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Attorneys for Plaintiffs, BRIGIT NAVARRO and
THADDIUS MUELLER, on behalf of themselves and
all others similarly situated and aggrieved

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

BRIGIT NAVARRO and THADDIUS
MUELLER, individuals, and on behalf of all
others similarly situated and aggrieved,

Plaintiffs,

v.

CRESTWOOD BEHAVIORAL HEALTH,
INC., a Delaware corporation doing business
as IDYLWOOD CARE CENTER; HELIOS
HEALTHCARE, LLC, a California limited
liability company doing business as
IDYLWOOD CARE CENTER; and DOES 1
through 100 inclusive,

Defendants.

CASE NO.: 34-2021-00312914

[Assigned for All Purposes to the Hon. Jill H.
Talley in Dept. 23]

**DECLARATION OF VEDANG J. PATEL
IN SUPPORT OF PLAINTIFFS' MOTION
FOR APPROVAL OF
REPRESENTATIVE ACTION
SETTLEMENT; MEMORANDUM OF
POINTS AND AUTHORITIES**

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1 of David D. Bibiyan), and PAGA Representative Service Payment to Plaintiffs in the amount not
2 to exceed \$10,000.00 to each Plaintiff for a total of \$20,000.00 to Plaintiffs. Of the remaining sum
3 (hereinafter, the “Net Settlement Amount), and pursuant to the PAGA statute, seventy-five percent
4 (75%) shall be paid to the California Labor and Workforce Development Agency (“LWDA”) and
5 twenty-five percent (25%) of which will be paid to PAGA Members.

6 7. The Settlement is based on Defendants’ representation that there are 295,000 pay
7 periods worked during the PAGA Period. In the event the number of pay periods worked by PAGA
8 Members during the PAGA Period exceeds 324,500 (i.e. an increase greater than 10% of the 295,000
9 estimated pay periods), Defendants may elect to either: (1) shorten the PAGA Period to a time frame
10 where the number of pay periods does not exceed 324,500 pay periods, or (2) increase the Maximum
11 Settlement Amount by multiplying the pay periods in excess of 324,500 by the Pro Rata Amount.
12 The Pro Rata Amount shall be calculated by dividing the \$1,800,000.00 by 295,000, which amounts
13 to \$6.10. Thus, for example, should there be 350,000 pay periods in the PAGA Period, then the
14 Maximum Settlement Amount shall be increased by \$155,550.00 ((350,000 pay periods – 324,500
15 pay periods) x \$6.10 per Pay Period.) If Plaintiffs fail to comply with the timelines set out in
16 paragraphs 47 and 48(a) of the Agreement, the escalator clause shall be tolled and any whole or
17 partial pay periods falling within the tolling period will not be considered for determining whether
18 the 10% threshold has been exceeded.

19 8. Plaintiff’s Counsel, comprised of David D. Bibiyan and Vedang Patel of Bibiyan
20 Law Group, P.C., believe these penalties are genuine and meaningful and fulfill PAGA’s underlying
21 purpose to benefit the public. Accordingly, Plaintiff’s Counsel request that the Court approve the
22 Settlement as such awards are reasonable and also warrant approval.

23 **Factual and Procedural Background**

24 **The Parties**

25 9. I understand Plaintiff Navarro was a non-exempt hourly employee hired by
26 Defendants from approximately March 2021, through approximately September 2021. Plaintiff
27 Navarro was a certified nursing assistant, with duties that included, but were not limited to, all
28 around patient care including monitoring and supporting patients.

10. I understand Plaintiff Mueller was a non-exempt hourly employee hired by Defendants from approximately June 2022, through approximately July 2023. Plaintiff Mueller was a recovery coach, with duties that included, but were not limited to, observing clients, do 15-minute bed checks, provide patients with supplies, bedding, laundry, and even preparing food.

11. Based on information provided by Defendants' counsel, Plaintiffs believe there are approximately 6,757 PAGA Members in the Settlement Period.

Procedural History

12. On or around December 16, 2021, Plaintiff Navarro filed with the Labor and Workforce Development Agency (“LWDA”) and served on Defendants, a notice under Labor Code section 2699.3 stating she intended to serve as a proxy of the LWDA to recover civil penalties on behalf of other non-exempt, hourly-paid employees for alleged Labor Code violations (“Navarro PAGA Notice”). A true and correct copy of the Navarro PAGA Notice is attached hereto Exhibit “2.”

13. On or around December 17, 2021, Plaintiff Navarro filed a wage and hour class action in the Sacramento County Superior Court, Case Number 34-2021-00312914, alleging Defendants: (1) failed to pay overtime wages; (2) failed to pay minimum wages; (3) failed to provide meal periods or compensation in lieu thereof; (4) failed to provide rest periods or compensation in lieu thereof; (5) failed to pay all wages due upon separation from employment; (6) failed to issue accurate and compliant wage statements; (7) failed to timely pay wages during employment; (8) failed to indemnify for business expenses; and (9) engaged in unfair competition (the “Navarro Action”).

14. On or around May 13, 2022, after sixty-five (65) days had passed without any action by the LWDA with respect to the Labor Code violations alleged in the Navarro PAGA Notice, Plaintiff Navarro, filed a First Amended Complaint in the Navarro Action, adding claims set forth in the Navarro PAGA Notice.

15. On or around October 14, 2022, the Court granted Defendants' motion to compel arbitration of Plaintiff Navarro's individual PAGA claims, dismissed Plaintiff Navarro's class claims, and stayed Plaintiff Navarro's non-individual PAGA claims.

16. On or around November 21, 2022, Plaintiff Navarro initiated arbitration of her

1 individual wage and hours claims entitled Brigit Navarro v. Crestwood Behavioral Health, Inc., et
2 al., JAMS Ref. No. 5130000275.

3 17. I believe the action has been actively litigated in arbitration. There have been on-
4 going investigations, and there has been an exchange of extensive documentation and information.

5 18. On or around June 21, 2024, Plaintiff Mueller initiated arbitration of his individual
6 wage and hour claims entitled Thaddius Mueller v. Crestwood Behavioral Health, Inc., et al., JAMS
7 Ref. No. 5200001515.

8 19. On or around August 29, 2024, Plaintiff Mueller filed with the Labor and Workforce
9 Development Agency (“LWDA”) and served on Defendants, a notice under Labor Code section
10 2699.3 stating he intended to serve as a proxy of the LWDA to recover civil penalties on behalf of
11 other non-exempt, hourly-paid employees for alleged Labor Code violations (“Mueller PAGA
12 Notice”). A true and correct copy of the Mueller PAGA Notice is attached hereto as Exhibit “3.”

13 20. On or around November 4, 2024, after sixty-five (65) days had passed without any
14 action by the LWDA with respect to the Labor Code violations alleged in the Mueller PAGA Notice,
15 Plaintiff Mueller filed a representative action under PAGA against Defendants in the Napa County
16 Superior Court, captioned Thaddius Mueller v. Crestwood Behavioral Health, Inc., et al., Case No.
17 24CV001932, for the Labor Code violations set out in the Mueller PAGA Notice (the “Mueller
18 PAGA Action”).

19 21. Plaintiffs and Defendants (collectively, the “Parties”) exchanged informal discovery,
20 and on or around February 12, 2025, participated in an all-day mediation presided over by mediator
21 Todd A. Smith, Esquire. The Parties did not reach a settlement at mediation. However, settlement
22 discussions continued following the mediation with the assistance of the mediator and the Parties
23 reached a settlement of the claims in the Action.

24 22. As part of the agreement, the Parties now seek to stipulate to permit Plaintiff Navarro
25 to file a Second Amended Complaint in the Navarro Action, adding Plaintiff Mueller as a named
26 plaintiff. The Second Amended Complaint has since been filed.

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Discovery and Investigation

4 23. In the leadup to mediation, Plaintiffs' Counsel investigated Plaintiffs' claims,
5 performed legal research regarding Defendants' defenses, and engaged in informal discovery.

6 24. I believe the above information and sampling yielded sufficient information to
7 determine, for the PAGA Period, the total number of PAGA Members, the total number of shifts
8 and PAGA pay periods, the average length of shifts for PAGA Members, average rates of pay,
9 detailed analyses of meal period and rest period violations, the number of PAGA Members eligible
10 for waiting time penalties and wage statement penalties, and the policies and practices in play during
11 the PAGA Period. The documents and information produced enabled Plaintiffs' Counsel to analyze
12 the law and facts relating to Plaintiffs' claims. Plaintiffs' Counsel also retained an expert to review
13 and analyze the time and payroll records and prepare a model setting forth Defendants' potential
14 exposure for civil penalties for use in mediation. The documents and information shared also
15 enabled Plaintiffs to evaluate the potential hurdles to recovery, including in connection with the
16 merits of the claims and manageability. Based on this investigation and discovery, Plaintiffs were
17 able to act intelligently and effectively in negotiating the proposed Settlement.

18 25. PAGA Counsel have conducted significant investigation of the law and facts relating
19 to the claims asserted in the Action, and have concluded that the Settlement set forth herein is fair,
20 reasonable, adequate and in the best interests of the PAGA Members, and, to the extent permitted
21 by law, the State of California, taking into account the sharply contested issues involved, the expense
22 and time necessary to litigate the Action through trial and any appeals, the risks and costs of further
23 litigation, the risk of an adverse outcome, the uncertainties of complex litigation, the information
24 learned through informal discovery regarding Plaintiffs' allegations, and the substantial benefits to
25 be received by PAGA Members.

26 26. Defendants have concluded that, because of the substantial expense of defending
27 against the Action, the length of time necessary to resolve the issues presented herein, the
28 inconvenience involved and the concomitant disruption to their business operations, it is in its best

1 interests to accept the terms of the Agreement. Defendants deny each of the allegations and claims
2 asserted against it in the Action. However, Defendants nevertheless desires to settle the Action for
3 the purpose of avoiding the burden, expense, and uncertainty of continuing litigation, and for the
4 purpose of putting to rest the controversies engendered by the Action

5 **Mediation**

6 27. On February 12, 2025, the Parties participated in an all-day mediation presided over
7 by mediator Todd A. Smith, Esquire. The Parties did not reach a settlement at mediation. However,
8 settlement discussions continued following the mediation with the assistance of the mediator and
9 the Parties reached a settlement of the claims in the Action.

10 28. The Settlement negotiations were at arm's length and, although conducted in a
11 professional manner, were adversarial. The Parties went into mediation willing to explore the
12 potential for a settlement of the Action, but each side was also prepared to litigate their position
13 through trial and appeal if a settlement had not been reached. After several exchanges of draft
14 settlement agreements, the Parties fully executed the Settlement Agreement, a copy of which is
15 attached hereto as Exhibit "1" thereto.

16 29. Based on Plaintiffs' investigation, informal discovery, and evaluation of Plaintiffs'
17 claims, Defendants' defenses regarding the merits of the claims and the manageability of a trial
18 thereon, Defendants' potential exposure, the expense and time necessary to pursue this action
19 through trial, the risks and costs of further prosecution of this action, the uncertainties of complex
20 litigation and developing law, and the benefits that will accrue to the LWDA and the PAGA
21 Members, the Parties and their counsel believe that a settlement on the terms set forth herein is fair,
22 reasonable, adequate, and in the best interests of Plaintiffs, PAGA Members, the LWDA, and
23 Defendants.

24 **Summary of Settlement**

25 **The PAGA Members**

26 30. The "PAGA Members" who are covered by the Settlement Agreement are all persons
27 employed by Defendants in an hourly, non-exempt position in California during the period from
28 March 1, 2021 through the Effective Date ("PAGA Period"). Based on information provided by

1 Defendants prior to mediation, Plaintiffs believe there are approximately 6,757 PAGA Members in
2 the PAGA Period.

3 **Settlement Terms**

4 31. The Settlement provides for a Maximum Settlement Amount (“MSA”) of
5 \$1,800,000.00, as the same may be escalated pursuant to the Parties’ Settlement Agreement, to be
6 paid by Defendants. The MSA shall be allocated as follows:

7 **Net Settlement Amount**

8 32. The amount of the MSA that remains after deducting the PAGA Representative
9 Service Payment to Plaintiffs (\$20,000.00), Settlement Administration Costs (\$19,950.00),
10 Plaintiffs’ Counsel’s Attorneys’ Fees (\$630,000.00), and Plaintiffs’ Counsel’s Attorneys’ Costs
11 (\$20,341.11) will be designated as the Net Settlement Amount (“NSA”). If the Court approves
12 those allocations, the total estimated amount of the Net Settlement Amount is \$1,109,708.89 as the
13 same may be escalated pursuant to the Settlement Agreement. Pursuant to the Settlement
14 Agreement and Labor Code section 2699(i), 75% of the Net Settlement Amount, or \$832,281.67 (as
15 the same may be escalated pursuant to the Settlement Agreement) will be paid to the LWDA, and
16 the remaining 25%, or \$277,427.22 as the same may be escalated pursuant to the Settlement
17 Agreement) of the Net Settlement Amount will be paid to the PAGA Members on a *pro rata* basis
18 using their respective number of Pay Periods worked during the Settlement Period. The estimate
19 average payment to PAGA Members is approximately \$41.06 (\$277,427.22 / 6,757 PAGA
20 Members).

21 **Settlement Administrator and Costs of Administering the Settlement**

22 33. The Parties have agreed that the Settlement Administrator will be ILYM Group, Inc.
23 (“ILYM”). The cost of administering the Settlement, including but not limited to, mailing the
24 Individual PAGA Award(s) to the PAGA Members, shall not exceed \$19,950.00 and will be paid
25 to the Settlement Administrator from the Maximum Settlement Amount.

26 **Plaintiff’s Counsel’s Attorneys’ Fees and Costs**

27 34. An award of attorneys’ fees is requested to Plaintiffs’ Counsel in an amount of not
28 more than thirty-five percent (35%) of the Maximum Settlement Amount, which unless escalated

1 pursuant to the Settlement Agreement, will be \$630,000.00 as well as reimbursement of litigation
2 costs reasonably incurred in an amount of \$20,341.11.

3 **PAGA Representative Service Payments**

4 35. A PAGA Representative Service Payments in the amount of not to exceed
5 \$10,000.00 to each Plaintiff for a total of \$20,000.00 to Plaintiffs (in addition to any Individual
6 PAGA Payments they are entitled to receive as PAGA Members), for their services on behalf of the
7 State of California ("the State") and the PAGA Members, which included assisting Plaintiffs'
8 Counsel with the investigation, litigation, and settlement, participation in mediation, as well as for
9 their full release of their individual claims, known and unknown, against Defendants, including
10 waivers of Plaintiffs' rights under California Civil Code Section 1542

11 **Settlement Administration**

12 36. Within 30 calendar days after the Effective Date, Defendants shall provide to the
13 Administrator in spreadsheet form the PAGA Members' names, last-known addresses, social
14 security numbers, and pay period data (number of pay checks issued with non-zero regular hours).

15 37. Within 30 calendar days after the Effective Date, Defendants, on behalf of the
16 Released Parties, will pay to the Administrator the Maximum Settlement Amount. Within 50
17 calendar days after the Effective Date, the Administrator shall disburse the Maximum Settlement
18 Amount as specified in the Agreement via first class mail. The Administrator will be responsible
19 for making payment of any court-approved PAGA Counsel's Attorneys' Fee and Costs, any court-
20 approved Plaintiffs' Enhancement Payments, Administration Expenses, the LWDA Payment,
21 Individual PAGA Awards to PAGA Members, and meeting any reporting obligations. The
22 Administrator will distribute Individual PAGA Awards by way of check(s) mailed to the PAGA
23 Member at the last known address that the Administrator has on file. The Administrator will send a
24 letter to the PAGA Members in substantially the form attached to the Settlement Agreement as
25 Exhibit B along with the relevant tax forms and the Individual PAGA Award check.

26 38. Settlement checks shall remain valid and negotiable for 180 calendar days from the
27 date of their issuance. Settlement checks provided to PAGA Members shall prominently state the
28 expiration date or a statement that the checks will expire in 180 calendar days, or alternatively, such

1 a statement may be made in a letter accompanying the check. If a settlement check is returned to the
2 Administrator, the Administrator will make all reasonable efforts to re-mail it to the PAGA Member
3 at his or her correct address. If a PAGA Member's settlement letter, Individual PAGA Award, and
4 tax forms are returned as non-deliverable, the Administrator will re-send to the forwarding address,
5 if any, on the returned envelope. If there is no forwarding address, the Administrator will perform
6 one NCOA check and will skip-trace return mail and re-mail the check within three (3) business
7 days of receipt.

8 **Taxes**

9 39. The Parties do not expect there to be any employer side taxes arising from this
10 Settlement because this is a settlement of a representative action for civil penalties. If it is determined
11 that employer side taxes exist on the Maximum Settlement Amount, such taxes will be funded by
12 the Maximum Settlement Amount.

13 **Release**

14 40. As of the Effective Date, Plaintiffs, all PAGA Members, and the State of California
15 fully, finally, and forever release, compromise, and discharge the Released Parties from the Released
16 Claims for the PAGA Period. This release is binding on the State of California, which includes the
17 LWDA and its departments, divisions, commissions, boards, agencies, and employees, and any of
18 Defendants' current or former employees who may seek to represent the State of California to
19 recover civil penalties pursuant to PAGA based on alleged violations of the Released Claims during
20 the PAGA Period.

21 **Escalator Provision**

22 41. The Agreement is based on Defendants' representation that there are 295,000 pay
23 periods worked during the PAGA Period. In the event the number of pay periods worked by PAGA
24 Members during the PAGA Period exceeds 324,500 (i.e. an increase greater than 10% of the 295,000
25 estimated pay periods), Defendants may elect to either: (1) shorten the PAGA Period to a time frame
26 where the number of pay periods does not exceed 324,500 pay periods, or (2) increase the Maximum
27 Settlement Amount by multiplying the pay periods in excess of 324,500 by the Pro Rata Amount.
28 The Pro Rata Amount shall be calculated by dividing the \$1,800,000.00 by 295,000, which amounts

1 to \$6.10. Thus, for example, should there be 350,000 pay periods in the PAGA Period, then the
2 Maximum Settlement Amount shall be increased by \$155,550.00 ((350,000 pay periods – 324,500
3 pay periods) x \$6.10 per Pay Period.).

4 **Uncashed Checks**

5 42. Upon the deadline (180 calendar days) to cash the settlement checks, any
6 uncashed/undeliverable checks will automatically be cancelled by the Administrator if not cashed
7 within that time and the funds associated with such cancelled checks will be transmitted to the
8 California State Controller's Office's Unclaimed Property Division to be held as unclaimed funds
9 in the PAGA Member's name.

10 **Argument**

11 **The PAGA Penalties Secured by the Settlement are Genuine and Meaningful, and Fulfill**

12 **PAGA's Underlying Purpose to Benefit the Public**

13 43. Here, Plaintiffs' Counsel believes the Settlement penalizes Defendants for its alleged
14 violation of California's labor laws, provides a significant benefit of \$832,281.67 (as the same may
15 be escalated pursuant to the Settlement) to the State and also provides relief to the PAGA Members
16 that is genuine and meaningful, consistent with the underlying purpose of the statute to benefit the
17 public. Lastly, the Maximum Settlement Amount of \$1,800,000.00, as the same may be escalated
18 pursuant to the Settlement Agreement, is significant enough to deter Defendants from future
19 violations. Accordingly, the Settlement fulfills the underlying purpose of the statute and confers a
20 substantial benefit on the public.

21 **The Settlement is Reasonable Given the Risks of Further Litigation**

22 44. I understand that because, in this instance, there was no evidence that Defendants
23 were provided notice that they were in violation of the Labor Code, initial violation rates were used
24 to calculate penalties.

25 45. At the time of mediation and based on the records produced by Defendants, Plaintiffs
26 understood there to be 295,000 pay periods through mediation. While Plaintiffs' Counsel is
27 informed and believes that reasonable minds differ with regard to calculation of PAGA penalties,
28

1 Plaintiffs' Counsel believe one reasonable calculation of Defendants' maximum exposure in PAGA
2 penalties is as follows:

- 3 (1) Minimum Wage Violations: Labor Code section 1197.1 prescribes penalties of \$100 for
4 an initial violation and \$200 for each subsequent violation. Using the initial pay period
5 rate for all violations, and a violation every single pay period for every single non-exempt
6 employee in the PAGA Period, this amounts to a maximum exposure of \$29,500,000
7 (295,000 pay periods x \$100).
- 8 (2) Overtime Violations: Labor Code section 558 prescribes penalties of \$50 for an initial
9 violation and \$100 for each subsequent violation. Using the initial pay period rate for
10 all violations, and a violation every single pay period for every single non-exempt
11 employee in the PAGA Period, this amounts to a maximum exposure of \$14,750,000
12 (295,000 pay periods x \$50).
- 13 (3) Meal Period Violations: Labor Code section 558 prescribes penalties of \$50 for an initial
14 violation and \$100 for each subsequent violation. Using the initial pay period rate for
15 all violations, and a violation every single pay period for every single non-exempt
16 employee in the PAGA Period, this amounts to a maximum exposure of \$14,750,000
17 (295,000 pay periods x \$50).
- 18 (4) Rest Period Violations: Labor Code section 558 prescribes penalties of \$50 for an initial
19 violation and \$100 for each subsequent violation. Using the initial pay period rate for
20 all violations, and a violation every single pay period for every single non-exempt
21 employee in the PAGA Period, this amounts to a maximum exposure of \$14,750,000
22 (295,000 pay periods x \$50).
- 23 (5) Wage Statement Violations: According to *Gunther v. Alaska Airlines, Inc.* (2021) 287
24 Cal.Rptr.3d 229, in this instance, Labor Code section 2699 would be the appropriate
25 penalty for wage statement violations that are inaccurate, which prescribes penalties of
26 \$100 for an initial violation and \$200 for each subsequent violation. (*Id.* at 247-248.)
27 Using the initial pay period rate for all violations, and a violation every single pay period
28 for every single PAGA Members in the PAGA Period, this amounts to a maximum

1 exposure of \$29,500,000 (295,000 pay periods x \$100).

2 (6) Waiting Time Penalties: Labor Code section 558 prescribes penalties of \$50 for an initial
3 violation and \$100 for each subsequent violation. Because this violation is merited only
4 at separation of employment, a 100% violation rate would likely include be just one
5 violation per employee. Plaintiffs' Counsel contends that there were approximately 69
6 PAGA Members separated from the company during the relevant time period. This
7 amounts to a maximum exposure of \$375,600 (3,756 PAGA Members x \$100).

8 (7) Failure to Reimburse Work Expenses: Labor Code section 2699 would be the appropriate
9 penalty for failure to reimburse work expenses, which prescribes penalties of \$100 for
10 an initial violation and \$200 for each subsequent violation. Using the initial pay period
11 rate for all violations, and a violation every single pay period for every single PAGA
12 Members in the PAGA Period, this amounts to a maximum exposure of \$29,500,000
13 (295,000 pay periods x \$100).

14 46. In sum, Plaintiffs' Counsel calculated Defendants' total maximum exposure for
15 PAGA violations if the Court were to find a 100% violation rate for every PAGA Member every
16 pay period, allow "stacking" of PAGA Penalties (i.e. multiple penalties for different Labor Code
17 violations in the same pay period), and not exercise its discretion to reduce any of those penalties to
18 be \$133,125,600.

19 47. On the other hand, Plaintiffs' Counsel understands that Defendants argued the
20 following in connection with this claim: Defendants contend that no PAGA penalties are likely to
21 be awarded and, even if they were, the maximum exposure calculated by Plaintiffs are vastly
22 overstated. First, Defendants defend that PAGA penalties cannot and should not be stacked,
23 specifically including penalties arising from violations of Labor Code sections 201-203, 204, and
24 226, and that, even if they could, very few Courts have ever exercised discretion to stack them.
25 Second, Defendants deny that a violation for each pay period can be established. Third, Defendants
26 contend that a Court is unlikely to exercise its discretion to award civil penalties under PAGA where,
27 as here, Defendants contend there is no conduct that would show any Labor Code violations by
28 Defendants, if any, is knowing and intentional that would justify PAGA penalties. Finally,

1 Defendants assert that individualized issues predominate the PAGA claims, making the claims
2 unmanageable for trial. Thus, Defendants contend that the Court cannot, should not, and will not
3 exercise its discretion to award any penalties under PAGA.

4 48. While Plaintiffs are confident in the merits of the case, a legitimate controversy exists
5 as to each predicate Labor Code violation. For example, Plaintiffs contend that the PAGA Members
6 were subjected to, inter alia, not being paid for all time under Defendants' control, unlawful meal
7 and rest break policies, and were denied meal and rest break premiums. Defendants refute these
8 contentions, claiming, for example, that everyone was paid for all time worked, they authorized and
9 permitted rest breaks, and provided meal periods.

10 49. Plaintiffs also considered the fact that continued litigation would be expensive, time-
11 consuming and an uncertain proposition, involving a trial and possible appeals, and would delay
12 any recovery to the State and the PAGA Members. There is also a substantial risk that the Court
13 would reduce the award even if Plaintiffs successful or otherwise exercises its discretion not to
14 award penalties at all even if Labor Code violations are found. In contrast, if the Court approves the
15 Settlement, the PAGA Members will receive timely relief and avoid the risk of an unfavorable
16 judgment. Plaintiffs objectively and knowledgably balanced the strengths and weaknesses of their
17 claims, the likelihood of reaching a trial, and the likelihood of success at trial against the risk of
18 continued litigation and was able to determine a realistic range of settlement recovery for PAGA
19 penalties.

20 50. As such, Plaintiffs' Counsel believes a 90% discount of this theoretical maximum
21 exposure, resulting in \$13,312,560 to be a reasonable estimate of the likelihood of what Plaintiffs
22 may potentially recover at trial for PAGA penalties (\$133,125,600 x 0.1). *See also Carrington v.*
23 *Starbucks Corp.*, 30 Cal.App.5th 504, 529 (2018) (upholding trial courts 90% reduction in
24 maximum penalties, from \$50 to \$5 per initial violation). In all, Plaintiffs' Counsel obtained a
25 Maximum Settlement Amount of \$1,800,000.00.

26 51. Thus, when the risks of litigation, including, without limitation, the burdens of proof
27 necessary to establish liability, and the mixed case law on manageability, that no recovery may have
28 been possible whatsoever, as well as the probability of appeal of a favorable judgment are

1 considered, it is clear that the Settlement is reasonable and in the best interest of the State and the
2 public. The Settlement therefore accomplishes PAGA's objectives by imposing sufficient civil
3 penalties "to punish and deter" Defendants from future alleged Labor Code violations, while also
4 ensuring that the penalties are not "unjust, arbitrary and oppressive, or confiscatory." (Lab. Code,
5 § 2699, subd. (e)(2); *Iskanian*, 59 Cal.4th at 384.

6 **Plaintiffs' Counsel's Hourly Rates are Reasonable**

7 52. The National Law Journal Survey, is attached hereto as as Exhibit "4."

8 53. The declaration of Richard Pearl is attached as Exhibit "5."

9 54. I believe Plaintiffs' Counsel are experienced litigators who specialize in employment
10 law, with a substantial PAGA and wage-and-hour class action practice. Moreover, similar rates for
11 the attorneys and staff of Plaintiffs' Counsel have been approved by various California Superior
12 Courts, including just this month. Given the skill and experience of Plaintiffs' Counsel in this case,
13 and the excellent result achieved for the State and other PAGA Members, the requested rates are
14 reasonable.

15 **The Settlement Administrator Costs are Reasonable**

16 55. The Settlement Administrator's request for costs of up to \$19,950.00 is reasonable,
17 given the tasks to be performed by the Settlement Administrator, including but not limited to:
18 receiving and processing the PAGA Members data; establishing a settlement fund; calculating and
19 mailing Individual PAGA Payments to the PAGA Members along with the Notice of Settlement to
20 PAGA Members via First Class U.S. Mail, postage prepaid; providing the Parties' counsel reports
21 regarding administration of the Settlement Agreement as needed or requested; if a Notice of
22 Settlement to PAGA Members and check for Individual PAGA Payment from the initial mailing is
23 returned as undeliverable during the check-cashing period, the Settlement Administrator will
24 attempt to obtain a current address for the PAGA Member to whom the returned Notice of
25 Settlement to PAGA Members and check for Individual PAGA Payment had been mailed within
26 three (3) calendar days of receipt of the returned Notice of Settlement to PAGA Members and/or
27 Individual PAGA Payment check, by: (a) contacting the PAGA Member by phone, if possible, (b)
28 undertaking all reasonable efforts to identify the PAGA Members' correct address, and (c)

1 undertaking skip tracing; if the Settlement Administrator is successful in obtaining a new address,
2 it will promptly remail the Notice of Settlement to PAGA Members and Individual PAGA Payment
3 check to the PAGA Member at his or her updated address within three (3) business days; providing
4 necessary reports and declarations; and performing other such duties as the Parties and/or the Courts
5 direct. Thus, the Settlement Administrator's costs should be approved.

6 **Submission to the LWDA**

7 56. On or around March 4, 2026, my office submitted a copy of the Settlement
8 Agreement to the California Labor and Workforce Development Agency ("LWDA") in
9 compliance with Labor Code section 2699, subdivision (l)(2). A true and correct copy of the
10 confirmation from the LWDA in connection with Plaintiffs is attached hereto as Exhibit "6."

11 I declare under penalty of perjury under the laws of the state of California that the
12 foregoing is true and correct this March 4, 2026, at Los Angeles, California.

13 */s/ Vedang J. Patel*

14 _____
Vedang J. Patel

EXHIBIT 1

CDF LABOR LAW LLP
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Attorneys for Defendants
 Crestwood Behavioral Health, Inc. and Helios Healthcare,
 LLC jointly doing business as Idylwood Care Center

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SACRAMENTO

BRIGIT NAVARRO, an individual and on
 behalf of all others similarly situated,

Plaintiff,

vs.

CRESTWOOD BEHAVIORAL HEALTH,
 INC., a Delaware corporation doing business as
 IDYLWOOD CARE CENTER; HELIOS
 HEALTHCARE, LLC, a California limited
 liability company doing business as
 IDYLWOOD CARE CENTER; and DOES 1
 through 100 inclusive,

Defendants.

) Case No. 34-2021-00312914

) Assigned for All Purposes To:

) Judge: Jill H. Talley

) Dept: 23

) **JOINT STIPULATION OF PAGA**
) **SETTLEMENT**

) Action Filed: December 17, 2021

JOINT STIPULATION OF PAGA
SETTLEMENT

1 This Joint Stipulation of PAGA Settlement is made by and between plaintiffs Brigit
2 Navarro and Thaddius Mueller, on behalf of themselves, the State of California, and for all
3 similarly aggrieved employees, on the one hand, and defendants Crestwood Behavioral Health, Inc.
4 and Helios Healthcare, LLC jointly doing business as Idylwood Care Center on the other hand,
5 subject to the following terms and conditions and the approval of the Court in accordance with
6 California Labor Code section 2699(1)(2).

7 DEFINITIONS

8 1. “**Action**” means the civil action titled *Brigit Navarro, an individual and on behalf of*
9 *all others similarly situated v. Crestwood Behavioral Health, Inc., a Delaware corporation doing*
10 *business as Idylwood Care Center; Helios Healthcare, LLC, a California limited liability company*
11 *doing business as Idylwood Care Center; and Does 1 through 100, inclusive, Sacramento Superior*
12 *Court No. 34-2021-00312914.*

13 2. “**Administration Expenses**” means the amount to be paid to the Administrator from
14 the Maximum Settlement Amount for its services in administering the settlement.

15 3. “**Administrator**” means ILYM Group, Inc. or any other third-party settlement
16 administrator agreed to by the Parties and approved by the Court for the purposes of administering
17 this Settlement.

18 4. “**Agreement,**” “**Settlement,**” and/or “**Settlement Agreement**” means this Joint
19 Stipulation of PAGA Settlement.

20 5. “**Court**” refers to the court having jurisdiction over the Action, which is presently
21 the Sacramento County Superior Court.

22 6. “**Defendants**” means Crestwood Behavioral Health, Inc. and Helios Healthcare,
23 LLC jointly doing business as Idylwood Care Center.

24 7. “**Defense Counsel**” means Corey J. Cabral and Sander van der Heide of the law
25 firm CDF Labor Law LLP.

26 8. “**Effective Date**” means the date of the Court’s order granting Approval of the
27 Settlement and Judgment in the absence of any objection or intervention to the Settlement. If an
28 objection or intervention to the Settlement is filed and not later withdrawn, the Effective Date is the

1 later of the following events: (i) when the period for filing any appeal, writ or other appellate
2 proceeding opposing the Settlement has elapsed without any appeal, writ or other appellate
3 proceeding having been filed; or (ii) any appeal, writ or other appellate proceeding opposing the
4 Settlement has been dismissed finally and conclusively with no right to pursue further remedies or
5 relief; or any appeal, writ or other appellate proceeding has upheld the Court's final order with no
6 right to pursue further remedies or relief. In this regard, in the event an objection or intervention is
7 filed and not later withdrawn, the Parties hereby state their intention that the Settlement will not
8 become effective until the Court's order granting approval of the Settlement is completely final,
9 and there is no further recourse by any appellant or objector who seeks to contest the finality of the
10 Settlement.

11 9. **"Individual PAGA Award(s)"** means the PAGA Members' pro-rata shares of
12 twenty-five percent (25%) of the Net Settlement Amount. The pro-rata shares are calculated by dividing
13 twenty-five percent of the Net Settlement Amount by the total number of pay periods all PAGA Members
14 worked during the PAGA period and then multiplying by the number of pay periods each PAGA
15 Member worked during the PAGA period.

16 10. **"LWDA"** means the California Labor and Workforce Development Agency.

17 11. **"LWDA Payment"** means the seventy-five percent (75%) of the Net Settlement
18 Amount to be paid to the LWDA under the Agreement.

19 12. **"Maximum Settlement Amount"** means One Million Eight Hundred Thousand
20 Dollars (\$1,800,000), which is inclusive of the Individual PAGA Awards, LWDA Payment,
21 Plaintiffs' Enhancement Payments, PAGA Counsel's Attorneys' Fees and Costs, and
22 Administration Expenses. It is understood and agreed that the Maximum Settlement Amount is the
23 total amount to be paid by Defendants as provided by this PAGA Settlement and shall not exceed
24 \$1,800,000.

25 13. **"Net Settlement Amount"** means the amount from the Maximum Settlement
26 Amount that is available for distribution as the LWDA Payment and Individual PAGA Awards for
27 PAGA Members after deducting (1) PAGA Counsel's Attorneys' Fees and Costs; (2)
28 Administration Expenses; and (3) Plaintiffs' Enhancement Payments.

14. **“Operative Complaint”** means the Second Amended Complaint to be filed in the Action.

15. **“PAGA”** means California’s Labor Code Private Attorneys General Act, Cal. Lab. Code § 2699, et seq.

16. **“PAGA Class”** and **“PAGA Member(s)”** mean all persons employed by Defendants in an hourly, non-exempt position in California during the PAGA Period.

17. **“PAGA Counsel”** means David D. Bibiyan and Vedang J. Patel of the law firm Bibiyan Law Group P.C.

18. **“PAGA Counsel’s Attorneys’ Fees and Costs”** means the Court-approved attorneys’ fees, expenses, and costs incurred by PAGA Counsel for PAGA Counsel’s litigation and resolution of the Action.

19. **“PAGA Period”** means from March 1, 2021 through the Effective Date.

20. **“Parties”** means Plaintiffs and Defendants collectively.

21. **“Pay Period(s)”** refers to the number of pay periods a PAGA Member worked for Defendants as a non-exempt or hourly-paid employee in California during the PAGA Period, excluding any pay period(s) during which the PAGA Member did not work or was on a leave of absence. Each PAGA Member will be credited with at least one (1) pay period.

22. **“Plaintiffs”** mean Brigit Navarro and Thaddius Mueller on behalf of themselves and their respective heirs, representatives, successors, and assigns.

23. **“Plaintiffs’ Enhancement Payment(s)”** means, subject to Court approval, Ten Thousand Dollars and Zero Cents (\$10,000.00) of the Maximum Settlement Amount for each of the Plaintiffs in recognition of their effort and work in prosecuting the Action and in consideration for individual general releases of all claims with a waiver of California Code of Civil Procedure Section 1542.

24. **“Released Claims”** means all claims for civil penalties pursuant to PAGA that were alleged, or reasonably could have been alleged, based on the factual allegations in the Operative Complaint and the PAGA Notices, including, without limitation, all claims related to (1) off-the-clock work, (2) time rounding, (3) unpaid minimum wages, (4) unpaid regular wages, (5) unpaid

overtime, (7) donning and doffing of uniforms and/or safety equipment, (8) regular rate of pay, (9) meal periods, meal period premiums, and meal period auto deductions, (10) rest breaks, rest break premiums, and cooldown rest periods, (11) wage statements, (12) failure to keep records, (13) timely payment of wages at separation, (14) timely payment of wages during employment, (15) split shift premiums, (16) reporting time pay, (17) business expense reimbursement, (18) paid sick leave, (19) suitable seating, (20) inspection of employment records, (21) alternative workweek schedule, (22) misclassification of independent contractors and any other Labor Code violations that were alleged, or could have been alleged, in the Operative Complaint and the PAGA Notices, which includes, but is not limited to, alleged violations of Labor Code sections 96, 98.6, 200, 201, 201.3, 201.5, 201.7, 202, 203, 203.5, 204, 204a, 204.1, 204.2, 205, 205.5, 206.5, 210, 212, 218.6, 221, 222, 222.5, 223, 226, 226.2, 226.3, 226.7, 226.8, 227.3, 231, 232, 232.5, 233, 234, 245, 246, 351, 353, 432, 432.3, 432.5, 432.6, 432.7, 432.8, 450, 510, 511, 512, 551, 552, 558, 1101, 1102, 1102.5, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 1198.5, 1199, 1290, 1292, 1293, 1294.1, 1301, 1391, 1475, 1527, 1695.55, 1696.5, 1700.31, 1771, 1774, 1776, 1811, 1815, 2673, 2800, 2810.5, 2802, 3366, 3457, 6402, 6403, 6409.6, 8397.4, during the PAGA Period.

25. **“Released Parties”** means (i) Defendants, (ii) Defendants’ past and present direct and indirect parents; (iii) the respective past and present direct and indirect subsidiaries and affiliates of any of the foregoing; (iv) the past and present shareholders, directors, officers, agents, employees, attorneys, insurers, members, partners, managers, contractors, agents, consultants, representatives, administrators, fiduciaries, benefit plans, transferees, predecessors, successors and assigns of any of the foregoing; and (v) any individual or entity which could be jointly liable with any of the foregoing.

FACTUAL BACKGROUND

Navarro Matter

26. Plaintiff Navarro filed a letter with the LWDA on December 16, 2021, alleging various wage and hour violations by Defendants.

27. On December 17, 2021, Plaintiff Navarro filed a civil complaint in the Sacramento Superior Court alleging various wage and hour violations.

28. On May 13, 2022, Plaintiff Navarro filed a first amended complaint entitled *Brigit Navarro, an individual and on behalf of all others similarly situated v. Crestwood Behavioral Health, Inc., a Delaware corporation doing business as Idylwood Care Center; Helios Healthcare, LLC, a California limited liability company doing business as Idylwood Care Center; and Does 1 through 100, inclusive*, Sacramento Superior Court Case No.: 34-2021-00312914, alleging the following claims: (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 indemnify business expenses; (8) failure to timely pay wages; (9) unfair competition; and (10) civil penalties under the Private Attorneys General Act

29. On October 14, 2022, the Court in the Action granted Defendants' motion to compel arbitration of Plaintiff Navarro's individual PAGA claims, dismissed Plaintiff Navarro's class claims, and stayed Plaintiff Navarro's non-individual PAGA claims.

30. On November 21, 2022, Plaintiff Navarro initiated arbitration of her individual wage and hours claims entitled *Brigit Navarro v. Crestwood Behavioral Health, Inc.; Helios Healthcare LLC jointly doing business as Idylwood Care Center* JAMS Ref. No. 5130000275 ("Navarro Action").

31. The action has been actively litigated in arbitration. There have been on-going investigations, and there has been an exchange of extensive documentation and information.

32. On February 12, 2025, the Parties participated in a mediation with well-respected mediator Todd A. Smith. Settlement discussions continued following the mediation with the assistance of the mediator and the Parties reached a settlement of the claims in the Action as specified in this Agreement.

Mueller Matter

33. Plaintiff Mueller filed a letter with the LWDA on August 29, 2024, alleging various wage and hour violations by Defendants.

34. On June 21, 2024, Plaintiff Mueller initiated arbitration of his individual wage and hours claims entitled *Thaddius Mueller v. Crestwood Behavioral Health, Inc.; Helios Healthcare LLC jointly doing business as Idylwood Care Center* JAMS Ref. No. 5200001515.

35. On November 4, 2024, Plaintiff Mueller filed a civil complaint entitled *Thaddius Mueller, as an aggrieved employee, and on behalf of all other aggrieved employees under the Labor Code Private Attorneys' General Act v. Crestwood Behavioral Health, Inc., a Delaware corporation; Helios Healthcare, LLC, a California limited liability company; Idylwood Care Center; and Does 1 through 100, inclusive*, Napa Superior Court Case No.: 24CV001932, alleging a claim under PAGA for all other aggrieved employees based on: (1) off-the-clock work, (2) time rounding, (3) unpaid minimum wages, (4) unpaid regular wages, (5) unpaid overtime, (7) donning and doffing of uniforms and/or safety equipment, (8) regular rate of pay, (9) meal periods, meal period premiums, and meal period auto deductions, (10) rest breaks, rest break premiums, and cooldown rest periods, (11) wage statements, (12) failure to keep records, (13) timely payment of wages at separation, (14) timely payment of wages during employment, (15) split shift premiums, (16) reporting time pay, (17) business expense reimbursement, (18) paid sick leave, (19) suitable seating, (20) inspection of employment records, and (21) alternative workweek schedule.

INADMISSIBILITY OF SETTLEMENT AGREEMENT/DENIAL OF LIABILITY

36. **No Determination on the Merits.** There has been no determination on the merits of the Action, but, in order to avoid additional cost and the uncertainty of litigation, it is the desire of the Parties to fully, finally, and forever settle, compromise, discharge, and release of any and all disputes and claims against the Released Parties arising from or related to the Action.

37. **Defendants Denies Liability and Wrongdoing.** This Agreement represents a full and good-faith compromise and settlement of highly disputed claims. Nothing in this Agreement or any statement or conduct in furtherance of the Settlement is intended or will be construed as an admission by Defendants that Plaintiffs' claims have merit or that Defendants have any liability to Plaintiffs or any PAGA Members. Defendants deny any liability and wrongdoing of any kind associated with the alleged claims. Defendants further deny that, for any purpose other than settlement, Plaintiffs' claims are appropriate for representative treatment. Defendants contend that they have complied with California and Federal employment laws at all times and that employees have been paid all wages owed.

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SETTLEMENT AMOUNT

38. **Maximum Settlement Amount.** In consideration for the resolution and release of claims provided for by this Settlement, Defendants will pay the Maximum Settlement Amount of One Million Eight Hundred Thousand Dollars and Zero Cents (\$1,800,000.00), which is inclusive of all amounts Defendants are required to pay under the Settlement. The Maximum Settlement Amount is non-reversionary and will be used for the payment of the following:

A. Administration Expenses. The Administrator will be paid for the costs of administration of the Settlement from the Maximum Settlement Amount. The Administration Expenses have been estimated by the Administrator to be approximately Nineteen Thousand Nine Hundred Fifty Dollars (\$19,950.00).

B. PAGA Counsel's Attorneys' Fees and Costs. Defendants agree not to oppose or object to any application or motion by PAGA Counsel for attorneys' fees not to exceed thirty-five percent (35%) of the Maximum Settlement Amount, which unless increased pursuant to this Agreement, is Six Hundred and Thirty Thousand Dollars and Zero Cents (\$630,000.00), plus reasonable costs and expenses not to exceed Sixty Thousand Dollars (\$60,000.00), subject to approval by the Court. This Agreement is not contingent upon the Court awarding PAGA Counsel any particular amount in attorneys' fees and costs. If the Court reduces or does not approve the requested PAGA Counsel's Attorneys' Fees and Costs, the Agreement will remain binding on the Parties. Any amount requested by PAGA Counsel for the PAGA Counsel's Attorneys' Fees and Costs and not granted by the Court will be added to the Net Settlement Amount and be distributed as provided in this Agreement. The Administrator will issue an IRS Form 1099-MISC to PAGA Counsel for the payments made pursuant to this paragraph.

C. Plaintiffs' Enhancement Payments. Defendants agree not to oppose or object to any application or motion by PAGA Counsel for enhancement payments not to exceed Ten Thousand Dollars and Zero Cents (\$10,000.00) for each of the Plaintiffs in recognition of their effort and work in prosecuting the Action and in consideration for individual general releases of all claims with a waiver of California Code of Civil Procedure

1 Section 1542. Plaintiffs' Enhancement Payments are a part of, and are to be deducted
2 from, the Maximum Settlement Amount. If the Court approves enhancement payments
3 to Plaintiffs in amounts less than that set forth above, the difference between the amount
4 set forth above and the amounts approved by the Court will be added to the Net
5 Settlement Amount and distributed as provided in this Agreement. In addition to the
6 Court-approved Plaintiffs' Enhancement Payments, Plaintiffs will receive their pro-rata
7 Individual PAGA Award. The Administrator will issue IRS Forms 1099-MISC for the
8 Plaintiffs' Enhancement Payments. Plaintiffs assume full responsibility and liability for
9 taxes owed on Plaintiffs' Enhancement Payments.

10 D. Net Settlement Amount. The Administrator will distribute the Net Settlement Amount as
11 follows:

- 12 i. LWDA Payment. Subject to Court approval, and per California Labor Code
13 section 2699(i), the Administrator will mail the LWDA Payment (75% of the
14 Net Settlement Amount) to the LWDA along with a copy the Order Granting
15 Approval of the Settlement to the LWDA.
- 16 ii. Individual PAGA Awards. Subject to Court approval, and per California Labor
17 Code section 2699(i), the Administrator will distribute the remaining 25% of the Net
18 Settlement Amount as Individual PAGA Awards to PAGA Members on a pro-rata
19 basis based on the number of pay periods worked by all PAGA Members during
20 the PAGA Period, excluding any pay period(s) during which the PAGA Member
21 did not work or was on a leave of absence. Each PAGA Member will be credited
22 with at least one (1) pay period. The Administrator will calculate the number of
23 pay periods worked by the PAGA Members during the PAGA Period, and the
24 amount to be paid to PAGA Members per pay period based on information to be
25 provided by Defendants. The Administrator will issue IRS Forms 1099-MISC
26 to PAGA Members for their Individual PAGA Awards.

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1 **39. Increase in Estimated Pay Periods**

2 Defendants estimate that there are 295,000 pay periods worked during the PAGA Period.
3 In the event the number of pay periods worked by PAGA Members during the PAGA Period
4 exceeds 324,500 (i.e. an increase greater than 10% of the 295,000 estimated pay periods),
5 Defendants may elect to either: (1) shorten the PAGA Period to a time frame where the number of
6 pay periods does not exceed 324,500 pay periods, or (2) increase the Maximum Settlement Amount
7 by multiplying the pay periods in excess of 324,500 by the Pro Rata Amount. The Pro Rata
8 Amount shall be calculated by dividing the \$1,800,000.00 by 295,000, which amounts to \$6.10..
9 Thus, for example, should there be 350,000 pay periods in the PAGA Period, then the Gross
10 Settlement Amount shall be increased by \$155,550.00 ((350,000 pay periods – 324,500 pay
11 periods) x \$6.10 per Pay Period.) If Plaintiffs fail to comply with the timelines set out in paragraphs
12 47 and 48(a), the escalator clause shall be tolled and any whole or partial pay periods falling within
13 the tolling period will not be considered for determining whether the 10% threshold has been
14 exceeded.

15 **40. Taxability of Settlement Payments.** Plaintiffs, PAGA Counsel, and the PAGA
16 Members are each solely responsible for correctly characterizing any payments made pursuant to
17 this Agreement for tax purposes and for paying any taxes on the amounts received. Defendants
18 make no representations as to the taxability of any portions of the settlement payments, and it is
19 understood and agreed that Defendants have made no such representations. Neither PAGA
20 Counsel nor Defense Counsel intend anything in this Agreement to constitute advice regarding
21 taxes or taxability; nothing in this Agreement be relied upon as such within the meaning of United
22 States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

23 **41. Settlement Awards Do Not Trigger Additional Benefits.** It is expressly
24 understood and agreed that the receipt of any payment pursuant to this Agreement will not entitle
25 any PAGA Members or Plaintiffs to additional compensation or benefits under any company
26 bonus, contest or other compensation or benefit plan or agreement in place during the period
27 covered by the Agreement, nor will it entitle them to any increased retirement, 401(k) benefits or
28 matching benefits, or deferred compensation benefits. It is the intent of the Parties that the

1 payments provided for in this Agreement are the sole payments to be made by Defendants to the
2 PAGA Members and Plaintiffs in connection with this Agreement, and that they are not entitled to
3 any new or additional compensation or benefits as a result of having received the payments
4 provided for in this Agreement (notwithstanding any contrary language or agreement in any benefit
5 or compensation plan document that might have been in effect during the period covered by this
6 Agreement).

7 RELEASES

8 42. **Release By PAGA Members and State of California.** As of the Effective Date,
9 Plaintiffs, all PAGA Members, and the State of California fully, finally, and forever release,
10 compromise, and discharge the Released Parties from the Released Claims for the PAGA Period.
11 This release is binding on the State of California, which includes the LWDA and its departments,
12 divisions, commissions, boards, agencies, and employees, and any of Defendants' current or former
13 employees who may seek to represent the State of California to recover civil penalties pursuant to
14 PAGA based on alleged violations of the Released Claims during the PAGA Period.

15 43. **No Right to Opt Out of PAGA Release.** The Parties agree that there is no
16 statutory right for any PAGA Member to opt out or otherwise exclude himself or herself from the
17 Agreement.

18 44. **General Release by Plaintiffs.** As of the Effective Date, Plaintiffs, and each of
19 them, fully, finally, and forever release, compromise, and discharge the Released Parties from all
20 causes of action, claims, judgments, obligations, damages or liabilities of whatever kind and character.
21 Plaintiffs understand and expressly agree that this general release extends to all claims of every
22 nature and kind whatsoever, known or unknown, suspected or unsuspected, past or present, which
23 Plaintiffs have or may have against the Released Parties, and all rights under Section 1542 of the
24 California Civil Code are hereby expressly waived. That Section reads as follows:

25 **A general release does not extend to claims that the creditor or**
26 **releasing party does not know or suspect to exist in his or her favor**
27 **at the time of executing the release and that, if known by him or**
28 **her, would have materially affected his or her settlement with the**
debtor or released party.

Plaintiffs acknowledge that they have read this general release, including the waiver of California Civil Code section 1542, and that they have consulted counsel about the general release and specifically about the waiver of section 1542, and that they understand the general release and the section 1542 waiver, and freely and knowingly enters into this Agreement. Plaintiffs acknowledge that they may later discover facts different from or in addition to those Plaintiffs know or now believe to be true with respect to the matters released or described in this Agreement, and Plaintiffs agree that the general release will remain effective in all respects notwithstanding any later discovery of any such different or additional facts.

45. **Labor Code § 206.5 Inapplicable.** It is acknowledged that all settlement awards made pursuant to this Agreement are on disputed claims and that Plaintiffs and each PAGA Member will be deemed to have acknowledged and agreed that California Labor Code § 206.5 is not applicable. That section provides:

An employer shall not require the execution of a release of a claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made. A release required or executed in violation of the provisions of this section shall be null and void as between the employer and the employee. Violation of this section by the employer is a misdemeanor.

PROCEDURE FOR COURT APPROVAL OF AGREEMENT

46. **Submission of Settlement to LWDA.** Within 5 calendar days after full execution of the Agreement and its submission to the Court for approval, PAGA Counsel shall submit the Agreement to the LWDA through its on-line procedures, and shall provide Defense Counsel with a copy of the LWDA's acknowledgment of receipt of the Agreement.

47. **Filing of Amended Consolidated Complaint.** Within 14 days of full execution of this Agreement and prior to seeking Court approval of this Agreement, Plaintiffs will file, by stipulation, an amended consolidated complaint in the Action that adds Thaddius Mueller as an additional Plaintiff, conforms the PAGA definitions and claims to the Released Claims, and attaches each of the Plaintiffs' LWDA letters as exhibits.

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1 48. **Agreement Conditioned on Court Approval.** This Agreement is subject to and
2 conditioned upon obtaining Court approval under Labor Code Section 2699(1)(2).

3 a. Within 30 days of full execution of this Agreement, PAGA Counsel shall prepare a
4 motion for approval for filing with the Court consistent with the Sacramento County
5 Superior Court Checklist for Approval of Class Action and/or PAGA Settlements. Plaintiffs
6 agree to provide Defendants with the opportunity to review, and to seriously consider
7 Defendants' comments before filing Plaintiffs' motion for approval. Defendants and
8 Defense Counsel shall cooperate in supplying information and evidence necessary for
9 obtaining Court approval. A draft of the motion shall be provided to Defense Counsel for
10 review and revision at least three (3) business days prior to filing with the Court. Upon
11 Court approval, a final Order and Judgment in substantially the form attached hereto as
12 **Exhibit A** shall be submitted to the Court for entry. The Court shall maintain jurisdiction
13 over this matter pursuant to California Code of Civil Procedure Section 664.6 as necessary
14 to enforce the terms of the Agreement.

15 b. If the Court does not issue an order approving the Agreement under the specific
16 terms requested, the Parties agree to meet and confer to address the Court's concerns in
17 good faith and determine whether resolution of the claims encompassed by the Agreement
18 can be obtained in a manner consistent with the Court's concerns. The Parties also agree to
19 cooperate in addressing the Court's concerns, including amending this Agreement as is
20 mutually acceptable to the Parties.

21 c. If the Court does not grant approval of the Agreement, or if the Court's final
22 approval of the Agreement is reversed or materially modified on appellate review, then the
23 Agreement will become null and void and the Parties will return to their respective
24 positions in the separate matters as if no Agreement had been reached and Plaintiffs will
25 withdraw the amended consolidated complaint in the Action. A modification of amounts
26 payable as (1) PAGA Counsel's Attorneys' Fees and Costs, (2) Plaintiffs' Enhancement
27 Payments and/or (3) Administration Expenses shall not be deemed a material modification
28 of the Agreement.

49. **Submission of Judgment to LWDA.** Within 5 calendar days after Court approval of the Agreement and entry of a final Order and Judgment, PAGA Counsel shall submit the Judgment to the LWDA through its on-line procedures, and shall provide Defense Counsel with a copy of the LWDA's acknowledgment of receipt of the Judgment.

SETTLEMENT FUNDING AND PAYMENT DISBURSEMENTS

50. **PAGA Member Information.** Within 30 calendar days after the Effective Date, Defendants shall provide to the Administrator in spreadsheet form the PAGA Members' names, last-known addresses, social security numbers, and pay period data (number of pay checks issued with non-zero regular hours). The Parties agree the PAGA Members' contact information and Social Security numbers will be used only by the Administrator for the sole purpose of effectuating the Settlement, and will not be provided to Plaintiffs or PAGA Counsel at any time or in any form. The Administrator shall take reasonable steps to protect the confidential and private information of the PAGA Members. To the extent PAGA Counsel possesses or comes to possess the PAGA Members' contact information and/or social security numbers, PAGA Counsel shall immediately return all such information (including copies and data or information derived therefrom), shall not retain copies of such information, and shall not maintain or use such information for any purpose. The spreadsheet shall be based on Defendants' payroll and other business records.

51. **Payment of Maximum Settlement Amount.** Within 30 calendar days after the Effective Date, Defendants, on behalf of the Released Parties, will pay to the Administrator the Maximum Settlement Amount. The Administrator will establish a Qualified Settlement Fund ("QSF") for purposes of disbursing the Maximum Settlement Amount per the terms of this Agreement. The Administrator will undertake all required withholding, remittances, reporting of taxes, and issuance of the appropriate tax forms for payments required under this Agreement in accordance with local, state, and federal laws.

52. **Default on Payment.** Defendants' failure to timely pay to the Administrator the Maximum Settlement Amount will be considered a default. In the event Defendants fail to timely fund the Maximum Settlement Amount, the Administrator will provide notice to PAGA Counsel

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1 and Defense Counsel within 3 business days of the missed payment. Thereafter, Defendants will
2 have 7 calendar days to cure the default and tender payment to the Administrator.

3 **53. Accounting of Disbursement.** Within 45 calendar days after the Effective Date, the
4 Administrator shall provide Defendants with a report listing the amount of all payments to be
5 made.

6 **54. Disbursement of Maximum Settlement Amount.** Within 50 calendar days after
7 the Effective Date, the Administrator shall disburse the Maximum Settlement Amount as specified
8 in this Agreement via first class mail. The Administrator will be responsible for making payment
9 of any court-approved PAGA Counsel's Attorneys' Fee and Costs, any court-approved Plaintiffs'
10 Enhancement Payments, Administration Expenses, the LWDA Payment, Individual PAGA Awards
11 to PAGA Members, and meeting any reporting obligations.

12 **55. Individual PAGA Award Disbursements.** The Administrator will distribute
13 Individual PAGA Awards by way of check(s) mailed to the PAGA Member at the last known
14 address that the Administrator has on file. The Administrator will send a letter to the PAGA
15 Members in substantially the form attached hereto as **Exhibit B** along with the relevant tax forms
16 and the Individual PAGA Award check. Settlement checks shall remain valid and negotiable for
17 180 calendar days from the date of their issuance. Settlement checks provided to PAGA Members
18 shall prominently state the expiration date or a statement that the checks will expire in 180 calendar
19 days, or alternatively, such a statement may be made in a letter accompanying the check. If a
20 settlement check is returned to the Administrator, the Administrator will make all reasonable
21 efforts to re-mail it to the PAGA Member at his or her correct address. If a PAGA Member's
22 settlement letter, Individual PAGA Award, and tax forms are returned as non-deliverable, the
23 Administrator will re-send to the forwarding address, if any, on the returned envelope. If there is
24 no forwarding address, the Administrator will perform one NCOA check and will skip-trace return
25 mail and re-mail the check within three (3) business days of receipt. Upon the deadline to cash the
26 settlement checks, any uncashed/undeliverable checks will automatically be cancelled by the
27 Administrator if not cashed within that time and the funds associated with such cancelled checks
28 will be transmitted to the California State Controller's Office's Unclaimed Property Division to be

57. **Declaration of Compliance.** Within 190 days from the date of issuance of settlement checks, the Administrator will provide a declaration of compliance with the terms of the Agreement and detailing proof of payment and the numbers of cashed and uncashed checks (without disclosing or identifying information of PAGA Members). PAGA Counsel will file the Administrator's declaration of compliance with the Court, as ordered by the Court.

8 58. **Stay of Discovery.** To effectuate the terms of the Settlement, the Parties agree all
9 formal and informal discovery in all matters brought by Plaintiffs are stayed pending Court
10 approval of the Settlement. **Dismissal.** Within 5 days after disbursement of the Maximum
11 Settlement Amount, Plaintiffs will dismiss with prejudice all pending litigation and arbitrations
12 other than the Action.

1 agreement on all Court filings. PAGA Counsel will take all steps necessary to ensure that Plaintiffs
2 are aware of, and will ensure that Plaintiffs adhere to, the restriction against public comment of the
3 Settlement. PAGA Counsel further agrees to cease all affirmative mass communication (oral and
4 written) with the PAGA Members, other than through Court-approved notices. This provision does
5 not prevent PAGA Counsel from communicating with any PAGA Members who may contact
6 PAGA Counsel. Also, nothing in this Agreement restricts PAGA Counsel from disclosing and
7 including all publicly available information regarding this case and the settlement in any
8 documents filed with any court and/or judicial submissions (e.g., CV's, declarations regarding
9 adequacy or experience, etc.).

10 **60. Media Communications / No Attorney Advertising.** The Parties will not initiate
11 any communications (directly or indirectly) with the media regarding the Action. Notwithstanding
12 the foregoing, Plaintiffs and PAGA Counsel may, in response to a communication initiated by the
13 media, direct the inquiring media member to the public records of the Action on file with the Court
14 and respond only with "The matter has been resolved." PAGA Counsel will take all steps
15 necessary to ensure that Plaintiffs are aware of, and will ensure that Plaintiffs adhere to, the
16 restriction against any media comment on the Settlement and its terms. PAGA Counsel also agrees
17 that their law firm will not specifically refer to this case, this settlement, or the names of Released
18 Parties in any advertising or promotional material of any kind on their website, on any social media
19 platform, or in any other written or electronic communications of any kind or nature.

20 **61. No Assignment of Claims.** The Parties and their counsel represent, covenant and
21 warrant that they have not directly or indirectly, assigned, transferred, encumbered or purported to
22 assign, transfer or encumber to any person or entity any portion of any liability, claim, demand,
23 action, cause of action or right herein released and discharged except as set forth herein.

24 **62. Construction.** The Parties agree that the terms and conditions of this Agreement
25 are the result of lengthy, intensive arms-length negotiations between the Parties and this Agreement
26 will not be construed in favor of or against any party by reason of the extent to which any party or
27 his, her, or its counsel participated in the drafting of this Agreement.

28 ///

63. **No Admission.** Nothing contained in this Agreement, nor the consummation of this Agreement, is to be construed or deemed an admission of liability, culpability, negligence or wrongdoing on the part of Plaintiffs, Defendants, or Released Parties. Each of the Parties hereto has entered into this Agreement solely with the intention to avoid further disputes and litigation with the attendant inconvenience and expenses.

64. **No Waiver of Arbitration.** Nothing contained in this Agreement, nor the consummation of this Agreement, is to be construed or deemed a waiver by Defendants or Released Parties of any arbitration agreements with Plaintiffs and/or PAGA Members.

65. **Captions and Interpretations.** Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Agreement or any provision of it.

66. **Modification and Waiver.** This Agreement may not be changed, altered or modified, except in writing specifically referencing this Agreement, signed by the Parties, and approved by the Court. No rights under this Agreement may be waived except in writing specifically referencing this Agreement, signed by the waiving party or Parties.

67. **Mutual Full Cooperation.** The Parties agree to fully cooperate with each other to accomplish the terms of this Agreement, including, but not limited to, execution of such documents and taking such other action as reasonably may be necessary to implement the terms of this Agreement. The Parties will use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Agreement and the terms set forth herein. As soon as practicable after execution of this Agreement, PAGA Counsel will, with the assistance and cooperation of Defendants and Defense Counsel, take all necessary steps to secure the Court's approval of this Agreement. If the Court does not issue an order approving the Agreement under the specific terms requested, the Parties agree to meet and confer to address the Court's concerns in good faith and determine whether resolution of the claims encompassed by the Agreement can be obtained in a manner consistent with the Court's concerns.

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68. **Disputes.** Should any dispute(s) arise among the Parties or their respective counsel regarding the implementation or interpretation of this Agreement that they are unable to resolve cooperatively, the Parties agree to submit any such dispute(s) to mediator Todd Smith. To the extent any party seeks to enforce any of the terms of this Agreement in Court or before the Court, the prevailing party will be entitled to recover reasonable attorneys' fees and costs.

69. **Parties' Authority.** The signatories to this Agreement represent that they are fully authorized to enter into this Agreement and bind the Parties to its terms and conditions.

70. **Agreement Binding on Successors.** This Agreement is binding on and inures to the benefit of the Parties, and the Released Parties, and is binding upon Plaintiffs, all PAGA Members, and the State of California as to all Released Claims during the PAGA Period, and their respective heirs, trustees, executors, administrators, successors and assigns.

71. **Integration Clause.** This Agreement contains the entire agreement between the Parties relating to any and all matters addressed in the Agreement, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a party or such party's legal counsel, are merged herein.

72. **Attorneys' Fees and Costs.** Except as expressly provided in this Agreement, Defendants and Plaintiffs will each bear their own attorney's fees and costs.

73. **Counterparts.** This Agreement may be executed in counterparts and by original or electronic signatures consistent with the Uniform Electronic Transactions Act (Civil Code § 1633.1-1633.17) sent via PDF through email, and when each party has signed and delivered at least one such counterpart, each counterpart, including e-mail and PDF versions, will be deemed an original and, when taken together with other signed counterparts, will constitute one Agreement binding upon and effective as to all Parties.

74. **Extension of Deadlines.** If the date by which any court filing, mailing, or deadline is to occur per the terms and conditions of this Agreement falls on a Saturday, Sunday, or legal holiday in the State of California, the date of the court filing, mailing, or deadline is extended to the next following day which is not a Saturday, Sunday, or legal holiday in the State of California.

///

1 75. **California Law.** All terms of this Agreement will be governed by and interpreted
2 according to the laws of the State of California.

3 76. **Voluntary Agreement.** The Parties expressly declare and represent that they have
4 read this Agreement and have consulted with counsel, or had the opportunity to consult with
5 counsel, regarding the meaning of the provisions, terms, and conditions contained in this
6 Agreement. The Parties further expressly declare and represent that they fully understand the
7 content and effect of this Agreement, that they approve and accept its terms and conditions, and
8 that the Agreement is executed freely and voluntarily.

9 IN WITNESS WHEREOF, the Parties knowingly and voluntarily execute this Agreement
10 as of the date(s) set forth below:

11 Dated: 11/17/2025

Brigit Navarro

Plaintiff Brigit Navarro

13 Dated: _____

Plaintiff Thaddius Mueller

Defendant Crestwood Behavioral Health, Inc.

17 Dated: 11/11/2025

Signed by:
Chad Arnold

Name: Chad Arnold

Title: Vice President of Human Resources

Defendant Helios Healthcare, LLC

23 Dated: 11/11/2025

Signed by:
Chad Arnold

Name: Chad Arnold

Title: Vice President of Human Resources

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28 ///

75. **California Law.** All terms of this Agreement will be governed by and interpreted according to the laws of the State of California.

76. **Voluntary Agreement.** The Parties expressly declare and represent that they have read this Agreement and have consulted with counsel, or had the opportunity to consult with counsel, regarding the meaning of the provisions, terms, and conditions contained in this Agreement. The Parties further expressly declare and represent that they fully understand the content and effect of this Agreement, that they approve and accept its terms and conditions, and that the Agreement is executed freely and voluntarily.

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

Dated: _____

Plaintiff Brigit Navarro

Dated: 11/20/2025

Thaddius Shawn Mueller

Plaintiff Thaddius Mueller

Dated: 11/11/2025

Defendant Crestwood Behavioral Health, Inc.

Signed by:

Chad Arnold

F4ABF9EA39A94E3...

Name: Chad Arnold

Title: Vice President of Human Resources

Dated: 11/11/2025

Defendant Helios Healthcare, LLC

Signed by:

Chad Arnold

F4ABF9EA39A94E3...

Name: Chad Arnold

Title: Vice President of Human Resources

///

///

AGREED AS TO FORM AND CONTENT:

BIBIYAN LAW GROUP, P.C.

Vedang J. Patel

Dated: November 20, 2025

David D. Bibiyan
Vedang J. Patel
Attorneys for Plaintiff Brigit Navarro

CDF LABOR LAW LLP

Sander van der Heide

Dated: November 11, 2025

Corey J. Cabral
Sander van der Heide
Attorneys for Defendants Crestwood Behavioral
Health, Inc. and Helios Healthcare, LLC jointly doing
business as Idylwood Care Center

EXHIBIT A

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SACRAMENTO

BRIGIT NAVARRO, an individual and on
behalf of all others similarly situated,

Plaintiff,

vs.

CRESTWOOD BEHAVIORAL HEALTH,
INC., a Delaware corporation doing business as
IDYLWOOD CARE CENTER; HELIOS
HEALTHCARE, LLC, a California limited
liability company doing business as
IDYLWOOD CARE CENTER; and DOES 1
through 100 inclusive,

Defendants.

) Case No. 34-2021-00312914
)
) Assigned for All Purposes To:
) Judge: Jill H. Talley
) Dept: 23
)
) **[PROPOSED] ORDER GRANTING**
) **APPROVAL OF PAGA SETTLEMENT**
) **AND JUDGMENT**
)
) Action Filed: December 17, 2021
)
)
)
)
)
)
)

TO ALL PARTIES AND THEIR RESPECTIVE COUNSEL OF RECORD:

This matter came before the Honorable Jill H. Talley in Department 23 of the above-entitled Court for a hearing on plaintiffs Brigit Navarro and Thaddius Mueller (“Plaintiffs”) Motion for Approval of PAGA Settlement (“Motion for Approval”) on _____. The Court having reviewed the Motion for Approval, the Joint Stipulation of PAGA Settlement (“Agreement” or “Settlement”), the papers, the arguments of counsel, and all other evidence and matters presented, and good cause appearing:

IT IS ORDERED that the Motion for Approval of PAGA Settlement is **GRANTED**, subject to the following findings and orders:

1. All terms used herein have the same meaning as defined in the Agreement.
2. The PAGA Class is defined as: All persons employed by Defendants in an hourly, non-exempt position in an hourly, non-exempt position in California during the PAGA Period (March 1, 2021 through the date of this Order).
3. The Released Parties are defined as: (i) Crestwood Behavioral Health, Inc. and Helios Healthcare, LLC jointly doing business as Idylwood Care Center (“Defendants”), (ii) Defendants’ past and present direct and indirect parents; (iii) the respective past and present direct and indirect subsidiaries and affiliates of any of the foregoing; (iv) the past and present shareholders, directors, officers, agents, employees, attorneys, insurers, members, partners, managers, contractors, agents, consultants, representatives, administrators, fiduciaries, benefit plans, transferees, predecessors, successors and assigns of any of the foregoing; and (v) any individual or entity which could be jointly liable with any of the foregoing.
4. The Court grants approval of the Settlement and finds that the Settlement is fair, adequate, and reasonable and that Plaintiffs have satisfied the standards and applicable requirements for approval of this PAGA settlement under California law. The Court hereby finds the Settlement was entered into in good faith pursuant to and within the meaning of California Code of Civil Procedure section 877.6.
5. The Court finds that the Settlement has been reached as a result of intensive, serious and non-collusive arms-length negotiations. The Court has considered all of the evidence presented and further finds that the Parties have conducted extensive investigation and research,

and counsel for the Parties are able to reasonably evaluate their respective positions. The Court also finds that the Settlement at this time will avoid additional substantial costs, as well as avoid the delay and risks that would be presented by the further prosecution of the Action. The Court has considered the benefits that are being provided as part of the Settlement and the significant value to the State of California and PAGA Members, and the absence of objections to the Settlement by the LWDA. Accordingly, the Court directs that the Settlement be affected in accordance with the Agreement and the following terms and conditions.

6. The Court finds that the request for an award of attorneys' fees in the amount of \$_____ to PAGA Counsel falls within the range of reasonableness, and the results achieved justify the award sought. The requested attorneys' fees to PAGA Counsel are fair and reasonable; and are approved. The Court directs the Administrator to issue payment in the amount of \$_____ to Bibiyan Law Group, P.C. for attorneys' fees, in accordance with the terms of the Agreement.

7. The Court finds that reimbursement of litigation costs and expenses in the amount of \$_____ to Class Counsel is reasonable; and is approved. The Court directs the Administrator to issue payment in the amount of \$_____ to Bibiyan Law Group, P.C. for reimbursement of litigation costs and expenses, in accordance with the terms of the Agreement.

8. The Court finds that Plaintiffs' Enhancement Payment in the amount of \$_____ each, for Plaintiffs' effort and work in prosecuting the Action and in consideration for individual general releases of all claims with a waiver of California Code of Civil Procedure Section 1542 is fair and reasonable; and is approved. The Court directs the Administrator to issue payment of Plaintiff's Enhancement Award in the amount of \$_____ each to Plaintiffs Brigit Navarro and Thaddius Mueller in accordance with the terms of the Agreement.

9. The Court finds that payment of Administration Expenses in the amount of \$_____ to the Administrator is fair, reasonable, and appropriate for the services performed and costs incurred and to be incurred for the settlement administration process; and is approved. The Court directs the Administrator to issue payment of Administration Expenses in the amount of \$_____ to itself, in accordance with the terms of the Agreement.

10. The Court finds the LWDA Payment and Individual PAGA Awards to PAGA Members provided for under the Settlement to be fair and reasonable in light of all of the circumstances. The Court directs the Administrator to calculate and distribute the LWDA Payment to the State of California and Individual PAGA Awards to PAGA Members, in accordance with the terms of the Agreement.

11. The Court directs the Administrator to cancel any Individual PAGA Award checks issued to PAGA Members that are not cashed or deposited within 180 calendar days after they are issued, and transmit the funds associated with such cancelled checks to the California State Controller's Office's Unclaimed Property Division to be held as unclaimed funds in the PAGA Member's name.

12. The Court set a Settlement Compliance Hearing on _____ at 10:30 a.m. to determine compliance with this Order and the distribution of payments in accordance with the terms of the Agreement.

13. The Court directs PAGA Counsel to file an Administrator's Declaration of Compliance and Proof of Payment at least 15 days prior to the Settlement Compliance Hearing.

14. Neither the Settlement nor any of the terms set forth in the Agreement is an admission by Defendants, or any of the other Released Parties, nor is this Order and Judgment a finding of the validity of any claims in the Action or of any wrongdoing by Defendants, or any of the other Released Parties. Neither this Order and Judgment, the Agreement, any document related to the Settlement, nor any action taken to carry out the Settlement is, may be construed as, or may be used as, an admission by or against Defendants, or any of the other Released Parties, of any fault, wrongdoing or liability. The entering into or carrying out of the Settlement, and any related negotiations or proceedings, will not in any event be construed as, or deemed to be evidence of, an admission or concession with regard to the denials or defenses by Defendants, or any of the other Released Parties, and will not be offered in evidence in any action or proceeding in any court, administrative agency or other tribunal for any purpose whatsoever other than to enforce the provisions of this Order and Judgment, the Agreement, the Released Claims, or any related agreement or release. Notwithstanding these restrictions, any of the Released Parties may file in the Action, or submit in any other proceeding, this Order and Judgment, the Agreement,

and any other papers and records on file in the Action as evidence of the Settlement to support a defense of res judicata, collateral estoppel, release, or other theory of claim or issue preclusion or similar defense.

15. The Court orders, adjudges and decrees that:

a. Plaintiffs, all PAGA Members, and the State of California fully, finally, and forever release, compromise, and discharge the Released Parties from the Released Claims for the PAGA Period, in accordance with the terms of the Agreement; and

b. Plaintiffs fully, finally, and forever release, compromise, and discharge the Released Parties from all causes of action, claims, judgments, obligations, damages or liabilities of whatever kind and character and waive all rights under California Civil Code section 1542, in accordance with the terms of the Agreement.

16. The Court hereby enters final judgment in accordance with the terms of the Agreement and this Order and Judgment.

17. The Court retains continuing jurisdiction, pursuant to California Rules of Court, Rule 3.769(h) and Code of Civil Procedure section 664.6, to enforce the settlement until performance in full of the terms of the Agreement.

IT IS SO ORDERED ADJUDGED AND DECREED.

The Clerk of the Court is directed to enter this Judgment.

Dated: _____

HONORABLE JILL H. TALLEY
JUDGE OF THE SUPERIOR COURT

EXHIBIT B

<<First Name>> <<Last Name>>
<<Address 1>>
<<Address 2>>

Re: NOTICE OF COURT APPROVED SETTLEMENT

Dear <<Name>>,

This notice is to inform you that on <<DATE OF COURT APPROVAL>> the Court issued an order approving the settlement and release of claims in the case of *Brigit Navarro v. Crestwood Behavioral Health, Inc. doing business as Idylwood Care Center et. al.* (Sacramento County Superior Court Case No. 34-2021-00312914) (“the Lawsuit”).

The Lawsuit sought civil penalties under California’s Labor Code Private Attorneys General Act, Cal. Lab. Code § 2699, et seq (“PAGA”) based on the factual allegations in the Lawsuit for claims related to (1) off-the-clock work, (2) time rounding, (3) unpaid minimum wages, (4) unpaid regular wages, (5) unpaid overtime, (7) donning and doffing of uniforms and/or safety equipment, (8) regular rate of pay, (9) meal periods, meal period premiums, and meal period auto deductions, (10) rest breaks, rest break premiums, and cooldown rest periods, (11) wage statements, (12) failure to keep records, (13) timely payment of wages at separation, (14) timely payment of wages during employment, (15) split shift premiums, (16) reporting time pay, (17) business expense reimbursement, (18) paid sick leave, (19) suitable seating, (20) inspection of employment records, (21) alternative workweek schedule, and (22) misclassification of independent contractors. The Lawsuit sought PAGA penalties on behalf of Plaintiffs Brigit Navarro and Thaddius Mueller (“Plaintiffs”) and other current and former non-exempt employees of Crestwood Behavioral Health, Inc. and Helios Healthcare, LLC jointly doing business as Idylwood Care Center (“Defendants”) who were employed from March 1, 2021 through <<DATE OF COURT APPROVAL>>.

The Court has made no determination on the merits of the claims in the Lawsuit. Defendants deny any liability and wrongdoing of any kind associated with the alleged claims. Defendants contend that they complied at all times with California and Federal law and that their employees have been paid all wages owed. In order to avoid additional cost and the uncertainty of litigation, a settlement has been reached in the Lawsuit.

You have been identified as a person who worked for Defendants from March 1, 2021 through <<DATE OF COURT APPROVAL>>. Based on the number of pay periods you worked from March 1, 2021 through <<DATE OF COURT APPROVAL>>, your individual share of the settlement is \$_____.

You are receiving an IRS form 1099 for your individual share. The settlement check included with this letter is valid for 180 days. Checks not cashed within that time will be canceled and the funds will be sent to the California State Controller’s Office’s Unclaimed Property Division.

As of << DATE OF COURT APPROVAL >>, the date of the Court’s order approving the settlement, you are barred from bringing any claims against (i) Crestwood Behavioral Health, Inc. and Helios Healthcare, LLC jointly doing business as Idylwood Care Center (“Defendants”); (ii) Defendants’ past and present direct and indirect parents; (iii) the respective past and present direct and indirect subsidiaries and affiliates of any of the foregoing; (iv) the past and present shareholders, directors, officers, agents, employees, attorneys, insurers, members, partners, managers, contractors, agents, consultants, representatives, administrators, fiduciaries, benefit plans, transferees, predecessors, successors and assigns of any of the foregoing; and (v) any individual or entity which could be jointly liable with any of the foregoing (collectively “Released Parties”) for all claims for civil penalties pursuant to PAGA that were alleged, or reasonably could have been alleged, based on the factual allegations in the Operative Complaint and the PAGA Notices, including, without limitation, all claims related to (1) off-the-clock work, (2) time rounding, (3) unpaid minimum wages, (4) unpaid regular wages, (5) unpaid overtime, (7) donning and doffing of uniforms and/or safety equipment, (8) regular rate of pay, (9) meal periods, meal period premiums, and meal period auto deductions, (10) rest breaks, rest break premiums, and cooldown rest periods, (11) wage statements, (12) failure to keep records, (13) timely payment of wages at separation, (14) timely payment of wages during employment, (15) split shift premiums, (16) reporting time pay, (17) business expense reimbursement, (18) paid sick leave, (19) suitable seating, (20) inspection of employment records, (21) alternative workweek schedule, (22) misclassification of independent contractors and any other Labor Code violations that were alleged, or could have been alleged, in the Operative Complaint and the PAGA Notices, which includes, but is not limited to, alleged violations of Labor Code sections 96, 98.6, 200, 201, 201.3, 201.5, 201.7, 202, 203, 203.5, 204, 204a, 204.1, 204.2, 205, 205.5, 206.5, 210, 212, 218.6, 221, 222, 222.5, 223, 226, 226.2, 226.3, 226.7, 226.8, 227.3, 231, 232, 232.5, 233, 234, 245, 246, 351, 353, 432, 432.3, 432.5, 432.6, 432.7, 432.8, 450, 510, 511, 512, 551, 552, 558, 1101, 1102, 1102.5, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 1198.5, 1199, 1290, 1292, 1293, 1294.1, 1301, 1391, 1475, 1527, 1695.55, 1696.5, 1700.31, 1771, 1774, 1776, 1811, 1815, 2673, 2800, 2810.5, 2802, 3366, 3457, 6402, 6403, 6409.6, 8397.4, from March 1, 2021 through << DATE OF COURT APPROVAL >> (collectively “Released Claims”).

In other words, you are barred from ever suing Defendants and the Released Parties with respect to the Released Claims covered by this settlement whether or not you cash your individual share settlement check.

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the Court’s order and/or settlement, you should consult the “Order Granting Approval of PAGA Settlement and Judgment” which can be accessed at the following website << Administrator URL>>.

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

BY ORDER OF THE SUPERIOR COURT.

EXHIBIT 2



BIBIYAN LAW GROUP, P.C.

8484 Wilshire Blvd., Suite 500
Beverly Hills, California, 90211
810.438.5555 T
310.300.1705 F
www.employmentlawyerla.com

December 16, 2021

PAGA NOTICE FILED ELECTRONICALLY

Re: Notice Letter of Brigit Navarro on Behalf of Herself and
Aggrieved Employees Under California Labor section 2699.3

Employer: Idylwood Care Center
1002 Freemont Avenue
Sunnyvale, California 94087

Crestwood Behavioral Health, Inc.
520 Capitol Mall, Suite 800
Sacramento, California 95814

Helios Healthcare, LLC.
520 Capitol Mall, Suite 800
Sacramento, California 95814

To Whom It May Concern:

This letter shall constitute notice under Labor Code section 2699.3 (hereinafter "PAGA Notice"). The \$75 filing fee for the PAGA Notice was paid online by credit card at the time this PAGA Notice was submitted online to the Department of Industrial Relations.

This PAGA Notice concerns Brigit Navarro ("Employee") employment with Employee's former employers: Idylwood Care Center, Crestwood Behavioral Health, Inc, and Helios Healthcare, LLC. Employee was employed as a non-exempt employee of Idylwood Care Center, Crestwood Behavioral Health, Inc, and Helios Healthcare, LLC, with duties that included, but were not limited to, health care and senior health care from approximately March of 2021 and through approximately September of 2021. In connection with the alleged claims for failure to comply with Labor Code section 2810.5, Labor Code section 203, Labor Code section 226, Labor Code section 246, *et seq.*, Labor Code section 2802, restraints on competition, whistleblowing and freedom of speech, Employee seeks to represent all employees of Idylwood Care Center, Crestwood Behavioral Health, Inc, and Helios Healthcare, LLC, and each of them, as well as their parents, subsidiaries and affiliates (hereinafter, collectively, "Employer"). On all other claims mentioned herein, Employee seeks to represent only non-exempt employees of Employer.

Employee and other aggrieved employees are covered by Labor Code section 510 and applicable Wage Orders. Employee is informed and believes, and based thereon alleges, that Employer had and has a policy or practice of requiring its employees to work more than eight (8) hours per day, forty (40) hours per week, and/or seven (7) straight workdays in a workweek without paying them proper overtime wages, as a result of, without limitation, failing to accurately track

and/or pay for all minutes actually worked; engaging, suffering, or permitting employees to work off the clock, including, without limitation, by requiring employees: to come early to work and leave late work without being able to clock in for all that time, to suffer under Employer's control due to long lines for clocking in, to complete pre-shift tasks before clocking in and post-shift tasks after clocking out, to clock out for meal periods and continue working, to clock out for rest periods, to don and doff uniforms and/or safety equipment off the clock, to attend company meetings off the clock, to make phone calls or drive off the clock, and/or go through security screenings and/or temperature checks off the clock; failing to include all forms of remuneration, including non-discretionary bonuses, incentive pay, meal allowances, and other forms of remuneration into the regular rate of pay for the pay periods where overtime was worked and the additional compensation was earned for the purpose of calculating the overtime rate of pay; detrimental rounding of employee time entries, editing and/or manipulation of time entries to show less hours than actually worked, and for paying straight pay instead of overtime pay to the detriment of Employee and other aggrieved employees. Consequently, Employee is informed and believes, and based thereon alleges, that Employer violated Labor Code sections 510, 1194, and applicable Wage Orders based on its practice of providing total compensation that is less than the required legal overtime compensation for the overtime worked, entitling Employee and other aggrieved employees to damages. Employer would also be liable for civil penalties pursuant to Labor Code sections 558 and 2699.

Employee is informed and believes, and based thereon alleges, that Employer had and has a practice or policy of failing to compensate Employee and other aggrieved employees with minimum wages for all hours worked or otherwise under Employer's control as a result of, without limitation, failing to accurately track and/or pay for all minutes actually worked; engaging, suffering, or permitting employees to work off the clock, including, without limitation, by requiring employees: to come early to work and leave late work without being able to clock in for all that time, to suffer under Employer's control due to long lines for clocking in, to complete pre-shift tasks before clocking in and post-shift tasks after clocking out, to clock out for meal periods and continue working, to clock out for rest periods, to don and doff uniforms and/or safety equipment off the clock, to attend company meetings off the clock, to make phone calls or drive off the clock; detrimental rounding of employee time entries; editing and/or manipulation of time entries to show less hours than actually worked; and failing to pay split shift premiums. In addition, Employee and other aggrieved employees were required to report to work, and did report, but were not put to work and/or were furnished less than half their usual or scheduled day's work without being paid for half the usual or scheduled work at their regular rate of pay. As such, Employee is informed and believes, and based thereon alleges, that Employer violated, without limitation, Labor Code sections 221, 223, 1197, 1182.12, Cal. Code Regs, title 8, section 110404(5)(A), and applicable Wage Orders based on its continued failure to pay minimum wages for all hours worked, entitling Employee and other aggrieved employees to actual and liquidated damages under, without limitation, Labor Code sections 1194 and 1194.2. Employer would also be liable for civil penalties pursuant to Labor Code sections 558, 1197.1, and 2699.

Employee is informed and believes, and based thereon alleges, that Employer had and has a policy or practice of compelling its employees to work in excess of five (5) and ten (10) hours

per day without being afforded uninterrupted, timely, and complete 30-minute meal periods or compensation in lieu thereof including, without limitation: by interrupting meal periods; not providing timely meal periods; failing to provide first and second meal periods; providing short meal periods; requiring that employees carry cellular telephones or walkie-talkies during meal periods; not permitting employees to leave the premises; otherwise requiring on-duty/on-call meal periods; and auto-deducting meal periods that could not be auto-deducted by law or during which employees worked. Consequently, Employee is informed and believes, and based thereon alleges, that Employer violated Labor Code section 512, entitling Employee and other aggrieved employees to premium payments under Labor Code section 226.7. However, Employee is informed and believes that those premium payments under Labor Code section 226.7 were not made, either, for these non-compliant meal periods. Employer would thus be liable for civil penalties pursuant to Labor Code sections 558 and 2699 for both failing to authorize the taking of compliant meal periods, as well as for failing to provide premium pay under Labor Code section 226.7.

Employee is informed and believes, and based thereon alleges, that Employer maintains policies or practices of compelling its non-exempt employees, including, without limitation, Employee, to work over four-hour periods (or major fractions thereof) without authorizing and permitting Employee and other aggrieved employees to take uninterrupted, timely, and complete ten-minute rest periods in which the employees are completely relieved of all of their duties, including, without limitation: by failing to provide rest periods all together; requiring that they be bundled together and/or with meal periods; interrupting them; requiring that employees carry cellular telephones or walkie-talkies during rest periods not providing them in a timely fashion; and not permitting employees to leave the premises; and otherwise requiring on-duty/on-call rest periods. As such, Employee is informed and believes, and based thereon alleges, that Employee and other aggrieved employees are entitled to relief under, without limitation, Labor Code section 226.7. However, Employee is informed and believes that those premium payments under Labor Code section 226.7 were not made, either, for these non-compliant rest periods. Employer would thus be liable for civil penalties pursuant to Labor Code sections 558 and 2699 for both failing to authorize the taking of compliant rest periods, as well as for failing to provide premium pay under Labor Code section 226.7.

Employee is informed and believes, and based thereon alleges, that Employer maintains policies or practices of failing to permit Employee and other aggrieved employees from taking cooldown rest periods in the shade as required under California Code of Regulations, Title 8, Section 3395 and premium pay in lieu thereof under Labor Code section 226.7. As a result, Employer would be liable for civil penalties under Labor Code sections 558 and 2699.

In addition to the above, Employee is informed and believes, and based thereon alleges that Employer failed and continue to fail to keep adequate or accurate time records including wage statements and similar payroll documents under Labor Code section 226, documents signed to obtain or hold employment under Labor Code section 432, personnel records under Labor Code section 1198.5, and time records under Labor Code section 1174, making it difficult for Employee and other aggrieved employees to calculate their unpaid wages and/or premium payments.

Employer also failed to provide these documents to Employee and other aggrieved employees upon request. This would entitle Employee and other aggrieved employees to penalties prescribed by Labor Code sections 226 and 1198.5. Employer would also be liable for civil penalties pursuant to Labor Code sections 558, 1174.5 and 2699.

As a result of, among other things, Employer's herein-described policy or practice of failing to: accurately record time; failing to pay overtime and minimum wages; provide meal periods; provide rest periods; and provide compensation in lieu of meal or rest periods; as described above, Employee is informed and believes, and based thereon alleges, that Employer also intentionally failed and continues to fail to furnish aggrieved employees, including, without limitation, Employee, with itemized wage statements that accurately reflect: gross wages earned; total hours worked by the employee; net wages earned; all deductions; all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee; the legal name and address of the other; and other such information as required by Labor Code section 226, subdivision (a). Specifically, Employer intentionally failed to furnish employees with itemized wage statements that accurately reflect the hours worked by Ms. Navarro and other aggrieved employees and the rates of pay at which they were or should have been paid, thus resulting in a failure to reflect gross and net wages earned and paid at each rate, as well. Consequently, since Employer would have failed to comply with Labor Code section 226, subdivision (a), Employee and other aggrieved employees would be entitled to recover penalties under, without limitation, Labor Code section 226, subdivision (e). Employer would also be liable for civil penalties pursuant to Labor Code sections 226.3, 558, and 2699.

Employee is informed and believes, and based thereon alleges, that Employer also failed and refused, and continue to fail and refuse, to timely pay compensation to Employee and other terminated or resigned employees, including but not limited to, all overtime wages owed; all minimum wages owed; and all premium pay owed as set out above. Consequently, Employer would be liable for waiting time penalties for having violated California Labor Code sections 201, 202, and 203. Employer would also be liable for civil penalties pursuant to Labor Code sections 558 and 2699.

Employee is further informed and believes, and based thereon alleges that Employer failed and refused, and continues to fail and refuse, to comply with the notice requirements of Labor Code section 2810.5 (*i.e.*, the Wage Theft Protection Act of 2011) by, among other things, failing to provide Employee and other aggrieved employees with the rates of pay and overtime rates of pay applicable to their employment, allowances claimed as part of the minimum wage, the regular payday designated by Employer, the name of the employer, including any "doing business as" names used, the name, address and telephone number of the workers' compensation insurance carrier, information regarding paid sick leave, and other pertinent information required to be disclosed by Employer under Labor Code section 2810.5. Employee is informed and believes that failure to provide such information, including rates of pay that are in effect, has permitted Employer to pay employees at rates of pay that were not agreed upon and violate minimum wage and overtime wage laws in California. Employee is additionally informed and believes that the notice requirement of Labor Code section 2810.5 involves a mandatory payroll or workplace injury

reporting. Among other relief, employees may collect from Employer in connection with these violations' civil penalties pursuant to Labor Code sections 558 and 2699.

Employee is informed and believes, and based thereon alleges that Employer also failed and refused, and continues to fail and refuse, to reimburse employees, including, without limitation, Employee and other aggrieved employees, with their costs incurred for driving personal vehicles (*i.e.*, mileage and gas), purchasing uniforms, providing uniform and other deposits, separately laundering mandatory uniforms, for the purchase of tools and safety equipment, and for the purchase and maintenance of cellular phones and cellular phone plans, in direct consequence of the discharge of their duties, or of their obedience to the directions of Employer, as required by Labor Code section 2802, and other statutory and common law offenses. As a result, Employer are liable to reimburse Employee and other aggrieved employees for these costs incurred in furtherance of work duties. In addition, Employer would be liable for civil penalties pursuant to Labor Code sections 558 and 2699.

Employee is further informed and believes, and based thereon alleges, that Employer has or had a policy or practice of failing to reimburse deposits made, including uniform deposits together with all interest owed at the separation of employment in violation of Labor Code section 404, entitling Employee and other aggrieved employees to damages in the amount of the deposit and accrued interest. Employer would also be liable for civil penalties under Labor Code sections 558 and 2699.

Employee is further informed and believes, and based thereon alleges, that Employer has or had a policy or practice of failing to provide Employee and other aggrieved employees with the amount of paid sick leave required to be provided pursuant to California and local laws (including, without limitation, Labor Code section 246, *et seq.*, Employee is further informed and believes that Employer also did not permit its use upon request by Employee and other aggrieved employees as contemplated under California and local laws. Employee is additionally informed and believes that the notice requirement of Labor Code section 246 *et seq.* involves a mandatory payroll or workplace injury reporting. As such, Employer would be liable for civil penalties for violation of the paid sick leave regulations under Labor Code sections 558 and 2699, as well as equitable, injunctive, or restitutionary relief, and reasonable attorneys' fees and costs.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to pay aggrieved employees their paid time off and vacation time owed upon separation of employment as wages at their final rate of pay in violation of Labor Code section 227.3 and applicable Wage Orders. As such, Employer would be liable for civil penalties for violation of Labor Code section 227.3 under Labor Code section 558 and 2699.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to pay aggrieved employees their wages in accordance with Labor Code Section 204, which requires that: "[l]abor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day,

inclusive of any calendar month, shall be paid for between the 1st and 10th day of the following month." Employee is informed and believes and based thereon alleges that Employer did not and do not pay Employee and other aggrieved employees in accordance with Labor Code Section 204. As such, Employee is informed and believes, and based thereon alleges that Employer violated Labor Code section 204. Employer would be liable for civil penalties pursuant to Labor Code sections 210, 558 and 2699.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy of failing to provide all temporary workers with owed wages weekly by not later than the regular payday of the following week. As a result, pursuant to Labor Code section 201.3, Employer would be liable for civil penalties pursuant to Labor Code sections 201.3.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to provide all working employees with suitable seats when the nature of the work reasonably permits the use of seats. Employee is further informed and believes, and based thereon alleges that Employer has failed to place an adequate number of seats in reasonable proximity to the work area and/or permitted employees to use such seats when it does not interfere with the performance of their duties when employees are not engaged in the active duties of their employment and the nature of their work requires standing.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of preventing Employee and/or other aggrieved employees from using or disclosing the skills, knowledge and experience they obtained at Employer for purposes of competing with Employer, including, without limitation, preventing Employees from disclosing their wages in negotiating a new job with a prospective employer, and from disclosing who else works at Employer and under what circumstances that they might be receptive to an offer from a rival employer. As such, Employee is informed and believes that this violates Business and Professions Code sections 17200, 16600 and 16700, and, by virtue thereof, various provisions of the Labor Code, including Labor Code sections 232, 232.5, and 1197.5, subdivision (k). Employer would be liable for civil penalties pursuant to Labor Code section 2699.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of preventing Employee and/or other aggrieved employees from disclosing violations of state and federal law, either within Employer to their managers or outside Employer to private attorneys or government officials, among others, in violation of Business and Professions Code section 17200, and, thus, in violation of Labor Code section 1102.5. In addition, Employee is informed and believes that these policies and/or practices prevent Employee and/or other aggrieved employees from disclosing information about unsafe or discriminatory working conditions, or about wage and hour violations in violation of Labor Code section 232 and 232.5. These violations of the Labor Code would expose Employer to liability for civil penalties pursuant to Labor Code section 2699.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of preventing Employee and/or other aggrieved employees from engaging in

lawful conduct during non-work hours, thus violating state statutes entitling employees to disclose wages, working conditions, and illegal conduct, including, without limitation, Labor Code sections 96, subdivision (k), 98.6, 232, 232.5, and 1197.5, subdivision (k). Employee is informed and believes that this lawful conduct includes the exercise of Employee and/or other aggrieved employee's constitutional rights of freedom of speech and economic liberty and would thus expose Employer to liability for civil penalties pursuant to Labor Code section 2699.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to furnish and use safety devices and safeguards. Amd adopt and use practices, means, methods, operations and processes which are reasonably adequate to render such employment and place of employment safe and healthful, pursuant to, including but not limited to, Labor Code section 6401. Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of requiring or permitting employees to go or be in any employment or place of employment which is not safe and healthful, pursuant to Labor Code section 6402. Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing or neglecting to: provide and use safety devices and safeguards reasonably adequate to render the employment and place of employment safe; adopt and use methods and processes reasonably adequate to render the employment and place of employment safe; and do every other thing reasonably necessary to protect the life, safety, and health of employees, pursuant to Labor Code section 6403. Employee is informed and believes, and based thereon alleges that these failures include, without limitation, failing to disinfect time clocks and other surfaces after use by Employee and/or other aggrieved employees; failing to provide adequate protection equipment to Employee and/or other aggrieved employees; and failing to provide adequate distance in working conditions between Employee and/or other aggrieved employees.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to give sufficient, adequate and proper notice to employees of the Covid-19 exposure within one business day of receiving notice of potential Covid-19 workplace exposure from a qualifying individual as required by Labor Code section 6409.6. Employee is informed and believes that numerous employees contracted Covid-19 during the relevant time periods, but that Employer failed to provide notice to employees.

Employee is informed and believes, and based thereon alleges that Employer violated section 1527, 3366, 3457 and 8397.4 by failing to provide adequate and readily accessible sanitation facilities; a regular schedule for servicing, cleaning, and supplying each facility to ensure it is maintained in a clean, sanitary and serviceable condition; an adequate supply of suitable cleansing agents, water, single-use towels or blowers; and a sufficient number of toilets to be used by each sex of employee.

Employee is further informed and believes, and based thereon alleges that Employer had and has a policy or practice of requiring, as a condition of employment, its applicants or employees to waive any right, forum, or procedure for a violation of any provision of the California Fair Employment and Housing Act or the Labor Code, including the right to file and pursue a civil

action or a complaint with, or otherwise notify, any state agency, other public prosecutor, law enforcement agency, or any court or other governmental entity of any alleged violation, in violation of Labor Code section 432.6. Employee is additionally informed and believes that Employer knew that requiring such a condition was prohibited by law. Accordingly, for violations of Labor Code sections 432.5 and 432.6, Employee and aggrieved employees are entitled to attorneys' fees, an injunction, as well as civil penalties pursuant to Labor Code section 2699.

Pursuant to Labor Code section 2699.3, subdivision (a)(2)(A), please advise within sixty-five (65) calendar days of the postmarked date of this notice whether the LWDA intends to investigate the violations alleged above. Our office understands that if we do not receive a response within sixty-five (65) calendar days of the postmark date of this PAGA Notice that the LWDA intends to investigate these allegations, Employee may immediately thereafter file a civil complaint against Employer to allege causes of action for civil penalties under the Private Attorney General Act for the herein-described alleged violations of the Labor Code.

Very truly yours,

BIBIYAN LAW GROUP, P.C.

/s/ Diego Aviles

Diego Aviles

cc: **Idyllywood Care Center** (via U.S. Certified Mail, Return Receipt Requested)
Crestwood Behavioral Health, Inc. (via U.S. Certified Mail, Return Receipt Requested)
Helios Healthcare, LLC. (via U.S. Certified Mail, Return Receipt Requested)

EXHIBIT 3

August 29, 2024

PAGA NOTICE FILED ELECTRONICALLY

Re: Notice Letter of on Behalf of Thaddius Mueller and Aggrieved Employees Under California Labor section 2699.3

Employer: Crestwood Behavioral Health, Inc.
520 Capitol Mall, Ste 800
Sacramento, CA 95814

Idylwood Care Center
1002 Freemont Avenue
Sunnyvale, CA 94087

Helios Healthcare, LLC
520 Capitol Mall, Ste 800
Sacramento, CA 95814

To Whom It May Concern:

This letter shall constitute notice under Labor Code section 2699.3 (hereinafter “PAGA Notice”). The \$75 filing fee for the PAGA Notice was paid online by credit card at the time this PAGA Notice was submitted online to the Department of Industrial Relations.

This PAGA Notice concerns THADDIUS MUELLER’s (“Employee”) employment with Employee’s former employer: Crestwood Behavioral Health, Inc., Idylwood Care Center, and Helios Healthcare, LLC (“Employer”). Employee was employed as a non-exempt employee of Employer, with duties that included, but were not limited to, recovery coach, from approximately June 2022 through approximately September 2023. In connection with the alleged claims for failure to comply with Labor Code sections 96, 98.6, 200, 201, 201.5, 201.7, 202, 203, 203.5, 204, 204a, 205, 205.5, 210, 212, 221, 222, 223, 222.5, 226, 226.3, 227.3, 232, 232.5, 245, 246, 432, 432.3, 432.5, 432.7, 432.8, 1102.5, 1197.5, 1198, 1198.5, 1527, 3366, 3457, and 8397.4, Employee seeks to represent all employees of Employer, and each of them, as well as their parents, subsidiaries and affiliates (hereinafter, collectively, “Employer”). On all other claims mentioned herein, Employee seeks to represent only non-exempt employees of Employer. All employees that Employee seeks to represent, as detailed in this Paragraph, shall be referred to as “Aggrieved Employees”. Moreover, the allegations herein shall encompass the “PAGA Period”, which shall refer to three years preceding the date of this letter and continuing past the date of this Letter into perpetuity.

Employee and other Aggrieved Employees personally suffered Employer's violations of the Labor Code section 510 and applicable Wage Orders. Employee is informed and believes, and based thereon alleges, that Employer had and has a policy or practice of requiring its Employee and other Aggrieved Employees to work more than eight (8) hours per day, forty (40) hours per week, and/or seven (7) straight workdays in a workweek (in violation of Labor Code sections 551 and 552) without paying them proper overtime wages every day, as a result of, without limitation, failing to accurately track and/or pay for all minutes actually worked; engaging, suffering, or permitting employees to work off the clock, including, without limitation, by requiring employees: to come early to work and leave late work without being able to clock in for all that time, to suffer under Employer's control due to long lines for clocking in, to complete pre-shift tasks before clocking in and post-shift tasks after clocking out, to clock out for meal periods and continue working, to clock out for rest periods, to don and doff uniforms and/or safety equipment off the clock, to attend company meetings off the clock, to make phone calls or drive off the clock, and/or go through security screenings and/or temperature checks off the clock; failing to include all forms of remuneration, including non-discretionary bonuses, incentive pay, meal allowances, mask allowances, gift cards and other forms of remuneration into the regular rate of pay for the pay periods where overtime was worked and the additional compensation was earned for the purpose of calculating the overtime rate of pay; detrimental rounding of employee time entries, editing and/or manipulation of time entries to show less hours than actually worked, for paying straight pay instead of overtime pay, and by attempting but failing to properly implement an alternative workweek schedule ("AWS") (including, without limitation, by failing to implement a written agreement designating the regularly scheduled alternative workweek in which the specified number of work days and work hours are regularly recurring; failing to adopt the AWS in a secret ballot election, before the performance of work, by at least a two-thirds (2/3) vote of the affected employees in the work unit; failing to follow the notice/disclosures procedures prior to any AWS election; and/or failing to register an AWS election with the State of California, as required by Labor Code section 511 and applicable Wage Orders) all to the detriment of Employee and other Aggrieved Employees. Consequently, Employee is informed and believes, and based thereon alleges, that Employer violated Labor Code sections 221, 222, 223, 510, 511, 551, 552, 1194, 1198 (as it pertains to employees governed by a collective bargaining agreement ["CBA"]), 1811, 1815 and applicable Wage Orders based on its practice of providing total compensation that is less than the required legal overtime compensation for the overtime worked, entitling Employee and other aggrieved employees to damages, including, without limitation, at least one hour of unpaid overtime wages each day worked by each Aggrieved Employee during the PAGA Period. Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would also be liable for civil penalties pursuant to Labor Code sections 210 (for failure to timely pay these wages), 558, 1198 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is informed and believes, and based thereon alleges, that Employer had and has a practice or policy of failing to compensate Employee and other Aggrieved Employees with minimum wages for all hours worked or otherwise under Employer's control every day as a result of, without limitation, failing to accurately track and/or pay for all minutes actually worked;

engaging, suffering, or permitting employees to work off the clock, including, without limitation, by requiring employees: to come early to work and leave late work without being able to clock in for all that time, to suffer under Employer's control due to long lines for clocking in, to complete pre-shift tasks before clocking in and post-shift tasks after clocking out, to clock out for meal periods and continue working, to clock out for rest periods, to don and doff uniforms and/or safety equipment off the clock, to undergo security checks and/or bag checks off the clock, to store and retrieve personal belongings off the clock, to attend company meetings off the clock, to make phone calls, receive and respond to emails and/or texts, or drive off-the-clock; detrimental rounding of employee time entries; editing and/or manipulation of time entries to show less hours than actually worked; and failing to pay split shift premiums. In addition, Employee and other Aggrieved Employees were required to report to work, and did report, but were not put to work and/or were furnished less than half their usual or scheduled day's work without being paid for half the usual or scheduled work at their regular rate of pay. As such, Employee is informed and believes, and based thereon alleges, that Employer violated, without limitation, Labor Code sections 221, 222 (as it pertains to employees governed by a CBA), 223, 1197, 1182.12, Cal. and applicable Wage Orders based on its continued failure to pay minimum wages for all hours worked, that Employee and other Aggrieved Employees personally suffered these violations, and that Employee and other Aggrieved Employees are entitled to actual and liquidated damages under, without limitation, Labor Code sections 1475, 1194, 1194.2, and 1198 to compensate them for at least one unpaid hour of work per day for each Aggrieved Employee in the PAGA Period. Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would also be liable for civil penalties pursuant to Labor Code sections 210 (for failure to timely pay these wages), 558, 1197.1, 1198 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is informed and believes, and based thereon alleges, that Employer had and has a practice or policy of failing to compensate Employee and other Aggrieved Employees with minimum wages for all hours worked or otherwise under Employer's control every day as a result of, without limitation, failing to accurately track and/or pay for all minutes actually worked; engaging, suffering, or permitting employees to work off the clock, including, without limitation, by requiring employees: to come early to work and leave late work without being able to clock in for all that time, to suffer under Employer's control due to long lines for clocking in, to complete pre-shift tasks before clocking in and post-shift tasks after clocking out, to clock out for meal periods and continue working, to clock out for rest periods, to don and doff uniforms and/or safety equipment off the clock, to undergo security checks and/or bag checks off the clock, to store and retrieve personal belongings off the clock, to attend company meetings off the clock, to make phone calls, receive and respond to emails and/or texts, or drive off-the-clock; detrimental rounding of employee time entries; editing and/or manipulation of time entries to show less hours than actually worked; and failing to pay split shift premiums. In addition, Employee and other Aggrieved Employees were required to report to work, and did report, but were not put to work and/or were furnished less than half their usual or scheduled day's work without being paid for half the usual or scheduled work at their regular rate of pay. These acts and/or omissions violated

Labor Code sections 1771, 1774 and 1198, and, thus Employer would be liable for civil penalties pursuant to these sections and Labor Code section 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is informed and believes, and based thereon alleges, that Employer had and has a policy or practice of compelling its Employee and other Aggrieved Employees during the PAGA Period to every day work in excess of five (5) and ten (10) hours per day, without being afforded uninterrupted, timely, and complete 30-minute meal periods or compensation in lieu thereof including, each workday, without limitation: by interrupting meal periods; not providing timely meal periods; failing to provide first and second meal periods; providing short meal periods, including without, limitation meal periods that were recorded for less than thirty minutes, and meal periods that may appear on the record to be thirty minutes or longer but in practice were shorter than thirty minutes due to time required to walk to and from a suitable break area, time spent having to wait in line to clock back in, having to don and doff safety gear during the meal period, having to undergo security or bag checks during the meal period, and /or having to retrieve and store personal belongings during the meal period; requiring that employees carry cellular telephones or walkie-talkies during meal periods; not permitting employees to leave the premises; otherwise requiring on-duty/on-call meal periods; and auto-deducting meal periods that could not be auto-deducted by law or during which employees worked. Employee and other Aggrieved Employees personally suffered these violations. Consequently, Employee is informed and believes, and based thereon alleges, that Employer violated Labor Code sections 221, 222 (as to employees governed by a CBA), 223, 512 and 1198 each day for each Aggrieved Employee during the PAGA Period, and that, thus each Aggrieved Employee was owed one hour of premium pay at their regular rate of pay for each day worked during the PAGA Period under Labor Code section 226.7. However, Employee is informed and believes that those premium payments under Labor Code section 226.7 were not made, either, for these non-compliant meal periods, either at all or at the proper regular rate of pay. Employer would thus be liable for civil penalties pursuant to Labor Code sections 210 (for failure to timely pay these wages), 221, 222 (for employees governed by a CBA), 223, 558, 1198 and 2699 for both failing to authorize the taking of compliant meal periods and for failing to provide premium pay under Labor Code section 226.7, or injunctive relief under sections 2699(e)(1) and 2699(k). Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is informed and believes, and based thereon alleges, that Employer maintains policies or practices of compelling Employee and other aggrieved every day to, including, without limitation, work over four-hour periods (or major fractions thereof) without authorizing and permitting Employee and other Aggrieved Employees to take uninterrupted, timely, and complete ten-minute rest periods in which the employees are completely relieved of all of their duties, including, without limitation: by failing to provide rest periods all together; failing to provide rest

periods that were at least ten minutes in length, including rest periods that were shorter than ten minutes, or rest periods that may have encompassed a total of ten minutes but were in practice less than ten uninterrupted minutes due to, without limitation, due to time required to walk to and from a suitable break area, time spent having to don and doff safety gear during the rest period, having to retrieve and store personal belongings during the rest period, and/or having to undergo security or bag checks during the rest period, requiring that they be bundled together and/or with meal periods; interrupting them; requiring that employees carry cellular telephones or walkie-talkies during rest periods; not providing rest periods in a timely fashion; and not permitting employees to leave the premises; and otherwise requiring on-duty/on-call rest periods. Employee and other Aggrieved Employees personally suffered these violations. Consequently, Employee is informed and believes, and based thereon alleges, that Employer violated the applicable Wage Order(s) each day for each Aggrieved Employee during the PAGA Period, and that, thus each Aggrieved Employee was owed one hour of premium pay at their regular rate of pay for each day worked during the PAGA Period under Labor Code section 226.7. However, Employee is informed and believes that those premium payments under Labor Code section 226.7 were not made, either, for these non-compliant rest periods, either at all or at the proper regular rate of pay, in violation of Labor Code sections 226.7 and 1198. Employer would thus be liable for civil penalties pursuant to Labor Code sections 210 (for failure to timely pay these wages), 221, 222 (for employees governed by a CBA), 223, 558, 1198 and 2699 for both failing to authorize the taking of compliant rest periods and for failing to provide premium pay under Labor Code section 226.7, or injunctive relief under sections 2699(e)(1) and 2699(k). Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is informed and believes, and based thereon alleges, that Employer maintains policies or practices of failing to permit Employee and other Aggrieved Employees from taking cooldown periods every day as required under California Code of Regulations, Title 8, Section 3395 and premium pay in lieu thereof under Labor Code section 226.7. Employee and other Aggrieved Employees personally suffered these violations. Consequently, Employee is informed and believes, and based thereon alleges, that Employer violated California Code of Regulations, Title 8, Section 3395 each day for each Aggrieved Employee during the PAGA Period, and that, thus each Aggrieved Employee was owed one hour of premium pay at their regular rate of pay for each day worked during the PAGA Period under Labor Code section 226.7. However, Employee is informed and believes that those premium payments under Labor Code section 226.7 were not made for these non-compliant cooldown periods, either at all or at the proper regular rate of pay, in violation of Labor Code sections 226.7 and 1198. Employer would thus be liable for civil penalties pursuant to Labor Code sections 210 (for failure to timely pay these wages), 221, 222 (for employees governed by a CBA), 223, 558, 1198 and 2699 for both failing to authorize the taking of compliant rest periods and for failing to provide premium pay under Labor Code section 226.7, or injunctive relief under sections 2699(e)(1) and 2699(k). Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

In addition to the above, Employee is informed and believes, and based thereon alleges that Employer failed and continue to fail to keep adequate or accurate time records including wage statements and similar payroll documents under Labor Code section 226, documents signed to obtain or hold employment under Labor Code section 432, personnel records under Labor Code section 1198.5, time records under Labor Code section 1174, the names and addresses of all employees employed and the ages of all minors under Labor Code section 1174, subsection (c), payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by, and applicable piece rate paid to, employees employed at the respective place of employment under Labor Code section 1174, subsection (d), and a copy of the payroll record provided by the contractor under Labor Code section 1695.55, as well as the information required to be kept under Labor Code sections 2673 and/or 1776, subdivision (a), making it difficult for Employee and other aggrieved employees to calculate their unpaid wages and/or premium payments. Employer also failed to provide these documents to Employee and other Aggrieved Employees upon request in violation of these Labor Code sections, as well as Labor Code section 1198 and/or 1775, subdivision (b)(1). Employee and the aggrieved employees personally suffered these violations, which in turn would entitle Employee and other Aggrieved Employees to penalties prescribed by Labor Code sections 226 and 1198.5. Employer would also be liable for civil penalties pursuant to Labor Code sections 558, 1174.5, 1695.55, 1198 and 2699. Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

As a result of, among other things, Employer's herein-described policy or practice of failing to: accurately record time; failing to pay overtime and minimum wages; failing to provide meal periods; failing to provide rest periods; and failing to provide compensation in lieu of meal or rest periods, as described above, Employee is informed and believes, and based thereon alleges, that Employer also intentionally failed and continues to fail to furnish aggrieved employees, including, without limitation, Employee, with itemized wage statements that accurately reflect: gross wages earned; total hours worked by the employee; net wages earned; all deductions; all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee; the legal name and address of the other; and other such information as required by Labor Code section 226, subdivision (a). Specifically, Employer intentionally failed to furnish employees with itemized wage statements that accurately reflect the hours worked by Employee and other aggrieved employees and the rates of pay at which they were or should have been paid (including due to failure to pay at the proper regular rate), thus resulting in a failure to reflect gross and net wages earned and paid at each rate, as well. Consequently, Employee is informed and believes, and based thereon alleges, that Employer violated Labor Code sections 226, 1696.5 and 1198 each day for each Aggrieved Employee during the PAGA Period, and that, thus Employee and each Aggrieved Employee personally suffered these violations and was owed penalties under Labor Code section 226 for each pay period worked during the PAGA Period. However, Employee is informed and believes that those penalties under Labor Code section 226 were not paid for these violations of Labor Code section 226. Employer would thus be liable for civil penalties pursuant to Labor Code sections 226.3, 558, 1198, 1696.5 and 2699.

Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would also be liable for civil penalties pursuant to Labor Code sections 226.3, 558, and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is informed and believes, and based thereon alleges, that Employer also willfully or intentionally failed and refused, and continue to fail and refuse, to timely pay compensation to Employee and other terminated or resigned employees, including but not limited to, all overtime wages owed; all minimum wages owed; all paid sick leave, vacation pay and paid time off; and all premium pay owed as set out above, including, without limitation, for failure to pay at the proper regular rate of pay, among other things. Consequently, Employee is informed and believes, and based thereon alleges, that Employer violated Labor Code sections 201, 201.5, 201.7, 202, 203, 203.5, 204a, 204.1, 204.2, 205, 205.5 and 1198 each pay period for each Aggrieved Employee during the PAGA Period, and that, thus Employee and each Aggrieved Employee personally suffered these violations and was owed penalties under Labor Code section 203 (or, as applicable, 203.5, 204a, 204.1, 204.2, 205 and/or 205.5) for each pay period worked during the PAGA Period. However, Employee is informed and believes that those penalties under Labor Code section 203 (or 203.5 and/or 204a) were not made for these violations of Labor Code sections 201, 201.5, 201.7, 202, 203, 203.5, 204b, 204.1, 204.2, 205 and/or 205.5. Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would also be liable for civil penalties pursuant to Labor Code sections 558, 1198 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(j). Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is informed and believes, and based thereon alleges, that Employer required or requires the execution of a release of claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, including, without limitation, as a condition of being paid, to execute a statement of the hours worked during a pay period in which Employer knew to be false. As such, Employee is informed and believes, and based thereon alleges that Employer violated Labor Code sections 206.5 and 1198, and that Employee and other Aggrieved Employees have personally suffered these violations. Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would be liable for civil penalties pursuant to Labor Code sections 1198 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is informed and believes, and based thereon alleges, that Employer has or had a policy or practice of unlawfully deducting wages from Employee and other Aggrieved Employees, by issuing in payment of wages due, or to become due, or as an advance on wages to be earned: (1) an order, check, draft, note, memorandum, gift card, or other acknowledgement of indebtedness, (unless it was negotiable and payable in cash, on demand, without discount, at some established place of business in the state), the name and address of which must but did not appear

on the instrument, and at the time of its issuance and for a reasonable time thereafter, which must be but was not at least 30 days, the maker or drawer did not have sufficient funds in, or credit, arrangement, or understanding with the drawee for its payment; and/or (2) any scrip, coupon cards, or other thing redeemable, in merchandise or purporting to be payable or redeemable otherwise than in money. Employee is further informed and believes, and based thereon alleges, that such wages were not compensated at the “regular rate” of compensation as provided under Labor Code sections 226.7 and 510, subsection (a), thus violating those Labor Code sections, as well as Labor Code section 1198. In addition, Employee is informed and believes that Employee, by these deductions and/or otherwise, have caused wages earned by Employee and Aggrieved Employees to be charged back or kicked back to Employer. Consequently, Employee is informed and believes, and based thereon alleges, that Employee and other Aggrieved Employees have personally suffered violations under these sections and are entitled to relief under, without limitation, Labor Code sections 212, 221, 222 (as it pertains to employees governed by a CBA), 223, 226.7, 246, 510 subsection (a), 1194, and 1197. Employee further informed and believes, and based thereon alleges, that Employer’s conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would thus be liable for civil penalties pursuant to Labor Code sections 558, 1197.1, 1198 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is further informed and believes, and based thereon alleges that Employer failed and refused, and continues to fail and refuse, to comply with the notice requirements of Labor Code section 2810.5 (*i.e.*, the Wage Theft Protection Act of 2011) by, among other things, failing to provide Employee and other aggrieved employees with the rates of pay and overtime rates of pay applicable to their employment, allowances claimed as part of the minimum wage, the regular payday designated by Employer, the name of the employer, including any “doing business as” names used, the name, address and telephone number of the workers’ compensation insurance carrier, information regarding paid sick leave, and other pertinent information required to be disclosed by Employer under Labor Code section 2810.5. Employee is informed and believes that failure to provide such information, including rates of pay that are in effect, has permitted Employer to pay employees at rates of pay that were not agreed upon and violate minimum wage and overtime wage laws in California. Employee is additionally informed and believes that the notice requirement of Labor Code section 2810.5 involves a mandatory payroll or workplace injury reporting. Employee is informed and believes that Employer violated Labor Code sections 1198 and 2810.5. Employee and other Aggrieved Employees personally suffered these violations. Employee further informed and believes, and based thereon alleges, that Employer’s conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Among other relief, employees may collect from Employer in connection with these violations’ civil penalties pursuant to Labor Code sections 558, 1198 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is informed and believes, and based thereon alleges that Employer also failed and refused, and continues to fail and refuse, to reimburse employees, including, without limitation, Employee and other aggrieved employees, with their costs incurred for driving personal

vehicles (*i.e.*, mileage and gas), purchasing uniforms, providing uniform and other deposits, separately laundering mandatory uniforms, for the purchase of tools and safety equipment, and for the purchase and maintenance of cellular phones and cellular phone plans, for pre-employment medical, physical or drivers' exams taken as a condition of employment, or for compelling or coercing Employee and Aggrieved Employees, including applicants, to patronize in the purchase of a value or things, including, without limitation, the Employer's product(s) and/or service(s), in direct consequence of the discharge of their duties, or of their obedience to the directions of Employer, as required by Labor Code sections 222.5, 231, 450, 1198, 2800, 2802, and other statutory and common law offenses. As a result, Employee and other aggrieved employees have personally suffered these violations and Employer are liable to reimburse Employee and other aggrieved employees for these costs incurred in furtherance of work duties. Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. In addition, Employer would be liable for civil penalties pursuant to Labor Code sections 558, 1198 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is further informed and believes, and based thereon alleges, that Employer has or had a policy or practice of failing to reimburse deposits made, including uniform deposits together with all interest owed at the separation of employment in violation of Labor Code sections 404 and 1198, that Employee and other Aggrieved Employees personally suffered these violations, and that Employee and other aggrieved employees are entitled to damages in the amount of the deposit and accrued interest. Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would also be liable for civil penalties under Labor Code sections 558, 1198 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is further informed and believes, and based thereon alleges, that Employer has or had a policy or practice of failing to provide Employee and other aggrieved employees with all rights afforded to them under the Healthy Workplace Healthy Families Act of 2014, codified at Labor Code section 245, *et seq.*, including, without limitation, the amount of paid sick leave required to be provided pursuant to California and local laws. Employee is further informed and believes that the sick pay was not provided at the proper regular of pay as required under California law due to failure to properly calculate the regular rate. Employee is further informed and believes that Employer also did not permit its use upon request by Employee and other Aggrieved Employees as contemplated under California and local laws, including, without limitation, under Labor Code section 233, that permits its use to attend to an illness of a child, parent, spouse, or domestic partner without retaliation. Employee is additionally informed and believes that the notice requirement of Labor Code section 221, 222 (as it pertains to employees governed by a CBA), 223, 233, 234, 245 and 246 involves a mandatory payroll or workplace injury reporting. Employee is thus informed and believes that Employer violated these Labor Code sections, as well as Labor Code section 1198. As such, Employee and other Aggrieved Employees have personally suffered violations under these sections and Employer would be liable for civil penalties for

violation of the paid sick leave regulations under Labor Code sections 1198 and 2699, as well as equitable, injunctive, or restitutionary relief, and reasonable attorneys' fees and costs. Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to pay Employee and other aggrieved employees their paid time off and vacation time owed upon separation of employment as wages at their final rate of pay in violation of Labor Code sections 221, 222 (as it pertains to employees governed by a CBA), 223, 227.3 and applicable Wage Orders. Employee is thus informed and believes that Employer violated these Labor Code sections, as well as Labor Code section 1198. As such, Employee and other Aggrieved Employees have personally suffered these violations and Employer would be liable for civil penalties for violation of Labor Code section 227.3 under Labor Code section 558, 1198 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to pay aggrieved employees their wages in accordance with Labor Code Section 204, which requires that: "[l]abor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive of any calendar month, shall be paid for between the 1st and 10th day of the following month." Employee is informed and believes and based thereon alleges that Employer did not and do not pay Employee and other aggrieved employees every day and every workweek in accordance with Labor Code sections 204 and 1198. As such, Employee is informed and believes, and based thereon alleges that Employer violated Labor Code section 204 and that Employee and other aggrieved employees have personally suffered these violations. Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would be liable for civil penalties pursuant to Labor Code sections 210, 558, 1198 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is informed and believes, and based thereon alleges that Employer had and has a policy of failing to provide all temporary workers, including without limitation, Employee, with owed wages weekly by not later than the regular payday of the following week. Employee is informed and believes that this has resulted in a violation of Labor Code sections 201.3 and 1198. As a result, pursuant to Labor Code section 201.3, Employee and other Aggrieved Employees have personally suffered violations thereto and Employer would be liable for civil penalties pursuant to Labor Code sections 201.3, 1198 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employee further informed and believes, and based thereon alleges, that Employer's

conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is informed and believes, and based thereon alleges, that Employer has or had collected, taken, or received gratuities (or a part thereof) that is paid, given to, or left for Employee and/or Aggrieved Employees by a patron, or deducted amounts from wages due to Employee and/or Aggrieved Employees on account of a gratuity, or required Employee and/or Aggrieved Employees to credit the amount (or a part thereof) of a gratuity against and as part of the wages due to the Employee and/or Aggrieved Employees from the Employer. In addition, is Employee is informed and believes, and based thereon alleges, that Employer permits and/or permitted patrons to pay gratuities by credit card but failed to pay Employee and/or Aggrieved Employees the full amount of the gratuity that the patron indicated on the credit card slip, without any deductions, for any credit card payment processing fees that may be charged to the employer by the credit card company by not later than the regular payday following the date the patron authorized the credit card. In addition, Employer failed to keep accurate records of all gratuities received by Employer and made those open to inspection at all reasonable hours. Employee is informed and believes that this has resulted in a violation of Labor Code sections 351, 353, 1198. As a result, pursuant to Labor Code sections 351 and 353, Employee and other Aggrieved Employees have personally suffered violations thereto and Employer would be liable for civil penalties pursuant to Labor Code sections 351, 353, 1198 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to provide all working employees, including without limitation Employee, with suitable seats when the nature of the work reasonably permits the use of seats. Employee is further informed and believes, and based thereon alleges that Employer has failed to place an adequate number of seats in reasonable proximity to the work area and/or permitted Employee and other aggrieved employees to use such seats when it does not interfere with the performance of their duties when employees are not engaged in the active duties of their employment and the nature of their work requires standing. Employee and other aggrieved employees have personally suffered these violations. Employee is informed and believes that this has resulted in a violation of Labor Code section 1198. As a result, Employee and other Aggrieved Employees have personally suffered violations thereto and Employer would be liable for civil penalties under Labor Code sections 1198 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of preventing Employee and other aggrieved employees from using or disclosing the skills, knowledge and experience they obtained at Employer for purposes of

competing with Employer, including, without limitation, preventing Employees from disclosing their wages in negotiating a new job with a prospective employer, and from disclosing who else works at Employer and under what circumstances that they might be receptive to an offer from a rival employer. As such, Employee is informed and believes that this violates Business and Professions Code sections 17200, 16600 and 16700, and, by virtue thereof, various provisions of the Labor Code, including Labor Code sections 232, 232.5, 1197.5, subdivision (k), and 1198, and that Employee and other Aggrieved Employees have personally suffered these violations. Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would be liable for civil penalties pursuant to Labor Code sections 1198 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of preventing Employee and other aggrieved employees from disclosing violations of state and federal law, either within Employer to their managers or outside Employer to private attorneys or government officials, among others, in violation of Business and Professions Code section 17200, and, thus, in violation of Labor Code section 1102.5. Employee and other aggrieved employees personally suffered these violations. In addition, Employee is informed and believes that these policies and/or practices prevent Employee and other aggrieved employees from disclosing information about unsafe or discriminatory working conditions, or about wage and hour violations in violation of Labor Code sections 232, 232.5 and 1198. Employee and other aggrieved employees personally suffered these violations of the Labor Code, and as such, these violations would expose Employer to liability for civil penalties pursuant to Labor Code sections 1198 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of preventing Employee and other aggrieved employees from engaging in lawful conduct during non-work hours, thus violating state statutes entitling employees to disclose wages, working conditions, and illegal conduct, including, without limitation, Labor Code sections 96, subdivision (k), 98.6, 232, 232.5, 1197.5, subdivision (k), and 1198. Employee and other Aggrieved Employees personally suffered these violations. Employee is informed and believes that this lawful conduct includes, without limitation, the exercise of Employee and other Aggrieved Employee's constitutional rights of freedom of speech and economic liberty and would thus expose Employer to liability for civil penalties pursuant to Labor Code sections 1198 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is informed and believes, and based thereon alleges that Employer had and has made, adopted, and/or enforced rules, regulations and/or policies that tend to forbid or prevent Aggrieved Employees, including Employee, from engaging or participating in politics and/or from becoming a candidate for public office. Moreover, Employee is informed and believes, and based thereon alleges that Employer coerced, influenced and/or attempted to coerce and/or influence Employee and other Aggrieved Employees, through or by means of threat of discharge and/or loss of employment, to adopt or follow or refrain from adopting or following a particular course or line of political action and/or political activity. Employee is informed and believes, and based thereon alleges that in doing so, Employer has violated, without limitation, Labor Code sections 1101, 1102, 1102.5 and 1198. Employee and other Aggrieved Employees personally suffered these violations and are thus informed and believe that Employer is exposed to liability for civil penalties pursuant to Labor Code sections 1198 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is informed and believes, and based thereon alleges, that Employer, including its agents, managers, superintendents, and/or officers, required Employee and/or Aggrieved Employees to agree, in writing, to terms and conditions known by Employer (and its agents, managers, superintendents and/or officers) to be prohibited by law, including, without limitation, non-compete agreements, terms known to be illegal in purported arbitration agreements, purported confidentiality agreements, purported severance agreements, or purported release agreements, and other written documents presented for signature and/or assent to Employee and/or Aggrieved Employees by Employer. And, even more specifically, Employee is informed and believes, and based thereon alleges, that Employer had and has a practice or policy of requiring Employee and other Aggrieved Employees to agree in writing to confidentiality policies that unlawfully restrain trade by prohibiting employees from speaking with prospective employers about their work with Employer, including but not limited to their wages and working conditions. Employer also required Employees to inform prospective employers of Employer's restrictions of Employee's freedom to work. As a result, Employee is informed and believes that Employer violated Labor Code sections 432.5, 1700.31 and 1198. As such, Employee is informed and believes, and based thereon alleges, that Employee and other Aggrieved Employees personally suffered these violations, and that Employer violated, without limitation, Labor Code section 432.5 and Government Code section 12952, entitling Employee and other Aggrieved Employees to damages. Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would also be liable for civil penalties pursuant to Labor Code sections 432.5, 1198, 1700.31 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is informed and believes, and based thereon alleges, that Employer had and has a practice or policy of conducting unlawful background checks on prospective and current employees, including without limitation Employee, prior to making a conditional offer. Employee is informed and believes, and based thereon alleges, that Employer violated applicable laws by,

without limitation: requiring job applicants and employees to disclose their conviction history before Employer made a conditional offer of employment; inquiring into or considering the conviction history of applicants before Employer made any conditional offers of employment; considering, distributing, or disseminating information about arrests not followed by conviction, referrals to or participation in a pretrial or posttrial diversion program, convictions that have been sealed, dismissed, expunged, or statutorily eradicated pursuant to law, or any conviction for which the convicted person has received a full pardon or has been issued a certificate of rehabilitation, while conducting conviction history background checks in connection with any applications for employment; intending to deny an applicant a position of employment solely or in part because of the applicant's conviction history; and asking applicants for employment to disclose, through any written form or verbally, information concerning or related to an arrest, detention, processing, diversion, supervision, adjudication, or court disposition that occurred while the person was subject to the process and jurisdiction of the juvenile court, to the detriment of Employee and other aggrieved employees. As such, Employee is informed and believes, and based thereon alleges, that Employee and other Aggrieved Employees personally suffered these violations, as well as violation of Labor Code section 1198, and that Employer violated, without limitation, Labor Code sections 432.7 and 1198, as well as Government Code section 12952, entitling Employee and other Aggrieved Employees to damages. Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would also be liable for civil penalties pursuant to Labor Code sections 432.7, 432.8, 1198, and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is informed and believes, and based thereon alleges, that Employer had and has a practice or policy of relying on the salary history information of an applicant for employment as a factor in determining whether to offer employment to an applicant or what salary to offer the applicant in violation of Labor Code section 432.3 by including, on Employer's application for employment, an inquiry regarding current and/or former salary history information, including, without limitation, compensation and benefits of the applicant for employment. Employee is informed and believes that this practice has resulted in unequal pay. Specifically, for this reason, as well as for other reasons, Employee is informed and believes, and based thereon alleges, that Employer has failed to pay its employees at wage rates less than those paid to employees of the opposite sex and/or another race or ethnicity for substantially similar work, when viewed as a composite of skill, effort, and responsibility, and/or performed under similar working conditions without sufficient legal rationale. Finally, Employee is informed and believes, and based thereon alleges that Employer has discharged and/or discriminated and/or retaliated against Employee and Aggrieved Employees by reason of an action taken by them to invoke or assist in the enforcement of Labor Code section 1197.5. As such, Employee is informed and believes, and based thereon alleges, that Employer violated, without limitation, Labor Code sections 432.3, 1102.5, 1197.5, and 1198. Employee also alleges that Employee and other Aggrieved Employees personally suffered these violations, and that Employee and other Aggrieved Employees are entitled to damages. Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would also be liable for civil penalties pursuant to Labor Code sections 432.3, 1198 and 2699, or

injunctive relief under sections 2699(e)(1) and 2699(k). Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee is informed and believes, and based thereon alleges that Employer and others in connection with the Employer (including, without limitation, the owner of the property, controller, and others in concert with the Employer) employed, permitted and/or suffered to work minors under the age of sixteen (16) years in connection with a manufacturing establishment or other place of employment; in adjusting belts to machinery, sewing or lacing machine belts in a workshop or factory, and/or oiling, wiping, cleaning machinery and/or assisting therewith; in operating or assisting in operating machines, including circular or band saws, wood shapers, wood-jointers, planers, sandpaper machinery, wood-polishing machinery, wood turning or boring machinery, picker machines, machines used in picking wool, cotton, hair or other material, carding machines, leather-burnishing machines, laundry machines, printing-presses, boring or drill presses, stamping machines used in sheet-metal and tinware, in paper and leather manufacturing, in washer and nut factories, metal or paper-cutting machines, paper-lace machines, corner-staying machines in paper-box factories, corrugating rolls, dough brakes, cracker machinery, wire or iron straightening or drawing machinery, rolling mill machinery, power punches or shears, washing, grinding or mixing machinery, calendar rolls in paper and rubber manufacturing, steam boilers, and others, even in or out of proximity to hazardous or unguarded belts, machinery or gearing; and in occupations declared hazardous as set forth in Labor Code section 1293.1; all in violation of Labor Code sections 1290, 1292, 1293, 1294.1 and 1301. In addition, Employee is informed and believes, and based thereon alleges that Aggrieved Employees are covered by Labor Code section 1391, Educational Code 49112 and Educational Code 49116. Employee is informed and believes, and based thereon alleges, that Employer had and has a policy or practice of requiring its employees, who are fifteen (15) years old or younger to work for more than eight (8) hours in one day of twenty-four (24) hours, and/or more than forty (40) hours in one week, and/or before 7:00 a.m. or after 7:00 p.m. Employee is further informed and believes, and based thereon alleges, that Employer had and has a policy or practice of, among other things, requiring its employees, who are fourteen (14) or (15) years old to work, while school is in session, for more than three hours in any schoolday and/or more than eighteen (18) hours in any week. Employee is further informed and believes, and based thereon alleges, that Employer had and has a policy or practice of, among other things, requiring its employees, who are sixteen (16) or seventeen (17) years old, to work for more than eight (8) hours in one day, and/or more than 48 hours in one week, and/or before 5 a.m., and/or after 10 p.m. on any day preceding a schoolday, and/or to work more than four (4) hours on a schoolday. Accordingly, for violations of Labor Code section 1391, *et seq.*, As such, Employee is informed and believes, and based thereon alleges, that Employer violated, without limitation, Labor Code sections 1290, 1292, 1293, 1294.1 and 1301, 1391 and 1198. Employee also alleges that Employee and other Aggrieved Employees personally suffered these violations, and that Employee and other Aggrieved Employees are entitled to damages. Employee further informed and believes, and based thereon alleges, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would also be liable for civil penalties pursuant to Labor Code sections 1290, 1292, 1293, 1294.1 and 1301, 1391 and 1198 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

To the extent Employer previously used the notice and cure provision of Labor Code section 2699.3 within the last twelve months, under section 2699.3(d), Employer is not eligible to cure the violations discussed herein under section 2699.3 or otherwise use the early evaluation conference process pursuant to section 2699.3(f).

In the event that Employer is determined to have satisfied sections 2699(g), 2699(h), or otherwise 2699(d)(1), Employer is also, in the alternative, liable for civil penalties pursuant to Labor Code sections 2699(j), 2699(e)(2), and 2699(f)(2).

In the event that Employer is determined to have, prior to this notice or a request for records pursuant to Labor Code section 226, 432, or 1198.5, from Employee or his/her counsel, adequately taken all reasonable steps to be in compliance with all provisions identified in this notice, Employer is still liable for civil penalties pursuant to section 2699(g)(1)-(3).

In the event that Employer is deemed to have adequately taken all reasonable steps to be in compliance with all provisions identified in this notice within 60 days of receiving this notice, Employer is still liable for civil penalties pursuant to Labor Code section 2699(h)(1)-(3).

Employee is further informed and believes that within 5 years of any of violations described above, the LWDA or a court has issued a finding or determination to the Employer that its policy or practice giving rise to such violations was unlawful, and thus Employer is further liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(i). Employer was found to have unlawfully committed some or all of the above-related Labor Code violations, and thus is subject to increased penalties, as applicable, under Labor Code sections 2699(f)(2)(B)(i), 2699(g)(3) and 2699(h)(3), and is **not** eligible for reduced penalties under either Labor Code sections 2699(g) or 2699(h) for remedying violations either prior to or after the serving of this notice. Regardless, as the Employer's conduct giving rise to the violations detailed herein was and is malicious, fraudulent, and/or oppressive, the Employer thus is subject to increased penalties under Labor Code section 2699(f)(2)(B)(ii) and, per Labor Code sections 2699(g)(3) and 2699(h)(3), is **not** eligible for reduced penalties under either 2699(g) or 2699(h), for remedying violations either prior to or after the Employer's receipt of this notice.

Pursuant to Labor Code section 2699.3, subdivisions (a)(2)(A), (c)(1)(D)-(E), and/or (c)(2)(A)-(B), please advise within sixty-five (65) calendar days of the postmarked date of this notice whether the LWDA intends to investigate the violations alleged above. Our office understands that if we do not receive a response within sixty-five (65) calendar days of the postmark date of this PAGA Notice that the LWDA intends to investigate these allegations, Employee may immediately thereafter file a civil complaint against Employer to allege causes of action for civil penalties or for injunctive relief under the Private Attorney General Act for the herein-described alleged violations of the Labor Code.

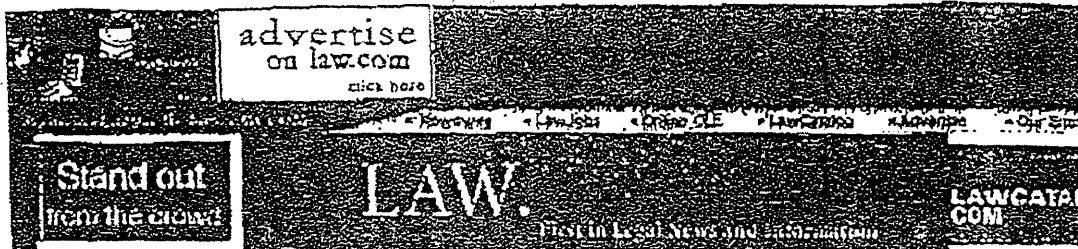
California Labor and Workforce Development Agency
August 29, 2024
Page 17

Very truly yours,

BIBIYAN LAW GROUP, P.C.

cc: Crestwood Behavioral Health, Inc. (via U.S. Certified Mail, Return Receipt Requested)
Idylwood Care Center (via U.S. Certified Mail, Return Receipt Requested)
Helios Healthcare LLC (via U.S. Certified Mail, Return Receipt Requested)

EXHIBIT 4



A Firm-by-Firm Sampling of Billing Rates Nationwide

The *National Law Journal* asked the respondents to its 2002 survey of the nation's 250 largest law firms to provide hourly billing rate information for partners and associates firmwide. The firms that supplied information -- including some firms that are not in the NLJ 250 -- are listed below in alphabetical order. A number after a firm's name indicates the total number of attorneys at that firm. The city listed below the name of a firm is the location of the firm's principal office or largest office.

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

A B C D

Akin, Gump, Strauss, Hauer & Feld (1,017)
(Washington, D.C.)
Partners \$330-\$500
Associates \$170-\$330

Alston & Bird (674)
(Atlanta)
Partners \$330-\$575
Associates \$170-\$500

Altholmer & Gray (361)
(Chicago)
Partners \$220-\$525
Associates \$115-\$360

Andrews & Kurth (375)
(Houston)
Partners \$310-\$595
Associates \$170-\$400

Arent Fox Kintner Plotkin & Kahn (249)
(Washington, D.C.)
Partners \$215-\$560
Associates \$165-\$360

Armstrong Teasdale (230)
(St. Louis)
Partners \$210-\$310
Associates \$105-\$240

Artor & Madden (273)
(Cleveland)
Partners \$215-\$450
Associates \$150-\$285

Baker, Donelson, Bearman & Caldwell (240)
(Memphis, Tenn.)
Partners \$175-\$480
Associates \$110-\$275

Ballard Spahr Andrews & Ingersoll (441)
(Philadelphia)

Kelley Drye & Warren (356)
(New York)
Partners \$300-\$590
Associates \$180-\$375

Kramer Levin Natolis & Frankel (285)
(New York)
Partners \$440-\$625
Associates \$210-\$440

L M N

Lang Powell Spears Lubetkin (175)
(Seattle)
Partners \$225-\$380
Associates \$175-\$260

Lewis, Rice & Fierstein (170)
(St. Louis)
Partners \$360-\$355
Associates \$110-\$270

Little Mendelson (395)
(San Francisco)
Partners \$220-\$440
Associates \$135-\$350

Locke Liden & Sapp (408)
(Houston)
Partners \$300-\$595
Associates \$150-\$340

Loeb & Loeb (175)
(Los Angeles)
Partners \$350-\$650
Associates \$185-\$325

Lord, Bissell & Brook (325)
(Chicago)
Partners \$255-\$510
Associates \$140-\$285

Lowenstein Sandler (193)
(Roseland, N.J.)

04/15/11

Partners \$240-\$525
Associates \$145-\$300

Bell, Boyl & Lloyd (226)
(Chicago)
Partners \$250-\$550
Associates \$200-\$275

Blackwell Sanders Peper Martin (301)
(Kansas City, Mo.)
Partners \$165-\$410
Associates \$110-\$210

Blank Rome Comisky & McCauley (398)
(Philadelphia)
Partners \$285-\$565
Associates \$175-\$360

Boutt, Cummings, Connors & Barry (89)
(Nashville, Tenn.)
Partners \$185-\$375
Associates \$138-\$235

Bracewell & Patterson (362)
(Houston)
Partners \$210-\$600
Associates \$125-\$325

Bradley, Arant, Rose & White (181)
(Birmingham, Ala.)
Partners \$205-\$365
Associates \$150-\$275

Brink, Hofer Olson & Liene (138)
(Chicago)
Partners \$295-\$500
Associates \$165-\$290

Bryan Cave (841)
(St. Louis)
Partners \$225-\$710
Associates \$135-\$410

Buchalter, Nemer, Fields & Younger (137)
(Los Angeles)
Partners \$310-\$450
Associates \$160-\$350

Buchanan Ingersoll (302)
(Pittsburgh)
Partners \$225-\$720
Associates \$135-\$360

Buckingham, Doolittle & Burroughs (135)
(Akron, Ohio)
Partners \$205-\$360
Associates \$135-\$280

Burns, Deane, Swicker & Mathis (37)
(Alexandria, Va.)
Partners \$300-\$550
Associates \$175-\$300

Burr & Perman (169)
(Birmingham, Ala.)
Partners \$205-\$365
Associates \$140-\$225

Burton Long (204)
(Detroit)
Partners \$205-\$380
Associates \$135-\$215

Partners \$285-\$525
Associates \$140-\$295

Luce, Forward, Hamilton & Scripps (202)
(San Diego)
Partners \$310-\$500
Associates \$150-\$300

Manatt, Phelps & Phillips (244)
(Los Angeles)
Partners \$375-\$600
Associates \$200-\$355

Marshall, Dennehey, Warner, Coleman & Goggin
(288)
(Philadelphia)
Partners \$130-\$255
Associates \$115-\$180

Mathews and Branscomb (51)
(San Antonio)
Partners \$175-\$325
Associates \$125-\$195

McCarter & English (270)
(Newark, N.J.)
Partners \$250-\$495
Associates \$140-\$285

McGuireWoods (538)
(Richmond, Va.)
Partners \$210-\$575
Associates \$85-\$325

Michael Best & Friedrich (349)
(Milwaukee)
Partners \$180-\$425
Associates \$120-\$210

Miller, Canfield, Paddock and Stone (301)
(Detroit)
Partners \$210-\$475
Associates \$125-\$230

Miller & Chevalier (123)
(Washington, D.C.)
Partners \$320-\$650
Associates \$175-\$340

Miller Nash (140)
(Portland, Ore.)
Partners \$210-\$350
Associates \$125-\$225

Milten Mullins Rhy & Scarborough (202)
(Columbia, S.C.)
Partners \$200-\$390
Associates \$145-\$270

Nutter, McClennen & Fish (170)
(Boston)
Partners \$330-\$480
Associates \$175-\$300

O - R

Obermayer Rebmann Maxwell & Hippel (110)
(Philadelphia)
Partners \$300-\$475
Associates \$145-\$325

Ogletree, Deakins, Nash, Smoak & Stewart
(162)

06/15/11

Jenkins & Gilchrist (373)
(Dallas)
Partners \$275-\$525
Associates \$165-\$380

Jenner & Block (390)
(Chicago)
Partners \$350-\$625
Associates \$185-\$350

Jones, Walker, Waechter, Poltavant, Carrère &
Denègre (217)
(New Orleans)
Partners \$170-\$335
Associates \$110-\$185

Womble Carlyle Sandridge & Rice (437)
(Winston-Salem, N.C.)
Partners \$190-\$500
Associates \$125-\$265

Wyatt, Tarrant & Combs (201)
(Louisville, Ky.)
Partners \$150-\$310
Associates \$100-\$190

(The National Law Journal, December 2002)

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02/15/11

EXHIBIT 5

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11

12 Attorneys for Plaintiffs ROSA CANTU and
SANDRA CHU

13 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
14 COUNTY OF LOS ANGELES
15

16 ROSA CANTU AND SANDRA CHU,
individually and on behalf of others similarly
17 situated,

18 Plaintiffs,

19 vs.

20 PACIFIC BELL TELEPHONE COMPANY
d/b/a AT&T CALIFORNIA, and Does 1 through
21 100, inclusive,

22 Defendants.
23
24
25
26
27
28

Case No.: BC441237

CLASS ACTION [Code Civ. Proc. § 382]

REPRESENTATIVE ACTION
[Labor Code § 2698, et seq.]

DECLARATION OF RICHARD M. PEARL
IN SUPPORT OF PLAINTIFFS' MOTION
FOR FINAL APPROVAL OF CLASS
ACTION SETTLEMENT AND AN AWARD
OF REASONABLE ATTORNEYS' FEES
AND COSTS

Date: February 4, 2011
Time: 9:00 a.m.
Dept: 324
Judge: Emilie H. Elias

DECLARATION OF RICHARD M. PEARL IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS
ACTION SETTLEMENT AND AN AWARD OF REASONABLE ATTORNEYS' FEES AND COSTS - CASE NO.: BC441237

234747-2

1 I, Richard M. Pearl, declare:

2 I make this Declaration of my own personal knowledge, and if called to testify, I could
3 and would testify competently to the matters stated herein.

4 A. Background

5 2. I am a member in good standing of the California State Bar. I am in private practice as
6 the principal of my own law firm, the Law Offices of Richard M. Pearl. I specialize in issues related to
7 court-awarded attorneys' fees, including the representation of parties in fee litigation and appeals,
8 serving as an expert witness, and serving as a mediator and arbitrator in disputes concerning attorneys'
9 fees and related issues. In this case, I have been asked by Plaintiffs' counsel to express my expert
10 opinion regarding their claim for reasonable attorneys' fees.

11 3. Briefly summarized, my background is as follows: I am a 1969 graduate of Boalt Hall
12 School of Law, University of California, Berkeley, California. After graduation, I spent fourteen years
13 in federally-funded legal services programs before going into private practice in 1982. From 1977 to
14 1982, I was Director of Litigation for California Rural Legal Assistance, Inc., a statewide legal services
15 program with more than fifty attorneys. Since April 1987, I have been a sole practitioner in the San
16 Francisco Bay Area. Martindale Hubbell rates my law firm "AV." I also have been selected as a
17 Northern California "Super Lawyer" in Appellate Law for 2005, 2006, 2007, 2008, and 2010. A copy
18 of my Resume is attached hereto as Exhibit A.

19 4. Since 1982, my practice has been a general civil litigation and appellate practice, with an
20 emphasis on cases and appeals involving court-awarded attorneys' fees. I have lectured and written
21 extensively on court-awarded attorneys' fees. I have been a member of the California State Bar's
22 Attorneys Fees Task Force and have testified before the State Bar Board of Governors and the
23 California Legislature on attorneys' fee issues. I am the author of California Attorney Fee Awards, (3d
24 ed Cal. CEB 2010). I also was the author of California Attorney Fee Awards, 2d Ed. (Calif. Cont. Ed.
25 of Bar 1994), and its 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007,
26 and 2008 Supplements. This treatise has been cited by the California appellate courts on more than 35
27 occasions. I also authored the 1984, 1985, 1987, 1988, 1990, 1991, 1992, and 1993 Supplements to its
28 predecessor, CEB's California Attorney's Fees Award Practice. In addition, I authored a federal

1 manual on attorneys' fees entitled Attorneys' Fees: A Legal Services Practice Manual, published by the
2 Legal Services Corporation. I also co-authored the chapter on "Attorney Fees" in Volume 2 of CEB's
3 Wrongful Employment Termination Practice, 2d Ed. (1997).

4 5. More than 90% of my practice is devoted to issues involving court-awarded attorney's
5 fees. I have been counsel in over 140 attorneys' fee applications in state and federal courts, primarily
6 representing other attorneys. I also have briefed and argued more than 40 appeals, at least 25 of which
7 have involved attorneys' fees issues. In the past ten or so years, I have successfully handled four cases
8 in the California Supreme Court involving court-awarded attorneys' fees: (1) *Delaney v. Baker* (1999)
9 20 Cal. 4th 23, which held that heightened remedies, including attorneys' fees, are available in suits
10 against nursing homes under California's Elder Abuse Act; (2) *Ketchum v. Moses* (2001) 24 Cal. 4th
11 1122, which held, inter alia, that contingent risk multipliers remain available under California attorney
12 fee law, despite the United States Supreme Court's contrary ruling on federal law (note that in
13 *Ketchum*, I was primary appellate counsel in the Court of Appeal and "second chair" in the Supreme
14 Court); (3) *Flannery v. Prentice* (2001) 26 Cal. 4th 572, which held that in the absence of an agreement
15 to the contrary, statutory attorneys' fees belong to the attorney whose services they are based upon; and
16 (4) *Graham v. DaimlerChrysler Corp.* (2004) 34 Cal. 4th 553, which I handled, along with trial counsel,
17 in both the Court of Appeal and Supreme Court. I also successfully represented the plaintiffs in a
18 previous attorneys' fee decision in the Supreme Court, *Maria P. v. Riley* (1987) 43 Cal. 3d 1281, and
19 represented amicus curiae, along with Richard Rosfisch, in the Supreme Court's most recent fee
20 decision, *Vasquez v. State of California* (2009) 45 Cal. 4th 243. I also have handled several Ninth
21 Circuit attorneys' fees matters, including *Davis v. City & County of San Francisco* (9th Cir. 1992) 976
22 F.2d 1536, *Mangold v. CPUC* (9th Cir. 1995) 67 F.3d 1470, *Velez v. Wynne* (9th Cir. 2007) 2007 U.S.
23 App. LEXIS 2194, and *Camacho v. Bridgeport Financial, Inc.* (9th Cir. 2008) 523 F.3d 973. See
24 Exhibit A.

25 B. Plaintiffs' Counsel's Rates

26 6. I have been asked by Plaintiffs' counsel to submit this declaration in support of
27 Plaintiffs' Motion for Final Approval of Class Action Settlement and an Award of Reasonable
28 Attorneys' Fees and Costs. I submit this declaration to provide the Court information concerning

2
DECLARATION OF RICHARD M. PEARL IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS
ACTION SETTLEMENT AND AN AWARD OF REASONABLE ATTORNEYS' FEES AND COSTS - CASE NO. BC441277

284747-2

1 hourly rates for attorneys in the San Francisco Bay Area, and in particular to provide information
2 demonstrating that the hourly rates requested by Plaintiffs' counsel in this matter are within the range of
3 market rates being charged in the San Francisco Bay Area and the San Diego market for similar
4 services, i.e. handling and trying complex class actions on behalf of employees against large employers
5 like Pacific Bell Telephone Company in this case.

6 7. I understand that Plaintiffs' counsel are requesting an award of attorneys' fees at the
7 following rates:

8 a. Goldstein Demchak Baffer Borgen & Dardarian, Oakland, CA

9

Name	Grad Year	Billing Rate
Robert L. Steele	1993	\$600
Laura L. Ho	1994	\$600
Joseph E. Jaramillo	1995	\$550
Senior Paralegal		\$195
Paralegal		\$150

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13 b. Grace Hollis LLP, San Diego, CA

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Name	Grad Year	Billing Rate
Graham S.P. Hollis	1985	\$600
Marta Manus	2008	\$375
Senior Paralegal		\$170

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17 8. Through my writing and practice, I have become familiar with the non-contingent
18 market rates charged by attorneys in California and elsewhere. This familiarity has been obtained in
19 several ways: (1) by handling attorneys' fee litigation; (2) by discussing fees with other attorneys;
20 (3) by obtaining declarations regarding prevailing market rates in cases in which I represent attorneys
21 seeking fees; and (4) by reviewing attorneys' fee applications and awards in other cases, as well as
22 surveys and articles on attorney's fees in the legal newspapers and treatises.

23 9. The information I have gathered, some of which is summarized below, shows that the
24 rates requested by Plaintiffs' counsel in this case are well in line with the non-contingent market rates
25 charged by litigation attorneys of similar qualifications and experience in San Francisco, San Diego,
26 and similar markets.

27 ///

28 ///

c. Rates found reasonable in other cases.

Set forth below are rates that were awarded by the courts in the following cases:

2010 Rates

(1) *Savaglio, et al. v. WalMart*, Alameda County Superior Court No. C-835687-7, Order Granting Class Counsel's Motion for Attorneys' Fees, filed September 10, 2010, a wage and hour class action, in which the court found the following hourly rates reasonable (before applying a 2.36 multiplier):

Years of Experience	Rate
51	\$875
39	\$750
38	\$600
33	\$775
25	\$550
23	\$650
21	\$625
19	\$610
18	\$600
17	\$585
16	\$570
15	\$560
14	\$550
13	\$525
12	\$515
11	\$510
10	\$505
9	\$500
7	\$460
4	\$435
Law Clerks	\$125-\$260

2009 Rates

(1) *Center for Biological Diversity v. California Fish & Game Commission*, San Francisco Superior Court No. CPF-08-508759, Order Granting Petitioners' Motion for Attorneys' Fees, filed December 1, 2009, in which the court found reasonable the following hourly rates:

Years of Experience	Rate
25	\$650
8	\$375
4	\$250
Law Clerks	\$150

1 (2) *Kashmiri et al v. Regents of U.C.*, San Francisco Superior Court, Order Granting
2 Plaintiffs' Motion for Common Fund Attorneys' Fees and Expenses, filed September 30, 2008, in
3 which the court found the following rates reasonable, plus a 3.7 lodestar multiplier:

Years of Experience	Rate
40	\$750
22	\$690
14	\$590
7	\$420
4	\$345
2	\$295
Law Clerks	\$200
Paralegals	\$195

10 (4) *Environmental Law Foundation v. Laidlaw Transit, Inc.*, San Francisco Superior
11 Court No. CGC-06-451832, Order Granting Motion for Court Approval of Parties Joint Stipulated
12 Judgment, filed September 22, 2008, in which the court found the following hourly rates reasonable in a
13 Proposition 65 action, plus a 1.25 multiplier:

Years of Experience	Rate
29	\$750
26	\$700
24	\$700
23	\$650
18	\$650
16	\$625
14	\$600
10	\$560
9	\$495-\$575
8	\$475
7	\$450
6	\$395
4	\$325
2	\$300
1	\$250
Paralegals	\$145-\$175
Interns	\$125

25 (5) *Gardner v. Schwarzenegger*, Alameda County Superior Court No. RG06-278911,
26 Order After Hearing filed April 20, 2009, aff'd by unpublished opinion, 2010 Cal. App. Unpub. LEXIS
27 1240, in which the court found the following 2008 rates reasonable, plus a 1.75 multiplier:

Years of Experience	Rate
17	\$640
14	\$590
8	\$445
Paralegal	\$170

a. Rate Information from Surveys and Other Cases:

I have reviewed numerous declarations and depositions filed in other cases, as well as various surveys of legal rates. These include the Westlaw CourtExpress Legal Billing Reports for May, August, and December 2009 (attached hereto as Exhibit B). These sources show the hourly rates for litigation undertaken on a non-contingent basis by the following California law firms, listed in alphabetical order:

Altshuler Berzon LLP

2009 Rates:

Years Experience	Rate
32	\$775
15	\$625
8	\$475
Law Clerks	\$200
Paralegals	\$195

2007 Rates:

Years Experience	Rate
23	\$700
15	\$550
5	\$325
Paralegals	\$155-\$190

Cooley Godward Kronish LLP

2008 Rates:

Years Experience	Rate
Partners	\$525-\$980
Associates	\$285-\$570

2007 Rates:

Years Experience	Rate
Partners	\$470-\$875 (average \$673)
Associates	\$250-\$555 (average \$403)

Coughlin Stoia Geller Rudman & Robbins, LLP

2007 Rates:

Years Experience	Rate
42	\$700
19	\$650
14	\$650
14	\$600
13	\$585
11	\$510
6	\$460
5	\$285

Duane Morris LLP

2009 Rates:

Years Experience	Rate
Partners	\$325-\$795
Associates	\$225-\$450

Epstein Becker & Green LLP

2009 Rates:

Years Experience	Rate
Partners	\$350-\$855
Associates	\$180-\$475

Fenwick & West

2007 Rates:

Years Experience	Rate
Partners	\$500-\$775 (average \$590)
Associates	\$245-\$500 (average \$370)

Hadsell Stormer

2009 Rates:

Years Experience	Rate
35	\$775
20	\$575

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Howard, Rice, Nemerovski, Canady, Falk & Rabkin

2008 Rates:

Years Experience	Rate
Partners	\$515-\$795
Associates	\$275-\$510

2007 Rates:

Years Experience	Rate
Partners	\$495-\$775
Associates	\$275-\$485

Litt, Estuar, Harrison & Kitson, LLP

2009 Rates:

Years Experience	Rate
39	\$800
16	\$550
3	\$320
2	\$285
Paralegals	\$125-\$235
Law Clerks	\$225

Loeb & Loeb

2009 Rates:

Years Experience	Rate
Partners	\$475-\$950
Associates	\$285-\$450

2008 Rates:

Years Experience	Rate
Partners	\$450-\$925
Associates	\$260-\$500

2007 Rates:

Years Experience	Rate
Partners	\$475-\$875 (average \$600)
Associates	\$240-\$500 (average \$400)

Manatt, Phelps & Phillips

2009 Rates:

Years Experience	Rate
Partners	\$495-\$850
Associates	\$250-\$505

2008 Rates:

Years Experience	Rate
Partners	\$495-\$850
Associates	\$290-\$505

2007 Rates:

Years Experience	Rate
Partners	\$520-\$785 (average \$600)
Associates	\$265-\$480 (average \$395)

Morrison Foerster

2009 Rates:

Years Experience	Rate
24	\$750

2008 Rates:

Years Experience	Rate
45	\$675
36	\$725
33	\$785
14	\$650
12	\$600
9	\$560
7	\$535
5	\$485
1	\$520
Paralegals	\$185- \$230

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2007 Rates:

Years Experience	Rate
44	\$675
11	\$550
8	\$520
6	\$475
3	\$250

O'Melveny & Myers

2009 Rates:

Years Experience	Rate
36-37	\$860-\$950
21	\$820
16-18	\$700-\$710
14	\$595-\$675
10	\$590
8	\$565
7	\$540-\$565
5-6	\$480-\$520
2-4	\$395-450
Paralegals	\$225-310

Reed Smith

2008 Rates:

Years Experience	Rate
Partners	\$375-\$900 (average \$626)
Associates	\$235-\$580 (average \$423)

2007 Rates:

Years Experience	Rate
Partners	\$350-\$825 (average \$558)
Associates	\$200-\$510 (average \$374)

Rudy, Exelrod & Zieff

2009 Rates:

Years Experience	Rate
Partners 31	\$700
Associates 3	\$305

2007 Rates:

Years Experience	Rate
Partners 29	\$700
12	\$500
Associates 10	\$400
8	\$330
Law Clerk	\$200
Paralegal	\$150

Schonbrun, DeSimone, Seplow, Harris & Hoffman

2009 Rates:

Years Experience	Rate
33	\$750
25	\$625
24	\$625
8	\$375
6	\$370
Paralegals	\$125

Sheppard, Mullin, Richter & Hampton

2008 Rates:

Years Experience	Rate
Partners	\$475-\$795
Associates	\$275-\$455

2007 Rates:

Years Experience	Rate
Partners	\$425-\$795
Associates	\$260-\$550

Townsend and Townsend and Crew

2009 Rates:

Years Experience	Rate
Partners	\$480-\$750
Associates	\$260-\$460

Winston & Strawn

2009 Rates:

Years Experience	Rate
Partners	\$400-\$995
Associates	\$210-\$670

10. The hourly rates set forth above pertain largely to law firms headquartered in the San Francisco Bay Area and Los Angeles. To the extent those law firms handle cases in other jurisdictions, like San Diego, they almost always charge the same rates that they do for litigation in the Bay Area. To the extent Plaintiffs' claim is based upon San Diego rates, however, I also am of the opinion that they are in line with the rates charged by lawyers of comparable skill, experience, and reputation for comparable work, *i.e.*, complex representative litigation in San Diego. I base that opinion on the following facts:

a. In a report filed with the California Public Utilities Commission (attached as Exhibit C), the San Diego Gas & Electric Co. reported that in 2003, it hired outside counsel at rates of from \$477-\$625 per hour for partners with 13 or more years experience, \$435 per hour for partners with 8-12 years of practice, and \$239-\$425 per hour for associate attorneys with up to 7 years of practice. Hourly rates have increased significantly since then.

b. San Diego law firm Luce, Forward, Hamilton & Scripps reports that in 2010, its partner rates ranged from \$350 to \$670 per hour, and its associate rates ranged from \$245 to \$445 per hour. In 2009, its partner rates ranged from \$360 to \$650 per hour, and its associate rates ranged from \$240 to \$540 per hour.

11. My research regarding attorneys' fees in California has indicated a consistent increase in fees over the last several years. Most firms increased their rates over these periods. Consistent with this market, I raised my rates in 2009 and 2010, and will raise it again in 2011, to reflect both the

1 demand for my services and inflation in costs and legal rates; my rate is still significantly less than
2 many attorneys with comparable experience, expertise, and skills at other firms.

3 12. The hourly rates set forth above are those charged where full payment is expected
4 promptly upon the rendition of the billing and without consideration of factors other than hours and
5 rates. If any substantial part of the payment were to be deferred for any substantial period of time, for
6 example, or if payment were to be contingent upon outcome or any other factor, the fee arrangement
7 would be adjusted accordingly to compensate the attorneys for those factors.

8 13. In my experience, fee awards are almost always determined based on current rates, i.e.,
9 the attorney's rate at the time a motion for fees is made, rather than the historical rate at the time the
10 work was performed. This is a common and accepted practice to compensate attorneys for the delay in
11 being paid.

12 C. Plaintiffs' Counsel's Requested Percentage Fee

13 14. I understand that Plaintiffs request an award of fees under the common fund doctrine as a
14 percentage of the fund recovered in this litigation sufficient to provide them with a reasonable fee. This
15 is an appropriate request because this is a fully-paid, non-reversionary settlement in which the value of
16 the class recovery is fully monetized at \$2,000,000, inclusive of fees, expenses, and settlement
17 administration costs. Under these circumstances, courts award fees as percentages of the common fund
18 where they are in line with the range of fees freely negotiated in the legal marketplace in comparable
19 litigation.

20 15. Based on the information I have gathered and my own experience and expertise, it is my
21 opinion that the 33 1/3% common fund fee recovery requested by Class Counsel is, in the
22 circumstances of this case, reasonable and consistent with awards approved by other California state
23 courts reviewing class action settlements, based on the factors discussed below.

24 16. My opinion is based in part on the fact that, as a common fund case with the fund
25 consisting of \$2 million, Plaintiffs' claimed fee of 33 1/3% is entirely consistent with the legal
26 marketplace for attorneys' services in contingency fee cases involving similar financial recoveries. In
27 the course of my practice, I have become familiar with the contingency fee percentages charged by law
28 firms to sophisticated institutional clients in large damage cases. Based on that knowledge and my

13
DECLARATION OF RICHARD M. PEARL IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS
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1 experience in the attorneys' fees field generally, it is my opinion that if competent and experienced
2 attorneys and a sophisticated client were to negotiate a contingency fee agreement under the
3 circumstances where (a) a high risk, complex case was being contemplated, (b) it is anticipated that the
4 opposition would be vigorous, and (c) the attorneys would not be paid unless and until they were able to
5 obtain significant relief for the client, the sophisticated client would be more than willing to enter into a
6 retainer agreement under which the client would pay only the litigation out-of-pocket costs, and the
7 attorneys could reasonably expect to recover 5% to 35% of the total value of any recovery as fees.

8 17. An award of 33 1/3% of the common fund requested by Class Counsel here is consistent
9 with legal marketplace for attorneys' services in contingency fee cases because of (a) the high risk
10 involved in litigating an incentive compensation plan case on behalf of nearly 100 California
11 employees; (b) the vigorous defense presented by the large defense firm that represents Defendant here;
12 (c) the relatively small size of the common fund, which weighs toward a higher percentage; and (d) the
13 fact that here, unlike in the paradigm market practices situation described in the previous paragraph,
14 Class Counsel were obligated to advance the substantial litigation costs on a contingent basis with risk
15 of delay in repayment as well as possible non-repayment, and to represent Plaintiffs through appeal of
16 any judgment in this case. This award would also be appropriate to encourage settlement, reward
17 counsel for maximizing their clients' recoveries, and promote the private enforcement of the wage and
18 hour laws Plaintiffs allege were violated.

19 D. Plaintiffs' Counsel's Lodestar Multiplier

20 18. Courts often cross-check a percentage-based fee against a lodestar based fee to determine
21 if it is reasonable. I understand that Plaintiffs' lodestar here is \$332,383.88 on non-fees work. The
22 \$666,667 fee award requested represents a 2 multiplier on the non-fees lodestar.

23 19. The expense and risk of public interest litigation has not diminished over the years; to
24 the contrary, these cases are in many ways more difficult than ever. As a result, fewer and fewer
25 attorneys and firms are willing to take on such litigation, and the few who are willing to do so can only
26 continue if their fee awards reflect true market value. Attorneys who litigate on a wholly or partially
27 contingent basis expect to receive significantly higher effective hourly rates in cases where
28 compensation is contingent on success. As the case law recognizes, this does not result in any

1 "windfall" or undue "bonus." In the legal marketplace, a lawyer who assumes a significant financial
2 risk on behalf of a client rightfully expects that his or her compensation will be significantly greater
3 than if no risk was involved (i.e., if the client paid the bill on a monthly basis), and that the greater the
4 risk, the greater the "enhancement." Adjusting court-awarded fees upward in contingent fee cases to
5 reflect the risk of recovering no compensation whatsoever for hundreds of hours of labor simply makes
6 them competitive in the legal marketplace, helping to ensure that meritorious cases will be brought to
7 enforce important public interest policies and that clients who have meritorious claims will be more
8 likely to obtain qualified counsel.

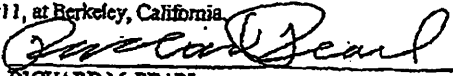
9 20. In my experience, lodestar multipliers of 2 to 4 are typical for class actions such as this
10 case. Plaintiffs' requested fee falls well within this range.

11 **E. Plaintiffs' Counsel's Out-of-Pocket Expenses.**

12 21. I have reviewed the billing practices of hundreds of attorneys in California. Based on
13 my experience and knowledge of these billing practices, I am aware that it is a common practice for
14 firms to bill their clients for out-of-pocket expenses incurred in litigation on a monthly basis as they are
15 incurred. Such expenses include, but are not limited to, charges incurred for copying, long-distance
16 telephone calls, postage, messengers, travel, deposition and hearing transcripts, legal and non-legal
17 computer research services, mediation services, and expert witnesses. I am informed that Plaintiffs
18 expended \$16,258.08 in out-of-pocket litigation expenses in this case, including \$8,000 for the services
19 of an experienced and skilled mediator, David Rotman, who brokered the settlement in this case. Based
20 on my knowledge and experience of such costs and billing practices, it is my opinion that these
21 expenses are reasonable given the complex nature of this case.

22 If called as a witness, I could and would competently testify from my personal knowledge to the
23 facts stated herein. I declare under penalty of perjury under the laws of the state of California the
24 foregoing is true and correct.

25 Executed this 4th day of January, 2011, at Berkeley, California.

26 
27 RICHARD M. PEARL
28