means the payments to the Class Representatives for initiating the Action and providing services in support of the Action.

1.15. "Court" means the Superior Court of California, County of Los Angeles.

1.16. "CHILDREN'S INSTITUTE, INC." means named Defendant Children's Institute, Inc.

1.17. "Defense Counsel" means James S. Cooper, Esq., of Levinson Arshonsky, & Kurtz, LLP, located at 15303 Ventura Blvd., Suite 1650, Sherman Oaks, CA 91403, Tel: (818) 382-3434, email: jcooper@laklawyers.com.

1.18. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the

Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.19. "Final Approval" means the Court's order granting final approval of the Settlement.

1.20. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

1.21. "Final Judgment" means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

1.22. "Gross Settlement Amount" means One Million Eight Hundred Fifty Thousand Dollars and Zero Cents (\$1,850,000.00), which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payments and the Administrator's Expenses.

1.23. "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.24. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.

1.25. "Judgment" means the judgment entered by the Court based upon the Final Approval.

1.26. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.27. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.28. "Net Settlement Amount" means the Gross Settlement Amount, less the following

1 payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA
2 Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel
3 Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be
4 paid to Participating Class Members as Individual Class Payments.

5 1.29. “Non-Participating Class Member” means any Class Member who opts out of the
6 Settlement by sending the Administrator a valid and timely Request for Exclusion.

7 1.30. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee
8 worked for Defendant for at least one day during the PAGA Period.

9 1.31. “PAGA Period” means the period from May 20, 2020 through the present.

10 1.32. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

11 1.33. “PAGA Notice” means Plaintiff GALLEGOS’ May 20, 2021 letter to Defendant
12 CHILDREN’S INSTITUTE, INC. and the LWDA and Plaintiff GOMEZ’s May 26, 2021 letter to
13 CHILDREN’S INSTITUTE, INC. and the LWDA, providing notice pursuant to Labor Code
14 section 2699.3, subd.(a).

15 1.34. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from
16 the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$25,000) and the 75%
17 to LWDA (\$75,000) in settlement of PAGA.

18 1.35. “Participating Class Member” means a Class Member who does not submit a valid
19 and timely Request for Exclusion from the Settlement.

20 1.36. “Plaintiffs” mean JANETTE GALLEGOS and GINA GOMEZ, the named plaintiffs
21 in the Action.

22 1.37. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of
23 the Settlement.

24 1.38. “Preliminary Approval Order” means the proposed Order Granting Preliminary
25 Approval and Approval of PAGA Settlement.

26 1.39. “Released Class Claims” means the claims being released as described in Paragraph
27 6.2 below.

28 1.40. “Released PAGA Claims” means the claims being released as described in Paragraph

6.2 below.

1.41. "Released Parties" means: Defendant CHILDREN'S INSTITUTE, INC. and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries and/or affiliates.

1.42. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.43. "Response Deadline" means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

1.44. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.45. "Workweek" means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. RECITALS.

2.1. On May 21, 2021, Plaintiff GALLEGOS commenced this Action by filing a Complaint against Defendant. On May 25, 2021, Plaintiff GALLEGOS filed an amended complaint against Defendant. On August 11, 2021, Plaintiff GALLEGOS filed a Second Amended Complaint alleging causes of action against Defendant for: (1) Violation of Labor Code sections 510 and 1198 (Unpaid Overtime); (2) Violation of Labor Code sections 1182.12, 1194 and 1197.1 (Unpaid Minimum Wages); (3) Violation of Labor Code Sections 226.7 and 512(a) (Failure to Provide Meal Periods); (4) Violation of Labor Code section 226.7 (Failure to Provide Rest Periods); (5) Violation of Labor Code sections 226(a), 1174(d) and 1198 (Non-compliant wage statements and failure to maintain records); (6) Violation of Labor Code sections 201 and 202 (Wages Not Timely Paid Upon Termination); (7) Violation of Labor Code section 2802 (Unreimbursed Business Expense) and (8) Civil Penalties for Violation of Labor Code Pursuant to PAGA, Sections 2698,

et seq; (9) Violation of Business and Professions Code section 17200 (Unlawful Business Practices); and (10) Violation of Business and Professions Code section 17200, et seq. The Second Amended Complaint is the operative complaint in the Action (the “Operative Complaint”). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.

On September 27, 2021, Plaintiff GOMEZ commenced her Action by filing a Complaint alleging causes of action against Defendant for (1) Failure to Provide Compliant Meal Periods pursuant to Labor Code sections 226.7 and 512; (2) Failure to Provide Compliant Rest Periods pursuant to Labor Code section 226.7 and Wage Order 9; (3) Failure to Pay Minimum Wage and Overtime Wages pursuant to Labor Code sections 204, 510, 1194; (4) Failure to Reimburse for Necessary Expenditures pursuant to Labor Code section 2802; (5) Failure to Keep Accurate Wage Statements and Maintain Records Pursuant to Labor Code sections 226, 1174; (6) Failure to Pay Wages Due at Separation of Employment pursuant to Labor Code sections 201, 202, 203; (7) Unfair Business Practices; and (8) Penalties Under PAGA Pursuant to Labor Code sections 2698-2699. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written notice to Defendant CHILDREN’S INSTITUTE, INC. and the LWDA by sending the PAGA Notice.

2.3. On Monday, October 31, 2022, the Parties participated in an all-day mediation presided over by Hon. Judge Carl West, Ret. which led to this Agreement to settle the Action.

2.4. Prior to mediation, Plaintiffs obtained, through informal discovery, a 30% random sampling of wage and payroll records, as well as Defendant’s wage and hour policies and procedures in effect during the Class Period. Plaintiffs engaged the services of an economic expert to calculate and estimate damages allegedly sustained by the Class. Plaintiffs’ investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th

116, 129-130 (“*Dunk/Kullar*”).

2.5. The Court has not granted class certification.

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

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay One Million Eight Hundred Fifty Thousand and Zero Cents (\$1,850,000.00) and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1. To Plaintiff: Class Representative Service Payment to each of the Class Representatives of not more than Ten Thousand Dollars and Zero Cent (\$10,000) (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as a Participating Class Member). Defendant will not oppose each Plaintiff’s request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator

1 will retain the remainder in the Net Settlement Amount. The Administrator will pay
2 the Class Representative Service Payment using IRS Form 1099. Plaintiffs assume
3 full responsibility and liability for taxes owed on the Class Representative Service
4 Payment.

5 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 33.3%,
6 which is currently estimated to be Six Hundred Sixteen Thousand Six Hundred
7 Ninety-Six Dollars and Sixty-Six Cents (\$616,696.66) and a Class Counsel
8 Litigation Expenses Payment of not more than Twenty-Five Thousand Dollars and
9 Zero Cents (\$25,000). Defendant will not oppose requests for these payments
10 provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will
11 file a motion for Class Counsel Fees Payment and Class Litigation Expenses
12 Payment no later than 16 court days prior to the Final Approval Hearing. If the
13 Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation
14 Expenses Payment less than the amounts requested, the Administrator will allocate
15 the remainder to the Net Settlement Amount. Released Parties shall have no liability
16 to Class Counsel or any other Plaintiff's Counsel arising from any claim to any
17 portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses
18 Payment. The Administrator will pay the Class Counsel Fees Payment and Class
19 Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel
20 assumes full responsibility and liability for taxes owed on the Class Counsel Fees
21 Payment and the Class Counsel Litigation Expenses Payment and holds Defendant
22 harmless, and indemnifies Defendant, from any dispute or controversy regarding
23 any division or sharing of any of these Payments.

24 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed
25 Fourteen Thousand Six Hundred and Ninety Eight Dollars and Zero Cents
26 (\$14,698.00) except for a showing of good cause and as approved by the Court. To
27 the extent the Administration Expenses are less or the Court approves payment less
28 than Fourteen Thousand Six Hundred and Ninety Eight Dollars and Zero Cents

1 (\$14,698.00), the Administrator will retain the remainder in the Net Settlement
2 Amount.

3 3.2.4. To Each Participating Class Member: An Individual Class Payment
4 calculated by (a) dividing the Net Settlement Amount by the total number of
5 Workweeks worked by all Participating Class Members during the Class Period
6 and (b) multiplying the result by each Participating Class Member's Workweeks.

7 3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each
8 Participating Class Member's Individual Class Payment will be allocated to
9 settlement of wage claims (the "Wage Portion"). The Wage Portions are subject
10 to tax withholding and will be reported on an IRS W-2 Form. The remaining
11 80% of each Participating Class Member's Individual Class Payment will be
12 allocated to settlement of claims for penalties under Labor Code and interest
13 ("the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage
14 withholdings and will be reported on IRS 1099 Forms. Participating Class
15 Members assume full responsibility and liability for any employee taxes owed
16 on their Individual Class Payment.

17 3.2.4.2. Effect of Non-Participating Class Members on Calculation of
18 Individual Class Payments. Non-Participating Class Members will not receive
19 any Individual Class Payments. The Administrator will retain amounts equal to
20 their Individual Class Payments in the Net Settlement Amount for distribution
21 to Participating Class Members on a pro rata basis.

22 3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of
23 One Hundred Thousand Dollars and Zero Cents (\$100,000.00) to be paid from the
24 Gross Settlement Amount, with 75% Seventy Five Thousand Dollars and Zero
25 Cents (\$75,000.00) allocated to the LWDA PAGA Payment and 25% Twenty Five
26 Thousand Dollars and Zero Cents (\$25,000.00) allocated to the Individual PAGA
27 Payments.

28 3.2.5.1. The Administrator will calculate each Individual PAGA Payment by

(a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$25,000) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are One Thousand Eight Hundred Sixty Six (1,866) Class Members who collectively worked a total of One Hundred Ninety Four Thousand Nine Hundred Thirty Five (194,935) Workweeks, and One Thousand Three Hundred Seventy Nine (1,379) of Aggrieved Employees who worked a total of Forty Eight Thousand Five Hundred Eighty Nine (48,589) PAGA Pay Periods.

4.2. Class Data. Not later than 30 days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class

1 Data.

2 4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement
3 Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by
4 transmitting the funds to the Administrator no later than 14 days after the Effective Date.

5 4.4. Payments from the Gross Settlement Amount. Within 30 days after Defendant funds
6 the Gross Settlement Amount, the Administrator will mail checks for all Individual Class
7 Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration
8 Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses
9 Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees
10 Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service
11 Payment shall not precede disbursement of Individual Class Payments and Individual PAGA
12 Payments.

13 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or
14 Individual PAGA Payments and send them to the Class Members via First Class
15 U.S. Mail, postage prepaid. The face of each check shall prominently state the date
16 (not less than 180 days after the date of mailing) when the check will be voided.
17 The Administrator will cancel all checks not cashed by the void date. The
18 Administrator will send checks for Individual Settlement Payments to all
19 Participating Class Members (including those for whom Class Notice was returned
20 undelivered). The Administrator will send checks for Individual PAGA Payments
21 to all Aggrieved Employees including Non-Participating Class Members who
22 qualify as Aggrieved Employees (including those for whom Class Notice was
23 returned undelivered). The Administrator may send Participating Class Members a
24 single check combining the Individual Class Payment and the Individual PAGA
25 Payment. Before mailing any checks, the Settlement Administrator must update the
26 recipients' mailing addresses using the National Change of Address Database.

27 4.4.2. The Administrator must conduct a Class Member Address Search for all other
28 Class Members whose checks are returned undelivered without USPS forwarding

1 address. Within 7 days of receiving a returned check the Administrator must re-
2 mail checks to the USPS forwarding address provided or to an address ascertained
3 through the Class Member Address Search. The Administrator need not take further
4 steps to deliver checks to Class Members whose re-mailed checks are returned as
5 undelivered. The Administrator shall promptly send a replacement check to any
6 Class Member whose original check was lost or misplaced, requested by the Class
7 Member prior to the void date.

8 4.4.3. For any Class Member whose Individual Class Payment check or Individual
9 PAGA Payment check is uncashed and cancelled after the void date, the
10 Administrator shall transmit the funds represented by such checks to a the Legal
11 Aid Foundation of Los Angeles (“Cy Pres Recipient”) consistent with Code of Civil
12 Procedure section 384, subd. (b). The Parties, Class Counsel and Defense Counsel
13 represent that they have no interest or relationship, financial or otherwise, with the
14 intended Cy Pres Recipient.

15 4.4.4. The payment of Individual Class Payments and Individual PAGA Payments
16 shall not obligate Defendant to confer any additional benefits or make any
17 additional payments to Class Members (such as 401(k) contributions or bonuses)
18 beyond those specified in this Agreement.

19 **6. RELEASES OF CLAIMS.**

20 Effective on the date when Defendant fully funds the entire Gross Settlement Amount and
21 funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments,
22 Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as
23 follows:

24 6.1 Plaintiffs’ Release. Plaintiffs and their respective former and present spouses,
25 representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release
26 and discharge Released Parties from all claims, transactions, or occurrences that occurred during
27 the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have
28 been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims

1 that were, or reasonably could have been, alleged based on facts contained in the Operative
2 Complaint, Plaintiffs' PAGA Notices,. ("Plaintiffs' Release.") Plaintiffs' Release does not extend
3 to any claims or actions to enforce this Agreement, or to any claims for vested benefits,
4 unemployment benefits, disability benefits, social security benefits, workers' compensation
5 benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs
6 acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or
7 law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' Release
8 shall be and remain effective in all respects, notwithstanding such different or additional facts or
9 Plaintiffs' discovery of them.

10 6.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542.

11 For purposes of Plaintiffs' Release, Plaintiffs expressly waives and relinquishes the
12 provisions, rights, and benefits, if any, of section 1542 of the California Civil
13 Code, which reads:

14 **A general release does not extend to claims that the creditor or releasing party**
15 **does not know or suspect to exist in his or her favor at the time of executing**
16 **the release, and that if known by him or her would have materially affected**
17 **his or her settlement with the debtor or Released Party**

18 6.2 Release by Participating Class Members Who Are Not Aggrieved Employees: All
19 Participating Class Members, on behalf of themselves and their respective former and present
20 representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released
21 Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the
22 Class Period facts stated in the Operative Complaint. Except as set forth in Section 6.3 of this
23 Agreement, Participating Class Members do not release any other claims, including claims for
24 vested benefits, wrongful termination, violation of the Fair Employment and Housing Act,
25 unemployment insurance, disability, social security, workers' compensation, or claims based on
26 facts occurring outside the Class Period.

27 6.3 Release by Non-Participating Class Members Who Are Aggrieved Employees:

28 All Non-Participating Class Members who are Aggrieved Employees are deemed to

1 release, on behalf of themselves and their respective former and present representatives, agents,
2 attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for
3 PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA
4 Period facts stated in the Operative Complaints, and the PAGA Notices.

5 **7. MOTION FOR PRELIMINARY APPROVAL.**

6 The Parties agree to jointly prepare and file a motion for preliminary approval (“Motion
7 for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary
8 Approvals.

9 7.1 Defendant’s Declaration in Support of Preliminary Approval. Within 30 days of the
10 full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed
11 Declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual or
12 potential conflicts of interest with the Administrator and Cy Pres Recipient. In their Declarations,
13 Defense Counsel and Defendant shall aver that they are not aware of any other pending matter or
14 action asserting claims that will be extinguished or adversely affected by the Settlement.

15 7.2 Plaintiff’s Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all
16 documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and
17 memorandum in support of the Motion for Preliminary Approval that includes an analysis of the
18 Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor
19 Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and
20 Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from
21 the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting
22 to its willingness to serve; competency; operative procedures for protecting the security of Class
23 Data; amounts of insurance coverage for any data breach, defalcation of funds or other
24 misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members
25 and/or the proposed Cy Pres; and the nature and extent of any financial relationship with Plaintiff,
26 Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness
27 and competency to serve and disclosing all facts relevant to any actual or potential conflicts of
28 interest with Class Members, the Administrator and/or the proposed Cy Pres; (v) a signed

1 declaration from each Class Counsel firm attesting to its competency to represent the Class
2 Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice
3 of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section
4 2699, subd. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); (vi) a redlined version
5 of the parties' Agreement showing all modifications made to the Model Agreement ready for filing
6 with the Court; and (vii) all facts relevant to any actual or potential conflict of interest with Class
7 Members, the Administrator and/or the Cy Pres Recipient. In their Declarations, Plaintiff and Class
8 Counsel Declaration shall aver that they are not aware of any other pending matter or action
9 asserting claims that will be extinguished or adversely affected by the Settlement.

10 7.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible
11 for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days
12 after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for
13 Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for
14 Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary
15 Approval to the Administrator.

16 7.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
17 Preliminary Approval and/or the supporting declarations and documents, Class Counsel and
18 Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or
19 by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary
20 Approval or conditions Preliminary Approval on any material change to this Agreement, Class
21 Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting
22 in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the
23 Court's concerns.

24 **8. SETTLEMENT ADMINISTRATION.**

25 8.1 Selection of Administrator. The Parties have jointly selected Rust Consulting to serve
26 as the Administrator and verified that, as a condition of appointment, Rust Consulting agrees to be
27 bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in
28 exchange for payment of Administration Expenses. The Parties and their Counsel represent that

1 they have no interest or relationship, financial or otherwise, with the Administrator other than a
2 professional relationship arising out of prior experiences administering settlements.

3 8.2 Employer Identification Number. The Administrator shall have and use its own
4 Employer Identification Number for purposes of calculating payroll tax withholdings and
5 providing reports state and federal tax authorities.

6 8.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that
7 meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation
8 section 468B-1.

9 8.4 Notice to Class Members.

10 8.4.1 No later than three (3) business days after receipt of the Class Data, the
11 Administrator shall notify Class Counsel that the list has been received and state
12 the number of Class Members, PAGA Members, Workweeks, and Pay Periods in
13 the Class Data.

14 8.4.2 Using best efforts to perform as soon as possible, and in no event later than
15 14 days after receiving the Class Data, the Administrator will send to all Class
16 Members identified in the Class Data, via first-class United States Postal Service
17 (“USPS”) mail, the Class Notice substantially in the form attached to this
18 Agreement as Exhibit A. The first page of the Class Notice shall prominently
19 estimate the dollar amounts of any Individual Class Payment and/or Individual
20 PAGA Payment payable to the Class Member, and the number of Workweeks and
21 PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing
22 Class Notices, the Administrator shall update Class Member addresses using the
23 National Change of Address database.

24 8.4.3 Not later than 3 business days after the Administrator’s receipt of any Class
25 Notice returned by the USPS as undelivered, the Administrator shall re-mail the
26 Class Notice using any forwarding address provided by the USPS. If the USPS does
27 not provide a forwarding address, the Administrator shall conduct a Class Member
28 Address Search, and re-mail the Class Notice to the most current address obtained.

1 The Administrator has no obligation to make further attempts to locate or send
2 Class Notice to Class Members whose Class Notice is returned by the USPS a
3 second time.

4 8.4.4 The deadlines for Class Members' written objections, Challenges to
5 Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an
6 additional 14 days beyond the 60 days otherwise provided in the Class Notice for
7 all Class Members whose notice is re-mailed. The Administrator will inform the
8 Class Member of the extended deadline with the re-mailed Class Notice.

9 8.4.5 If the Administrator, Defendant or Class Counsel is contacted by or otherwise
10 discovers any persons who believe they should have been included in the Class
11 Data and should have received Class Notice, the Parties will expeditiously meet
12 and confer in person or by telephone, and in good faith, in an effort to agree on
13 whether to include them as Class Members. If the Parties agree, such persons will
14 be Class Members entitled to the same rights as other Class Members, and the
15 Administrator will send, via email or overnight delivery, a Class Notice requiring
16 them to exercise options under this Agreement not later than 14 days after receipt
17 of Class Notice, or the deadline dates in the Class Notice, which ever are later.

18 8.5 Requests for Exclusion (Opt-Outs).

19 8.5.1 Class Members who wish to exclude themselves (opt-out of) the Class
20 Settlement must send the Administrator, by fax, email, or mail, a signed written
21 Request for Exclusion not later than 60 days after the Administrator mails the Class
22 Notice (plus an additional 14 days for Class Members whose Class Notice is re-
23 mailed). A Request for Exclusion is a letter from a Class Member or his/her
24 representative that reasonably communicates the Class Member's election to be
25 excluded from the Settlement and includes the Class Member's name, address and
26 email address or telephone number. To be valid, a Request for Exclusion must be
27 timely faxed, emailed, or postmarked by the Response Deadline.

28 8.5.2 The Administrator may not reject a Request for Exclusion as invalid because

1 it fails to contain all the information specified in the Class Notice. The
2 Administrator shall accept any Request for Exclusion as valid if the Administrator
3 can reasonably ascertain the identity of the person as a Class Member and the Class
4 Member's desire to be excluded. The Administrator's determination shall be final
5 and not appealable or otherwise susceptible to challenge. If the Administrator has
6 reason to question the authenticity of a Request for Exclusion, the Administrator
7 may demand additional proof of the Class Member's identity. The Administrator's
8 determination of authenticity shall be final and not appealable or otherwise
9 susceptible to challenge.

10 8.5.3 Every Class Member who does not submit a timely and valid Request for
11 Exclusion is deemed to be a Participating Class Member under this Agreement,
12 entitled to all benefits and bound by all terms and conditions of the Settlement,
13 including the Participating Class Members' Releases under Paragraphs 6.2 and 6.3
14 of this Agreement, regardless of whether the Participating Class Member actually
15 receives the Class Notice or objects to the Settlement.

16 8.5.4 Every Class Member who submits a valid and timely Request for Exclusion
17 is a Non-Participating Class Member and shall not receive an Individual Class
18 Payment or have the right to object to the class action components of the Settlement.
19 Because future PAGA claims are subject to claim preclusion upon entry of the
20 Judgment, Non-Participating Class Members who are Aggrieved Employees are
21 deemed to release the claims identified in Paragraph 6.4 of this Agreement and are
22 eligible for an Individual PAGA Payment.

23 8.6 Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after
24 the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose
25 Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods
26 (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the
27 allocation by communicating with the Administrator via fax, email or mail. The Administrator
28 must encourage the challenging Class Member to submit supporting documentation. In the absence

1 of any contrary documentation, the Administrator is entitled to presume that the Workweeks
2 contained in the Class Notice are correct so long as they are consistent with the Class Data. The
3 Administrator's determination of each Class Member's allocation of Workweeks and/or Pay
4 Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator
5 shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to
6 Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7 8.7 Objections to Settlement.

8 8.7.1 Only Participating Class Members may object to the class action components
9 of the Settlement and/or this Agreement, including contesting the fairness of the
10 Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class
11 Counsel Litigation Expenses Payment and/or Class Representative Service
12 Payment.

13 8.7.2 Participating Class Members may send written objections to the
14 Administrator, by fax, email, or mail. In the alternative, Participating Class
15 Members may appear in Court (or hire an attorney to appear in Court) to present
16 verbal objections at the Final Approval Hearing. A Participating Class Member
17 who elects to send a written objection to the Administrator must do so not later than
18 60 days after the Administrator's mailing of the Class Notice (plus an additional 14
19 days for Class Members whose Class Notice was re-mailed).

20 8.7.3 Non-Participating Class Members have no right to object to any of the class
21 action components of the Settlement.

22 8.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to
23 be performed or observed by the Administrator contained in this Agreement or otherwise.

24 8.8.1 Website, Email Address and Toll-Free Number. The Administrator will
25 establish and maintain and use an internet website to post information of interest to
26 Class Members including the date, time and location for the Final Approval Hearing
27 and copies of the Settlement Agreement, Motion for Preliminary Approval, the
28 Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion

1 for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and
2 Class Representative Service Payment, the Final Approval and the Judgment. The
3 Administrator will also maintain and monitor an email address and a toll-free
4 telephone number to receive Class Member calls, faxes and emails.

5 8.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
6 promptly review on a rolling basis Requests for Exclusion to ascertain their validity.
7 Not later than 5 days after the expiration of the deadline for submitting Requests
8 for Exclusion, the Administrator shall email a list to Class Counsel and Defense
9 Counsel containing (a) the names and other identifying information of Class
10 Members who have timely submitted valid Requests for Exclusion (“Exclusion
11 List”); (b) the names and other identifying information of Class Members who have
12 submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion
13 from Settlement submitted (whether valid or invalid).

14 8.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written
15 reports to Class Counsel and Defense Counsel that, among other things, tally the
16 number of: Class Notices mailed or re-mailed, Class Notices returned undelivered,
17 Requests for Exclusion (whether valid or invalid) received, objections received,
18 challenges to Workweeks and/or Pay Periods received and/or resolved, and checks
19 mailed for Individual Class Payments and Individual PAGA Payments (“Weekly
20 Report”). The Weekly Reports must include provide the Administrator’s
21 assessment of the validity of Requests for Exclusion and attach copies of all
22 Requests for Exclusion and objections received.

23 8.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority
24 to address and make final decisions consistent with the terms of this Agreement on
25 all Class Member challenges over the calculation of Workweeks and/or Pay
26 Periods. The Administrator’s decision shall be final and not appealable or otherwise
27 susceptible to challenge.

28 8.8.5 Administrator’s Declaration. Not later than 14 days before the date by which

Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

8.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

9. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE

Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, (1) there One Hundred Ninety Four Thousand Nine Hundred Thirty Five (194,935) Total Workweeks during the Class period and (2) there were Aggrieved Employees who worked Forty Eight Thousand Five Hundred Eighty Nine (48,589) Pay Periods during the PAGA Period.

If the total number of Workweeks, and/or Pay Periods exceeds these estimates by 1% or more, then the Gross Settlement Amount shall increase by the same percentage by which the number exceeds the estimate (i.e., if the Total Workweeks during the Class period exceeds by one percent of One Hundred Ninety Four Thousand Nine Hundred Thirty Nine (194,935), then the

1 Gross Settlement Amount will increase by \$10.95 per additional Workweek.

2 **10. CHILDRENS INSTITUTE INC.'S RIGHT TO WITHDRAW.**

3 If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10%
4 of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the
5 Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio,
6 have no force or effect whatsoever, and that neither Party will have any further obligation to
7 perform under this Agreement; provided, however, Defendant will remain responsible for paying
8 all Settlement Administration Expenses incurred to that point. Defendant must notify Class
9 Counsel and the Court of its election to withdraw not later than seven days after the Administrator
10 sends the final Exclusion List to Defense Counsel; late elections will have no effect.

11 **11. MOTION FOR FINAL APPROVAL.**

12 Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will
13 file in Court, a motion for final approval of the Settlement that includes a request for approval of
14 the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order
15 and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts
16 of these documents to Defense Counsel not later than seven days prior to filing the Motion for
17 Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person
18 or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final
19 Approval.

20 11.1 Response to Objections. Each Party retains the right to respond to any objection raised
21 by a Participating Class Member, including the right to file responsive documents in Court no later
22 than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by
23 the Court.

24 11.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final
25 Approval on any material change to the Settlement (including, but not limited to, the scope of
26 release to be granted by Class Members), the Parties will expeditiously work together in good faith
27 to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval.
28 The Court's decision to award less than the amounts requested for the Class Representative Service

1 Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or
2 Administrator Expenses Payment shall not constitute a material modification to the Agreement
3 within the meaning of this paragraph.

4 11.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment,
5 the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes
6 of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters,
7 and (iii) addressing such post-Judgment matters as are permitted by law.

8 11.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
9 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
10 Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their
11 respective counsel, and all Participating Class Members who did not object to the Settlement as
12 provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to
13 post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for
14 new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of
15 the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties'
16 obligations to perform under this Agreement will be suspended until such time as the appeal is
17 finally resolved and the Judgment becomes final, except as to matters that do not affect the amount
18 of the Net Settlement Amount.

19 11.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
20 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material
21 modification of this Agreement (including, but not limited to, the scope of release to be granted by
22 Class Members), this Agreement shall be null and void. The Parties shall nevertheless
23 expeditiously work together in good faith to address the appellate court's concerns and to obtain
24 Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration
25 Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify
26 the Court's award of the Class Representative Service Payment or any payments to Class Counsel
27 shall not constitute a material modification of the Judgment within the meaning of this paragraph,
28 as long as the Gross Settlement Amount remains unchanged.

1 **12. AMENDED JUDGMENT.**

2 If any amended judgment is required under Code of Civil Procedure section 384, the Parties
3 will work together in good faith to jointly submit and a proposed amended judgment.

4 **13. ADDITIONAL PROVISIONS.**

5 13.1 No Admission of Liability, Class Certification or Representative Manageability for
6 Other Purposes. This Agreement represents a compromise and settlement of highly disputed
7 claims. Nothing in this Agreement is intended or should be construed as an admission by
8 Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has
9 any liability for any claims asserted; nor should it be intended or construed as an admission by
10 Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class
11 certification and representative treatment is for purposes of this Settlement only. If, for any reason
12 the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves
13 the right to contest certification of any class for any reasons, and Defendant reserves all available
14 defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification
15 on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and
16 Parties' willingness to settle the Action will have no bearing on, and will not be admissible in
17 connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and
18 this Agreement).

19 13.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant
20 and Defense Counsel separately agree that, until the Motion for Preliminary Approval of
21 Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause
22 or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement
23 directly or indirectly, specifically or generally, to any person, corporation, association, government
24 agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom
25 will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the
26 extent necessary to report income to appropriate taxing authorities; (4) in response to a court order
27 or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government
28 agency. Each Party agrees to immediately notify each other Party of any judicial or agency order,

1 inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant and Defense
2 Counsel separately agree not to, directly or indirectly, initiate any conversation or other
3 communication, before the filing of the Motion for Preliminary Approval, any with third party
4 regarding this Agreement or the matters giving rise to this Agreement except to respond only that
5 “the matter was resolved,” or words to that effect. This paragraph does not restrict Class Counsel’s
6 communications with Class Members in accordance with Class Counsel’s ethical obligations owed
7 to Class Members.

8 13.3 No Solicitation. The Parties separately agree that they and their respective counsel
9 and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal
10 from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel’s ability
11 to communicate with Class Members in accordance with Class Counsel’s ethical obligations owed
12 to Class Members.

13 13.4 Integrated Agreement. Upon execution by all Parties and their counsel, this
14 Agreement together with its attached exhibits shall constitute the entire agreement between the
15 Parties relating to the Settlement, superseding any and all oral representations, warranties,
16 covenants, or inducements made to or by any Party.

17 13.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
18 represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate
19 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate
20 its terms, and to execute any other documents reasonably required to effectuate the terms of this
21 Agreement including any amendments to this Agreement.

22 13.6 Cooperation. The Parties and their counsel will cooperate with each other and use
23 their best efforts, in good faith, to implement the Settlement by, among other things, modifying
24 the Settlement Agreement, submitting supplemental evidence and supplementing points and
25 authorities as requested by the Court. In the event the Parties are unable to agree upon the form or
26 content of any document necessary to implement the Settlement, or on any modification of the
27 Agreement that may become necessary to implement the Settlement, the Parties will seek the
28 assistance of a mediator and/or the Court for resolution.

1 13.7 No Prior Assignments. The Parties separately represent and warrant that they have not
2 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
3 encumber to any person or entity and portion of any liability, claim, demand, action, cause of
4 action, or right released and discharged by the Party in this Settlement.

5 13.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are
6 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied
7 upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part
8 10, as amended) or otherwise.

9 13.9 Modification of Agreement. This Agreement, and all parts of it, may be amended,
10 modified, changed, or waived only by an express written instrument signed by all Parties or their
11 representatives, and approved by the Court.

12 13.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure
13 to the benefit of, the successors of each of the Parties.

14 13.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be
15 governed by and interpreted according to the internal laws of the state of California, without regard
16 to conflict of law principles.

17 13.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation
18 of this Agreement. This Agreement will not be construed against any Party on the basis that the
19 Party was the drafter or participated in the drafting.

20 13.13 Confidentiality. To the extent permitted by law, all agreements made, and orders
21 entered during Action and in this Agreement relating to the confidentiality of information shall
22 survive the execution of this Agreement.

23 13.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to
24 Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel
25 by Defendant in connection with the mediation, other settlement negotiations, or in connection
26 with the Settlement, may be used only with respect to this Settlement, and no other purpose, and
27 may not be used in any way that violates any existing contractual agreement, statute, or rule of
28 court. Not later than 90 days after the date when the Court discharges the Administrator's

obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

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

13.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

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

To Plaintiffs:

SALUSKY LAW GROUP, APC
Anna R. Salusky, Esq. (SBN: 222484)
3738 Bayer Avenue, Suite 104, Long Beach, CA 90808
Tel: (562) 855-0004/ Fax: (562) 855-0002
Email: asalusky@saluskylaw.com

HILLIER DIGIACCO LLP
Francis A. DiGiacco, Esq. (SBN: 265625)
600 W. Broadway, Suite 700, San Diego, CA 92101
Telephone: (619) 330-5120/ Fax: (619) 839-3895
Email: frankie@hdlawllp.com

To Defendant:

LEVINSON ARSHONSKY KURTZ & KOMSKY, LLP
James S. Cooper, Esq. (SBN: 162469)
15303 Ventura Blvd., Suite 1650
Sherman Oaks, CA 91403
Tel: (818) 382-3434/ Fax (818) 382-3433
Email: Jcooper@lakklawyers.com

13.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or email 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 if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

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

Dated: March __, 2023

Plaintiff and Class Representative

By: _____

Janette Gallegos

Dated: April 4, 2023

Plaintiff and Class Representative

By: _____

DocuSigned by:

7305EF6D7D2248D...
Gina Gomez

Dated: April 3, 2023

Children's Institute, Inc.

By: _____


[Defendant's Representative]

1 APPROVED AS TO FORM:

2
3 Dated: April 4, 2023

SALUSKY LAW GROUP, APC

DocuSigned by:

Anna Salusky

727931CB47E5407...

Anna R. Salusky, Esq.

Attorney for Plaintiff GINA GOMEZ,
and on behalf of all employees similarly situated

8 Dated: March __, 2023

FINKELSTEIN & KRINSK LLP

9
10 By: _____

Jeffrey R. Krinsk, Esq.

Attorney for Plaintiff JANETTE GALLEGOS,
and on behalf of all employees similarly situated

13 Dated: March __, 2023

HILLIER DIGIACCO LLP

15 By: _____

Francis DiGiacco, Esq.

Attorney for Plaintiff JANETTE GALLEGOS,
and on behalf of all employees similarly situated

19 Dated: April 3, 2023

**LEVINSON ARSHONSKY
KURTZ & KOMSKY, LLP**

DocuSigned by:

James Cooper

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21 By: _____

James S. Cooper, Esq.

Attorney for Defendant CHILDREN'S
INSTITUTE, INC.

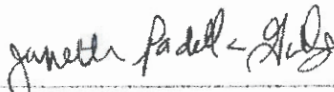
1 Agreement shall be accepted as an original. All executed counterparts and each of them will be
2 deemed to be one and the same instrument if counsel for the Parties will exchange between
3 themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove
4 the existence and contents of this Agreement.

5 13.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the
6 litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further
7 agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the
8 date to bring a case to trial under CCP section 583.310 for the entire period of this settlement
9 process.

10 Dated: 04 / 03 / 2023

Plaintiff and Class Representative

11 By:

12 
13 Janette Gallegos

14 Dated: March __, 2023

Plaintiff and Class Representative

15 By:

16 Gina Gomez

17 Dated: March __, 2023

Children's Institute, Inc.

18 By:

19 [Defendant's Representative]

1 APPROVED AS TO FORM:

2
3 Dated: March __, 2023

SALUSKY LAW GROUP, APC

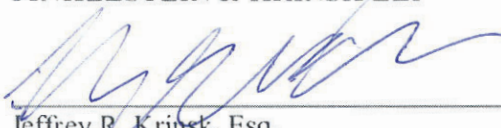
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5
6 Anna R. Salusky, Esq.
Attorney for Plaintiff GINA GOMEZ,
7 and on behalf of all employees similarly situated

8 Dated: March __, 2023

FINKELSTEIN & KRINSK LLP

9 April 3, 2023

10 By:

11 
Jeffrey R. Krinsk, Esq.
Attorney for Plaintiff JANETTE GALLEGOS,
12 and on behalf of all employees similarly situated

13 Dated: April 3, 2023

HILLIER DIGIACCO LLP

14
15 By:

16 
Francis DiGiacco, Esq.
Attorney for Plaintiff JANETTE GALLEGOS,
17 and on behalf of all employees similarly situated

18
19 Dated: March __, 2023

**LEVINSON ARSHONSKY
KURTZ & KOMSKY, LLP**

20
21 By:

22 James S. Cooper, Esq.
Attorney for Defendant CHILDREN'S
23 INSTITUTE, INC.
24
25
26
27
28

EXHIBIT A

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

Janette Gallegos v. Children's Institute, Inc., et al., Case No. 21STCV19276

Gina Gomez v. Children's Institute, Inc., et al., Case No. 21STCV35411

The Superior Court for the State of California authorized this Notice. Read it carefully! It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from an employee class action lawsuit ("Action") against Children's Institute, Inc. (abbreviate name; "Children's Institute" is used herein as a placeholder) for alleged wage and hour violations. The Action was filed by former Children's Institute employees Janette Gallegos and Gina Gomez ("Plaintiffs") and seeks payment of (1) back wages and other relief for a class of hourly employees ("Class Members") who worked for Children's Institute during the Class Period (May 21, 2017 to the date of preliminary approval, currently scheduled for May 10, 2023);

The proposed Settlement is a Class Settlement requiring Children's Institute to fund Individual Class Payments.

Based on Children's Institute's records, and the Parties' current assumptions, your Individual Class Payment is estimated to be \$_____ (less withholding). The actual amount you may receive likely will be different and will depend on a number of factors.

The above estimates are based on Children's Institute's records showing that you worked _____ workweeks during the Class Period. If you believe that you worked more workweeks during this period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Children's Institute to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against

Children’s Institute.

If you worked for Children’s Institute during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

(1) **Do Nothing.** You don’t have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims against Children’s Institute.

(2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Children’s Institute.

Children’s Institute will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don’t Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Children’s Institute that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don’t want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any

	payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You can Participate in the _____ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment depends on how many workweeks you worked at least one day during the Class Period. The number Class Period Workweeks you worked according to Children's Institute's records is stated on the first page of this Notice. If you disagree with this number, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs Janette Gallegos and Gina Gomez are former Children's Institute employees. The Action accuses Children's Institute of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination and reimbursable expenses and failing to provide meal periods, rest breaks and accurate itemized wage statements. Plaintiff is represented by attorneys in the Action: Anna R. Salusky of SALUSKY LAW GROUP, APC, Jeffrey R. Krinsk, Esq., of FINKELSTEIN & KRINSK LLP and Francis A. DiGiacco, Esq., of HILLIER DIGIACCO LLP. ("Class Counsel.")

Children's Institute strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

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

So far, the Court has made no determination whether Children's Institute or Plaintiff is correct on the merits. In the meantime, Plaintiff and Children's Institute hired a retired judge in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to

jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Children's Institute have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Children's Institute does not admit any violations or concede the merit of any claims. Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Children's Institute has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Children's Institute will pay One Million Eight Hundred Fifty Thousand Dollars and Zero Cents (\$1,850,000.00) as the Gross Settlement Amount (Gross Settlement). Children's Institute has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, and the Administrator's expenses. Assuming the Court grants Final Approval, Children's Institute will fund the Gross Settlement not more than [14] days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

A. Up to Six Hundred Sixteen Thousand Six Hundred Ninety-Six Dollars and Sixty-Six Cents (\$616,696.66) (33.3% of the Gross Settlement] to Class Counsel for attorneys' fees and up to Twenty-Five Thousand Dollars and Zero Cents (\$25,000) for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

B. Up to Ten Thousand Dollars and Zero Cents (\$10,000) each, as a Class Representative Award for Janette Gallegos and Gina Gomez for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.

C. Up to Fourteen Thousand Six Hundred and Ninety-Eight Dollars and Zero Cents (\$14,698.00) to the Administrator for services administering the Settlement.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiff and Children’s Institute are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to [e.g., interest, etc.] (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Children’s Institute will separately pay employer payroll taxes it owes on the Wage Portion. The Administrator will report the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and Children’s Institute have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will irrevocably lost to you because they will be paid to a non-profit organization or foundation (“Cy Pres”).

If the monies represented by your check is sent to the Controller’s Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Children’s Institute.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Children’s Institute have agreed that, in either case, the Settlement will be void: Children’s Institute will not pay any money and Class Members will not release any claims against Children’s Institute.

8. Administrator. The Court has appointed a neutral company, Rust Consulting (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over

Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

9. **Participating Class Members' Release.** After the Judgment is final and Children's Institute has fully funded the Gross Settlement [Option 1: (and separately paid all employer payroll taxes)], Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Children's Institute or related entities for wages based on the Class Period facts, as alleged in the Action and resolved by this Settlement.

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

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint [and ascertained in the course of the Action] [including, e.g., "(a) any and all claims involving any alleged failure to pay minimum wage; etc.]. Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. **Individual Class Payments.** The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

2. **Workweek Challenges.** The number of Class Workweeks you worked during the Class Period, as recorded in Children's Institute's records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Children's Institute's calculation of Workweeks based on Children's Institute's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Children's Institute's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Actions as *Janette Gallegos v. Children's Institute, Inc., et al.*, Case No. 21STCV19276, initiated on May 21, 2021, and pending in Superior Court of the State of California, County of Los Angeles, and *Gina Gomez v. Children's Institute, Inc., et al.*, Case No. 21STCV35411, initiated on September 27, 2021 and pending in the Superior Court of the State of California, County of Los Angeles, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. The Administrator must be sent your request to be excluded by _____, or it will be invalid. Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Children's Institute are asking the Court to approve. At least _____ days before the _____ Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website <https://www.rustconsulting.com/cases> or the Court's website _____.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is _____.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action _____ and include your name, current address,

telephone number, and approximate dates of employment for Children's Institute and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at _____ in Department 6 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website <https://www.rustconsulting.com/cases> beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Children's Institute Children's Institute and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to Rust Consulting's website at <https://www.rustconsulting.com/cases>. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. 21STCV19276. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

**DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION
ABOUT THE SETTLEMENT**

Class Counsel:

Jeffrey R. Krinsk, Esq.
FINKELSTEIN & KRINSK LLP
501 West Broadway, Suite 1260
San Diego, California 92101
Telephone: (619) 238-1333/ Facsimile: (619) 238-5425
Email: jrk@classactionlaw.com

Anna R. Salusky
SALUSKY LAW GROUP, APC
3738 Bayer Avenue, Suite 104, Long Beach, CA 90808
Tel: (562)855-0004/ Fax: (562)855-0002
Email: asalusky@saluskylaw.com

Francis A. DiGiacco, Esq.
HILLIER DIGIACCO LLP
600 W. Broadway, Suite 700, San Diego, CA 92101
Telephone: (619) 500-7906/ Fax: (619) 839-3895
Email: frankie@hdlawllp.com

Settlement Administrator:

Rust Consulting
Email Address:
Mailing Address:
Telephone:
Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you will have no way to recover the money.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.