

**JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT
AGREEMENT AND GENERAL RELEASE**

Franco, et al. v. Inland Behavioral and Health Services, Inc., et al.
San Bernardino Superior Court, Case Nos. CIVSB2118579

Avila-Olague v. Inland Behavioral and Health Services, Inc.
San Bernardino Superior Court, Case Nos. CIVSB2208124

Franco, et al. v. Inland Behavioral and Health Services, Inc., et al.
San Bernardino Superior Court, Case Nos. CIVSB2128930

Acuna v. Inland Behavioral and Health Services, Inc., et al.
San Bernardino Superior Court, Case Nos. CIVSB2200439

Avila-Olague v. Inland Behavioral and Health Services, Inc.
San Bernardino Superior Court, Case Nos. CIVSB2209128

Anzora v. Inland Behavioral and Health Services, Inc., et al.
San Bernardino Superior Court, Case Nos. CIVSB2218375

This Joint Stipulation regarding Class Action and PAGA Settlement Agreement and General Release of Claims (the “Agreement”) is made and entered into by and between Plaintiffs Edith Franco, Freddie Avila-Olague, Monica Alfaro, Gloria Acuna and Joseph Anzora (collectively, the “Plaintiffs”), individually and on behalf of the Class (defined below) and the State of California pursuant to the Private Attorneys General Act, on the one hand; and Defendants Inland Behavioral and Health Services, Inc., a California corporation (“IBHS”) and Temetry Ann Lindsey, Ph.D., (collectively the “Defendants”), on the other hand. This Agreement refers to Plaintiffs and Defendants collectively as the “Parties,” and individually as “Party.” This Agreement is intended to resolve and settle all disputes and extinguish those obligations described below.

Subject to Court approval, Plaintiffs and Defendants agree to compromise and settle the Action on the terms and conditions and for the consideration set forth below in this Settlement Agreement.

DEFINITIONS

1. “Action” means the multiple cases filed by Plaintiffs, in the collective:

The following putative class actions:

- *Edith Franco v. Inland Behavioral and Health Services, Inc., a California Corporation, and Temetry Ann Lindsey, an individual*, San Bernardino Superior Court Case No. CIVSB12118579;

- *Freddie Avila-Olague v. Inland Behavioral and Health Services, Inc., a California corporation*, San Bernardino Superior Court Case No. CIVSB2208124.

The following Private Attorney General Act (PAGA) actions:

- *Edith Franco and Monica Alfaro, as aggrieved employees, and on behalf of all other aggrieved employees v. Inland Behavioral and Health Services, Inc., a California Corporation, and Temetry Ann Lindsey, an individual*, San Bernardino Superior Court Case No. CIVSB2128930;
- *Gloria Acuna, as an aggrieved employee, and on behalf of all other aggrieved employees v. Inland Behavioral and Health Services, Inc., a California Corporation, and Temetry Ann Lindsey, an individual*, San Bernardino Superior Court Case No. CIVSB2200439;
- *Freddie Avila-Olague, individually, and on behalf of other aggrieved employees v. Inland Behavioral and Health Services, Inc., a California Corporation*, San Bernardino Superior Court Case No. CIVSB2209128;
- *Joseph Anzora, as an aggrieved employee and on behalf of all other aggrieved employees v. Inland Behavioral and Health Services, Inc., a California Corporation*, San Bernardino Superior Court Case No. CIVSB2218375;

Plaintiffs shall file an Amended Complaint in *Franco v. Inland Behavioral and Health Services, Inc., et al.*, San Bernardino Superior Court Case No. CIVSB2118579, before March 22, 2024 to include all putative class and PAGA claims pled in the six above-entitled actions.

2. “Class Counsel Attorneys’ Fees” and “Class Counsel Litigation Expenses,” means the amounts to be paid to Class Counsel for fees and expenses, respectively, as approved by the Court, to compensate Class Counsel for their legal work in connection with the Action, including their pre-filing investigation, their filing of the cases, all related litigation activities, all Settlement work, all post-Settlement compliance procedures, and related litigation expenses incurred in connection with the Action, as set forth in paragraph 58 below.

3. “Class Counsel” means David Bibiyan of the Bibiyan Group, P.C. and Edwin Aiwazian, Arby Aiwazian, Joanna Ghosh, and Matthew Richard Soto of Lawyers for Justice, P.C.

4. “Class Information” means information regarding Class Members that Defendants shall in good faith compile from its records and shall transmit in electronic form to the Settlement Administrator and shall include each Class Member’s and PAGA Member’s last known full name; last known address; last known telephone number; Social Security number; start and end dates of employment within the pertinent time period(s) as an hourly-paid or non-exempt employee who worked for Defendants within the State of California at any time during the Class Release Period, and such other datapoints that may be necessary to calculate

Compensable Work Weeks and Compensable Pay Periods. To the extent possible, it shall be formatted as a Microsoft Excel spreadsheet.

5. “Class Members” and/or “Class” means all current and former hourly-paid or non-exempt employees of Defendant IBHS in the State of California employed at any time during the Class Release Period, which Defendants estimate to be approximately 400 individuals.

6. “Class Notice” means the Notice of Class Action Settlement, substantially in the form attached as **Exhibit 1**, which shall be subject to Court approval and which the Settlement Administrator shall mail to each Class Member explaining the terms of this Stipulation and the Settlement.

7. “Class Period” and “Class Release Period” mean the period from June 24, 2017, through the date of the Court’s preliminary approval of class settlement or 90 days after the long-form Stipulation of Settlement is signed by all Parties, whichever is sooner.

8. “Class Representative Enhancement Award” means the amount that the Court authorizes to be paid to Plaintiffs Edith Franco, Freddie Avila-Olague, Monica Alfaro, Gloria Acuna and Joseph Anzora, in addition to their Individual Settlement Payments, in recognition of their efforts and risks in assisting with the prosecution of the Action.

9. “Class Settlement” means the settlement and resolution of Released Class Claims.

10. “Compensable Pay Periods” means the total number of weeks during which a PAGA Member worked at least one day for Defendant IBHS as an hourly-paid or non-exempt employee in California during the PAGA Period, which shall be calculated by the Settlement Administrator based on IBHS’s records and which shall be used to calculate Individual PAGA Payments.

11. “Compensable Workweeks” means the total number of workweeks during which a Class Member worked at least one day for Defendant IBHS as an hourly-paid or non-exempt employee in California during the Class Period, which shall be calculated by the Settlement Administrator based on IBHS’s records and which shall be used to calculate Individual Settlement Payments.

12. “Defendants” means Inland Behavioral and Health Services, Inc. a California corporation and Temetry Ann Lindsey.

13. “Defense Counsel” means Maria C. Roberts, Lauren S. Cartwright and Noel Meza of Greene & Roberts.

14. “Effective Date” means (a) if there are no objections to the Settlement, the date of entry of the Judgment; (b) if there are objections to the Settlement, and if an appeal, review or writ is not sought from the Judgment, the date which is thirty (30) days after entry of the Judgment; or (c) if an appeal, review or writ is sought from the Judgment, the date upon which all appellate and/or other proceedings resulting from the appeal, review or writ have been finally terminated in such a manner as to permit the Judgment to take effect in substantially the form described herein.

15. “Employer’s Share of Payroll Taxes” means IBHS’s portion of employer payroll taxes, including, but not limited to FICA and FUTA, on the portion of the Individual Settlement Payments that constitutes wages and which excludes all attorneys’ fees and litigation costs, Class Representative Service Award, all penalties, including the PAGA payment to the LWDA and to the Aggrieved Employees, interest and any expenses charged by/associated with the Class Administrator. The Employer’s Share of Payroll Taxes shall be transmitted by Defendants to the Settlement Administrator in addition to the Maximum Settlement Amount.

16. “Final Approval Hearing” means the hearing to be conducted by the Court after the filing by Plaintiffs of an appropriate motion and following appropriate notice to Class Members giving Class Members an opportunity to object to or opt out of the Settlement, at which time Plaintiffs shall request that the Court finally approve the Settlement, enter the Judgment, and take other appropriate action.

17. “Individual Class Payment” means the amount payable from the Net Settlement Amount to each Participating Class Member.

18. “Individual PAGA Payment” means the amount payable from the 25% portion of the PAGA Payment to PAGA Members.

19. “Judgment” means the judgment to be entered by the Court upon granting final approval of the Settlement and this Stipulation as binding upon the Parties and all of the Class Members.

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

21. “LWDA Payment” means the Thirty-Seven Thousand and Five Hundred Dollars and Zero Cents (\$37,500.00) i.e., 75% portion of the PAGA Penalty Payment that will be payable to the LWDA for its share of the settlement of claims for civil penalties under PAGA, as required by Cal. Lab. Code § 2699(i).

22. “Maximum Settlement Amount” means the maximum amount Defendants shall have to pay in connection with this Settlement, by way of a common fund, which shall be inclusive of all Individual Class Payments to Participating Class Members, all Class Representative Enhancement Awards to named Plaintiffs pursuant to paragraph 57, Class Counsel Attorneys’ Fees, Class Counsel Litigation Expenses, Settlement Administration Costs, and the PAGA Payment, including the LWDA Payment and Individual PAGA Payments to PAGA Members. Subject to Court approval and the terms of this Stipulation, the Maximum Settlement Amount Defendants shall be required to pay is Eight Hundred Fifty Thousand Dollars (\$850,000.00) unless increased pursuant to paragraph 62. As set forth herein, Defendants shall pay the Employer’s Share of Payroll Taxes separate from and in addition to the Maximum Settlement Amount.

23. “Net Settlement Amount” means the Maximum Settlement Amount, less all Class Representative Enhancement Awards to named Plaintiffs pursuant to paragraph 59, Class Counsel Attorneys’ Fees, Class Counsel Litigation Expenses, Settlement Administration Costs, and the PAGA Payment, including the LWDA Payment and Individual PAGA Payments to PAGA Members.

24. “Notice of Objection” means a Class Member’s written letter that Class Members may send to the Settlement Administrator to object to the Class Settlement which must: (a) contain the case name and number of the Class Action; (b) contain the objector’s full name, signature, address, telephone number, and last four digits of his, her, or their Social Security number; (c) contain a written statement of all grounds for the objection to the Class Settlement accompanied by any legal support for such objection; (d) include copies of any papers, briefs, or other documents upon which the objection to the Class Settlement is based; (e) contain the name and contact information of any attorney representing the objector with respect to his, her, or their objection to the Class Settlement; and (f) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

25. “Operative Complaint” is the contemplated First Amended Consolidated Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, California Labor Code § 2698 to be filed in the Class Action, to implement the Settlement.

26. “PAGA” means the Labor Code Private Attorneys General Act of 2004, California Labor Code sections 2698, et seq.

27. “PAGA Group,” and/or “PAGA Members” means all current and former hourly-paid or non-exempt employees of Defendant IBHS in the State of California who were employed at any time during the PAGA Period as defined in paragraph 30.

28. “PAGA Members’ PAGA Settlement” means the Twelve Thousand and Five Hundred and Zero Cents (\$12,500), i.e., 25% of the PAGA Penalty Payment, that will be distributed among all PAGA Members as described in paragraph 61 for their share of the settlement of claims for civil penalties under PAGA, as required by Cal. Lab. Code § 2699(i).

29. “PAGA Penalty Payment” means the amount of \$50,000.00 payable from the Maximum Settlement Amount for the PAGA Settlement. Seventy-five percent (75%) of the PAGA Penalty Amount, or \$37,500, shall be paid to the LWDA (i.e. LWDA Payment) and the remaining twenty-five percent (25%), or \$12,500, that shall be paid to the PAGA Members (i.e., the PAGA Members’ PAGA Settlement).

30. “PAGA Period” means the period from October 1, 2020, through the date of the Court’s preliminary approval of this Settlement, or 90 days after this long-form Stipulation of Settlement is signed by all Parties, whichever is sooner.

31. “Participating Class Members” means Plaintiffs and all other Class Members who do not submit a valid and timely Request for Exclusion from this Settlement.

32. “Parties” means Plaintiffs and Defendants.

33. “Plaintiffs” means Edith Franco, Freddie Avila-Olague, Monica Alfaro, Gloria Acuna and Joseph Anzora.

34. “Preliminary Approval Order” means the order to be issued by the Court approving and authorizing the mailing of the Class Notice by the Settlement Administrator,

setting the date of the Final Approval Hearing and granting preliminary approval of the Settlement, among other things.

35. “Released Class Claims” means all claims, wages, penalties, interest, debts, demands, rights, liabilities, costs, compensation, damages, attorneys’ fees, actions, and/or causes of action that were pleaded or could have been pleaded based upon the factual allegations set forth by Plaintiffs in the Operative Complaint filed in this Action and arising at any time during the Class Period, including any and all claims for and/or related to the causes of action pled for alleged: (1) Failure to Pay Overtime Wages; (2) Failure to Pay Minimum Wages; (3) Failure to Provide Meal Periods and/or Meal Premiums; (4) Failure to Provide Rest Periods and/or Rest Period Premiums; (5) Waiting Time Penalties; (6) Wage Statement Violations; (7) Failure To Timely Pay Wages; (8) Failure To Indemnify; (9) Violation Of Labor Code § 227.3 (Vacation Pay); (10) Unfair Competition, (11) (Failure To Keep Requisite Payroll Records) as described in paragraph 70.

36. “Released PAGA Claims” means all claims for PAGA penalties that were alleged in the Operative Complaint and those based solely upon the facts alleged in the Operative Complaint, including, claims for civil penalties based on the claims set forth in paragraph 71, including for Failure to Pay Overtime Wages; Failure to Pay Minimum Wages; Failure to Provide Meal Periods; Failure to Provide Rest Periods; Waiting Time Penalties; Wage Statement Violations; Failure to Timely Pay Wages; Failure to Indemnify; Violation of Labor Code § 227.3; Failure to Keep Requisite Payroll Records, and California Labor Code sections Labor Code sections 96, 98.6, 200, 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 232, 232.5, 246, et seq., 432, 510, 512, 558, 1102.5, 1174, 1174.5, 1194, 1197, 1197.1, 1197.5, 1198.5, 2699, 2802, and 2810.5.

37. “Released Parties” means (i) all Defendants; (ii) and any of IBHS’s former and/or current parents, subsidiaries, affiliates, divisions, successors, predecessors or assigns that could be considered to have jointly employed the Class Members or PAGA Members; (iii) as well as each of their former and/or current officers, directors, managers, owners, executive, partners, executive-level employees, shareholders, agents, attorneys, insurers, and any other predecessors, successors, assigns or legal representatives.

38. “Request for Exclusion” means a written request by a Class Member to opt out of, or exclude oneself from, the Class Settlement, which must: (a) contain the case name and number of the Class Action; (b) the full name, signature, address, telephone number, and the last four digits of the Social Security number of the Class Member requesting exclusion from the Class Settlement; (c) clearly state that the Class Member does not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

39. “Response Deadline” means the date forty-five (45) days after the Settlement Administrator mails the Class Notices to Class Members and the last date on which Class Members may submit a Notice of Objection, Request for Exclusion and/or a Workweek Dispute. Class Members to whom Class Notices are resent after having been returned undeliverable to the Settlement Administrator shall have an additional fifteen (15) calendar days beyond the expiration of the initial Response Deadline.

40. “Settlement Administrator” means Phoenix Class Action Administration Solutions or any other third-party settlement administrator agreed to by the Parties and approved by the Court for purposes of administering this Settlement. The Parties and their counsel each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

41. “Settlement” means the final and complete disposition of the Action pursuant to this Stipulation.

42. “Settlement Administration Costs” means the reasonable costs and fees of administration of this Settlement, including, but not limited to: (i) printing, mailing and re-mailing (if necessary) Class Notices to Class Members; (ii) preparing and submitting to Class Members and government entities all appropriate tax filings and forms; (iii) computing the amount of and distributing Individual Class Payments, Individual PAGA Payments, Class Representative Enhancement Awards, Class Counsel Attorneys’ Fees, Class Counsel Litigation Expenses, and the LWDA Payment; (iv) processing and validating Requests for Exclusion, Notices of Objection and Workweek Disputes; (v) establishing a Qualified Settlement Fund (“QSF”), as defined by the Internal Revenue Code; and (vi) calculating and remitting to the appropriate government agencies all employer and employee payroll tax obligations arising from the Settlement and preparing and submitting filings required by law in connection with the payments required by the Settlement.

43. “Workweeks” means the number of weeks that a Class Member performed work at least one day in California as an employee of Defendants in a non-exempt or hourly position during the Class Period, based on payroll and time records, hire dates, re-hire dates (as applicable), leave of absence dates, and termination dates (as applicable).

44. “Workweeks Dispute” means a Class Member’s written letter disputing the number of Workweeks to which the Class Member has been credited, as reflected in their Notice, which must: (a) contain the case name and number of the Class Action; (b) contain the full name, signature, address, telephone number, and the last four digits of the Social Security number of the disputing Class Member; (c) clearly state the Class Member disputes the number of Workweeks credited and what the Class Member contends is the correct number to be credited to the Class Member; (d) include information and/or attach documentation supporting the number of Workweeks the Class Member contends should be credited; and (e) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

RECITALS

Procedural History

45. On June 24, 2021, Plaintiff Edith Franco filed a putative wage and hour class action complaint against Defendants in San Bernardino Superior Court, alleging the following causes of action: (1) Failure to Pay Overtime Wages; (2) Failure to Pay Minimum Wages; (3) Failure to Provide Meal Periods; (4) Failure to Provide Rest Periods; (5) Waiting Time Penalties;

(6) Wage Statement Violations; (7) Failure To Timely Pay Wages; (8) Failure To Indemnify; (9) Violation Of Labor Code § 227.3; (10) Unfair Competition. (“Franco Class Action”)

46. On October 1, 2021, Plaintiffs Edith Franco and Monica Alfaro filed a PAGA complaint against Defendants in San Bernardino Superior Court alleging the following causes of action for civil penalties: (1) Violation of Labor Code §210 (Failure to Pay Timely Wages) (2) Violation of Labor Code §226.3 (Wage Statements); (3) Violation of Labor Code § 558 (Overtime, Minimum wages, Accurate wage statements, Inspection of Employment Records, Payment of Paid Sick leave and Vacation); (4) Violation of Labor Code § 1174.5 (Payroll Records); (5) Violation of Labor Code § 1197.1 (Minimum Wages); (6) Labor Code § 2699 (PAGA Penalties). (“Franco PAGA Action”)

47. On January 4, 2022, Plaintiff Gloria Acuna filed a PAGA complaint against Defendants in San Bernardino Superior Court alleging one cause of action for civil penalties based on the following alleged violations: (1) Violation of Labor Code §210 (Failure to Pay Timely Wages); (2) Violation of Labor Code §226.3 (Wage Statements); (3) Violation of Labor Code § 558 (Overtime, Minimum wages) (4) Violation of Labor Code § 1174.5 (Payroll Records); (5) Violation of Labor Code § 1197.1 (Minimum Wages); (6) Labor Code § 2699 (PAGA Penalties). (“Acuna Action”)

48. On April 21, 2022, Plaintiff Freddie Avila-Olague filed a putative wage and hour class action and Defendant IBHS in San Bernardino Superior Court, alleging the following causes of action: (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums), (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums), (4) Violation of California Labor Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages), (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment), (7) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements), (8) Violation of California Labor Code § 1174(d) (Failure To Keep Requisite Payroll Records); (9) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses), (10) Violation of California Business & Professions Code §§ 17200, et seq. (“Avila-Olague Class Action”)

49. On May 2, 2022, Plaintiff Freddie Avila-Olague filed a PAGA complaint against Defendant IBHS in San Bernardino Superior Court alleging one cause of action for civil penalties based on the following alleged violations: (1) Failure to Pay Overtime (2) Failure to Provide Meal Periods; (3) Failure to Provide Rest Periods; (4) Failure to Provide Minimum Wages; (5) Failure to Pay Timely Wages Upon Termination; (6) Failure to Pay Timely Wages During Employment; (7) Failure to Provide Complete and Accurate Wage Statements; (8) Failure to Keep Complete and Accurate Payroll Records; (8) Failure to Reimburse Necessary Business-Related Expenses and Costs. (“Avila-Olague PAGA Action”)

50. On August 22, 2022, Plaintiff Joseph Anzora filed a PAGA complaint against Defendant IBHS in San Bernardino Superior Court alleging one cause of action for civil penalties under PAGA based on the following alleged violations: (1) Violation of Labor Code §210 (Failure to Pay Timely Wages); (2) Violation of Labor Code §226.3 (Wage Statements); (3) Violation of Labor Code § 558 (Overtime, Minimum wages) (4) Violation of Labor Code §

1174.5 (Payroll Records); (5) Violation of Labor Code § 1197.1 (Minimum Wages); (6) Violation of Labor Code § 2699 (PAGA Penalties). (“Anzora Action”)

51. Beginning in 2022, counsel for the Plaintiffs and Defendants began discussing the possibility of resolving the claims pled in the putative class and PAGA cases with the help of private mediator, Mr. Jeff Ross. Those communications and negotiations continued well into 2023, but did not result in a settlement. In connection with the negotiations, the parties exchanged copies of pertinent employment policies, handbooks, arbitration policies, employee wage statements, time records and financial information.

52. In August 2023, settlement negotiations resumed between Plaintiffs’ and Defendants’ counsel through private mediation with the Honorable Ronald Prager (retired). Prior to the mediation, counsel for the Parties and Judge Prager engaged in numerous conferences regarding the facts, case history, claims pled, defenses to those claims and information about the past mediation efforts over the previous year. After the mediation on August 22, 2023, Judge Prager issued a mediator’s proposal, which was not accepted. Although no resolution was reached, the dialogue between Plaintiffs’ and Defendants’ counsel continued with Judge Prager until a settlement resolving the Action, including all putative class claims and claims pled under PAGA, was reached between the parties on October 27, 2023 and finalized in the Memorandum of Understanding signed by all parties as of December 15, 2023.

53. On or before April 16, 2024, Plaintiffs filed their First Amended Consolidated Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, which consolidated all of the six above-entitled actions.

54. The Parties agree to cooperate and take all steps necessary and appropriate to consummate this Settlement. The Parties agree the Settlement is fair, adequate and reasonable. This Settlement contemplates (a) entry of a Preliminary Approval Order that includes authorization to distribute to each of the Class Members a Notice of Class Action and PAGA Representative Action Settlement, including the estimated Individual Class Payment and Individual PAGA Payment that the Participating Class Members and Aggrieved Employees, respectively, may qualify to receive (attached as Exhibit “A”); and (b) entry of a Final Approval Order and Judgment in the Action, and thus ending the litigation.

Benefits of Settlement to Plaintiffs and Class Members

55. Plaintiffs and Class Counsel recognize the expense and length of continued proceedings necessary to litigate Plaintiffs’ disputes in the Action through trial and through any possible appeals. Plaintiffs also have taken into account the uncertainty and risks of the outcome of further litigation, and the difficulties and delays inherent in such litigation. Plaintiffs and Class Counsel also are aware of the burdens of proof necessary to establish liability for the claims asserted in the Action, both generally and in response to Defendants’ defenses thereto, and the difficulties in establishing damages, penalties, restitution and other relief sought in the Action. Plaintiffs and Class Counsel also have taken into account Defendants’ agreement to enter into a settlement that confers substantial benefits upon the Class Members. Based on the foregoing, Plaintiffs and Class Counsel have determined that the Settlement as set forth in this Stipulation is fair, adequate, and reasonable and is in the best interests of all Class Members. Plaintiffs and

Class Counsel agree and stipulate that no aspect of the Settlement shall or can entitle any Class Member with the right to recover any additional benefits from Defendants, other than as set forth in the Stipulation. It is the intention of the Parties that compensation or benefits payable under this Stipulation are not subject to the additional tax imposed pursuant to Section 409A of the IRS Code.

Defendants' Reasons for Settlement

56. Defendants dispute the individual, putative class, and representative PAGA claims pled by Plaintiffs in the *Franco* and *Avila-Olague* putative class actions and the *Franco and Alfaro*, *Acuna*, *Avila-Olague* and *Anzora* PAGA actions. Defendants have always strived to have employment policies and practices that are compliant with applicable law and its policies and practices adhere to the law. However, Defendants wish to avoid the necessity of incurring continued attorneys' fees and costs and the burdens associated with defending the cases described above. Defendants would prefer, instead, to resolve all claims pled and, in doing so, provide a direct benefit to its employees. Substantial time, energy, and resources have been, and unless this Settlement is completed, shall continue to be, devoted by Defendants and their employees in the defense of the claims asserted by the Plaintiffs. Even though Defendants contend they are not liable for any of the claims alleged in these cases, that IBHS has compliant policies and practices and binding arbitration policies containing class waivers that apply to all employees as of August 29, 2019, it has agreed, nonetheless, to settle in the manner and upon the terms set forth in this Stipulation and to put to rest the claims alleged in the cases. Defendants have asserted and continue to assert that the claims alleged lack merit and do not give rise to any liability, damages, restitution, penalties or other payments. This Stipulation is a compromise of disputed claims. Nothing contained in this Stipulation, no documents referred to herein, and no action taken to carry out this Stipulation, shall be construed or used as an admission by or against Defendants, which believes they have complied with all applicable state, federal and local laws.

MONETARY SETTLEMENT TERMS

NOW THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

57. **Maximum Settlement Amount.** Defendants will transmit to the Settlement Administrator the Maximum Settlement Amount of \$850,000.00. Defendants will not be required to pay more than the Maximum Settlement Amount, except for the Employer's Share of Payroll Taxes, which Defendants will pay separately from and in addition to the Maximum Settlement Amount, and except as provided under paragraph 62.

58. **Class Counsel's Attorneys' Fees and Litigation Expenses.** Class Counsel shall seek an award of reasonable attorneys' fees in an amount not to exceed one third (35%) of the Maximum Settlement Amount, which is estimated to be Two Hundred Ninety-Seven Thousand Five Hundred Dollars and Zero Cents (\$297,500.00) if the Maximum Settlement Amount is not increased pursuant to the escalator clause provided in paragraph 62 of this Agreement. In addition, subject to Court approval, Class Counsel shall be entitled to an award of reasonable costs associated with Class Counsel's prosecution of the Action, in an amount not to exceed Fifty Thousand Dollars and Zero Cents (\$50,000). The Settlement Administrator (and not Defendants)

will issue IRS Form 1099-MISC reflecting the award of Attorneys' Fees and Costs. The payment by Defendants of the Court-awarded attorney's fees and litigation costs will constitute full satisfaction of Defendants' obligation to pay any person, attorney or law firm for attorneys' fees, costs, and expenses incurred on behalf of the Plaintiffs and/or Participating Class Members, and/or Aggrieved Employees in the Action, unless Defendants fail to fund the Settlement as provided in paragraph 63 after Class Counsel gives said Defendants five (5) Court days' notice to cure such failure. Class Counsel may move for an award of reasonable attorneys' fees and costs incurred if further efforts are necessary by Class Counsel to remedy a failure by Defendants to fund the Settlement pursuant to this Agreement, including without limitation, moving the court to enforce the Agreement. Defendants will not oppose or object to Plaintiffs' request for an award of attorneys' fees and request for an award of reasonable costs in the amounts as stated in this paragraph. In the event the Court awards Class Counsel less than the requested attorney's fees award and/or less than the requested costs amount, the difference shall become part of the Net Settlement Amount and shall be distributed to Participating Class Members as part of their Individual Settlement Payments. Class Counsel shall be paid any Court-awarded attorneys' fees and costs no later than ten (10) days after Defendants provide the Settlement Administrator with the Maximum Settlement Amount. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the Attorneys' Fees and Costs. Class Counsel shall provide the Settlement Administrator with a properly completed and signed IRS Form W-9's in order for the Settlement Administrator to process the Attorneys' Fees and Costs approved by the Court. The Settlement Administrator shall issue an IRS Form 1099 to Class Counsel for the Attorneys' Fees and Costs. This Settlement is not conditioned upon the Court awarding Class Counsel any particular amount of attorneys' fees or costs.

59. Class Representative Enhancement Award. Subject to Court approval, Plaintiffs Edith Franco shall be paid a Class Representative Enhancement Award not to exceed Ten Thousand Dollars (\$10,000), and Freddie Avila-Olague, Monica Alfaro, Gloria Acuna and Joseph Anzora shall be paid a Class Representative Enhancement Award not to exceed Seven Thousand Five Hundred Dollars (\$7,500), each, for their time and effort in bringing and presenting the Action and for releasing their Released Claims. The Class Representative Enhancement Award shall be paid to Plaintiffs from the Maximum Settlement Amount no later than ten (10) days after Defendants provide the Settlement Administrator with the Maximum Settlement Amount. The Settlement Administrator shall issue an IRS Form 1099-MISC to Plaintiffs for their Class Representative Enhancement Awards. Plaintiffs shall be solely and legally responsible to pay any and all applicable taxes on their Class Representative Service Award and shall hold harmless Defendants, Class Counsel and Defense Counsel from any claim or liability for taxes, penalties, or interest arising as a result of payment of the Class Representative Service Award. The Class Representative Enhancement Awards shall be made in addition to the Individual Settlement Payments made to the Plaintiffs. Any amounts not requested by Plaintiffs or not awarded by the Court for the Class Representative Enhancement Award shall become part of the Net Settlement Amount and shall be distributed to Class Members as part of their Individual Settlement Payments.

60. Settlement Administration Costs. The Settlement Administrator, Phoenix Class Action Administration Solutions, will receive from the Gross Settlement Amount its fees and expenses incurred in administering this Settlement, in an amount estimated to be up to Twelve Thousand Dollars and Zero Cents (\$12,000.00). Prior to Plaintiffs filing a motion for final

approval of the Settlement, the Settlement Administrator shall provide the Parties with a statement detailing the Settlement Administration Costs to date. The Parties agree to cooperate in the Settlement Administration process and to make all reasonable efforts to control and minimize Settlement Administration Costs. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator to undertake the requirement settlement administration duties will be part of the Gross Settlement Amount for the benefit of Participating Class Members. Plaintiffs, Class Counsel, Defendants, and Defendants' Counsel will not bear any responsibility for errors or omissions in the calculation or distribution of the Settlement payments or the development of the list of recipients of Settlement payments.

61. **PAGA Payment.** A payment of Fifty-Thousand Dollars and Zero Cents, (\$50,000) from the Maximum Settlement Amount shall be allocated as penalties under PAGA, of which Thirty-Seven Thousand Five Hundred Dollars and Zero Cents (\$37,500) shall be paid by the Settlement Administrator directly to the LWDA. The remaining Twelve Thousand Five Hundred Dollars and Zero Cents (\$12,500) shall be distributed to PAGA Members on a pro rata basis as part of their Individual Settlement Payments.

62. **Estimated Class Size and Workweeks.** Defendants represent that there are approximately 18,500 Workweeks during the period from June 24, 2020 to October 27, 2023. Should the number of Workweeks increase beyond 10%, or 20,350 Workweeks worked by the Class Members during the Class Release Period, Defendants shall increase the Maximum Settlement Amount on a pro-rata basis equal to the percentage increase in the number of workweeks worked by the Class Members above the 10%, e.g., if the number of workweeks increases by 11% to 20,535 workweeks, the Maximum Settlement Amount will increase by 1% or \$8,500.00 $[(20,535 - 20,350) / 18,500] \times \$850,000.00$.

63. **Funding of Maximum Settlement Amount.** No later than thirty (60) days after the Effective Date, Defendants shall provide to the Settlement Administrator, in any feasible manner, including, but not limited to, by way of a wire transfer, the Maximum Settlement Amount and any Employer's Share of Payroll Taxes determined to be due and for which Defendants are given at least twenty-one (21) days prior notice from the Settlement Administrator. In no event shall there be any distribution from the Maximum Settlement Amount until after the Effective Date and all conditions precedent specified in this Stipulation have been completely satisfied. Further, under no circumstances shall the payment be due any earlier than October 31, 2024. If this Settlement is not finally approved by the Court in full, or is terminated, rescinded, canceled or fails to become effective for any reason, or if the Effective Date does not occur, then no Maximum Settlement Amount shall be paid.

64. **Allocation of Settlement Payments.** The Individual Class Payments and the Individual PAGA Payments will be calculated as follows:

a. **Individual Settlement Payments.** Class Members shall not be required to submit a claim in order to receive a share of the Net Settlement Amount, and no portion of the Maximum Settlement Amount shall revert to Defendants or result in any unpaid residue. Individual Settlement Payments shall be paid by the Settlement Administrator to all Class Members from the Net Settlement Amount pursuant to the

formula set forth herein. Individual Settlement Payments shall be mailed by the Settlement Administrator by regular First-Class U.S. Mail to each Class Member's last known mailing address within fourteen (14) days after Defendants provide the Settlement Administrator with the Maximum Settlement Amount. Prior to mailing the Individual Settlement Payments, the Settlement Administrator shall perform a search based on the National Change of Address Database maintained by the United States Postal Service to update and correct any known or identifiable address changes. Individual Settlement Payments shall be made by check and shall be made payable to each Class Member as set forth in this Stipulation.

b. After Court enters the Preliminary Approval, the Settlement Administrator will divide the estimated Net Settlement Amount by the Workweeks of all Class Members during the Class Period to yield the "Estimated Workweek Value," and multiply each Class Member's individual Workweeks by the Estimated Workweek Value to yield his, her, or their estimated Individual Class Payment.

c. After Final Approval of the Settlement, the Settlement Administrator will divide the final Net Settlement Amount by the Workweeks of all Participating Class Members to yield the "Final Workweek Value," and multiply each Participating Class Member's individual Workweeks by the Final Workweek Value to yield his, her, or their Individual Class Payment.

d. **Individual PAGA Payment.** All PAGA Members as defined by Cal. Lab. Code § 2699(c), including those who do not otherwise qualify as a Participating Class Member and would thus not receive an Individual Class Payment, will receive their pro rata share of the PAGA Members' PAGA Settlement based on the number of Workweeks that he, she, or they worked in each position covered by the Settlement during the PAGA Period, calculated as follows: The Settlement Administrator will divide the PAGA Members' PAGA Settlement (i.e., 25% of the PAGA Settlement Amount) by the total number of Compensable Pay Periods worked during the PAGA Period to yield the "PAGA Pay Period Value," and multiply each PAGA Members' individual Compensable Pay Period during the PAGA Period by the PAGA Pay Period Value to yield his, her, or their Individual PAGA Payment.

e. When a Participating Class Member is also an PAGA Member, one check may be issued that aggregates both the Individual Class Payment and the Individual PAGA Payment.

65. **Tax Treatment.** Individual Settlement Payments shall be allocated as follows: one-fifth (1/5) as wages subject to all applicable tax withholdings, four-fifths (4/5) as non-wage penalties and interest not subject to payroll tax withholdings. The Settlement Administrator shall issue an IRS Form W-2 to each Class Member for the portion of each Individual Settlement Payment allocated as wages and subject to all applicable tax withholdings. The Settlement Administrator shall issue an IRS Form 1099 to each Class Member for the portions of each Individual Settlement Payment allocated as non-wage penalties and interest and not subject to payroll tax withholdings. Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported to the IRS pursuant to Form 1099-MISC. The

Settlement Administrator (and not Defendants) will remit all federal and state taxes owed by Defendants and will issue Form W-2s and 1099-MISCs on all funds distributed. The Employer's Share of Payroll Taxes will be paid separately and in addition to the Maximum Settlement Amount. Within thirty (30) days of the Effective Date, the Employer's Share of Payroll Taxes shall be paid by Defendants in addition to the Maximum Settlement Amount upon at least 21 days advance notice of the amount due from the Settlement Administrator.

66. **Validity of Checks.** Each Individual Settlement Payment check and Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180) calendar days from the date of original issuance, and thereafter, shall be canceled. All funds remaining in connection with, and after the cancelation of checks issued to Settlement Class Members and PAGA Employees, shall be paid to the San Bernardino County - Court Appointed Special Advocates for Children ("Proposed *Cy Pres* Recipient" or "CASA"). The Proposed *Cy Pres* Recipient is an association that supports and promotes court-appointed advocates for abused or neglected children. The Parties and their counsel do not have any interests or involvement within the governance or work of the Proposed *Cy Pres* Recipient.

67. **Impact on Benefits.** All monies received by Class Members under the Settlement which are attributable to wages shall constitute income to such Class Members solely in the year in which such monies actually are received by the Class Members. It is expressly understood and agreed that the receipt of Individual Settlement Payments shall not entitle any Class Member to additional compensation for overtime pay or for any benefits under any collective bargaining agreement or under any bonus, contest or other compensation or benefit plan or agreement in place during the period covered by the Settlement, nor shall it entitle any Class Member to any increased pension and/or retirement, or other deferred compensation benefits. It is the intent of the Parties that Individual Settlement Payments provided for in this Stipulation are the sole payments to be made by Defendants to Class Members in connection with this Settlement, with the exception of Plaintiffs, and that Class Members are not entitled to any new or additional compensation or benefits as a result of having received the Individual Settlement Payments. Furthermore, the receipt of Individual Settlement Payments by Class Members shall not, and does not, by itself establish any general, special, or joint employment relationship between and among the Class Member(s) and Defendants.

68. **Tax Liability.** The Parties make no representations as to the tax treatment or legal effect of any settlement payment specified herein, and Class Members are not relying on any statement or representation by the Parties, Class Counsel or Defense Counsel in this regard. Class Members and Class Counsel understand and agree that they shall be responsible for the payment of their portion of taxes and penalties assessed on the payments specified herein (with the exception of the Employer's Share of Payroll Taxes as set forth in Paragraph 65 of this Stipulation), and shall hold the Plaintiffs, Defendants, Class Counsel and Defense Counsel free and harmless from and against any claims resulting from treatment of such payments as non-taxable, including the treatment of such payments as not subject to withholding or deduction for payroll and employment taxes.

Circular 230 Disclaimer. The Parties acknowledge and agree that (1) no provision of this Stipulation, and no written communication or disclosure between or among the Parties, Class Counsel or Defense Counsel and other advisers, is or was intended to be,

nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended); (2) the acknowledging parties (a) have relied exclusively upon his, her, or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Stipulation, (b) have not entered into this Stipulation based upon the recommendation of any other party or any attorney or advisor to any other party, and (c) are not entitled to rely upon any communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging party; and (3) no attorney or adviser to any other party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Stipulation.

THE RELEASES

69. **General Release of Claims by Plaintiffs.** Upon the Effective Date and payment by Defendants to the Settlement Administrator of the full amount of the MAXIMUM Settlement Amount and Employer's Share of Payroll Taxes, and in consideration of the payments they will received under the Settlement, Plaintiffs will be deemed to have fully released and discharged the Released Parties of and from all claims arising from their employment with Defendants as related to the claims asserted by Plaintiffs in the Action, including claims for unpaid and underpaid regular or overtime wages, penalties, premium pay, expense reimbursement not paid, and related claims against Defendants, arising under any federal, state, or local law, or statute, including, inter alia, those arising under the California Labor Code, Fair Labor Standards Act, California Business and Professions Code, attorneys fees, and costs, arising on or before the date of execution of the Settlement Agreement. With respect to those claims released by Plaintiffs in an individual capacity, Plaintiffs acknowledge and waive any and all rights and benefits available under California Civil Code section 1542, which provides:

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

Plaintiffs understand and agree that claims or facts in addition to or different from those which are now known or believed by them to exist may hereafter be discovered. It is Plaintiffs' intention to settle fully and release all wage and hour and related claims they now have against the Released Parties, whether known or unknown, suspected or unsuspected, upon the Effective Date and full funding of the Gross Settlement Amount and Employer's Share of Payroll Taxes. Notwithstanding the above, the general release by Plaintiffs will not extend to claims for workers' compensation benefits, claims for unemployment benefits, or other claims that may not be released by law.

Notwithstanding the foregoing release language, nor any other language or provision of this agreement, nothing in this Agreement shall operate in any way to release or affect Plaintiff Franco's right to pursue the claims brought forward in the action named *Franco v. Inland Behavioral Health Services, Inc.*, et al., San Bernardino Superior Court Case No. CIVSB2223957.

70. **Class Settlement Release.** By virtue of this Agreement and by operation of the Final Approval Order and Judgment approved by the Court, upon the Effective Date of the Settlement and payment by Defendants to the Settlement Administrator of the full amount of the Gross Settlement Amount and Employer's Share of Payroll Taxes, Plaintiffs and the Participating Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims as set forth in paragraph 35. The period of this release will extend to the limits of the Class Period. The Parties understand and specifically agree that the scope of the release described in this paragraph is a material part of the consideration for this Agreement; was critical in justifying the agreed upon economic value of this settlement and without it Defendants would not have agreed to the consideration provided; and is narrowly drafted and necessary to ensure that Defendants are obtaining peace of mind regarding the resolution of claims that were or could have been alleged based on the facts, causes of action, and legal theories contained in the Operative Complaint. The Parties understand and agree that this release includes a good-faith compromise of disputed wage claims. The Class Members do not release any claims based on facts occurring outside the Class Period.

71. **PAGA Settlement Release.** By virtue of this Agreement and by operation of the Final Approval Order and Judgment approved by the Court, upon the Effective Date of the Settlement and full funding of the full amount of the Gross Settlement Amount and Employer's Share of Payroll Taxes by Defendants, Plaintiffs, the State of California with respect to the PAGA Members, and Aggrieved Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims pertaining to Plaintiffs and the PAGA Members, whether known or unknown, as set forth in paragraph 36. The Parties understand and specifically agree that the scope of the release described in this paragraph is a material part of the consideration for this Agreement; was critical in justifying the agreed upon economic value of this settlement and without it Defendants would not have agreed to the consideration provided; and is narrowly drafted and necessary to ensure that Defendants are obtaining peace of mind regarding the resolution of claims that were or could have been alleged based on the facts, causes of action, and legal theories contained in the Operative Complaint. The State of California with respect to PAGA Members, and PAGA Members do not release any claims based on facts occurring outside the PAGA Period.

Binding Settlement.

72. Upon the Effective Date, the Settlement, including the release of Released Class Claims and Released PAGA claims, shall bind the Parties and all Class Members, subject to the terms and conditions hereof and the Court's approval.

SETTLEMENT APPROVAL, NOTICE AND IMPLEMENTATION PROCEDURE

Preliminary Approval of Settlement

73. Upon the full execution of this Joint Stipulation, Plaintiffs shall promptly move the Court to enter a Preliminary Approval Order, and the matter heard on June 11, 2024, unless the Court sets a new date for hearing. Defendants agree not to oppose the motion for preliminary approval of the Settlement consistent with the Settlement Agreement. Defendants agree to provide Class Counsel a draft of any required declarations in support of Plaintiffs' motion for preliminary approval at least three (3) court days before Plaintiffs' deadline to file the motion for preliminary approval, assuming notice of the need for the declarations is provided at least 21 days prior and the declarations only contain relevant and truthful information. Said motion will apply to the Court for the entry of an order ("Preliminary Approval Order"), which will be mutually agreed upon by the Parties, seeking the following:

- a. Conditionally certifying the Class;
- b. Granting preliminary approval of the Settlement;
- c. Preliminary appointing Plaintiffs as representatives of the Class;
- d. Preliminary appointing Class Counsel as counsel of the Class
- e. Preliminary approves, as to form and content, the Class Notice;
- f. Preliminary approves the manner and method for Class Members to object to and request exclusion from the Settlement as specified herein and in the Class Notice;
- g. Directs the mailing of the Class Notices to the Class Members as specified herein;
- h. Schedules a Final Approval Hearing.

The Parties agree to work diligently and cooperatively to have this Settlement presented to the Court for preliminary approval. This agreement is contingent upon approval by the Superior Court.

74. Pursuant to Cal. Labor Code § 2699(1)(2), Class Counsel will submit a copy of this Agreement to the LWDA on the same day they file the motion for preliminary approval. The Parties intend and believe that submission of this Settlement to the LWDA pursuant to the procedures described in this section complies with the requirements of PAGA, and will request the Court to approve the PAGA Settlement in the Motion for Final Approval of the Settlement and bar any claim to void or avoid the Settlement under PAGA.

75. Should the Court decline to preliminarily approve all material aspects of the Settlement, or order material changes to the Settlement to which the Parties do not agree, then

the Settlement will be—at either Party’s discretion and only after the Parties meet and confer in good faith as provided in paragraph 82(d) null and void, and the Parties will have no further obligations under it. The Parties agree that an award by the Court of lesser amounts than sought for the Enhancement Awards to Plaintiffs or for Class Counsel’s Attorneys’ Fees and Litigation Expenses will not be a material change to or of the Settlement and will not be grounds to nullify or void the Settlement.

NOTICE TO CLASS MEMBERS

Settlement Administration

76. Within fourteen (14) days of entry of the Preliminary Approval Order, Defendants shall provide the Settlement Administrator with the Class Information for purposes of mailing the Class Notices to Class Members. The Class Information will only be disclosed to the Settlement Administrator and will be held securely and in the strictest of confidence by the Settlement Administrator and used only for and in relation to effectuating the Class Settlement described herein and shall be destroyed upon the completion of the Class Settlement. All information provided to the Settlement Administrator will be marked by Defendants as CONFIDENTIAL. This information shall be kept confidential and shall not be disclosed, either in writing or orally, by the Settlement Administrator at any time. The Settlement Administrator shall use due care with respect to the storage, custody, use, and/or dissemination of all confidential information. Such information must be stored in a secure fashion and all persons who access the data must agree to keep it confidential.

a. **Notice by First Class U.S. Mail.** Upon receipt of the Class Information, the Settlement Administrator shall perform a search based on the National Change of Address Database maintained by the United States Postal Service to update and correct any known or identifiable address changes. Within fourteen (14) days after receiving the Class Information from Defendants, the Settlement Administrator shall mail copies of the Class Notice, in English and Spanish, to all Class Members via regular First-Class U.S. Mail. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Class Member. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the most current mailing address for each Class Member. The Parties agree that this procedure for notice provides the best notice practicable to Class Members and fully complies with due process.

b. **Undeliverable Class Notices.** If a Notice is returned with a forwarding address on or before the Response Deadline, the Settlement Administrator will promptly, and not later than ten (10) calendar days from receipt of the returned notice, re-mail the Notice to the forwarding address. If a Notice is returned without a forwarding address on or before the Response Deadline, the Settlement Administrator will promptly, and not later than ten (10) calendar days from receipt of the returned notice, search for a more current address for the Class Member and/or Aggrieved Employee using Accurint or other reasonable and cost-effective skip trace methods, and re-mail the Notice if a new address is found. The Settlement Administrator will be responsible for taking reasonable steps, consistent with its agreed-upon job parameters, court orders, and fee, as agreed to with Class Counsel and according to the following deadlines, to trace the mailing address of any Class Member and Aggrieved Employee for whom a Notice is

returned without a forwarding address by the U.S. Postal Service as undeliverable. If the Notice is re-mailed, the Settlement Administrator will note for its own records and notify Class Counsel and Defendants' Counsel of the date and address of each such re-mailing as part of a weekly status report provided to the Parties. Class Members who are sent a re-mailed Class Notice shall have their Response Deadline extended by fifteen (15) days from the date the Settlement Administrator re-mails the Class Notice. If these procedures are followed, notice to Class Members shall be deemed to have been fully satisfied, and if the intended recipient of the Class Notice does not receive the Class Notice, the intended recipient shall nevertheless remain a Class Member and shall be bound by all terms of the Settlement, Release and the Judgment.

c. **Monitoring and Reviewing Settlement Administration.** The Parties have the right to monitor and review the administration of the Settlement to verify that the monies allocated under the Settlement are distributed in a correct amount, as provided for in this Stipulation.

d. **Weekly Reports.** Each week, the Settlement Administrator will provide to all counsel of record a report showing (a) the number of Class Members who have submitted a Workweeks Dispute; (b) the number of Class Members who have submitted timely and valid Requests for Exclusion or timely and complete Notices of Objection; and (c) the number of undeliverable and re-mailed any Notices. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested, and immediately notify the Parties when it receives a request from an individual regarding inclusion in the Class and/or Settlement.

e. **Settlement Administrator Declaration.** No later than five (5) court days before the date by which the Plaintiffs file their motion for final approval of the Settlement, the Settlement Administrator will serve on the Parties a declaration of due diligence setting forth its compliance with its obligations under this Agreement, which Class Counsel shall file with the Court along with the motion for final approval of the Settlement. Prior to the Final Approval Hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

i. The Settlement Administrator shall be authorized to establish a QSF pursuant to IRS rules and regulations in which the Maximum Settlement Amount shall be placed and from which payments required by the Settlement shall be made.

ii. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities required by the Settlement.

iii. The Parties each represent they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

OBJECTIONS AND DISPUTES TO THE SETTLEMENT

77. **Workweek Disputes.** The Settlement Administrator shall determine the eligibility for, and the amounts of, each Individual Settlement Payment as set forth in Paragraph 64. If a Participating Class Member and/or PAGA Member disagrees with the number of Compensable Workweeks and/or PAGA Pay Periods credited to them as stated in their Class Notice, they may dispute that figure by submitting a Workweek Dispute supported by evidence prior to the deadline for objecting to the Settlement. Participating Class Members and/or Aggrieved Employees must notify the Settlement Administrator of any such dispute on or before the Response Deadline (or extended Response deadline if applicable, whichever is later). If there is such a dispute, the Settlement Administrator will consult with Defense Counsel and Class Counsel to determine whether an adjustment is warranted. The Settlement Administrator shall notify Class Counsel and Defense Counsel of any such disputes no later than five (5) calendar days after receiving notice of the dispute to determine whether an adjustment is warranted. The Settlement Administrator shall confer with Defense Counsel in an attempt to resolve any dispute about the number of Compensable Workweeks and/or Compensable Pay Periods and the estimated Individual Settlement Payment(s). Defendants' records shall be given the presumption of accuracy.

a. **Disputes Regarding Administration of Settlement.** Any dispute not resolved by the Settlement Administrator concerning the administration of the Settlement shall be resolved by the Court. Prior to any such involvement of the Court, counsel for the Parties shall confer in good faith and make use of the services of retired Judge Ronald Prager, if necessary, to resolve the dispute without the necessity of involving the Court.

78. **Requests for Exclusion.** The Class Notice shall explain that Class Members who wish to exclude themselves from the class and Settlement must submit a Request for Exclusion in conformity with the requirements set forth in paragraph 38. Subject to review by Class Counsel, Defense Counsel and the Court, the date of the postmark on the return mailing envelope on the Request for Exclusion shall be the exclusive means used by the Settlement Administrator to determine whether a Class Member has timely requested exclusion from the class and Settlement. Any Class Member who timely and properly requests to be excluded from the class and Settlement shall not be entitled to any benefits under the Settlement and shall not be bound by the terms of the Settlement nor shall the Class Member have any right to object to the Settlement or appeal from the entry of the Judgment. Class Members who do not submit a valid and timely Request for Exclusion on or before the Response Deadline shall be bound by all terms of the Settlement and the Judgment entered in this Action, including the release of the Released Claims, if the Settlement is finally approved by the Court. No later than seven (7) days after the Response Deadline, the Settlement Administrator shall provide counsel for the Parties, a complete list of all Class Members who submitted a timely and valid Request for Exclusion.

79. **Objections.** The Class Notice shall state that Class Members who wish to object to the Settlement must submit a Notice of Objection. The Notice of Objection must be in conformity with the requirements set forth in paragraph 24. Subject to review by Class Counsel, Defense Counsel and the Court, the date of the postmark on the return mailing envelope on the Notice of Objection shall be the exclusive means used by the Settlement Administrator to determine whether a Class Member has timely objected to the Settlement. Class Members who

fail to timely make objections in the manner specified herein shall be deemed to have waived any objections and shall be foreclosed from making any objections (whether by appeal or otherwise) to the Settlement, unless otherwise permitted by the Court. A Class Member may not object to the Settlement and also submit a Request for Exclusion.

80. **No Solicitation of Objection or Request for Exclusion.** Plaintiffs agree that they will not opt out of the Settlement. Neither the Parties nor their respective counsel will solicit or otherwise encourage directly or indirectly any Class Member to object to, or request exclusion from, the Settlement, or move to vacate or appeal from the Final Approval Order and Judgment contemplated to be entered in this Action pursuant to the Settlement.

81. **Final Settlement Approval Hearing and Entry of Judgment.** Plaintiffs will prepare and promptly file thereafter, a motion for final approval of the Settlement, the LWDA Payment, and payment of the Settlement Administration Costs as well as a motion for awards of the Enhancement Awards to Plaintiffs and the Class Counsel's Attorneys' Fees and Costs pursuant to this Settlement. By way of said motion, Plaintiffs will apply for the entry of the Final Approval Order and Judgment, which will provide for, in substantial part, the following:

- i. Approval of the Settlement as fair, reasonable, and adequate, and directing consummation of its terms and provisions;
 - ii. Confirming and making final its prior conditional certification of the Class as to Participating Class Members;
 - iii. Confirming and making final its prior preliminary appointment of Plaintiffs as representatives of the Class;
 - iv. Confirming and making final its prior preliminary appointment of Class Counsel as counsel for the Class;
 - v. Approval of the application for Attorneys' Fees and Costs to Class Counsel;
 - vi. Approval of the application for Enhancement Awards to Plaintiffs;
 - vii. Directing Defendants to fund all amounts due under the Settlement Agreement and ordered by the Court; and
 - viii. Entering judgment in this Action, while maintaining continuing jurisdiction to implement the Settlement, in conformity with the Settlement Agreement.
- a. Either Party or all Parties may file a reply in support of the motion for final approval of the Settlement, the LWDA Payment, and payment of the Settlement Administration Costs to the extent that any opposition to the motion is filed. Plaintiffs and Class Counsel may file a reply in support of their motions for the Enhancement Awards to Plaintiffs and payment of the Class Counsel's Attorneys' Fees and Costs.

b. The Parties agree that if the Settlement is not approved, in whole or in part, because a court determines that the PAGA Settlement Amount (\$50,000.00) should increase, the portion of the Maximum Settlement Amount allocated for payment to the Class will be decreased to account for any increase required for the PAGA Settlement Amount such that the Maximum Settlement Amount is not increased by a court order increasing only the PAGA Settlement Amount.

c. If the Court reduces or otherwise denies the requested Class Counsel's Attorneys' Fees and Costs or the Enhancement Awards to Plaintiffs, Plaintiffs may appeal that ruling. However, an award by the Court or an appellate court of lesser amounts than sought for the Enhancement Awards to Plaintiffs or Class Counsel's Attorneys' Fees and Costs will not be deemed a material modification of the Settlement and will not entitle Plaintiffs or Plaintiffs' Counsel to nullify or void the Settlement.

d. If the Court does not grant preliminary or final approval of the Settlement, or if the Court's approval of the Settlement is reversed or materially modified on appellate review, the Parties agree they will have a reasonable opportunity to attempt to cure any issues precluding, and to ultimately obtain, Court approval of the Settlement by adjusting or revising the terms of the Settlement and/or filing additional or supplemental briefing in connection with the motions for preliminary and final approval. The Parties will make reasonable efforts to work together to cure any such issues. If the Parties fail to secure preliminary or final approval thereafter, then this Settlement will be, at either Party's discretion, null and void as set out in paragraph 75.

e. Upon final approval of the Settlement by the Court, the Parties will present to the Court, for its approval and entry, the Judgment. After entry of the Judgment, the Court will have continuing jurisdiction over the Action and the Settlement solely for purposes of (i) enforcing this Agreement, (ii) addressing Settlement administration matters, and (iii) addressing such post-judgment matters as may be appropriate under court rules or applicable law.

82. **Waiver of Right to Appeal.** Provided that the Final Approval Order and Judgment are consistent with the material terms of this Agreement, Plaintiffs and Defendants, and their respective counsel hereby waive any and all rights to appeal from the Final Approval Order and Judgment, including all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate judgment, a motion for new trial, and any extraordinary writ, and the Final Approval Order and Judgment therefore will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any third-party appeal, appellate proceedings or post-judgment proceedings, or to file a cross-appeal.

83. **No Waiver.** Nothing in this Settlement will serve as a waiver of future rights and this language will be included in the notice sent to Class Members.

MISCELLANEOUS SETTLEMENT PROVISIONS

84. **Authorization to Enter Into Settlement Agreement.** Class Counsel and Defense Counsel warrant and represent they are expressly authorized by the Parties whom they

represent to negotiate this Stipulation and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Stipulation to effectuate its terms, and to execute any other documents required to effectuate the terms of this Stipulation. The Parties, Class Counsel and Defense Counsel shall cooperate with each other and use their best efforts to affect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court and/or retired Judge Ronald S. Prager for resolution. The person signing this Stipulation on behalf of Defendants represents and warrants that he/she is authorized to sign this Stipulation on behalf of Defendants. Plaintiffs and Class Counsel all represent and warrant that they are authorized to sign this Stipulation.

85. Fair, Adequate, and Reasonable Settlement. The Parties agree that the Settlement is a fair, adequate, and reasonable settlement of the Action, Released Class Claims, and Released PAGA Claims, and will so represent to the Court via the unopposed motion for preliminary approval. The Parties also agree that they have arrived at this Settlement after arm's length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement Agreement. The Parties have agreed to work together expeditiously and cooperatively to obtain preliminary and final approval of this Settlement.

86. Nullification of Settlement. In the event: (i) the Court does not enter the Preliminary Approval Order; (ii) the Court does not grant final approval the Settlement; (iii) the Court does not enter the Judgment; or (iv) the Settlement does not become final for any other reason, this Stipulation shall be rendered null and void, any order or judgment entered by the Court in furtherance of this Settlement shall be treated as void from the beginning, this Stipulation and any documents related to it shall not have any force and effect and/or be admissible, offered into evidence or used in any other manner in this Action by any Class Member or Class Counsel to support any claim or request for class certification in the Action and shall not be used in any other civil, criminal or administrative action against Defendants or any of the other Released Parties, and the Stipulation and all negotiations, statements and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions in the Action prior to the settlement. In addition, Defendants shall retain all rights it has by law to object to the maintenance of the Action as a class or representative action and to defend the claims pled, and nothing in this Stipulation or other papers or proceedings related to the Settlement shall be used as evidence or argument by any Party concerning whether the Action may properly be maintained as a class or representative action. In the event an appeal is filed from the Judgment, or any other appellate review is sought, administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review, but in no event with the Maximum Settlement Amount increase simply because of an appeal. If the Settlement does not become final because of an appeal or other appellate review, any fees incurred by the Settlement Administrator prior to it being notified of the filing of an appeal from the Judgment, or any other appellate review, shall be paid by Defendants.

87. **Best Efforts.** The Parties agree to use their best efforts to carry out the terms of this Settlement. This includes the Parties' agreement to cooperate in vacating any and all class certification deadlines and trial dates. The Parties also agree that they will cooperate in staying any and all discovery and trial related deadlines and the pending appeal in the *Franco v. IBHS, et. al*, putative class action.

88. **No Admission by Defendants.** Defendants deny all claims alleged in the Action and deny all wrongdoing whatsoever by Defendants. Neither this Stipulation, nor any of its terms and conditions, nor any of the negotiations connected with it, is a concession or admission, and none shall be used against Defendants as an admission or indication with respect to any claim of any fault, concession, or omission by Defendants, that class certification is proper under the standard applied to contested certification motions, or that the pursuit of a representative action is proper under the governing legal standards. ***The Parties stipulate and agree to the certification of the proposed class for settlement purposes only. The Parties further agree that this Stipulation will not be admissible in this or any other proceeding as evidence that (i) a class action should be certified, (ii) a representative action is appropriate or manageable, or (iii) Defendants are liable to Plaintiffs or any Class Member, other than according to the terms of this Stipulation.***

89. **Exhibits and Headings.** The terms of this Stipulation include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein. The Exhibits to this Stipulation are an integral part of the Settlement. The descriptive headings of any paragraphs or sections of this Stipulation are inserted for convenience of reference only.

90. **Amendment or Modification.** This Stipulation may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest. The Settlement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties.

91. **Entire Agreement.** This Stipulation and any attached Exhibits constitute the entire agreement between the Parties, and no oral or written representations, warranties, or inducements have been made to Plaintiffs or Defendants concerning this Stipulation or its Exhibits other than the representations, warranties, and covenants contained and memorialized in this Stipulation and its Exhibits. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

92. **Excluded Individual Action.** This Agreement does not include, and shall have no effect on, the individual discrimination action, *Edith Franco v. Inland Behavioral Health Services, Inc, a California Corporation, and Temetry Ann Lindsey, an individual*, San Bernardino Case No. CIVSB2223957, filed on October 20, 2022.

93. **No Prior Assignments.** The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

94. **Binding on Successors and Assigns.** This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties.

95. **California Law Governs.** All terms of this Stipulation and the Exhibits hereto shall be governed by and interpreted according to the laws of the State of California, without giving effect to any law that would cause the laws of any jurisdiction other than the State of California to be applied.

96. **Counterparts.** The Stipulation may be executed in one or more counterparts by facsimile, email, electronic signature, or scanned copies which for purposes of this Stipulation shall be accepted as an original. All executed counterparts and each of them shall be deemed to be one and the same instrument.

97. **Jurisdiction of the Court.** Following entry of the Judgment, the Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Stipulation and all orders and judgments entered in connection therewith, and the Parties, Class Counsel and Defense Counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Stipulation and all orders and judgments entered in connection therewith, including under California Code of Civil Procedure section 664.6.

98. **Invalidity of Any Provision.** Before declaring any term or provision of this Stipulation invalid, the Parties request that the Court first attempt to construe the terms or provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Stipulation as valid and enforceable.

99. **Binding Nature of Class Notice.** It is agreed that because the Class Members are so numerous, it is impossible or impracticable to have each Class Member execute the Stipulation. The Class Notice shall advise all Class Members of the binding nature of the Settlement, and the release of Released Claims and shall have the same force and effect as if this Stipulation were executed by each Class Member.

100. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement will be in writing and delivered by overnight mail at the addresses set for below, or such other addresses as either Party may designate in writing from time to time:

To Plaintiffs and Class Counsel:

Arby Aiwarzian, Esq.
Joanna Ghosh, Esq.
Matthew Richard Soto, Esq.
LAWYERS for JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203

To Defendants:

Maria C. Roberts, Esq.
Lauren S. Cartwright, Esq.
GREENE & ROBERTS
402 West Broadway, Suite 1025
San Diego, CA 9210

David D. Bibiyan, Esq.
Vedang J. Patel, Esq.
BIBIYAN LAW GROUP, P.C.
1460 Westwood Boulevard
Los Angeles, California 90024

IN WITNESS THEREOF, the Parties knowingly and voluntarily execute this Settlement Agreement as of the date(s) set forth below.

IT IS SO AGREED

BY PLAINTIFFS:

Dated: 4/10, 2024


Edith Franco (Apr 10, 2024 08:16 PDT)

Plaintiff Edith Franco

Dated: _____, 2024

Plaintiff Freddie Avila-Olague

Dated: 4/16, 2024


Monica Alfaro (Apr 16, 2024 14:20 PDT)

Plaintiff Monica Alfaro

Dated: 4/9, 2024

Gloria Acuna
Gloria Acuna (Apr 9, 2024 18:56 PDT)

Plaintiff Gloria Acuna

Dated: 4/12, 2024


Joseph Anzora (Apr 12, 2024 09:49 PDT)

Plaintiff Joseph Anzora

DEFENDANTS:

Dated: _____, 2024

Inland Behavioral and Health
Services, Inc.

By: _____

Dated: _____, 2024

Defendant Temetry Ann Lindsey, Ph.D.

David D. Bibiyan, Esq.
Vedang J. Patel, Esq.
BIBIYAN LAW GROUP, P.C.
1460 Westwood Boulevard
Los Angeles, California 90024

IN WITNESS THEREOF, the Parties knowingly and voluntarily execute this Settlement Agreement as of the date(s) set forth below.

IT IS SO AGREED

BY PLAINTIFFS:

Dated: _____, 2024

Dated: 04/15/2024, 2024

Dated: _____, 2024

Dated: _____, 2024

Dated: _____, 2024

Electronically Signed Plaintiff Edith Franco 2024-04-15 20:39:31 UTC - 12.163.221.66

Nintex AssureSign 40350224-1264-44a2-a001-b1450146309

Plaintiff Freddie Avila-Olague

Plaintiff Monica Alfaro

Plaintiff Gloria Acuna

Plaintiff Joseph Anzora

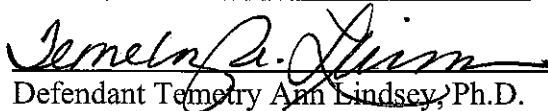
DEFENDANTS:

Dated: 4-30-, 2024

Dated: 4-30, 2024


Inland Behavioral and Health
Services, Inc.

By: PETER DE MEL


Defendant Temetry Ann Lindsey, Ph.D.

APPROVED AS TO FORM AND CONTENT:

COUNSEL FOR PLAINTIFFS AND THE CLASS:

Dated: _____, 2024

David Bibiyan
Vedang J. Patel
Attorney for Plaintiffs Edith Franco, Monica Alfaro,
Gloria Acuna, And Joseph Anzora

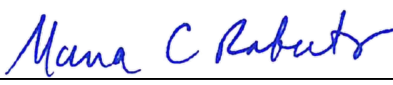
Dated: April 15, 2024



Arby Aiwarzian
Joanna Ghosh
Matthew Soto
Attorney for Plaintiff Freddie Avila-Olague

COUNSEL FOR DEFENDANTS:

Dated: April 30, 2024



Maria C. Roberts
Attorneys for Defendants Inland Behavioral
Health Services, Inc. and
Temetry Ann Lindsey, Ph.D.

APPROVED AS TO FORM AND CONTENT:

COUNSEL FOR PLAINTIFFS AND THE CLASS:

Dated: April 16, 2024

Vedang J. Patel
David Bibiyan
Vedang J. Patel
Attorney for Plaintiffs Edith Franco, Monica Alfaro,
Gloria Acuna, And Joseph Anzora

Dated: _____, 2024

Arby Aiwazian
Joanna Ghosh
Matthew Soto
Attorney for Plaintiff Freddie Avila-Olague

COUNSEL FOR DEFENDANTS:

Dated: _____, 2024

Maria C. Roberts
Attorneys for Defendants Inland Behavioral
Health Services, Inc. and
Temetry Ann Lindsey, Ph.D.

EXHIBIT 1

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

Franco, et al. v Inland Behavioral and Health Services, Inc., et al.
Superior Court of California, County of San Bernardino Case No. CIVSB2118579,
Avila-Olague v. Inland Behavioral and Health Services, Inc.
Superior Court of California, County of San Bernardino Case No. CIVSB2208124,
Franco, et al. v. Inland Behavioral and Health Services, Inc., et al.
Superior Court of California, County of San Bernardino Case No. CIVSB2128930,
Acuna v. Inland Behavioral and Health Services, Inc., et al.
Superior Court of California, County of San Bernardino Case No. CIVSB2200439,
Avila-Olague v. Inland Behavioral and Health Services, Inc.
Superior Court of California, County of San Bernardino Case No. CIVSB2209128,
and,
Anzora v. Inland Behavioral and Health Services, Inc., et al.
Superior Court of California, County of San Bernardino Case No. CIVSB2218375

As a current or former hourly-paid or non-exempt employee of Inland Behavioral and Health Services, Inc., in the State of California, you are entitled to receive money from a class action settlement.

Please read this Notice carefully. This Notice relates to a proposed settlement of class action litigation. You do not need to take any action to receive an Individual Settlement Share. This Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT a class and representative action settlement has been reached between Plaintiffs Edith Franco, Freddie Avila-Olague, Monica Alfaro, Gloria Acuna and Joseph Anzora (collectively, the “Plaintiffs”) and Defendants Inland Behavioral and Health Services, Inc., (“Defendant IBHS”) and Temetry Ann Lindsey, Ph.D., (together, “Defendants”) (Plaintiffs and Defendants are collectively referred to as the “Parties”) in the cases entitled *Franco, et al. v Inland Behavioral and Health Services, Inc., et al.*, San Bernardino County Superior Court, Case No. CIVSB2118579 (“Franco Class Action”), *Avila-Olague v. Inland Behavioral and Health Services, Inc.*, San Bernardino County Superior Court, Case No. CIVSB2208124 (“Avila-Olague Class Action”), *Franco, et al. v Inland Behavioral and Health Services, Inc., et al.*, San Bernardino County Superior Court, Case No. CIVSB2128930 (“Franco PAGA Action”), *Acuna v. Inland Behavioral and Health Services, Inc., et al.*, San Bernardino County Superior Court, Case No. CIVSB2200439 (“Acuna PAGA Action”), *Avila-Olague v. Inland Behavioral and Health Services, Inc., et al.*, San Bernardino County Superior Court, Case No. CIVSB2209128 (“Avila-Olague PAGA Action”), and *Anzora v. Inland Behavioral and Health Services, Inc., et al.*, San Bernardino County Superior Court, Case No. CIVSB2218375 (“Anzora PAGA Action”) (together, “Action”), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] (“Final Approval Hearing”) to determine whether or not the Court should grant final approval of the settlement.

You have received this Notice because the records of Defendant IBHS, show that you are a “Class Member” and, therefore, entitled to a payment from this class action settlement.

I. IMPORTANT DEFINITIONS

“Class” and/or “Class Members” means all current and former hourly-paid or non-exempt employees of Defendant IBHS in the State of California employed at any time during the Class Period.

“Class Period” means the period from June 24, 2017 through [the date of the Court’s preliminary approval of class settlement or 90 days after the long-form Stipulation of Settlement is signed by all Parties, whichever is sooner].

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]

“Class Settlement” means the settlement and resolution of Released Class Claims

“PAGA Members” means all current and former hourly-paid or non-exempt employees of Defendant IBHS in the State of California who were employed at any time during the PAGA Period

“PAGA Period” means the period from October 1, 2020 through [the date of the Court’s preliminary approval of this Settlement, or 90 days after this long-form Stipulation of Settlement is signed by all Parties, whichever is sooner].

II. BACKGROUND OF THE LAWSUIT

On June 24, 2021, Plaintiff Edith Franco commenced a putative class action lawsuit by filing a Class Action Complaint for Damages in the San Bernardino County Superior Court, Case No. CIVSB2118579 (“Franco Class Action”). On October 1, 2021, Plaintiffs Edith Franco and Monica Alfaro filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. (“Franco PAGA Action”). On January 4, 2022, Plaintiff Gloria Acuna filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. (“Acuna Action”). On April 21, 2022, Plaintiff Avila-Olague commenced a putative class action lawsuit by filing a Class Action Complaint for Damages in the San Bernardino County Superior Court, Case No. CIVSB2208124. (“Avila-Olague Class Action”). On May 2, 2022, Plaintiff Freddie Avila-Olague filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. (“Avila-Olague PAGA Action”). On August 22, 2022, Plaintiff Joseph Anzora filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. (“Anzora Action”).

On April 16, 2024, Plaintiffs filed a First Amended Consolidated Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, which consolidated all of the six above-entitled actions and designated the Franco Class Action as the lead case (“Operative Complaint”).

Plaintiffs allege that Defendants failed to pay overtime wages, failed to pay minimum wages, failed to provide meal periods or compensation in lieu thereof, failed to provide rest periods or compensation in lieu thereof, failed to pay all wages due upon separation from employment, failed to issue accurate and compliant wage statements, failed to timely pay wages, failed to indemnify for necessary business expenses, failed to pay unused vested vacation time, failed to keep accurate and complete payroll records, and thereby engaged in unfair business practices in violation of California Business & Professions Code section 17200, *et seq.*, and conduct that gives rise to penalties under California Labor Code section 2698, *et seq.* (“PAGA”). Plaintiffs seek, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys’ fees and costs.

Defendants deny all of the allegations in the Operative Complaint and deny that they violated any laws.

The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into the Joint Stipulation of Class Action and PAGA Settlement Agreement and General Release (“Settlement,” “Agreement,” or “Settlement Agreement”).

On [date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Phoenix Class Action Administration Solutions, as the administrator of the Settlement (“Settlement Administrator”), Plaintiffs Edith Franco, Freddie Avila-Olague, Monica Alfaro, Gloria Acuna and Joseph Anzora as representatives of the Class (“Class Representatives”), and the following Plaintiffs’ attorneys as counsel for the Class (“Class Counsel”):

BIBIYAN LAW GROUP, P.C.

David D. Bibiyan, Esq.

Vedang J. Patel, Esq.

1460 Westwood Boulevard

Los Angeles, California 90024

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]

Tel: (310) 438-5555; Fax: (310) 300-1705

LAWYERS for JUSTICE, PC

Edwin Aiwazian, Esq.

Joanna Ghosh, Esq.

Matthew Richard Soto, Esq.

410 West Arden Avenue, Suite 203

Glendale, California 91203

Tel: (818) 265-1020 / Fax: (818) 265-1021

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 CLASS SETTLEMENT	Exclude yourself from the Class Settlement, get no payment for settlement of the class claims, and retain all of your individual claims that will otherwise be released by the settlement of the Class Action, except for claims under PAGA. If you worked at any time during the PAGA Period as an hourly-paid or non-exempt employee of Defendant IBHS, then you will be deemed a PAGA Member and you will still receive your share of the proceeds available from the settlement of the Released PAGA Claims, defined below, (your "Individual PAGA Payment") even if you opt out of the Class Settlement.
OBJECT TO THE CLASS SETTLEMENT	If you do not opt out of the Class Settlement, you may write to the Settlement Administrator, Phoenix Class Action Administration Solutions , about why you object to the Class 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. 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, located at 247 West Third Street, San Bernardino, California 92415.

The Final Approval Hearing on the adequacy, reasonableness and fairness of the Settlement will be held at **[REDACTED]** : **[REDACTED]** .m. on **[REDACTED]** , in the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, California 92415, in Department S26. You are not required to attend the Hearing, but you are welcome to do so.

Why Am I Receiving This Notice?

Defendants' records show that you currently work, or previously worked, for Defendant IBHS as an hourly-paid or non-exempt employee in the State of California at some point during the Class 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 your options before the Court

Questions? Contact the Settlement Administrator toll free at **[PHONE NUMBER]**

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.

Summary of the Settlement Terms

Plaintiffs and Defendants have agreed to settle this case on behalf of themselves and Class Members and PAGA Members for the Maximum Settlement Amount of \$850,000.00, subject to increase pursuant to the Settlement Agreement. The Maximum Settlement Amount includes: (1) Settlement Administration Costs up to \$12,000.00; (2) Class Representative Enhancement Awards of up to \$10,000.00 to Edith Franco, and \$7,500.00 to each Freddie Avila-Olague, Monica Alfaro, Gloria Acuna, and Joseph Anzora, for a total of \$40,000.00, for their time and effort in pursuing the cases, and in exchange for a broader release of claims against Defendants; (3) up to 35% of the Maximum Settlement Amount in attorneys’ fees which, unless escalated pursuant to the Settlement Agreement, amounts to \$297,500.00; (4) up to \$50,000.00 in litigation costs to Class Counsel, according to proof; and (5) a PAGA Penalty Payment in the amount of \$50,000.00. Pursuant to the PAGA, seventy-five percent (75%), or \$37,500.00, will be paid to the California Labor and Workforce Development Agency (“LWDA Payment”) and twenty-five percent (25%), or \$12,500.00, will be distributed to PAGA Members (“PAGA Members’ PAGA Settlement”).

Distribution to Class Members

Every Class Member who does not opt out of the Class Settlement (“Participating Class Member”) will receive a *pro rata* payment of the Net Settlement Amount based on the number of weeks actually worked by Class Members in hourly-paid or non-exempt positions for Defendant IBHS in California during the Class Period. Specifically, before sending this Class Notice, the Settlement Administrator will divide the estimated Net Settlement Amount by the Workweeks of all Class Members during the Class Period to yield the “Estimated Workweek Value,” and multiply each Class Member’s individual Workweeks by the Estimated Workweek Value to yield his, her, or their estimated Individual Class Payment. After the Court grants Final Approval of the Settlement, the Settlement Administrator will divide the final Net Settlement Amount by the Workweeks of all Participating Class Members to yield the “Final Workweek Value,” and multiply each Participating Class Member’s individual Workweeks by the Final Workweek Value to yield his, her, or their Individual Class Payment.

In addition, Class Members who worked during the PAGA Period (*i.e.*, PAGA Members) will receive a *pro rata* share of the \$12,500 allocated for distribution to PAGA Members, whether or not they opt out of the Class Settlement, based on the number of Workweeks that he, she, or they worked in each position covered by the Settlement during the PAGA Period (“Compensable Pay Period”), calculated as follows: The Settlement Administrator will divide the PAGA Members’ PAGA Settlement, by the total number of Compensable Pay Periods worked during the PAGA Period to yield the “PAGA Pay Period Value,” and multiply each PAGA Member’s individual Compensable Pay Period during the PAGA Period by the PAGA Pay Period Value to yield his, her, or their Individual PAGA Payment.

Defendant’s records indicate that you worked [REDACTED] Workweeks as an hourly-paid or non-exempt employee in California for Defendants during the Class Period and [REDACTED] Workweeks during the PAGA Period. Based on these records, your estimated payment as a Class Member would be [\$Estimated Award] and/or your estimated payment as a PAGA Member would be [\$Estimated Award]. **The Individual Class Payment is subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Class Payments and these payments will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.** The settlement approval process may take multiple months. Your Individual Class Payment and/or Individual PAGA Payment reflected in this Notice is only an estimate. Your actual Individual Class Payment and/or Individual PAGA Payment may be higher or lower.

If you believe this information is incorrect and wish to dispute it, you must mail a dispute to the Settlement Administrator no later than [RESPONSE DEADLINE]. Your Workweeks Dispute must: (a) contain the case name and number of the

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]

Class Action; (b) contain your full name, signature, address, telephone number, and the last four digits of your Social Security number; (c) clearly state that you dispute the number of Workweeks credited to you and what you contend is the correct number to be credited to you; (d) include information and/or attach documentation supporting the number of Workweeks that you contend you should be credited; and (e) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before **[RESPONSE DEADLINE]**.

Tax Reporting

100% of the payments for PAGA penalties to PAGA Members will be allocated as penalties reported on IRS Form 1099. 20% of each Settlement Payment to Class Members who do not opt out will be allocated as wages and reported on an IRS Form W-2, and 80% will be allocated as penalties and interest reported on IRS Form 1099. This notice is not intended to provide legal or tax advice on your Settlement Share.

Your check will be valid for 180 days after issuance. After 180 days, uncashed checks will be cancelled and the funds associated will be transmitted to the San Bernardino County - Court Appointed Special Advocates for Children.

Your Options Under the Settlement

Option 1 – Do Nothing and Receive Your Payment

If you do not submit a Request for Exclusion, you are automatically entitled to your Individual Class Payment (*i.e.*, your share of the Net Settlement Amount) because you are a Class Member. If you do not dispute your settlement share calculation and do not opt out of the Class Settlement, you will be bound by the entire release in the settlement and receive your Individual Class Payment, as well as your Individual PAGA Payment if you are also a PAGA Member. **In other words, if you are a Class Member, you do not need to take any action to receive the settlement payment(s) set forth above.**

Class Members who do not submit a valid and timely Request for Exclusion from the Class Settlement (pursuant to Option 2 below), will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all “Released Class Claims” he or she may have or had upon final approval of this Settlement and payment by Defendants to the Settlement Administrator.

Effective only upon the entry of an Order granting Final Approval of the Settlement, entry of Judgment, and payment by Defendants to the Settlement Administrator of the full Maximum Settlement Amount to effectuate the Settlement, Plaintiffs and all Participating Class Members release any and means all claims, wages, penalties, interest, debts, demands, rights, liabilities, costs, compensation, damages, attorneys’ fees, actions, and/or causes of action that were pleaded or could have been pleaded based upon the factual allegations set forth by Plaintiffs in the Operative Complaint filed in this Action and arising at any time during the Class Period, including any and all claims for and/or related to the causes of action pled for alleged: (1) Failure to Pay Overtime Wages; (2) Failure to Pay Minimum Wages; (3) Failure to Provide Meal Periods and/or Meal Premiums; (4) Failure to Provide Rest Periods and/or Rest Period Premiums; (5) Waiting Time Penalties; (6) Wage Statement Violations; (7) Failure To Timely Pay Wages; (8) Failure To Indemnify; (9) Violation Of Labor Code § 227.3 (Vacation Pay); (10) Unfair Competition; and (11) Failure To Keep Requisite Payroll Records (the “Released Class Claims”).

For PAGA Members, and, to the extent permitted by law, the State of California, the release includes for the duration of the PAGA Period, all claims for PAGA penalties that were alleged in the Operative Complaint and those based solely upon the facts alleged in the Operative Complaint, including, claims for civil penalties for Failure to Pay Overtime Wages; Failure to Pay Minimum Wages; Failure to Provide Meal Periods; Failure to Provide Rest Periods; Waiting Time Penalties; Wage Statement Violations; Failure to Timely Pay Wages; Failure to Indemnify; Violation of Labor Code § 227.3; Failure to Keep Requisite Payroll Records, and California Labor Code sections Labor Code sections 96, 98.6, 200, 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 232, 232.5, 246, et seq., 432, 510, 512, 558, 1102.5, 1174, 1174.5, 1194, 1197, 1197.1, 1197.5,

Questions? Contact the Settlement Administrator toll free at **[PHONE NUMBER]**

1198.5, 2699, 2802, and 2810.5 (the “Released PAGA Claims”). The Released Class Claims and Released PAGA Claims shall be referred to herein as the “Released Claims.”

“Released Parties” means (i) all Defendants; (ii) and any of IBHS’s former and/or current parents, subsidiaries, affiliates, divisions, successors, predecessors or assigns that could be considered to have jointly employed the Class Members or PAGA Members; (iii) as well as each of their former and/or current officers, directors, managers, owners, executive, partners, executive-level employees, shareholders, agents, attorneys, insurers, and any other predecessors, successors, assigns or legal representatives.

Option 2 – Opt Out of the Class Settlement

If you do not wish to receive your Individual Class Payment or release the Released Class Claims, you may exclude yourself from the Class Settlement by submitting a written Request for Exclusion from the Class. Your written request must: (a) contain the case name and number of the Class Action; (b) your full name, signature, address, telephone number, and the last four digits of your Social Security number; (c) clearly state that you do not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the **[Response Deadline]**.

[Settlement Administrator]

[Mailing Address]

The proposed settlement includes the settlement of the Released PAGA Claims. An employee may not request exclusion from the settlement of a PAGA claim. Thus, if the court approves the settlement, then even if you request exclusion from the settlement, if you are a PAGA Member, you will still receive your Individual PAGA Payment and will be deemed to have released the Released PAGA Claims. A request for exclusion will preserve your right, if any, to individually pursue only the Released Class Claims.

Option 3 – Submit an Objection to the Class Settlement

If you wish to object to the Class Settlement, you may submit a Notice of Objection in writing by mail, stating why you object to the Class Settlement. Your written objection must: (a) contain the case name and number of the Class Action; (b) contain your full name, signature, address, telephone number, and last four digits of your Social Security number; (c) contain a written statement of all grounds for the objection to the Class Settlement accompanied by any legal support for such objection; (d) include copies of any papers, briefs, or other documents upon which the objection to the Class Settlement is based; (e) contain the name and contact information of any attorney representing you with respect to your objection to the Class Settlement; and (f) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before **[RESPONSE DEADLINE]**. Please note that you cannot both object to the Class Settlement and opt out of the Class Settlement. If you exclude yourself, then your objection will be overruled. If the Court overrules your objection, you will be bound by the Settlement and will receive your Settlement Share.

Even if you don’t submit a written objection, you may appear at the Final Approval Hearing and provide a verbal objection before the Court.

Final Approval Hearing

You may, if you wish, appear at the Final Approval Hearing set for [REDACTED] at [REDACTED]:[REDACTED].m. in Department S26 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, California 92415, and orally object to the Settlement, discuss your written objections with the Court and the Parties, or otherwise comment on the Settlement at your own expense. You may attend this hearing virtually by audio or video by **CourtCall by registering at <https://courtcall.com/>**. You may also retain an attorney to represent you at the Hearing at your own expense.

Questions? Contact the Settlement Administrator toll free at **[PHONE NUMBER]**

Additional Information

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may also visit the Settlement Administrator's website at [WEBSITE] to gain access to key documents in this case, including the Settlement Agreement, the Order Granting Preliminary Approval of this Settlement, the Order Granting Final Approval of this Settlement, and the Final Judgment.

You may also refer to the pleadings, the Settlement Agreement, and other papers filed in this case, which may be inspected at the Department S26 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, California 92415, during regular business hours of each court day. You may also obtain these documents through the Court's website at <https://cap.sb-court.org/>.

All inquiries by Class Members regarding this Notice of Class Action Settlement and/or the Settlement should be directed to the Settlement Administrator.

**PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR
INFORMATION REGARDING THIS SETTLEMENT.**

**IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR
AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT
CLASS COUNSEL.**

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]