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COMMUNITY PSYCHIATRY MANAGEMENT, LLC

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SACRAMENTO

LASHAUNTA CANDYS, individually, and
 on behalf of all others similarly situated,

Plaintiff,

vs.

COMMUNITY PSYCHIATRY
 MANAGEMENT, LLC, a limited liability
 company; and DOES 1 through 10, inclusive,

Defendant.

Case No.: 34-2022-00314705

CLASS ACTION

[Hon. Lauri A. Damrell, Dept. 28]

**JOINT STIPULATION OF CLASS ACTION
 AND PAGA SETTLEMENT**

Complaint filed: January 28, 2022

Trial date: Not set

JOINT STIPULATION OF CLASS ACTION SETTLEMENT

This Joint Stipulation of Class Action and PAGA Settlement (“Joint Stipulation of Settlement” or “Settlement” or “Agreement”) is made and entered into by and between Plaintiff LASHAUNTA CANDYS, individually, and on behalf of all others similarly situated, (“Plaintiff” or “Class Representative”), and Defendant COMMUNITY PSYCHIATRY MANAGEMENT, LLC (“Defendant”). Plaintiff and Defendant are sometimes referred to individually as a “Party” or collectively referred to herein as “the Parties.” THE PARTIES STIPULATE AND AGREE as follows:

DEFINITIONS

1. For purposes of this Settlement, “Complaint” refers to the first amended complaint filed in the Action on or about April 12, 2022.

2. For purposes of this Settlement, the “Action” refers to the above-captioned action entitled *Candys v. Community Psychiatry Management, LLC*, Case No. 34-2022-00314705.

3. For purposes of this Settlement, the “Class Period” is January 28, 2018 through the date grants preliminary approval.

4. For purposes of this Settlement, the “Class” or “Class Members” consist of: All non-exempt employees of Defendant who worked for Defendant in California at any time during the Class Period. The “Settlement Class” or “Settlement Class Members” are those Class Members who do not submit timely and compliant exclusion requests to the Settlement Administrator.

5. For purposes of this Settlement, “Class Counsel” means MOON & YANG, APC.

6. For purposes of this Settlement, “Covered Workweeks” means the number of weeks a Class Member worked for Defendant in California at any time during the Class Period.

7. For purposes of this Settlement, “Response Deadline” means the date forty-five (45) days after the Settlement Administrator initially mails the Notice to Settlement Class Members (“Notice”) and the last date on which Class Members may submit a request for exclusion or written objection to the Settlement. In the case of a re-mailed Notice, the Response Deadline will be the later of 45 calendar days after initial mailing or 14 calendar days from re-mailing. The Response Deadline may be extended only as expressly described herein.

8. For purposes of the Settlement, “Defendant’s Counsel” means GORDON REES SCULLY

1 MANSUKHANI, LLP.

2 9. For purposes of this Settlement, "PAGA" means the Labor Code Private Attorneys
3 General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*).

4 10. For purposes of this Settlement, "PAGA Allocation" means the portion of the Gross
5 Settlement Amount that the Parties have agreed to allocate to resolution of the Released PAGA Claims.
6 The Parties have agreed that the PAGA Allocation will be \$60,000 from the Gross Settlement Amount.
7 Pursuant to PAGA, Seventy-Five Percent (75%), or \$45,000, of the PAGA Allocation will be paid to the
8 Labor and Workforce Development Agency ("LWDA") ("PAGA Penalty Payment"), and Twenty-Five
9 Percent (25%), or \$15,000, of the PAGA Allocation will be paid to the PAGA Employees ("PAGA
10 Settlement Payment").

11 11. For purposes of this Settlement, "PAGA Period" means the period from January 28, 2021
12 through the date of preliminary approval.

13 12. For purposes of this Settlement, "PAGA Employee" means all Class Members that worked
14 during the PAGA Period. It is stipulated by the Parties that, for purposes of this Settlement only, all
15 PAGA Employees are "aggrieved employees" as defined pursuant to PAGA.

16 13. For purposes of this Settlement, "PAGA Pay Periods" means the number of pay periods
17 each PAGA Employee worked during the PAGA Period.

18 14. For purposes of this Settlement, "PAGA Representative" means Plaintiff.

19 15. For purposes of this Settlement, "Released PAGA Claims" means all claims for penalties
20 and any other available relief pursuant to PAGA, to the extent asserted in Plaintiff's administrative
21 exhaustion letter submitted to the LWDA in this Action on January 27, 2022, arising during the PAGA
22 Period.

23 16. For purposes of this Settlement, "Settlement Payments" means all of the payments to
24 Settlement Class Members (the "Settlement Class Payments") and all of the payments to PAGA
25 Employees (the "PAGA Settlement Payments").

26 **STIPULATED BACKGROUND**

27 17. On January 28, 2022, Plaintiff filed a putative Class Action alleging the following labelled
28 causes of action: (1) Failure to Pay Minimum Wage and Straight Time Wages [Cal. Lab. Code §§ 204,

1 1194, 1194.2, 1197, and the Industrial Welfare Commission Wage Orders]; (2) Failure to Pay Overtime
 2 Compensation [Cal. Lab. Code §§ 1194 and 1198, and the Industrial Welfare Commission Wage Orders];
 3 (3) Failure to Provide Meal Periods [Cal. Lab. Code §§ 226.7, 512, and the Industrial Welfare
 4 Commission Wage Orders]; (4) Failure to Authorize and Permit Rest Breaks [Cal. Lab. Code §§ 226.7,
 5 and the Industrial Welfare Commission Wage Orders]; (5) Failure to Indemnify Necessary Business
 6 Expenses [Cal. Lab. Code §2802]; (6) Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code
 7 §§ 201-203]; (7) Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226, and the
 8 Industrial Welfare Commission Wage Orders]; and (8) Unfair Business Practices [Cal. Bus. & Prof. Code
 9 §§ 17200, *et seq.*]. (The “Action.”) In the Complaint, Plaintiff sought to represent all persons that worked
 10 for Defendant in California as an hourly-paid, non-exempt employee at any time during the period
 11 beginning four years before the filing of the initial complaint and ending when Notice to the Class is sent.

12 18. On April 4, 2022, Plaintiff satisfied the administrative exhaustion requirement that is a
 13 prerequisite to filing a claim for Civil Penalties under PAGA. On April 12, 2022, Plaintiff filed a First
 14 Amended Complaint adding a cause of action for Civil Penalties under PAGA [Cal. Lab. Code § 2699, *et*
 15 *seq.*]. Defendant filed an Answer thereto on May 16, 2022.

16 19. Solely for purposes of settling the Action, the Parties and their respective counsel stipulate
 17 and agree that the requisites for establishing class certification with respect to the Class Members have
 18 been met and are met. More specifically for settlement purposes only, the Parties stipulate and agree that:

- 19 (a) The Class is ascertainable and so numerous as to make it impracticable to join all
 20 Class Members.
- 21 (b) There are common questions of law and fact including, but not limited to, the
 22 following:
 - 23 1) Whether or not Defendant paid proper wages to the Class;
 - 24 2) Whether or not Defendant provided meal periods to the Class;
 - 25 3) Whether or not Defendant provided rest periods to the Class;
 - 26 4) Whether or not Defendant indemnified necessary business expenses;
 - 27 5) Whether or not Defendant paid compensation timely upon separation of
 28 employment to former Class Members;

- 6) Whether or not Defendant paid compensation timely throughout Class Members' employment;
 - 7) Whether or not Defendant provided accurate itemized statements to the Class;
 - 8) Whether or not waiting-time penalties are available to Class Members who are no longer employed by Defendant for violation of California Labor Code § 203;
 - 9) Whether or not Defendant maintained requisite records;
 - 10) Whether or not Defendant paid proper meal period pay or rest period pay to the Class; and,
 - 11) Whether or not Defendant engaged in unlawful or unfair business practices affecting the Class in violation of California Business and Professions Code §§ 17200-17208.
- (c) Plaintiff's claims are typical of the claims of the Class Members.
 - (d) Plaintiff and Class Counsel will fairly and adequately protect the interests of the Class.
 - (e) The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications, which would establish incompatible standards of conduct.
 - (f) With respect to the Class, questions of law and fact common to the members of the Class predominate over any questions affecting any individual member in such Class, and that a class action is superior to other available means for the fair and efficient adjudication of the controversy.

20. Should, for whatever reason, the Settlement not become effective, the fact that the Parties were willing to stipulate to class certification as part of the Settlement shall have no bearing on, and shall not be admissible in connection with, the issue of whether the Class Members and/or the Class Claims should be certified in a non-Settlement context in this Action or in any other lawsuit. Defendant expressly reserve their right to oppose claim or class certification in this or any other action should this Settlement

1 not become effective. In the event the Settlement does not become effective, the Parties shall be restored to
2 their respective positions in this litigation as of the date of this Stipulation.

3 21. Defendant expressly denies any liability or wrongdoing of any kind whatsoever associated
4 with the claims alleged in the Complaint, and Defendant further denies that, for any purpose other than
5 settling this lawsuit, that the Action is appropriate for class or representative treatment. With respect to
6 Plaintiff's claims, Defendant contends, among other things, that Plaintiff and the Class Members have
7 been paid proper wages, have been provided meal periods or they have been made available as required
8 and/or paid premiums for all alleged non-compliant meal periods, have been provided rest periods or they
9 have been authorized and permitted as required, have been paid timely wages upon separation of
10 employment, and have been provided with accurate itemized wage statements. Defendant contends,
11 among other things, that they have complied at all times with the California Labor Code and the applicable
12 Wage Orders of the Industrial Welfare Commission. Furthermore, with respect to all claims, Defendant
13 contends that they have complied at all times with the California Business and Professions Code.

14 22. It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge
15 all disputes and claims arising from or related to the Complaint.

16 23. Class Counsel has conducted a thorough investigation into the facts of this Action,
17 including an extensive review of relevant documents, and has diligently pursued an investigation of the
18 claims of the Class against Defendant. Based on its own independent investigation and evaluation, Class
19 Counsel is of the opinion that the Settlement with Defendant for the consideration and on the terms set
20 forth in this Joint Stipulation of Settlement is fair, reasonable, and adequate and is in the best interest of the
21 Class in light of all known facts and circumstances, including the risk of significant delay, the risk the
22 Class will not be certified by the Court, defenses asserted by Defendant, and numerous potential appellate
23 issues. Defendant and Defendant's Counsel also agree that the Settlement is fair and in the best interest of
24 the Class.

25 24. The Parties agree to cooperate and take all steps necessary and appropriate to obtain
26 preliminary and final approval of this Settlement.

27 25. The Parties agree to stay all proceedings in the Action, except such proceedings necessary
28 to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the

1 Court.

2 **PRIMARY TERMS OF SETTLEMENT**

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

- 5 (a) It is agreed by and among Plaintiff (on behalf of herself and the Class) and
6 Defendant that this Action and any claims, damages, or causes of action arising out
7 of the disputes which are the subject of this Action, be settled and compromised as
8 between the Class and Defendant, subject to the terms and conditions set forth in
9 this Settlement and the approval of the Court.
- 10 (b) Effective Date: The terms of settlement embodied in this Settlement shall become
11 effective when all of the following events have occurred: (i) this Joint Stipulation
12 of Settlement has been executed by all Parties and their respective counsel; (ii) the
13 Court has given preliminary approval to the Settlement; (iii) the Notice has been
14 given to the Class, providing them with an opportunity to dispute information
15 contained in the Notice, to opt out of the Settlement, or to object to the Settlement;
16 (iv) the Court has held a final approval hearing and entered a final order and
17 judgment certifying the Class and approving this Settlement; and (v) the later of the
18 following events: (a) five (5) calendar days have passed since final approval is
19 granted if there are no objections to the settlement; (b) sixty-five (65) days
20 following notice of entry of the Court's final order approving the Settlement if
21 there are any objections by any Class Member; (c) or if any appeal, writ or other
22 appellate proceeding opposing this Settlement has been filed within sixty-five (65)
23 days following notice of entry of the Court's final order approving the Settlement,
24 then twenty (20) days after when any appeal, writ or other appellate proceeding
25 opposing the Settlement has been resolved finally and conclusively with no right to
26 pursue further remedies or relief. In this regard, it is the intention of the Parties that
27 the Settlement shall not become effective until the Court's order approving the
28 Settlement is completely final, and there is no further recourse by an appellant or

objector who seeks to contest the Settlement.

- (c) Gross Settlement Amount: Defendant's maximum total payment under the Settlement, including all attorney's fees and costs, the Service Payment to the named Plaintiff, the costs of settlement administration, the PAGA Allocation, and any other payments provided by this Settlement, is \$865,000.00 ("Gross Settlement Amount"), subject to the Escalator Clause and except that, to the extent that any portions of the Settlement Class Payments constitute wages, Defendant will be separately responsible for any employer payroll taxes required by law, including the employer FICA, FUTA, and SDI contributions.
- (d) Escalator Clause: Defendant represents that Class Members worked 43,121 weeks during the period from January 28, 2018 through the date of the Parties' mediation. Should the actual number of workweeks worked by the Class Members exceed fifteen percent (15%) of this figure, then the Settlement Amount shall increase by \$20.29 (GSA divided by 43,121) for each additional workweek above it.
- (e) Non-reversionary Settlement: No portion of the Gross Settlement Amount will revert to Defendant.
- (f) No Claims Required: Class Members will not be required to submit a claim to receive their Settlement payment.
- (g) Net Settlement Amount: The Net Settlement Amount shall be calculated by deducting from the Gross Settlement Amount (\$865,000.00) the following sums, subject to approval by the Court: (1) attorney's fees (not to exceed 33 1/3% of the Gross Settlement Amount, or \$288,333.33); (2) reasonable litigation costs (not to exceed \$35,000.00); (3) the Service Payment (not to exceed \$10,000.00 to the named Plaintiff); (4) the PAGA Allocation; and (5) costs of settlement administration (estimated not to exceed \$15,000). Settlement Class Payments will be calculated by the Settlement Administrator and paid out of the Net Settlement Amount as set forth below.
- (h) Payroll Taxes and Required Withholdings: To the extent that any portions of the

Settlement Class Payments constitute wages, Defendant will be separately responsible for any **employer** payroll taxes required by law, including the employer FICA, FUTA, and SDI contributions. Except for any employer share of payroll taxes, it is understood and agreed that Defendant's maximum total liability under this Settlement shall not exceed the Gross Settlement Amount. The Settlement Administrator will calculate and submit the Defendant's employer share of payroll taxes after advising Defendant of the total amount owed, in aggregate, as employer-side payroll taxes and receiving a lump sum payment from Defendant in that amount when the Gross Settlement Amount is delivered to the Settlement Administrator.

(i) Settlement Class Payments (Excludes PAGA Payments): Settlement Class Payments will be paid out of the Net Settlement Amount. Each Settlement Class Member will be paid a pro-rata share of the Net Settlement Amount as calculated by the Settlement Administrator. The pro-rata share will be determined by comparing the individual Settlement Class Member's Covered Workweeks during the Class Period in California to the total Covered Workweeks of all the Settlement Class Members during the Class Period as follows:
$$\frac{\text{Workweeks worked by a Settlement Class Member}}{\text{Sum of all Covered Workweeks worked by all Settlement Class Members}} \times [\text{Net Settlement Amount}] = \text{individual Settlement Payment for a Settlement Class Member.}$$
 Settlement Class Payments in the appropriate amounts will be distributed by the Settlement Administrator by mail to the Settlement Class Members. Uncashed, unclaimed or abandoned checks, shall be transmitted by the Settlement Administrator to the California Controller's Office, as set forth below.

(j) PAGA Payments: PAGA Settlement Payments will be paid out of the PAGA Allocation deducted from the Gross Settlement Amount after the PAGA Penalty Amount (75 percent of the PAGA Allocation) is paid to the LWDA. Each PAGA Employee will be paid a pro-rata share of the PAGA Settlement Payment, as

calculated by the Settlement Administrator. Class Members who are PAGA Employees will not be permitted to exclude themselves from this portion of the Settlement. Each PAGA Employee's pro-rata share will be determined by comparing the individual PAGA Employees' PAGA Pay Periods during the PAGA Period to the total PAGA Pay Periods of all the PAGA Employees during the PAGA Period as follows:
$$\frac{[\text{PAGA Pay Periods worked by a PAGA Employee}]}{[\text{Sum of all PAGA Pay Periods worked by all PAGA Employees}]} \times [\text{PAGA Settlement Payment}] = \text{individual PAGA Employee's portion of the PAGA Settlement Payment.}$$
 PAGA Settlement Payments to PAGA Employees in the appropriate amounts will be distributed by the Settlement Administrator by mail to the PAGA Employees at the same time Settlement Class Payments issue to the Settlement Class. Uncashed, unclaimed or abandoned checks, shall be transmitted by the Settlement Administrator to the California Controller's Office, as set forth below. The Settlement Administrator will send the PAGA Penalty Payment to the LWDA at the same time the Settlement Administrator send Settlement Payments to the Settlement Class and PAGA Settlement Payments to the PAGA Employees.

- (k) Allocation of Settlement Payments: The Parties have agreed that Settlement Class Payments will be allocated as follows: 15% to wages and 85% to penalties and interest. The PAGA Settlement Payments will be entirely allocated to penalties. Appropriate federal, state and local withholding taxes will be taken out of the wage allocations, and each Settlement Class Member will receive an IRS Form W-2 with respect to this portion of the Settlement Class Payment. The Settlement Class Member's share of payroll taxes and other required withholdings will be remitted by the Settlement Administrator to the appropriate taxing authorities as set forth above, along with Defendant's employer portion of FICA and FUTA contributions, based on the payment of claims to the Settlement Class Members. IRS Forms 1099 will be issued by the Settlement Administrator to each Settlement Class Member and/or PAGA Employee reflecting the payments for penalties and

1 interest. Settlement Class Members and PAGA Employees are responsible to pay
2 appropriate taxes due on the Settlement Class Payments and PAGA Settlement
3 Payments they receive. To the extent required by law, IRS Forms 1099 and W-2
4 will be issued to each Settlement Class Member and PAGA Employee with respect
5 to such payments.

6 (l) Settlement Payments Do Not Give Rise to Additional Benefits: All Settlement
7 Payments to individual Settlement Class Members and PAGA Employees shall be
8 deemed to be paid to such Settlement Class Member or PAGA Employee solely in
9 the year in which such payments actually are received by the Settlement Class
10 Member or PAGA Employee. It is expressly understood and agreed that the
11 receipt of such Settlement Payments will not entitle any Settlement Class Member
12 or PAGA Employee to additional compensation or benefits under any company
13 bonus, contest or other compensation or benefit plan or agreement in place during
14 the period covered by the Settlement up to and including the date the Settlement
15 becomes effective, nor will it entitle any Settlement Class Member or PAGA
16 Employee to any increased retirement, 401(k) benefits or matching benefits or
17 deferred compensation benefits. It is the intent of all Parties that the Settlement
18 Payments provided for in this Settlement are the sole payments to be made by
19 Defendant to the Settlement Class Members and PAGA Employees, and that the
20 Settlement Class Members and PAGA Employees are not entitled to any new or
21 additional compensation or benefits as a result of having received the Settlement
22 Payments (notwithstanding any contrary language or agreement in any benefit or
23 compensation plan document that might have been in effect during the period
24 covered by this Settlement).

25 (m) Attorney's Fees and Costs: Subject to approval by the Court, Defendant will not
26 object to Class Counsel's application for attorney's fees not to exceed 33 1/3% of
27 the Gross Settlement Amount (\$288,333.33) and reimbursement of litigation costs
28 and expenses not to exceed \$35,000.00.

- (n) Service Payment: Subject to Court approval, and in exchange for a general release, Defendant will not object to Class Counsel's application for an additional payment of up to \$10,000.00 to Plaintiff for service as a Class Representative ("Service Payment"). It is understood that the Service Payment is in addition to the individual Settlement Payment to which the Plaintiff and Class Representative is entitled along with the other Settlement Class Members.
- (o) The Settlement Administrator will issue an IRS Form 1099 for the Service Payment to the Plaintiff. The Plaintiff will be individually responsible for correctly characterizing this compensation on personal income tax returns for tax purposes and for paying any taxes on the amounts received. Should the Court approve a Service Payment in an amount less than that set forth above, the difference between the lesser amount(s) approved by the Court and the Service Payment amount(s) set forth above shall be added to the Net Settlement Amount. Plaintiff agrees not to opt out or object to the Service Payment as the Class Representative.
- (p) Settlement Administrator: The Settlement Administrator will be ILYM Group, Inc., or such Settlement Administrator as may be mutually agreeable to the Parties and approved by the Court. Settlement Administration Costs are estimated not to exceed \$15,000. The costs of the Settlement Administrator for work done shall be paid regardless of the outcome of this Settlement. If the Settlement does not become final and effective, the cost of the Settlement Administrator will be shared equally by Plaintiff and Defendant.
- (q) Funding of Settlement Account: Defendant will fund the settlement account 14 days after the Effective Date.
- (r) Mailing of Settlement Payments: The Settlement Administrator shall cause the Settlement Payments to be mailed to the Class Members within 14 calendar days of the receipt of funding.
- (s) Notice of Settlement: Each Class Member will be mailed a notice setting forth the material terms of the proposed Settlement, along with instructions about how to

object or request exclusion from the proposed class action Settlement (“Notice”). For each Class Member, there will be pre-printed information on the mailed Notice, based on Defendant’s records, stating the Class Member’s Covered Workweeks during the Class Period, PAGA Workweeks during the PAGA Period, and the estimated total Settlement Payment under the Settlement, including the Settlement Class Payment and the PAGA Settlement Payment. As discussed below, the PAGA Settlement Payment will be distributed irrespective of any exclusion request. The pre-printed information based on Defendant’s records shall be presumed to be correct. A Class Member may dispute the pre-printed information on the Notice as to his or her Covered Workweeks during the Class Period or PAGA Workweeks during the PAGA Period. Class Members must submit any dispute regarding the information on the Notice as to his or her Covered Workweeks or PAGA Workweeks within the Response Deadline. Unless a disputing Class Member submits documentary evidence in support of his or her dispute, the records of the Defendant will be determinative.

(t) Settlement Notice Language: The Notice will issue in English and Spanish. If there is any ambiguity between the English and Spanish translation, the English version will be controlling.

(u) Class Members Cannot Exclude Themselves from the Released PAGA Claims: Class Members submitting a Request for Exclusion will nevertheless receive their pro-rata share of the PAGA Settlement Payment. If the Court approves the compromise of the PAGA Claim, all Class Members are bound by the Court’s resolution of that Claim. Plaintiff shall serve a notice of settlement on the California Labor and Workforce Development Agency at or before the time Plaintiff files the motion for preliminary approval.

(v) Resolution of Workweek Disputes: If a Class Member disputes the accuracy of Defendant’s records used to calculate Covered Workweeks or PAGA Workweeks, and the Parties’ counsel cannot resolve the dispute informally, the matter will be

referred to the Settlement Administrator. The Settlement Administrator will review Defendant's records and any information or documents submitted by the Class Member and issue a non-appealable decision regarding the dispute. The Class Member must submit information or documents supporting his or her position to the Settlement Administrator prior to the expiration of the Response Deadline. Information or documents submitted after the expiration of the Response Deadline will not be considered by the Settlement Administrator, unless otherwise agreed to by the Parties.

(w) Right of Class Member to Request Exclusion from the Settlement: Any Class Member may request to be excluded from the Settlement Class by mailing a "Request for Exclusion" from the Settlement within the Response Deadline, stating, as follows or in substantially similar terms:

"I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *LASHAUNTA CANDYS v. COMMUNITY PSYCHIATRY MANAGEMENT, LLC* CLASS ACTION LAWSUIT, SACRAMENTO COUNTY SUPERIOR COURT CASE NO. 34-2022-00314705. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OTHER THAN MY SHARE OF THE PAGA PAYMENT."

Any Request for Exclusion must include the name, address, telephone number, last four digits of the Class Member's Social Security Number, and the signature of the Class Member requesting exclusion. Any such request must be made in accordance with the terms of the Notice, and the Notice will advise Class Members of these requirements. Any Class Member who timely requests exclusion in compliance with these requirements (i) shall not have any rights under this Settlement other than a right to receive a pro-rata share of the PAGA Settlement Payment if the Class Member is also PAGA Employee; (ii) shall not be entitled to receive any Settlement Payments under this Settlement other than as stated herein; and (iii) shall not be bound by this Settlement or the Court's Order and Final Judgment other than as it applies to the PAGA Claim.

(x) Right of Settlement Class Member to Object to The Settlement: Any Settlement Class Member may object to the Settlement. To object, the Settlement Class Member may (1) appear at the Final Approval Hearing, remotely or in person, to explain any objection, (2) have an attorney object for the Settlement Class Member, or (3) submit a simple written brief or statement of objection to the Settlement Administrator. If any Settlement Class Member chooses to submit a written objection, the written objection should contain sufficient information to confirm the identity of the objector and the basis of the objection, including (1) the full name of the Settlement Class Member; (2) the signature of the Settlement Class Member; (3) the grounds for the objection; and (4) be postmarked within the Response Deadline to permit adequate time for processing and review by the Parties of the written statement or objection. Class Counsel shall ensure that any written objections are transmitted to the Court for the Court's review (either by Class Counsel or as an attachment to a declaration from the Settlement Administrator). Regardless of the form, an objection alone will not satisfy the requirement that a Settlement Class Member must either make a timely complaint in intervention before final judgment or by filing a motion to set aside and vacate the class judgment under Code of Civil Procedure §663, to have standing to appeal entry of judgment approving this Settlement, as is required under the California Supreme Court decision of *Hernandez v. Restoration Hardware*, 4 Cal. 5th 260 (2018). A Settlement Class Member who does not object prior to or at the Final Approval Hearing, will be deemed to have waived any objections and will be foreclosed from making any objections (whether at the Final Approval Hearing, by appeal, or otherwise) to the Settlement. If the objecting Settlement Class Member does not formally intervene in the action or move to set aside any judgment and/or the Court rejects the Settlement Class Member's objection, the Settlement Class Member will still be bound by the terms of this Agreement and the Settlement. Class Counsel and Defendant's Counsel may, at least five (5) calendar days (or

some other number of days as the Court shall specify) before the final approval hearing, file responses to any written objections submitted to the Court.

THE SETTLEMENT ADMINISTRATOR'S PRIMARY DUTIES

27. Subject to the Court's approval, and subject to reconsideration by the Parties after a competitive bidding process, the Parties have agreed to the appointment of ILYM Group, Inc. to perform the customary duties of Settlement Administrator. The Settlement Administrator will mail the Notice, both in English and Spanish, to the Class Members.

28. The Settlement Administrator will independently review the Covered Workweeks and PAGA Workweeks attributed to each Class Member and PAGA Employee and will calculate the estimated amounts due to each Class Member and the actual amounts due to each Settlement Class Member and PAGA Employee in accordance with this Settlement. The Settlement Administrator shall report, in summary or narrative form, the substance of its findings. The Settlement Administrator shall be granted reasonable access to Defendant's records in order to perform its duties.

29. In accordance with the terms of this Settlement, and upon receipt of Gross Settlement Amount from Defendant, the Settlement Administrator will issue and send out the Settlement Payment checks to the Settlement Class Members and the PAGA Settlement Payments to the PAGA Employees. Tax treatment of the Class Settlement Payments and PAGA Settlement Payments will be as set forth herein, and in accordance with state and federal tax laws. All disputes relating to the Settlement Administrator's performance of its duties shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Settlement until all payments and obligations contemplated by this Settlement have been fully carried out.

ATTORNEY'S FEES AND COSTS

30. In consideration for resolving this matter and in exchange for the release of all claims by the Settlement Class Members, including Plaintiff, and subject to approval by the Court, Defendant will not object to Class Counsel's application for attorney's fees not to exceed 33 1/3% of the Gross Settlement Amount (\$288,333.33 of \$865,000.00) and litigation costs not to exceed \$35,000.00. The amounts set forth above will cover all work performed and all fees and costs incurred to date, and all work to be performed and all fees and costs to be incurred in connection with the approval by the Court of this

1 Settlement and administration of the Settlement. Should Class Counsel request a lesser amount and/or the
2 Court approve a lesser amount(s) of attorney's fees and/or attorneys' costs, the difference between the
3 lesser amount(s) and the maximum amount set forth above shall be added to the Net Settlement Amount.
4 The Parties agree that there is no prevailing party, and the Class and Class Counsel shall not be entitled to
5 any fees or costs other than those awarded out of and deducted from the Gross Settlement Amount. As
6 with the Class Settlement Payments to the Settlement Class, the attorney's fees and costs approved by the
7 Court shall be distributed by the Settlement Administrator to Class Counsel within 14 calendar days of the
8 receipt of settlement funds by the Settlement Administrator. In the event that the Court awards less than
9 25% of the Gross Settlement Amount for attorney's fees, Class Counsel shall retain the right to appeal that
10 portion of any Final Approval Order and Judgment.

11 **THE NOTICE PROCESS**

12 31. A Notice in approximately the form attached hereto as Exhibit "A," and as approved by the
13 Court, shall be sent by the Settlement Administrator to the Class Members by first class mail. The Notice
14 shall be translated into Spanish so that Spanish and English language versions of the Notice are included in
15 the mailing.

- 16 (a) Within 7 calendar days from the date of preliminary approval of this Settlement by
17 the Court, Defendant shall provide to the Settlement Administrator a class database
18 containing the following information for each Class Member: (1) name; (2) last
19 known address; (3) social security number; and (4) dates of employment at
20 Defendant's locations in California. This database shall be based on Defendant's
21 payroll and other business records and shall be provided in a reasonable format to
22 the Settlement Administrator. Defendant agree to consult with the Settlement
23 Administrator prior to the production date to ensure that the format will be
24 acceptable to the Settlement Administrator. The Settlement Administrator will run
25 a check of the Class Members' addresses against those on file with the U.S. Postal
26 Service's National Change of Address List; this check will be performed only once
27 per Class Member by the Settlement Administrator. Absent mutual written
28 agreement of counsel for the Parties or Court order, the Settlement Administrator

1 will keep this database confidential and secure and use it only for the purposes
2 described herein, and will return this database to Defendant upon final approval of
3 the settlement or destroy electronic records containing the database after the
4 Settlement is final and all payments are distributed as required under this
5 Agreement. The Settlement Administrator will not disclose the database to Class
6 Counsel or any third parties.

7 (b) Within 14 calendar days after the Class database is provided to the Settlement
8 Administrator, the Settlement Administrator will mail the Notices to the Class
9 Members by First Class United States mail.

10 (c) Notices returned to the Settlement Administrator as non-deliverable on or before
11 the initial Response Deadline shall be resent to the forwarding address, if any, on
12 the returned envelope. A returned Notice will be forwarded by the Settlement
13 Administrator any time that a forwarding address is provided with the returned
14 mail. If there is no forwarding address, the Settlement Administrator will do a
15 computer search for a new address using the Class Member's social security
16 number or other information. In any instance where a Notice is re-mailed, that
17 Class Member will have until the extended Response Deadline as described above
18 to submit objections or request exclusion. A letter prepared by the Settlement
19 Administrator will be included in the re-mailed Notice in that instance, stating the
20 extended Response Deadline. Upon completion of these steps by the Settlement
21 Administrator, Defendant and the Settlement Administrator shall be deemed to
22 have satisfied their obligations to provide the Notice to the affected Class Member.
23 The affected Class Member shall remain a member of the Settlement Class and
24 shall be bound by all the terms of the Settlement and the Court's Order and Final
25 Judgment.

26 (d) Class Counsel shall provide to the Court, at least five calendar days prior to the
27 final approval hearing, or such other date as set by the Court, a declaration by the
28 Settlement Administrator of due diligence and confirming mailing of the Notices.

DISPOSITION OF SETTLEMENT PAYMENTS AND UNCASHED CHECKS

32. As set forth above, each Settlement Class Member will have until the expiration of the applicable Response Deadline to submit to the Settlement Administrator any challenge or dispute to the Settlement Class Member's Covered Workweek information on the Notice. No disputes will be honored if they are submitted after the Response Deadline, unless the Parties mutually agree to accept the untimely dispute. Each Settlement Class Member is responsible to maintain a copy of any documents sent to the Settlement Administrator and a record of proof of mailing.

33. The Settlement Administrator shall cause the Settlement Payments to be mailed to the Settlement Class Members and PAGA Employees as provided herein. Settlement Class Payments and PAGA Settlement Payments may be combined into one check. Settlement Payment checks shall remain valid and negotiable for 180 calendar days from the date of their issuance. Settlement Payment checks will automatically be cancelled by the Settlement Administrator if they are not cashed by the Settlement Class Member within that time, and the Settlement Class Member's relevant claims will remain released by the Settlement. Settlement Payment checks which have expired will not be reissued.

34. Funds from uncashed or abandoned Settlement Class Payment checks or PAGA Settlement Checks, based on a 180-day void date, shall be transmitted by the Settlement Administrator to the California State Controller's Office for Unclaimed Property in the name of each Settlement Class Member and/or PAGA Employee who failed to cash their Settlement Payment check prior to the void date.

35. Upon completion of its calculation of Settlement Class Payments and PAGA Settlement Payments, the Settlement Administrator shall provide Class Counsel and Defendant's Counsel with a report listing the amounts of all payments to be made to Class Members (to be identified anonymously by employee number or other identifier). A Declaration attesting to completion of all payment obligations will be provided to Class Counsel and Defendant's Counsel and filed with the Court by Class Counsel.

RELEASE BY THE PLAINTIFF AND BY THE CLASS AND PAGA EMPLOYEES

36. Release by Class and PAGA Employees. Upon the final approval by the Court of this Settlement and Defendant's payment of all sums due pursuant to this Settlement, and except as to such rights or claims as may be created by this Settlement, the Class Representatives, the Class and each Class

1 Member who has not submitted a valid and timely request for exclusion as to claims other than the PAGA
2 claim, and each PAGA Employee, regardless of whether they have requested exclusion from the
3 Settlement of Class claims, will release claims as follows:

4 (a) **Identity of Released Parties.** “Released Parties” means the named Defendant, and
5 any of its present and former parents, subsidiaries, affiliates, officers, directors,
6 trustees, members, member managers, owners, employees, former employees,
7 agents, representatives, attorneys, and insurers, including but not limited to Intact
8 Insurance Specialty Solutions Company, and/or any of its and their respective
9 predecessors, successors and assigns, and each of them The Parties intend this
10 definition to be as broad as legally permissible.

11 (b) **Date Release Becomes Active.** The Released Claims and Released PAGA Claims
12 will be released upon the later of (1) the Settlement’s Effective Date, or (2) the
13 satisfaction of Defendant’s obligation to provide to the Settlement Administrator a
14 sum in the amount required to satisfy all required payments and distributions
15 pursuant to this Settlement and the Order and Judgment of final approval. Class
16 Members will not release the Released Claims or Released PAGA Claims until
17 both the Effective Date of the Settlement has occurred, **and** Defendant have paid
18 all amounts owing under the Settlement.

19 (c) **Claims Released by Settlement Class Members.** “Released Class Claims” means
20 that upon the final approval of the Settlement by the Court, the Participating Class
21 Members will fully release and discharge the Released Parties of the claims stated
22 in the operative Complaint and those based solely upon the facts in the complaint,
23 including: (a) failure to pay minimum wages, (b) failure to pay overtime wages, (c)
24 failure to provide meal periods, (d) failure to provide rest breaks, (e) failure to pay
25 vested vacation, (f) failure to reimburse business expenses, (g) failure to failure to
26 timely pay wages upon separation of employment, (h) failure to provide accurate
27 itemized wage statements, (i) unfair and unlawful competition, and (j) all other
28 claims in the operative complaint that were or could have reasonably been brought

on an individual, class or PAGA basis under the California Labor Code or other wage and hour-related statutes or common law, including but not limited to Labor Code sections 200, 201, 202, 203, 204, 210, 218.5, 218.6, 222, 226, 226.2, 226.3, 226.7, 432, 510, 512, 558, 1102.5, 1174, 1174(3), 1174.5, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 1198.5, 1199, 6400, 6401, 6402, 6403, 6404, 6407, and the applicable Wage Orders of the Industrial Welfare Commission. (“Released Claims”).

(d) **PAGA Release.** Upon Court approval of the Settlement, Defendant shall be entitled to a release from the State of California and the Labor and Workforce Development Agency, as well as from the Aggrieved Employees, of all claims for Civil Penalties pursuant to Labor Code section 2698 et seq. (PAGA), that were pled or reasonably could have been pled based on the factual allegations in operative First Amended Complaint in the Action and the LWDA letter, including specifically, claims for PAGA penalties arising out of or based on alleged: failure to pay minimum wages, failure to pay overtime wages, failure to provide compliant meal periods, failure to provide compliant rest periods, failure to provide timely wages, failure to provide timely wages upon separation, failure to provide accurate itemized wage statements, and/or failure to maintain accurate payroll records. This release includes all claims for civil penalties arising under the California Labor Code, including but not limited to Labor Code sections 200, 201, 202, 203, 204, 210, 218.5, 218.6, 222, 226, 226.2, 226.3, 226.7, 432, 510, 512, 558, 1102.5, 1174, 1174(3), 1174.5, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 1198.5, 1199, 6400, 6401, 6402, 6403, 6404, 6407, and the applicable Wage Orders of the Industrial Welfare Commission. The release shall include the Defendant and all of its parent, subsidiary, affiliated and related companies and entities, as well as its/their officers, directors, investors, owners, shareholders, employees, partners, members, agents, and attorneys, and any entities or partnerships with which they are affiliated, past or present.

1) **Date PAGA Release becomes Active.** The Parties agree that upon the Effective Date, the LWDA, the Aggrieved Employees, and Plaintiff shall be deemed to have, and by operation of the court's Approval Order and Judgment shall have, released the Defendant and any Released Parties, from any claim for civil penalties arising out of the Released Claims or specifically enumerated herein.

37. Release by Plaintiff and Class Representative. Upon the final approval by the Court of this Settlement and Defendant's payment of all sums due pursuant to this Settlement, and except as to such rights or claims as may be created by this Settlement, the Plaintiff and Class Representative, will release claims as follows:

(a) The Plaintiff and Class Representative hereby fully and finally releases, for herself and her spouses, heirs, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, personal representatives, and assigns, and discharges the Releasees (defined above) from any and all of the released claims (defined above) and from any and all other claims, charges, complaints, liens, demands, agreements, contracts, covenants, actions, suits, causes of action, penalties, wages, obligations, debts, expenses, damages, attorneys' fees, costs, judgments, orders, and liabilities of whatever kind or nature in law, equity, or otherwise, known or unknown, suspected or unsuspected, that the Plaintiff and Class Representative had, now has, or may hereafter claim to have against the Released Parties arising out of, or relating in any way to, the Plaintiff and Class Representative's hiring by, employment with, separation of employment with, or any other transactions, occurrences, acts or omissions or any loss, damage or injury whatsoever, known or unknown, suspected or unsuspected, resulting from any act or omission by or on the part of any Released Party (the "Class Representative's Released Claims"), arising or accruing from the beginning of time up through the Final Approval Date Order Date ("Class Representative's Released Period"). The Class Representative's Released Claims include, but are not limited to, claims

arising from or dependent on the California Labor Code; the Wage Orders of the California Industrial Welfare Commission; California Business and Professions Code section 17200 et seq.; the California Fair Employment and Housing Act, Cal. Gov't Code § 12900 et seq.; the California Healthy Workplaces, Healthy Families Act, Cal. Labor Code § 245 et seq., the California common law of contract and tort; Title VII of the Civil Rights Act of 1964; the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq.; the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq.; the Fair Labor Standards Act, 29 U.S.C. § 201 et seq., the Portal to Portal Act, 29 U.S.C. § 251 et seq., and the Families First Coronavirus Response Act.

(b) The Plaintiff and Class Representative also acknowledges that she has read Section 1542 of the Civil Code of the State of California, which provides as follows:

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

38. The Plaintiff and Class Representative further warrants that she understands that Section 1542 gives her the right not to release existing claims of which she is not now aware, unless she voluntarily chooses to waive this right. Having been so apprised, Plaintiff and Class Representative shall nevertheless voluntarily waive the rights described in Section 1542 and elects to assume all risks and to release the claims set forth herein, that now exist in her favor, whether known or unknown.

DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

39. The Parties shall submit this Joint Stipulation of Class Action Settlement to the Court in support of Plaintiff's unopposed motion for preliminary approval for determination by the Court as to its fairness, adequacy, and reasonableness. Upon execution of this Joint Stipulation of Class Action and PAGA Settlement, the Parties shall apply to the Court for the entry of an order:

(a) Scheduling a final approval and fairness hearing on the question of whether the proposed Settlement, including payment of attorney's fees and costs, and the Class

Representatives' service payment, should be finally approved as fair, reasonable, and adequate as to the members of the Class;

- (b) Conditionally certifying a Class for settlement purposes only;
- (c) Approving as to form and content the proposed Notice;
- (d) Directing the mailing of the Notice by the Settlement Administrator;
- (e) Preliminarily approving the Settlement subject only to the objections of Class Members and final review by the Court;
- (f) Conditionally appointing Plaintiff and Class Counsel as representatives of the proposed Class Members; and,
- (g) Appointing ILYM Group, Inc. as the Settlement Administrator.

DUTIES OF THE PARTIES FOLLOWING FINAL COURT APPROVAL

40. In conjunction with the hearing of a motion for final approval by the Court of the Settlement provided for in this Joint Stipulation of Settlement, Class Counsel will provide to Defendant's Counsel for review and approval and then submit to the Court a proposed final order and judgment containing provisions sufficient to accomplish the following:

- (a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions;
- (b) Approving Class Counsel's application for an award of attorney's fees and costs;
- (c) Approving the Service Payment to the Class Representatives;
- (d) Adjudging the Settlement Administrator has fulfilled its initial notice and reporting duties under the Settlement.
- (e) Adjudging Plaintiff and Class Counsel may adequately represent the Final Settlement Class for the purpose of entering into and implementing the Agreement;
- (f) Entering a final judgment in the action;
- (g) Adjudging that notwithstanding the submission of a timely request for exclusion, Class Members are still bound by the settlement and release of the Released PAGA Claims or remedies under the Judgment pursuant to *Arias v. Superior Court*, 46 Cal. 4th 969 (2009), as requests to be excluded from the Settlement do not apply to

the Released PAGA Claims, and further affirming that the State's claims for civil penalties pursuant to PAGA are also extinguished;

NULLIFICATION AND TERMINATION

41. This Settlement will be null and void if any of the following occur: (a) the Court should for any reason fail to certify a Class for settlement purposes; (b) the Court should for any reason fail to preliminarily or finally approve of this Settlement in the form agreed to by the Parties, other than adjustments made to the attorney's fees and costs or granting of Service Payments; (c) the Court should for any reason fail to enter the final judgment; (d) the final judgment is reversed, modified, or declared or rendered void; (e) the Settlement does not become final for any other reason; or (f) if five-percent (5%) or more of the Class members opt- out of the settlement, and Defendant may, at their sole discretion, elect to revoke the settlement and their stipulation to Class Certification.

42. If ten percent (10%) or more of the Class Members opt out of this Settlement, then Defendant in their sole discretion may terminate, nullify and void this Settlement. The Settlement Administrator shall provide Defendant's Counsel with the information necessary to effectuate this provision on a regular basis, but no less frequently than on a monthly basis. To terminate this Settlement under this paragraph, Defendant's Counsel must give Plaintiff's Counsel written notice, by facsimile, e-mail, or mail, no later than 30 calendar days after the Response Deadline. If this option is exercised by Defendant, Defendant shall be solely responsible for the costs incurred by the Settlement Administrator for the settlement administration.

43. In the event this Settlement is nullified or terminated as provided above: (i) this Settlement shall be considered null and void, (ii) neither this Settlement nor any of the related negotiations or proceedings shall have any force or effect and no Party shall be bound by any of its terms, and (iii) all Parties to this Settlement shall stand in the same position, without prejudice, as if the Settlement had been neither entered into nor filed with the Court.

PARTIES' AUTHORITY

44. The signatories hereto hereby represent that they are fully authorized to enter into this Settlement and bind the Parties hereto to the terms and conditions thereof.

MUTUAL FULL COOPERATION

45. The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement 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 Settlement. The Parties to this Settlement shall use their best efforts, including all efforts contemplated by this Settlement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement and the terms set forth herein. As soon as practicable after execution of this Settlement, Class Counsel shall, with the assistance and cooperation of Defendant and Defendant's Counsel, take all necessary steps to secure the Court's preliminary and final approval of this Settlement.

NO PRIOR ASSIGNMENTS

46. The Parties and their respective counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein, and that they are not on notice of any liens as to the Gross Settlement Amount or any right to attorneys' fees or costs.

NO ADMISSION OF LIABILITY

47. Nothing contained herein, nor the consummation of this Settlement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant. Defendant expressly deny all the claims and contentions alleged by the Plaintiff in this case. The Defendant have entered into this Settlement solely with the intention to avoid further disputes and litigation with the attendant inconvenience and expenses.

ENFORCEMENT ACTIONS

48. In the event that one or more of the Parties to this Settlement institutes any legal action or other proceeding against any other party or parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful party or parties shall be entitled to recover from the unsuccessful party or parties reasonable attorney's fees and costs, including expert witness fees incurred in connection with any enforcement actions.

NOTICES

49. Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed as follows:

Class Counsel:

Kane Moon
 Allen Feghali
 Edwin Kamarzarian
MOON & YANG, APC
 1055 W. Seventh St., Suite 1880
 Los Angeles, California 90017
 Telephone: (213) 232-3128
 Facsimile: (213) 232-3125
 kane.moon@moonyanglaw.com
 allen.feghali@moonyanglaw.com
 edwin.kamarzarian@moonyanglaw.com

Counsel for Defendant:

MARK S. POSARD (SBN: 208790)
 mposard@grsm.com
 JOHN D. SAGER (SBN: 288982)
 jsager@grsm.com
 GORDON REES SCULLY
 MANSUKHANI, LLP
 3 Parkcenter Drive, Suite 200
 Sacramento, CA 95825
 Telephone: (415) 875-3343
 Facsimile: (916) 920-4402

CONSTRUCTION

50. The Parties hereto agree that the terms and conditions of this Settlement are the result of lengthy, intensive arms-length negotiations between the Parties, including but not limited to an all-day mediation with Michael Young, Esq., and this Settlement shall not be construed in favor of or against any Party by reason of the extent to which any Party or his, her or its counsel participated in the drafting of this Settlement.

CAPTIONS AND INTERPRETATIONS

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

MODIFICATION

52. This Settlement may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. This Settlement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

INTEGRATION CLAUSE

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

WAIVER OF APPEALS

54. The Parties agree to waive appeals and to stipulate to class certification for purposes of implementing this Settlement only, with the exception that Class Counsel retains the right to appeal the amount awarded as attorney's fees in the event that the Court awards less than twenty-five percent of the Gross Settlement Amount as attorney's fees.

BINDING ON ASSIGNS

55. This Settlement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

CLASS COUNSEL SIGNATORIES

56. It is agreed that because the members of the Class are so numerous, it is impossible or impractical to have each member of the Class execute this Settlement. The Notice will advise all Class Members of the binding nature of the Released Claims and Released PAGA Claims, and the release shall have the same force and effect as if this Settlement were executed by each member of the Class.

COUNTERPARTS

57. This Settlement may be executed in counterparts and by electronic or facsimile signatures, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Settlement, which shall be binding upon and effective as to all Parties.

TAX LIABILITY

58. The Parties make no representations as to the tax treatment or legal effect of the payments called for hereunder, and Settlement Class Members are not relying on any statement or representation by the Parties in this regard. Settlement Class Members understand and agree that they will be responsible for the payment of any taxes owed, including the employee share of any payroll taxes owed on their

Individual Settlement Payments, and shall not be entitled to pursue any claims against any of the Parties for any taxes that may be assessed, or any penalties or interest that may result from Settlement Class Members failing to pay taxes owed by them.

59. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section, the “acknowledging party” and each Party to this Agreement other than the acknowledging party, an “other party”) acknowledges and agrees that: (1) no provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor will any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department circular 230 (31 CFR part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other Party or any attorney or advisor to any other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging party, and (3) no attorney or adviser to any other Party has imposed any limitation that protects the confidentiality of any such attorney’s or adviser’s tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

PLAINTIFF AND CLASS COUNSEL’S ACKNOWLEDGMENT

60. Plaintiff and Class Counsel acknowledge, represent and warrant that: (1) they are not currently aware of any unalleged claims that could have been brought against Defendant and/or any of its/their affiliates or on behalf of the employees Defendant and/or any of its/their affiliates not covered by the Class Definition; (2) they do not have any current intention of initiating any litigation or bringing claims against Defendant and/or any of its/their affiliates; and (3) other than the members of the proposed class, they do not currently know of or represent any individuals that have expressed any interest in litigation against Defendant and/or any of its/their affiliates or that Plaintiff’s counsel believes to have potential claims against Defendant and/or any of its/their affiliates.

61. Class Counsel agrees not to publicize this case, the facts of the case, or the outcome of the

mediation or settlement except: (a) as may be needed exclusively for purposes of distribution of a notice mailing packet to the Settlement Class Members to facilitate settlement of this action; and (b) in the context of requests for approval of settlement or requests for approval of an attorneys' fee application, Class Counsel may list this settlement without identifying Defendant or any facts suggesting the identity of Defendant. Class Counsel will not post any information or Defendant on their website. This paragraph shall not preclude Class Counsel from responding to inquiries regarding the Settlement by Settlement Class Members, or persons who believe that they have been incorrectly excluded from the Settlement.

INTERIM STAY OF PROCEEDINGS

62. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement, in abeyance pending the Final Approval/Settlement Fairness Hearing to be conducted by the Court.

FINAL JUDGMENT

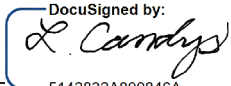
63. The Parties agree that, upon final approval of the Settlement, final judgment of this Action will be made and entered in its entirety at or following the final approval hearing. The final judgment may be included in the Order granting Final Approval of the Settlement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action Settlement between Plaintiff and Defendant as set forth below:

IT IS SO STIPULATED.

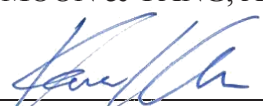
Plaintiff & Class Representative:

Dated: 5/19/2023

By:  _____
DocuSigned by:
5142832A800846A...
LASHAUNTA CANDYS

Plaintiff's Counsel:

Dated: 5/19/2023

MOON & YANG, APC
 By:  _____
Kane Moon
Allen Feghali
Edwin Kamarzarian

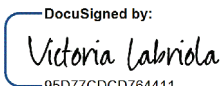
Attorneys for Plaintiff

[Defendant's signatures on following page]

Defendant:

Dated: May 18, 2023

COMMUNITY PSYCHIATRY MANAGEMENT, LLC

By: 
 DocuSigned by: 95D77CDD764411...
 Victoria Labriola., Chief Legal Officer

Defendant's Counsel:

Dated: May 18, 2023

GORDON REES SCULLY MANSUKHANI, LLP

By: 
 Mark S. Posard
 John D. Sager
 Attorneys for Defendant COMMUNITY
 PSYCHIATRY MANAGEMENT, LLC

EXHIBIT A

NOTICE OF PROPOSED CLASS ACTION AND PAGA SETTLEMENT

Candys v. Community Psychiatry Management, LLC
Sacramento Superior Court Case No. 34-2022-00314705

A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.

IF YOU ARE OR WERE EMPLOYED BY COMMUNITY PSYCHIATRY MANAGEMENT, LLC IN CALIFORNIA AS A NON-EXEMPT EMPLOYEE AT ANY TIME FROM JANUARY 28, 2018, THROUGH <<the date of preliminary approval>>, THIS PROPOSED CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT (“PAGA”) SETTLEMENT MAY AFFECT YOUR RIGHTS. PLEASE READ THIS NOTICE CAREFULLY.

Why are you receiving this Notice?

A proposed settlement (the “Settlement”) has been reached in a class action lawsuit entitled *Candys v. Community Psychiatry Management, LLC*, Sacramento Superior Court Case No. 34-2022-00314705 (the “Action”). As discussed below, the settlement will result in payments to current and former non-exempt employees who worked for COMMUNITY PSYCHIATRY MANAGEMENT, LLC (“Defendant”) in California at any time from January 28, 2018, through <<the date of preliminary approval>>. The proposed Settlement will resolve all claims in the Action.

When used in this Notice, the following terms have the following meanings:

“Action”	<i>Candys v. Community Psychiatry Management, LLC</i> , Sacramento Superior Court Case No. 34-2022-00314705.
“Plaintiff” and “Class Representative”	Lashaunta Candys
“Defendant”	COMMUNITY PSYCHIATRY MANAGEMENT, LLC
“Class Period”	January 28, 2018, through <<the date of preliminary approval>>.
“Class”	All non-exempt employees of Defendant who worked for Defendant in California at any time during the Class Period.
“Class Member”	A non-exempt employee who worked for Defendant in California at any time during the Class Period.
“Settlement Class Member”	A Class Member who does not timely request to be excluded from the proposed Class of non-exempt employees who worked for Defendant in California at any time during the Class Period.
“Individual Class Settlement Payment”	A share of the settlement fund that will be paid to a Settlement Class Member on a pro rata basis, based upon the number of qualifying workweeks worked by the Settlement Class Member during the Class Period.
“PAGA”	The Labor Code Private Attorneys General Act, California Labor Code sections 2688 <i>et seq.</i>
“PAGA Period”	January 28, 2021, through <<the date of preliminary approval>>.
“PAGA Employee”	A non-exempt employee who worked for Defendant in California at any time during the PAGA Period.
“Individual PAGA Settlement Payment”	A share of the PAGA Allocation from the settlement fund that will be paid to a Settlement Class Member on a pro rata basis, based upon the number of qualifying workweeks worked by the Settlement Class Member during the PAGA Period.
“Settlement Administrator”	ILYM Group, Inc., <<mailing address>>

Defendant's records indicate that you are a Class Member and/or a PAGA Employee as defined above. As a Class Member, you may be eligible to receive an Individual Class Settlement Payment based on the number of workweeks that you worked for Defendant in California during the Class Period and you will be bound by the release of claims described in this Notice and in the Settlement Agreement filed with the Court, unless you timely request to be excluded from the Settlement. A Class Member who excludes himself or herself from the Settlement will still be bound by the PAGA portion of the settlement, to the extent he or she is also a PAGA Employee, and will receive an Individual PAGA Settlement Payment based on the number of workweeks that he or she worked for Defendant in California during the PAGA Period.

A hearing concerning final approval of the proposed Settlement will be held before the Hon. Lauri A. Damrell on <<FA Date and Time>> in Department 28 of the Sacramento Superior Court, Gordon D. Schaber Courthouse, 720 9th Street, Sacramento, CA 95814, to determine whether the Settlement is fair, adequate and reasonable.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING	If you do nothing, you will be considered part of the Settlement Class and will receive settlement benefits as explained more fully below. You will also give up rights to pursue a separate legal action against Defendant for the Released Claims asserted in the Action as explained more fully below.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS DEADLINE TO EXCLUDE YOURSELF: << RESPONSE DATE>>	You have the option to exclude yourself from the Settlement Class and pursue a separate legal action against Defendant about the claims in the Action (other than the PAGA claim). If you choose to do so, you must exclude yourself, in writing, from the Settlement Class by submitting a written Request to be Excluded. If you timely submit a Request to be Excluded, you will not receive any benefits under the Settlement except for a pro rata allocation of the PAGA portion of the settlement, and you will not be bound by the release of claims against Defendant, except for the PAGA portion of the release.
OBJECT TO THE SETTLEMENT DEADLINE TO SUBMIT WRITTEN OBJECTIONS: << RESPONSE DATE>>	You may also object to the terms of the Settlement. To object to the Settlement, you can mail a written explanation of why you do not agree with the Settlement to the Settlement Administrator, appear at the final approval hearing, or hire an attorney at your expense to object for you. This option is available, however, only if you do <u>not</u> exclude yourself from the Settlement. Do <u>not</u> submit a Request to be Excluded if you wish to object. <i>Written objections must be submitted to the Settlement Administrator by <<RESPONSE DATE>>.</i>

Who is affected by this proposed Settlement?

The Court has certified, for settlement purposes only, the following Class:

“All non-exempt employees of Defendant who worked for Defendant in California at any time during the Class Period of January 28, 2018 through <<the date of preliminary approval>>.”

You were sent this Notice because you have a right to know about the proposed Settlement of the Action and about your options before the Court rules on whether to approve the Settlement. If the Court approves the settlement, and after any objections and appeals are resolved, the Settlement Administrator appointed by the Court will make payments to Settlement Class Members and PAGA Employees that the Settlement allows. This Notice explains the Action, the proposed Settlement, your legal rights, what benefits are available to you, and how to receive them.

What is this case about?

In the Action, Plaintiff alleges on behalf of herself and the Class that Defendant: (1) failed to pay minimum and straight time wages; (2) failed to pay overtime wages; (3) failed to provide meal periods; (4) failed to authorize and permit rest periods; (5) failed to reimburse necessary business expenses; (6) failed to timely pay all wages to terminated employees; (7) failed to furnish accurate itemized wage statements; (8) violated California's Unfair

Competition Law, California Business and Professions Code section 17200 *et seq.*; and (9) violated provisions of the Labor Code giving rise to civil penalty liability under PAGA. Plaintiff seeks unpaid wages, actual damages, declaratory relief, statutory penalties, civil penalties under PAGA, restitution, interest, attorneys' fees, and costs.

Defendant denies all liability arising from any of the Action and is confident it has strong legal and factual defenses to Plaintiff's claims. Defendant contends that, at all relevant times, Defendant properly compensated all employees and fully complied with all applicable laws. Defendant also denies that the Action is appropriate to maintain as a class or representative action.

The Court has not ruled on the merits of Plaintiff's claims or Defendant's defenses.

Why is there a settlement?

The parties disagree on the probable outcome of the case with respect to viability of the Class, liability, damages, and how much money could be recovered if Plaintiff won at trial. This Settlement is a compromise reached after good faith, arm's length negotiations between Plaintiff and Defendant (the "Parties"), through their attorneys, and is not an admission of liability on the part of Defendant.

What is a class action and PAGA settlement?

On <<**PA Date and Time**>>, the Court granted preliminary approval of the proposed Settlement. However, the Court must still approve the terms of the proposed Settlement as fair and reasonable before the Settlement becomes final. Once approved, the settlement will affect all Class Members, except those who have submitted a timely Request to be Excluded. The settlement will affect all PAGA Employees regardless of whether they opt out of the Class. This Class Notice explains your legal rights, the terms of the settlement, what you must do to participate, and the estimated amount of money you may receive.

Who are the attorneys representing the Parties?

The attorneys representing the Parties in the Action are:

Class Counsel

Kane Moon
Allen Feghali
Edwin Kamarzarian
MOON & YANG, APC
1055 W. Seventh St., Suite 1880
Los Angeles, California 90017
Telephone: (213) 232-3128
Facsimile: (213) 232-3125

Defendant's Counsel

MARK S. POSARD (SBN: 208790)
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JOHN D. SAGER (SBN: 288982)
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GORDON REES SCULLY MANSUKHANI,
LLP
3 Parkcenter Drive, Suite 200
Sacramento, CA 95825
Telephone: (415) 875-3343
Facsimile: (916) 920-4402

What are the Settlement terms?

Subject to final Court approval, Defendant will pay a total of \$865,000.00 (the Gross Settlement Amount") to fully and finally resolve all claims in the Action. The amount to be distributed to Settlement Class Members, i.e., Class Members who do not exclude themselves from the settlement (the "Net Settlement Amount") will be the Gross Settlement Amount, minus the following amounts: (a) payment to the Settlement Administrator for administration fees and cost (up to an estimated maximum of \$15,000); (b) payment to the Plaintiff of a Class Representative Service Payment (\$10,000 to be requested); (c) payment to Class Counsel of Plaintiff's attorneys' fees (up to \$288,333.33 to be requested) (d) payment to Class Counsel of Plaintiff's actual litigation costs (up to \$35,000 to be requested); and (d) payment of \$60,000 for resolution of all claims under PAGA (the "PAGA Allocation"). The actual amounts allocated to attorneys' fees, litigation costs, the service fee payment, the Settlement Administrator's fees and costs, and the PAGA Allocation are all subject to Court approval. The Net Settlement Amount will be used to pay each Settlement Class Members a pro-rata Individual Class Settlement Payment based on the number of workweeks each Settlement Class Member worked for Defendant in California during the Class Period.

Calculation of Individual Settlement Payments. The Net Settlement Amount will be divided among all Settlement Class Members on a pro rata basis, based upon the total number of workweeks worked for Defendant by each respective Settlement Class Member in California as a non-exempt hourly employee during the Class

Period. Your estimated individual workweeks during the Class Period and estimated Individual Class Settlement Payment are listed below:

You worked a total of << **Class Workweeks** >> workweeks in California during the Class Period. Based on your workweeks during the Class Period, your estimated Individual Class Settlement Payment is approximately \$<< **Est Individual Class Settlement Payment** >>.

For tax reporting purposes, each Individual Class Settlement Payment will be allocated 20% as wages and 80% as penalties and interest. The wage portion of each Individual Class Settlement Payment will be subject to withholding of applicable local, state, and federal taxes, and the Settlement Administrator will deduct applicable employee-side payroll taxes from the wage portion of each Individual Class Settlement Payment. The portion of each Individual Class Settlement Payment allocated to penalties and interest will be classified as other miscellaneous income and reported to state and federal taxing authorities by the Settlement Administrator using Form 1099-MISC without any tax withholding. All taxes owed on the other miscellaneous income portion of each Individual Class Settlement Payment will be the responsibility of the Settlement Class Member receiving the payment. The employer's share of any payroll taxes will be separately paid by Defendant.

Calculation of Individual PAGA Settlement Payments. The PAGA Allocation will be distributed to the California Labor and Workforce Development Agency ("LWDA") and to the PAGA Employees. In accordance with California law, 75% of the PAGA Allocation (or \$15,000) will be paid to the LWDA and the remaining 25% of the PAGA Allocation (or \$5,000) will be paid to the PAGA Employees on a pro rata basis (the "Individual PAGA Settlement Payments") based on the number of workweeks each PAGA Employee worked for Defendant in California during the PAGA Period. Your estimated individual workweeks during the PAGA Period and estimated Individual PAGA Settlement Payment are listed below:

You worked a total of << **PAGA Workweeks** >> workweeks in California during the PAGA Period. Based on your workweeks during the PAGA Period, your estimated Individual PAGA Settlement Payment is approximately \$<< **Est Individual PAGA Settlement Payment** >>.

Each Individual PAGA Settlement Payment will be allocated as 100% miscellaneous income and reported to state and federal taxing authorities by the Settlement Administrator using Form 1099-MISC. Any taxes owed on the PAGA Settlement Payment will be the responsibility of the PAGA Employee receiving these payments.

Handling of Unclaimed and Uncashed Checks. All checks for Individual Class Settlement Payments and Individual PAGA Settlement Payments will remain valid and negotiable for one hundred and eighty (180) days from the date of the checks' issuance and shall thereafter automatically be void if not cashed by a participating Settlement Class Member or PAGA Employee within that time. Any Individual Settlement Class Payment or Individual PAGA Settlement Payment that is not cashed by a Settlement Class Member or PAGA Employee within 180 days of issuance will be transmitted by the Settlement Administrator to the California State Controller's Office for Unclaimed Property in the name of each check recipient who failed to cash his or her check prior to the void date. The Settlement Administrator will also void any tax documents issued to the Settlement Class Members or PAGA Employees who did not cash their checks within 180 days of issuance. In such event, the Settlement Class Member and/or PAGA Employee will nevertheless remain bound by the terms of the Settlement.

Neither the Parties nor attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel, Defendant's counsel, the Settlement Administrator, and the Court are unable to offer advice concerning the state or federal tax consequences of payments to any Settlement Class Member or PAGA Employee.

Class Counsel Attorneys' Fees and Costs, Class Representative Service Award, Settlement Administration Costs and Payment to the LWDA. Class Counsel will ask the Court to award attorneys' fees up to \$288,333.33 (one-third of the Gross Settlement Amount) and reimbursement of reasonable costs incurred in the Action not to exceed \$35,000.00. In addition, Class Counsel will ask the Court to authorize a Class Representative Service Payment of \$10,000 for Plaintiff for her efforts in bringing the case on behalf of the Class. The Parties estimate the cost of the Settlement Administrator will not exceed \$15,000.00. A proposed payment in the amount of \$45,000.00 will also be made to the LWDA for PAGA penalties, which represents 75% of the \$60,000 PAGA Allocation from the Gross Settlement Amount.

How may you dispute your workweek calculation?

Workweeks for Class Members are calculated based on the number of workweeks each Class Member worked for Defendant in California during the Class Period, i.e., January 28, 2018 through <<the date of preliminary approval>>. Workweeks for PAGA Employees are calculated based on the number of workweeks each PAGA Employee worked for Defendant in California during the PAGA Period, i.e., January 28, 2021 through <<the date of preliminary approval>>.

If you dispute the number of workweeks for which you were credited during the Class Period or the PAGA Period, you must submit your dispute (“Workweek Dispute”) in writing and send it to the Settlement Administrator via fax or mail, postmarked or faxed no later than <<+45 days from date of mailing>> (the “Response Deadline”). Your Workweek Dispute must be sent to:

ILYM Group, Inc., <<mailing address>>

Your Workweek Dispute must be in writing and must contain: (a) your full name, signature, address, telephone number, and the last four digits of your Social Security number; (b) the number of workweeks you contend to have worked for Defendant in California during the Class Period and PAGA Period; and (c) any evidence supporting your contention. Defendant’s records will be presumed correct unless you prove otherwise by credible evidence. The Settlement Administrator will resolve and decide all Workweek Disputes, and the Settlement Administrator’s decision will be final and non-appealable. **REMINDER:** If you believe your estimated individual Class Settlement Amount or PAGA Settlement Amount is incorrect because your workweek calculation is inaccurate, the deadline to submit a written Workweek Dispute to the Settlement Administrator, with any supporting evidence, is <<RESPONSE DATE>>.

What claims are being released by Settlement Class Members and PAGA Employees?

Upon the final approval by the Court of this Settlement and Defendant’s payment of all sums due pursuant to this Settlement, and except as to such rights or claims as may be created by this Settlement, the Class Representatives, the Class and each Class Member who has not submitted a valid and timely request for exclusion as to claims other than the PAGA claim, and each PAGA Employee, regardless of whether they have requested exclusion from the Settlement Class, will release claims as follows:

(a) **Identity of Released Parties.** “Released Parties” means the named Defendant, and any of its present and former parents, subsidiaries, affiliates, officers, directors, trustees, members, member managers, owners, employees, former employees, agents, representatives, attorneys, and insurers, including but not limited to Intact Insurance Specialty Solutions Company, and/or any of its and their respective predecessors, successors and assigns, and each of them. The Released Parties shall be further defined in the final long form Settlement Agreement, but the Parties intend that this definition shall be as broad as legally permissible.

(b) **Date Release Becomes Active.** The Released Claims and Released PAGA Claims will be released upon the later of (1) the Settlement’s Effective Date, or (2) the satisfaction of Defendant’s obligation to provide to the Settlement Administrator a sum in the amount required to satisfy all required payments and distributions pursuant to this Settlement and the Order and Judgment of final approval. Class Members will not release the Released Claims or Released PAGA Claims until both the Effective Date of the Settlement has occurred, and Defendant has paid all amounts owing under the Settlement.

(c) **Claims Released by Settlement Class Members.** “Released Class Claims” means that upon the final approval of the Settlement by the Court, the Participating Class Members will fully release and discharge the Released Parties of the claims stated in the operative Complaint and those based solely upon the facts in the complaint, including: (a) failure to pay minimum wages, (b) failure to pay overtime wages, (c) failure to provide meal periods, (d) failure to provide rest breaks, (e) failure to pay vested vacation, (f) failure to reimburse business expenses, (g) failure to failure to timely pay wages upon separation of employment, (h) failure to provide accurate itemized wage statements, (i) unfair and unlawful competition, and (j) all other claims in the operative complaint that were or could have reasonably been brought on an individual, class or PAGA basis under the California Labor Code or other wage and hour-related statutes or common law, including but not limited to Labor Code sections 200, 201, 202, 203, 204, 210, 218.5, 218.6, 222, 226, 226.2, 226.3, 226.7, 432, 510, 512, 558, 1102.5, 1174, 1174(3), 1174.5, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 1198.5, 1199, 6400, 6401, 6402, 6403, 6404, 6407, and the applicable Wage Orders of the Industrial Welfare Commission. (“Released Claims”)

The time period covered by this Class Member release is January 28, 2018 through <<the date of preliminary approval>>.

(d) **PAGA Release.** Upon Court approval of the Settlement, Defendant shall be entitled to a release from the State of California and the Labor and Workforce Development Agency, as well as from the Aggrieved Employees, of all claims for Civil Penalties pursuant to Labor Code section 2698 et seq. (PAGA), that were pled or reasonably could have been pled based on the factual allegations in operative First Amended Complaint in the Action and the LWDA letter, including specifically, claims for PAGA penalties arising out of or based on alleged: failure to pay minimum wages, failure to pay overtime wages, failure to provide compliant meal periods, failure to provide compliant rest periods, failure to provide timely wages, failure to provide timely wages upon separation, failure to provide accurate itemized wage statements, and/or failure to maintain accurate payroll records. This release includes all claims for civil penalties arising under the California Labor Code, including but not limited to Labor Code sections 200, 201, 202, 203, 204, 210, 218.5, 218.6, 222, 226, 226.2, 226.3, 226.7, 432, 510, 512, 558, 1102.5, 1174, 1174(3), 1174.5, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 1198.5, 1199, 6400, 6401, 6402, 6403, 6404, 6407,, and the applicable Wage Orders of the Industrial Welfare Commission. The release shall include the Defendant and all of its parent, subsidiary, affiliated and related companies and entities, as well as its/their officers, directors, investors, owners, shareholders, employees, partners, members, agents, and attorneys, and any entities or partnerships with which they are affiliated, past or present.

Date PAGA Release becomes Active. The Parties agree that upon the Effective Date, the LWDA, the Aggrieved Employees, and Plaintiff shall be deemed to have, and by operation of the court's Approval Order and Judgment shall have, released the Defendant and any Released Parties, as further defined in the long form settlement agreement, from any claim for civil penalties arising out of the Released Claims or specifically enumerated herein.

The time period covered by this PAGA release is January 28, 2021 through <<the date of preliminary approval>>.

What are your Options at this time?

As a Class Member, you have two options under this Settlement, each of which is further discussed below. You may: (Option A) remain in the Class and receive an Individual Class Settlement Payment and an Individual PAGA Settlement Payment; or (Option B) exclude yourself from the Settlement Class and receive only an Individual PAGA Settlement Payment. If you choose Option A, you may also object to the Settlement, as explained below.

OPTION A. Remain in the Class. If you choose Option A and remain in the Class, you will be represented at no cost by Class Counsel. Class Counsel, however, will not represent you for purposes of making objections to the Settlement. If you do not exclude yourself from the Settlement, you will be subject to any Judgment that will be entered in the Action, including the release of the Released Claims as described above.

If you wish to remain in the Class and be eligible to receive an Individual Class Settlement Payment, **you do not need to take any action.** By remaining in the Class and receiving settlement monies, you consent to the release of the Released Claims as described above.

Any and all amounts paid to Settlement Class Members will not count or be counted for determination of eligibility for, or calculation of, any employee benefits (for example, vacations, holiday pay, retirement plans, non-qualified deferred compensation plans, etc.), or otherwise modify any eligibility criteria under any employee pension benefit plan or employee welfare plan sponsored by Defendant, unless otherwise required by law.

If you chose Option A, but you believe the proposed Settlement is not fair, reasonable, or adequate in any way, you have several options that you may use to object or express any concerns. To object, you may appear in person at the Final Approval Hearing, have an attorney object for you, or submit a written brief or statement of objection ("written objection") to the Settlement Administrator at ILYM Group, Inc. <<address>>. If you submit a written objection to the Settlement Administrator, it should contain sufficient information to confirm your identity and the basis of the objection, including: (1) your full name; (2) the grounds for the objection; and (3) your signature. Your written objection must be postmarked on or before <<Response Deadline>> and sent to the Settlement Administrator at the address listed above to ensure that it is received in time to be considered by the Court. You can also hire an attorney at your own expense to represent you with respect to your objection. The Parties may file responses to any written objections before the final approval hearing. Regardless of whether you object in writing, the Court may, in its sole discretion, permit you to state any objections you may have at the Settlement Hearing. **Regardless of any objection, however, if you choose Option A, you will be bound by the terms of**

the Settlement, including the release of Released Claims as set forth above, unless the Settlement is not finally approved by the Court.

OPTION B. Request to Be Excluded from the Class. If you do not want to be part of the Settlement Class, you must submit a written Request to be Excluded to the Settlement Administrator at ILYM Group, Inc. <<address>>. In order to be valid, your written Request to be Excluded must be signed and must include your name, address, and telephone number (to confirm your identity and make certain that only persons requesting exclusion are removed from the settlement), along with the following statement:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *CANDYS V. COMMUNITY PSYCHIATRY MANAGEMENT, LLC*, CLASS ACTION LAWSUIT, SACRAMENTO COUNTY SUPERIOR COURT CASE NO. 34-2022-00314705. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OTHER THAN MY SHARE OF THE PAGA PAYMENT.”

Your written Request to be Excluded from the Settlement must be signed and postmarked on or before <<Response Deadline>>. If you do not submit a written Request to be Excluded on time (as evidenced by the postmark), your written Request to be Excluded will be rejected, you will be deemed a participating Settlement Class Member, and you will be bound by the release of Released Claims as described above and all other terms of the Settlement. If you submit a written Request to be Excluded by the deadline to request exclusion, you will have no further role in the Action, and **you will not be entitled to any benefit, including an Individual Class Settlement Payment**, as a result of the Action and Settlement. However, as an PAGA Employee you will still be entitled to receive an Individual PAGA Settlement Payment and you will still release the PAGA claims against Defendant described above. Moreover, if you submit a Request to be Excluded, you will not be able to object to the Settlement or complain to the Court about any aspect of the Settlement.

What is the next step in the approval of the Settlement?

The Court will hold a Final Approval Hearing regarding the fairness, reasonableness and adequacy of the proposed Settlement, the plan of distribution, Class Counsel’s request for attorneys’ fees and costs, the Class Representative Service Payment to Plaintiff, the Settlement Administrator’s costs, and the payment to the LWDA for PAGA penalties on <<FA Date and Time>> in Department 28 of the Sacramento Superior Court, Gordon D. Schaber Courthouse, 720 9th Street, Sacramento, CA 95814. Because of healthcare guidance and Orders of the Sacramento Superior Court related to COVID-19, the hearing may be a telephonic hearing only. If you wish to attend the Final Approval Hearing telephonically, visit <https://www.saccourt.ca.gov/> for instructions on how to do so. The Final Approval Hearing may be continued without further notice to Class Members. You are not required to attend the Final Approval Hearing to receive an Individual Class Settlement Payment or Individual PAGA Settlement Payment.

How may you get additional information?

This Notice summarizes the Action and the basic terms of the Settlement. More details are in the Joint Stipulation of Class Action and PAGA Settlement attached to the Declaration of Kane Moon in Support of Plaintiff’s Motion for Preliminary Approval. The Joint Stipulation of Class Action and PAGA Settlement and all other records relating to the lawsuit are available for inspection and/or copying at the Civil Records Office of the Sacramento Superior Court. Because of the Sacramento Superior Court’s COVID-19 pandemic procedures, in order to view documents filed in the lawsuit, Class Members may be required to make an appointment with the Court. You may also request a copy of the Settlement Agreement from Settlement Administrator at ILYM Group, Inc. <<address>>.

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.