

MEMORANDUM OF UNDERSTANDING

1. This Memorandum of Understanding ("MOU") is entered into in *Carmen Alexis v. Bi-Bett* (Contra Costa County Superior Court, Case No. C22-01118) (the "Action") by and between the named Plaintiffs, Claimant Carmen Alexis, on behalf of themselves and the putative Settlement Class (defined below), and Defendant, for the purpose of memorializing their agreement to the principal terms of a settlement of this Action.
2. The named Plaintiff in *Carmen Alexis v. Bi-Bett* is Carmen Alexis ("Plaintiff" or "Class Representative").
3. The named Defendant in *Carmen Alexis v. Bi-Bett* is Bi-Bett, a California Non-Profit ("Defendant"). Pursuant to the terms of this MOU, Plaintiff's counsel agrees to file a First Amended Complaint including the as yet unfiled PAGA claim, described in the PAGA letter sent to the LWDA on April 28, 2022. Defendant agrees to stipulate to the filing of the First Amended Complaint with said terms.
4. This MOU shall become binding and enforceable upon its execution by the named Plaintiff from *Carmen Alexis v. Bi-Bett*, and a designated representative of Bi-Bett. The Parties intend to enter into a more formal "long" settlement agreement ("Stipulation of Settlement") consistent with the terms of this MOU, but the Parties agree that even if no formal settlement document is signed, they intend this MOU to be enforceable by motion under California Code of Civil Procedure § 664.6, subject to the court's class action approval process. Further, the Plaintiff and Defendant (collectively, the "Parties") intend this MOU to be admissible and enforceable pursuant to California Evidence Code § 1123 with the signature of Plaintiff and Defendant notwithstanding the confidentiality provisions of California Evidence Code §§ 1119, *et seq.*
5. The California Class herein consists of all persons employed by Defendant in any capacity in residential treatment programs as hourly-paid or non-exempt employees in the State of California from June 03, 2018, until preliminary approval of this class and representative action settlement, or three months after the date of this MOU, whichever occurs last (the "Covered Period"). It shall be an opt-out class.
6. The Private Attorneys General Act ("PAGA") Class herein consists of all persons employed by Defendants in any capacity in residential treatment programs as hourly-paid or non-exempt employees in the State of California from April 28, 2021, until preliminary approval of this class and representative action settlement, or three months after the date of this MOU, whichever occurs last ("Aggrieved Employees").
7. The Settlement Class herein consists of the California Class and PAGA Class, as defined above.
8. The Settlement Class counsel is Brandon J. Sweeney of The Sweeney Law Firm ("Class Counsel").

9. The Parties stipulate to class certification for purposes of settlement only. If the Court does not grant preliminary and final approval of this class and representative action settlement, the Parties will not stipulate to class certification.
10. Bi-Bett shall pay an amount no more than the total sum of Two Hundred Fifty Thousand Dollars (\$250,000) on behalf of the named Defendant in full and complete settlement of this Action, which sum includes claims administration expenses, attorneys' fees, attorneys' costs, incentive or service awards, PAGA payment, (the "Gross Settlement Amount"). Unless paid earlier, the Gross Settlement Amount shall be made in two equal installments: 1) due 45 days after the date the final approval and judgment become final and no longer subject to appeal] and 2) due 120 days after the payment of the first installment.
11. The settlement will be on a common fund basis. The Gross Settlement Amount shall be all-in with no reversion to Defendant. There will be no claim form or claims procedure. Class Counsel will select a Claims Administrator. Fees of the Claim Administrator shall be paid out of the Gross Settlement Amount.

After deducting claims administration expenses, attorneys' fees, attorneys' expenses, service awards, PAGA payment, the remaining net balance of the Gross Settlement Amount shall be distributed on a pro rata basis to Settlement Class Members based on the number of workweeks worked by each Settlement Class Member for Defendant during the Covered Period. The settlement payment for each Settlement Class Member shall be allocated as follows: (a) 20 % as wages; and (b) 80% as penalties and interest.
12. The Parties designate that a PAGA payment of \$7,500.00 (the "PAGA Payment") shall be made from the Gross Settlement Amount, with 25% of the PAGA Payment going to the PAGA Class Members and 75% of the PAGA Payment going to the California Labor & Workforce Development Agency ("LWDA").
13. Defendant shall not oppose a service award to the named Plaintiff in the amount of \$10,000, to be deducted from the Gross Settlement Amount, in exchange for service as a Class Representative and a general release of all claims against the Released Parties. This service award is in addition to the payment to which she is entitled as a Settlement Class Member. Even in the event that the Court reduces or does not approve the requested service award for the Class Representative, Plaintiff shall not have the right to revoke this MOU or this settlement, which will remain binding.
14. Plaintiff will request that the Court approve an award of attorney's fees in an amount of 33.33 % of the Gross Settlement Amount. Defendant agrees not to oppose the reasonableness of this request. Even in the event that the Court reduces or does not approve the requested attorneys' fees, Class Counsel shall not have the right to revoke this MOU or this settlement, which will remain binding.
15. Upon entry of final approval and judgment, Defendant shall be entitled to the following releases in favor of the Defendant named in the Complaint in *Carmen Alexis v. Bi-Bett* (Contra Costa County Superior Court, Case No. C22-01110), and any predecessor,

successor, subsidiary, parent, affiliated or related entity, and each of their employees, agents, directors, and/or officers (collectively, the "Released Parties"):

- a. Release by Plaintiff Carmen Alexis shall be bound by a complete Section 1542 release and waiver of all claims known and unknown, without exception, except as may be prohibited by law.
 - b. Release by Settlement Class Members: Settlement Class Members will be bound by a release of all claims against the Released Parties, whether known or unknown, within the definition of "Released Claims."
 - c. Definition of Released Claims: This MOU or this settlement will include a broad release of all claims, causes of action and factual or legal theories that were alleged on behalf of Settlement Class Members in the Complaint in *Carmen Alexis v. Bi-Bett* (Contra Costa County Superior Court, Case No. C22-01110), or reasonably could have been alleged based on the facts and legal theories contained in the Complaint and the Plaintiff's LWDA Notice, including but not limited to all wage and hour claims that could have been raised by Plaintiff such as all claims and causes of action related to or arising out of meal periods, rest breaks, unpaid wages (including but not limited to overtime premiums, minimum wage or bonus), including PTO, vacation pay, sick pay and unreimbursed expenses (collectively, the "Released Claims"). The period of the releases shall extend to the limits of the Covered Period. Expressly excluded from the Released Claims are claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and claims arising outside of the Covered Period.
 - d. PAGA Release: The LWDA, and any persons purporting to act on its behalf, including all of the allegedly Aggrieved Employees at issue in *Carmen Alexis v. Bi-Bett* (Contra Costa County Superior Court, Case No. C22-01110), will be bound by a release of all claims against any Released Party for civil penalties recoverable under PAGA arising out of the Released Claims during the PAGA Covered Period, which is from April 28, 2021 until preliminary approval of this class and representative action settlement, or three months after the date of this MOU, whichever occurs last.
16. All settlement checks not cashed within One Hundred and Eighty (180) calendar days of payment to Settlement Class Members shall be sent to the State Controller's Office Unclaimed Property Fund in the name of each Employee whose check is voided.
 17. Plaintiff and Defendant waive any and all claims for fees, costs, indemnity or contribution against any member of the Settlement Class, Defendant or their counsel.
 18. The Settlement Class Members shall have forty-five (45) calendar days from the date the notice of preliminary approval is first mailed in which to object to or exclude themselves from this class and representative action settlement. Neither Plaintiff nor Defendant shall encourage any Settlement Class Member to opt out. Settlement Class Members who submit timely requests to opt out of the settlement will not participate in the settlement and will not be bound by the terms of this MOU or this class and representative action settlement

or the final judgment. Settlement Class Members who do not submit timely requests to opt out of the settlement will become Settlement Class Members, will participate in the settlement and will be bound by the terms of this MOU or this class and representative action settlement and the final judgment.

19. Notwithstanding any other provision of this MOU, Defendant shall retain the right, in its sole discretion, to nullify and revoke this class and representative action settlement and their stipulation to class certification prior to the final approval hearing if five percent (5%) or more of Settlement Class Members opt out of the settlement.
20. The Parties to this MOU pledge their good faith and fair dealing in supporting the approval of this settlement by the Court.
21. The Parties also intend this MOU to be fully binding and enforceable by the Court upon motion of any party, and pledge their good faith and fair dealing in providing assent to the Stipulation of Settlement.
22. Any dispute between the Parties as to the remaining terms of the Stipulation of Settlement shall be presented to the mediator, Michael J. Loeb, Esq., for resolution.
23. Neither this MOU, nor final form of settlement (the Stipulation of Settlement), shall constitute an admission on behalf of Defendant of any form of liability or the accuracy of any allegation made by Plaintiff, or Plaintiffs' counsel.
24. The Parties to this MOU agree that it reflects their good faith compromise of the claims raised in this action, based upon their assessment of the mutual risks and costs of further litigation and the assessments of their respective counsel.
25. This MOU may be executed in one or more counterparts by facsimile, electronic signature, or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument. Any executed counterpart will be admissible in evidence to prove the existence and contents of this MOU.
26. The Parties agree not to object to any Court filings consistent with the terms of this MOU. The Parties further agree that upon signing the litigation will be stayed for all purposes.
27. The Parties agree that the Court shall retain continuing jurisdiction over this Action under California Code of Civil Procedure § 664.6 to ensure the continuing implementation of the provisions of this class and representative action settlement. The Parties also agree that the time within which to bring this action to trial under California Code of Civil Procedure § 583.310 shall be extended from the date of the signing of this MOU by all Parties until the entry of the final approval order and judgment by the Court. If the final approval of this class and representative action settlement is not entered by the Court, this MOU shall no longer be of any force or effect.
28. Other than necessary disclosure made to or by order of the Court, necessary disclosures to

be made to the LWDA, or to the Settlement Class Members, Plaintiff, and Class Counsel shall not directly or indirectly disclose the facts, Gross Settlement Amount, or terms of this class and representative action settlement to the media, the press, or on any website, or otherwise issue any public statements or advertisements in any form or media concerning the settlement. This provision shall not prohibit Class Counsel from responding to specific questions from Settlement Class Members, and nothing herein shall be interpreted as preventing any good faith communication by Class Counsel and/or any Parties with the Court, the Settlement Class Members, or the Claims Administrator. Nothing in this provision shall be construed as preventing the Parties from disclosing the Settlement to third parties without identifying the case name, case number, or names of any of the Parties or Released Parties. Class Counsel shall also be allowed to refer to the Action and Settlement in other litigations to support their adequacy as attorneys for a putative class or PAGA group or to justify an award of attorneys' fees.

29. Class Counsel shall draft settlement documents for distribution and shall draft and file a motion for preliminary approval of this class and representative action settlement.

IT IS SO AGREED:

Dated: 05/04/2023

Carmen Alexis
Plaintiff Carmen Alexis

Dated: 5/4/2023

Shellee Stopera
Shellee Stopera, Defendant Bi-Bett's CEO and Representative