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behalf of herself and all others similarly situated
and aggrieved

(Additional Counsel on the next page)

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE**

PATRICIA J. RYAN, an individual; KEVIN
FLEMING, an individual and on behalf of all
others similarly situated and aggrieved

Plaintiffs,

v.

MISSION TREATMENT SERVICES, INC.,
a California Corporation; ACADIA
HEALTHCARE, INC., a Delaware
corporation; CALIFORNIA TREATMENT
SERVICES, LLC, a California Limited
Liability Company; and DOES 1 through
100, inclusive,

Defendants.

CASE NO.: 22STCV15217

[Assigned for all purposes to the Hon.
David S. Cunningham]

CLASS AND PAGA ACTION

**JOINT STIPULATION RE: CLASS
ACTION AND PAGA SETTLEMENT**

Action Filed: May 6, 2022
Trial Date: None Set

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Attorneys for Defendants MISSION TREATMENT SERVICES, INC., ACADIA
HEALTHCARE COMPANY, INC., and CALIFORNIA TREATMENT SERVICES, LLC

This Joint Stipulation re: Class Action and Representative Action Settlement (“Settlement” or “Agreement” or “Settlement Agreement”) is made by and between plaintiffs PATRICIA RYAN (“Plaintiff Ryan”) and KEVIN FLEMING (“Plaintiff Fleming” and with Plaintiff Ryan, the “Plaintiffs”) individually, on behalf of the Settlement Class, and as representatives of the State of California, on the one hand; and defendants ACADIA HEALTHCARE INC., MISSION TREATMENT SERVICES, INC., and CALIFORNIA TREATMENT SERVICES, LLC. (collectively “Defendants”), on the other hand, in the lawsuits entitled *Patricia Ryan v. Mission Treatment Services, Inc., et al.*, pending in Los Angeles County Superior Court, Case No. 22STCV15217, (the “Class Action”), *Patricia Ryan v. Mission Treatment Services, Inc., et al.*, pending in Los Angeles County Superior Court, Case No. 22STCV22280 (the “PAGA Action”) and *Kevin Fleming v. Acadia Healthcare Inc.*, filed in United States District Court, Central District of California, Case No. 8:22-cv-01791-DOC-JDE (the “Fleming Action” and collectively with the Class Action and PAGA Action, the “Actions”). Plaintiffs and Defendants shall be collectively referred to as the “Parties,” or individually as “Party.” This Agreement is intended by the Parties to resolve all claims in the Actions fully, finally, and forever as set forth herein, based upon and subject to the terms and conditions of this Agreement.

1. DEFINITIONS

1.1 “Actions” means *Patricia Ryan v. Mission Treatment Services, Inc., et al.*, filed in Los Angeles County Superior Court, Case No. 22STCV15217, (the “Class Action”), *Patricia Ryan v. Mission Treatment Services, Inc., et al.*, filed in Los Angeles County Superior Court, Case No. 22STCV22280 (the “PAGA Action”) and *Kevin Fleming v. Acadia Healthcare Company, Inc., et al.*, filed in United States District Court, Central District of California, Case No. 8:22-cv-01791-DOC-JDE. The Parties agree to stipulate to stay the action pending in the United States District Court, Central District of California, Case No. 8:22-cv-01791-DOC-JDE, until all distributions under this Settlement have been made, at which point the Parties will file a stipulation to dismiss the action pending in the United States District Court, Central District of California.

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1.2 “Administrator” means Phoenix Class Action Administration Solutions (“Phoenix”), the neutral entity the Parties have agreed to appoint to administer the Settlement.

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

1.4 “Aggrieved Employee” means a person employed by Defendants in California and classified as a non-exempt, hourly-paid employee who worked for Defendants, their affiliates and subsidiaries, including without limitation, Mission Treatment Services, Inc., California Treatment Services, LLC, San Diego Health Alliance, CRC ED Treatment, LLC, SJBH, LLC, Sober Living By the Sea, Inc., CRC Health, LLC, Vista Behavioral Hospital, LLC, and Bayside Marin, Inc during the PAGA Period.

1.5 “Class” or “Class Members” means all persons who are or were employed as hourly paid, non-exempt employees in the State of California at any time during the Class Period by Defendants, their affiliates and subsidiaries, including without limitation, Mission Treatment Services, Inc., California Treatment Services, LLC, San Diego Health Alliance, CRC ED Treatment, LLC, SJBH, LLC, Sober Living By the Sea, Inc., CRC Health, LLC, Vista Behavioral Hospital, LLC, and Bayside Marin, Inc.

1.6 “Class Counsel” means: David D. Bibiyan and Vedang J. Patel of Bibiyan Law Group, P.C., and Brian S. Kabateck, Shant A. Karnikian, and Anastasia K. Mazzella of Kabateck, LLP.

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

1.8 “Class Data” means Class Member identifying information in Defendants’ possession including the Class Member’s name, last-known mailing address, last known telephone number, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods, as well as the start and end dates of employment for each Class Member.

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

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

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

1.12 “Class Period” means the period from September 8, 2020, through June 2, 2024.

1.13 “Class Representative(s)” means the named Plaintiffs in the operative complaint in the Actions seeking Court approval to serve as a Class Representatives.

1.14 “Class Representative Service Payment” means the payment to the Class Representatives for initiating the Actions and providing services in support of the Actions.

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

1.16 “Defendants” means Defendants Mission Treatment Services, Inc., Acadia Healthcare Inc., and California Treatment Services, LLC.

1.17 “Defense Counsel” means Kevin D. Reese, Michael D. Thomas, and Buck N. Haddix of Jackson Lewis, P.C.

1.18 “Effective Date” means the date when all of the following events have occurred: (a) the Stipulation of Settlement has been executed by all Parties, Class Counsel and Defendants’ Counsel; (b) the Court has given preliminary approval to the Stipulation of Settlement; (c) the Notice of Class Action Settlement has been given to the putative members of the Settlement Class, providing them with an opportunity to object to the terms of this Stipulation of Settlement or opt out of the settlement; (d) the Court has held a formal fairness hearing and entered a final Order and Judgment certifying the Settlement Class and approving the Stipulation of Settlement;

(e) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (1) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; or (2) if one or more Participating Class Members objects to the Settlement, 65 calendar days have passed since the Court has entered a final Order and Judgment certifying the Settlement Class, and approving the Stipulation of Settlement; and the period for filing any appeal, writ or other appellate proceeding opposing the Court's Entry of Judgment has elapsed without any appeal, writ or other appellate proceeding having been filed; or, if any appeal, writ or other appellate proceeding opposing or seeking to vacate the Court's Judgment or final Order approving the Stipulation of Settlement has been filed, five business days after any appeal, writ or other appellate proceedings opposing the Stipulation of Settlement or seeking to vacate the Judgment has been finally and conclusively dismissed with no right to pursue further remedies or relief.

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

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

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

1.22 "Gross Settlement Amount" means a non-reversionary fund in the sum of Two Million Eight Hundred Fifty-Eight Thousand One Hundred Seventy-Five Dollars and Zero Cents (\$2,858,175.00), which is the total amount Defendants agree to pay under the Settlement, except as provided in Paragraph 9.1 below, and any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representatives Service Payment, and Administrator's Expenses.

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

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

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

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

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

1.28 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

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

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

1.31 “PAGA Period” means the period from July 11, 2021, through the end of the Class Period.

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

1.33 “PAGA Notices” means Plaintiff Patricia Ryan’s May 6, 2022 letter to Defendants and the LWDA, providing notice pursuant to Labor Code section 2699.3 subd. (a) (“Ryan PAGA Notice”) and Plaintiff Fleming’s September 7, 2022 letter to Defendants and the LWDA, providing notice pursuant to Labor Code section 2699.3 subd. (a) (“Fleming PAGA Notice”).

1.34 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$25,000.00) and the 75% to the LWDA (\$75,000.00) in settlement of PAGA claims

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

1 1.36 “Plaintiffs” or “Class Representative” shall refer to Plaintiffs Patricia Ryan and Kevin
2 Fleming.

3 1.37 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the
4 Settlement.

5 1.38 “Preliminary Approval Order” means the proposed Order granting Preliminary Approval
6 and Approval of PAGA Settlement.

7 1.39 “Released Class Claims” means the claims being released as described in Paragraph 6.2
8 below.

9 1.40 “Released PAGA Claims” means the claims being released as described in Paragraph 6.4
10 below.

11 1.41 “Released Parties” means Defendants and each of their present and former parent
12 companies, direct and indirect subsidiaries, members, joint ventures, owners, principals, agents,
13 divisions, and their respective related or affiliated companies, shareholders, owners, partners,
14 officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any other
15 individual or entity that could be liable for any an Released Claims and Defendants’ counsel of
16 record in the Action.

17 1.42 “Request for Exclusion” means a Class Member’s submission of a written request to be
18 excluded from the Class Settlement signed by the Class Member.

19 1.43 “Response Deadline” means forty-five (45) days after the Administrator mails Notice to
20 Class Members and Aggrieved Employees, and shall be the last date on which Class Members
21 may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail
22 his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after
23 having been returned undeliverable to the Administrator shall have an additional 15 days beyond
24 the Response Deadline has expired.

25 1.44 “Settlement” means the disposition of the Action effected by this Agreement and the
26 Judgment.

27 1.45 “Workweek” means any week during which a Class Member worked for Defendants, for
28 at least one day during the Class Period.

2. RECITALS

2.1 On May 6, 2022, Plaintiff Ryan filed with the LWDA and served on Defendants a notice under Labor Code section 2699.3 stating Plaintiffs intended to serve as a proxy of the LWDA to recover civil penalties on behalf of Aggrieved Employees for various Labor Code violations (“Ryan PAGA Notice”).

2.2 On May 6, 2022, Plaintiff Ryan filed the Class Action, a putative wage-and-hour class action, Case No. 22STCV15217, against Defendants Acadia Healthcare Inc. and Mission Treatment Services, Inc. Plaintiff Ryan asserted causes of action against Defendants for: (1) Failure to Pay Overtime Wages; (2) Failure to Pay Minimum Wages; (3) Failure to Provide Meal Periods; (4) Failure to Provide Rest Periods; (5) Waiting Time Penalties; (6) Wage Statement Violations; and (7) Unfair Competition. Defendants deny the allegations in the Class Action.

2.3 On July 11, 2022, Plaintiff Ryan filed the PAGA Action, a separate representative action in Los Angeles County Superior Court, Case No. 22STCV22280, seeking PAGA civil penalties on behalf of herself and all others aggrieved for violations of the same underlying Labor Code claims as the Class Action, in addition to claims for (1) failure to reimburse expenses; (2) failure to pay sick wages; (3) failure to pay paid time off and vacation time owed; (4) failure to furnish information required to be disclosed under Labor Code § 2810.5; (5) unlawful competition in violation of Labor Code §§ 232, 232.5, 1197.5, and 1102.5; and (6) failure to allow lawful conduct during non-work hours in violation of Labor Code §§ 98.6, 232, 232.5, and 1197.5. Defendants deny the allegations in the PAGA Action.

2.4 On September 29, 2022, Plaintiff Fleming filed a class action complaint against Defendants Acadia Healthcare Inc. and California Treatment Services, LLC in the United States District Court, Central District of California, Case No. 8:22-cv-01791-DOC-JDE (the “Fleming Action”). Plaintiff Fleming asserted causes of action against Defendants for : (1) failure to pay overtime wages under the Fair Labor Standards Act (“FLSA”); (2) failure to pay overtime compensation in violation of the California Labor Code; (3) failure to pay wages for all hours worked in violation of the California Labor Code; (4) failure to provide meal periods or proper premiums in violation of the California Labor Code; (5) failure to provide rest periods or proper

1 premiums in violation of the California Labor Code; (6) failure to provide accurate itemized wage
2 statements in violation of the California Labor Code; (7) failure to pay wages due and payable
3 twice monthly in violation of the California Labor Code; (8) failure to reimburse business
4 expenses in violation of the California Labor Code; (9) failure to pay wages upon termination in
5 violation of the California Labor Code; and (10) unlawful competition and unlawful business
6 practices in violation of California Business and Professions Code sections 17200, *et seq.*

7 2.5 On September 7, 2022, Plaintiff Fleming filed a notice with the LWDA seeking civil
8 penalties for various Labor Code Violations (“Fleming PAGA Notice” and with the Ryan PAGA
9 Notice, the “PAGA Notices”).

10 2.6 On November 15, 2022, Plaintiff Fleming filed a First Amended Complaint in the
11 Fleming Action to include a cause of action for civil penalties under PAGA. Defendants deny
12 the allegations in the Fleming Action.

13 2.7 Shortly thereafter, the Parties agreed to exchange informal discovery and attend an early
14 mediation, for which Defendants provided Plaintiffs with, among other things: (1) time records
15 for 20% of the estimated 3,379 Class Members through mediation; (2) payroll records for 20%
16 of the estimated 3,379 Class Members through mediation; (3) data points, including average rates
17 of pay, the estimated number of workweeks worked in the Class Period through mediation, the
18 estimated number of terminated/separated Class Members through mediation, the estimated
19 number of Aggrieved Employees through mediation, and the estimated number of pay periods in
20 the PAGA Period through mediation; and (4) employee handbooks and relevant policy
21 documents in effect during the Class Period.

22 2.8 On March 25, 2024, the Parties participated in a full-day mediation presided over by Gig
23 Kyriacou, a well-regarded mediator experienced in mediating complex labor and employment
24 matters. With the aid of the mediator’s evaluation, the Parties reached a Settlement to resolve the
25 Actions.

26 2.9 The Parties, Class Counsel, and Defense Counsel represent that they are not aware of any
27 other pending matter or action asserting claims that will be extinguished or affected by the
28 Settlement.

1 2.10 The Court has not granted class certification.

2 **3. AMENDMENT OF PLEADINGS**

3 3.1. First Amended Complaint. For purposes of this Settlement only, the Parties agree to
4 stipulate to consolidate the Actions into a single action. The Parties will seek approval of the
5 settlement in the Superior Court of the State of California, County of Los Angeles. The
6 Settlement approval process and the administration of the Settlement will be before the Superior
7 Court of California, County of Los Angeles. To effectuate this consolidation, the Parties agree
8 to stipulate to Plaintiff Ryan filing a First Amended Complaint in the Class Action pending in
9 the Superior Court of the State of California, County of Los Angeles, Case No. 22STCV15217,
10 which adds Plaintiff Fleming as a named plaintiff and consolidates the claims and allegations set
11 forth in the PAGA Action and Fleming Action into a single operative complaint in the Class
12 Action. The First Amended Complaint will be filed either before or concurrently with
13 submission of the motion seeking preliminary approval of the Settlement. The Parties further
14 agree to stipulate to stay the action pending in the United States District Court, Central District
15 of California, Case No. 8:22-cv-01791-DOC-JDE, until all payments have been made and
16 administration of the Settlement has been completed, at which point in time the Parties agree to
17 file a stipulation to dismiss the action pending in the United States District Court, Central District
18 of California with prejudice. In the event that the Court in the Class Action does not grant final
19 approval of the Settlement and enter judgment, the Parties agree that the Actions will be severed
20 and the status quo before the Settlement of the Actions restored. At Defendants' option, the
21 parties will stipulate to lift the stay in the federal court action and the First Amended Complaint
22 in the Fleming Action will be the operative complaint in the federal court action and the Class
23 Action and the PAGA Action filed by Plaintiff Patricia Ryan will remain in Los Angeles Superior
24 Court and the initial complaint in the Class Action and the complaint in the PAGA Action will be
25 the operative complaints in the respective state court actions. To accomplish this result, if
26 necessary, Plaintiff Kevin Fleming agrees to stipulate that the class action meets the requirements
27 of CAFA and will not challenge removal. The Parties agree to work cooperatively to achieve
28 these purposes.

1 **4. MONETARY TERMS**

2 4.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9.1 below,
3 Defendants promise to pay \$2,858,175.00 as the Gross Settlement Amount and no more as the
4 Gross Settlement Amount, except that Defendants will make additional payments to the Class
5 Administrator representing its share of any employer payroll taxes to be paid in connection with
6 the Settlement (*e.g.*, FICA, FUTA, payroll taxes, or any similar tax or charge). Defendants have
7 no obligation to pay the Gross Settlement Amount (or any employer payroll taxes) prior to the
8 deadline stated in Paragraph 5.3 of this Agreement. The Administrator will disburse the entire
9 Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved
10 Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount
11 will revert to Defendants.

12 4.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct
13 the following payments from the Gross Settlement Amount, in the amounts specified by the Court
14 in the Final Approval:

15 4.2.1. To Plaintiffs: Class Representatives Service Payment to Plaintiffs of not more than
16 \$7,500.00 for each Class Representative, for a total of \$15,000.00, to the Class
17 Representatives, in addition to any Individual Class Payment and any Individual PAGA
18 Payment Plaintiffs are entitled to receive as Participating Class Members and Aggrieved
19 Employees. Defendants will not oppose Plaintiffs' request for a Class Representatives
20 Service Payment that does not exceed this amount. As part of the motion for Class
21 Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek
22 Court approval for any Class Representatives Service Payment no later than 16 court
23 days prior to the Final Approval Hearing. If the Court approves a Class Representatives
24 Service Payment for less than the amounts requested, the Administrator will retain the
25 remainder in the Net Settlement Amount. The Administrator will pay the Class
26 Representatives Service Payment using IRS Form 1099. Plaintiffs assume full
27 responsibility and liability for employee taxes owed on the Class Representatives
28 Service Payment.

1 4.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 35% of the
2 Gross Settlement Amount, which, unless escalated pursuant to Paragraph 9.1 of this
3 Agreement, is currently estimated to be \$1,000,361.25 and a Class Counsel Litigation
4 Expenses Payment of not more than \$70,000.00. Defendants will not oppose requests
5 for these payments provided that the payments do not exceed these amounts. Plaintiffs
6 and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class
7 Litigation Expenses Payment no later than 16 court days prior to the Final Approval
8 Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel
9 Litigation Expenses Payment less than the amounts requested, the Administrator will
10 allocate the remainder to the Net Settlement Amount. Released Parties shall have no
11 liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any
12 portion any Class Counsel Fees Payment and/or Class Counsel Litigation Expenses
13 Payment. The Administrator will pay the Class Counsel Fees Payment and Class
14 Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class
15 Counsel assume full responsibility and liability for taxes owed on the Class Counsel
16 Fees Payment and the Class Counsel Litigation Expenses Payment and hold Defendants
17 harmless, and indemnify Defendants, from any dispute or controversy regarding any
18 division or sharing of any of these Payments. There will be no additional charge of any
19 kind to either the Settlement Class Members or request for additional consideration from
20 Defendants for such work, unless Defendants materially breaches this Agreement,
21 including any term regarding funding, and further efforts are necessary from Class
22 Counsel to remedy such breach, including, without limitation, moving the Court to
23 enforce this Agreement. Should the Court approve attorneys' fees and/or litigation costs
24 and expenses in amounts that are less than the amounts provided for herein, then the
25 unapproved portion(s) shall be a part of the Net Settlement Amount.

26 4.2.3. To the Administrator: An Administrator Expenses Payment not to exceed
27 \$28,500.00 except for a showing of good cause and as approved by the Court. To the
28 extent the Administration Expenses are less or the Court approves payment less than

\$28,500.00, the Administrator will retain the remainder in the Net Settlement Amount.

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

4.2.4.1. Tax Allocation of Individual Class Payments. The Participating Class Member's Individual Class Payment will be allocated as follows: 10% as payment for alleged unpaid wages (the "Wage Portion"), 45% as alleged unpaid interest, and 45% alleged unpaid civil and statutory penalties (the "Non-Wage Portion"). IRS Forms W-2 will be issued for the Wage Portion and Non-Wage Portions are not subject to wage withholdings and will be reported on IRS Forms 1099. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

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

4.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$100,000.00 to be paid from the Gross Settlement Amount, with 75% (\$75,000.00) allocated to the LWDA PAGA Payment and 25% (\$25,000.00) allocated to the Individual PAGA Payments.

4.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$25,000.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes

owed on their Individual PAGA Payment.

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

5. SETTLEMENT FUNDING AND PAYMENTS

5.1. Class Workweeks. Based on a review of its records, Defendants estimated Class Members collectively worked a total of 109,545 Workweeks during the Class Period through mediation.

5.2. Class Data. Not later than 21 calendar days after the Court grants Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

5.2.1. The Administrator will calculate the number of Workweeks worked by the Class Members during the Class Period, the amount to be paid per Workweek and the Individual Class Payments. The Workweeks will be calculated by the Administrator for each Class Member according to the number of Workweeks worked during the Class Period from the Class Data.

5.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendants' share of payroll taxes by

transmitting the funds to the Administrator no later than 15 calendar days after the Effective Date.

5.4. Payments from the Gross Settlement Amount. Within 7 calendar days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

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

5.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 5 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to

1 deliver checks to Class Members whose re-mailed checks are returned as undelivered.
2 The Administrator shall promptly send a replacement check to any Class Member whose
3 original check was lost or misplaced, as requested by the Class Member prior to the void
4 date.

5 5.4.3. For any Class Member whose Individual Class Payment check or Individual
6 PAGA Payment check is uncashed and cancelled after the void date, the Administrator
7 shall transmit the funds represented by such checks to the California Controller's
8 Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid
9 residue" subject to the requirements of California Code of Civil Procedure Section 384,
10 subd. (b). Any fees or costs associated with depositing the uncashed checks with the
11 California Controller's Unclaimed Property Fund shall be paid from the Gross Settlement
12 Amount.

13 5.4.4. All Individual Class Payments to Class Members and all Individual PAGA
14 Payments to Aggrieved Employees shall be deemed to be paid to such Class Members
15 and Aggrieved Employees solely in the year in which such payments actually are
16 received by the Class Members and Aggrieved Employees. It is expressly understood
17 and agreed that the receipt of such Individual Class Payments and Individual PAGA
18 Payments will not entitle any Class Member or Aggrieved Employee to additional
19 compensation or additional benefits under any compensation or benefit plans to which
20 any Class Member or Aggrieved Employee may be eligible, including, but not limited
21 to: bonus, contest or commissions plans, profit-sharing plans, bonus plans, 401(k)
22 plans, stock purchase plans, deferred compensation plans, vacation plans, sick leave
23 plans, PTO plans, and any other benefit plan. Rather, it is the intent of this Settlement
24 that the Individual Class Payments and the Individual PAGA Payments provided for in
25 this Settlement are the sole payments to be made by Defendants to the Class Members
26 and Aggrieved Employees, will not affect any rights, contributions, or amounts to which
27 any Class Members or Aggrieved Employees may be entitled under any compensation
28 or benefit plans, and that the Class Members and Aggrieved Employees are not entitled

1 to any new or additional compensation or benefits as a result of having received the
2 Individual Class Payments and the Individual PAGA Payments (notwithstanding any
3 contrary language or agreement in any benefit or compensation plan document that
4 might have been in effect during the period covered by this Settlement).

5 **6. RELEASE OF CLAIMS**

6 Effective upon entry of Judgment, the Order granting Final Approval of this Settlement,
7 and on the date when Defendants fully funds the entire Gross Settlement Amount and fund all
8 employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs,
9 Class Members, and Class Counsel will release claims against all Released Parties as follows:

10 6.1. Plaintiffs and their respective former and present spouses, representatives, agents,
11 attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released
12 Parties from all claims, transactions, or occurrences, including, but not limited to: (a) any and all
13 claims, known and unknown, asserted and not asserted, which the Plaintiffs have or may have
14 against the Released Parties as of the date of execution of this Agreement. Plaintiffs' Release
15 includes, but is not limited to, all of the Released Class Claims, the Released PAGA Claims and
16 any other claims arising under the California Labor Code; any claim arising out of the California
17 common law of contract; the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.*, and federal
18 common law; all claims for lost wages and benefits, emotional distress, retaliation, punitive
19 damages, and attorneys' fees and costs arising under federal, state, or local laws for discrimination,
20 harassment, and wrongful termination, including but not limited to, 42 U.S.C. section 1981, Title
21 VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination
22 in Employment Act, the California Fair Employment and Housing Act, the California Labor Code,
23 and the law of contract and tort. This release excludes the release of claims not permitted by law.
24 Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any
25 claims for vested benefits, unemployment benefits, disability benefits, social security benefits,
26 workers' compensation benefits (except as to claims under Labor Code §§ 132a and 4553) that
27 arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that
28 Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs

1 now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain
2 effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery
3 of them.

4 6.1.1. Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For
5 purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions,
6 rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

11 6.2. Release of Class Claims: All Participating Class Members, on behalf of themselves and
12 their respective former and present representatives, agents, attorneys, heirs, administrators,
13 successors, and assigns, release Released Parties from all claims alleged, or that reasonably could
14 be alleged, in the Actions and ascertained in the course of the Action, including without limitation,
15 FLSA, 29 U.S.C. sections 201, 202, 203, 206, 207, 216, California Labor Code sections 98.6,
16 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 232, 232.5, 246, 432, 510, 511,
17 512, 558, 1102.5, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 1198.5, 1199, 2800,
18 2802, 2810.5, California Industrial Commission Wage Orders, and Business and Professions Code
19 sections 17200, et seq., and including all claims for or related to alleged failure to provide meal
20 periods, failure to provide rest periods, failure to pay overtime wages, failure to pay minimum
21 wage, failure to pay all wages due to discharged and quitting employees, failure to maintain
22 required records, failure to furnish accurate itemized wage statements, failure to indemnify
23 employees for necessary expenditures incurred in discharge of duties, failure to provide and/or
24 pay for accrued sick leave time, failure to provide and/or pay for accrued paid time off and
25 vacation time, failure to produce employee records, failure to allow lawful conduct during non-
26 work hours, and unfair and unlawful business practices, including, but not limited to, claims for
27 injunctive relief, liquidated damages, penalties, interest, fees, costs, and all other claims and
28 allegations made or which could have been made in the Actions based on the facts and allegations

pled in the Actions during the Class Period (“Released Class Claims”).

6.3. Except as set forth in Section 5.2 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

6.4. Release of PAGA Claims: The LWDA and the State of California, and all Aggrieved Employees, are deemed to fully release the Released Parties from any and all claims for civil penalties under the California Private Attorneys General Act of 2004, California Labor Code § 2698 *et seq.*, alleged in the operative complaints in the Actions or that could have been pleaded based on the facts alleged in the operative complaints in the Actions and/or notices submitted to the California Labor & Workforce Development Agency, including civil penalties pursuant to PAGA for or related to claims for failure to provide meal periods, failure to provide rest periods, failure to pay overtime wages, failure to pay minimum wage, failure to pay all wages due to discharged and quitting employees, failure to maintain required records, failure to furnish accurate itemized wage statements, failure to indemnify employees for necessary expenditures incurred in discharge of duties, failure to provide and/or pay for accrued sick leave time, failure to provide and/or pay for accrued paid time off and vacation time, failure to produce employee records, failure to allow lawful conduct during non-work hours, as well as all other claims and allegations alleged in the Actions, interest, fees, and costs throughout the PAGA Period (“Released PAGA Claims”).

6.5. Class Members shall be required to affirmatively opt-in for purposes of the FLSA and waive all Released Claims falling under the FLSA by endorsing their Individual Class Payment checks, which shall contain thereon the following or substantially similar language:

“By endorsing and cashing this check, I agree to the waiver of the wage and hour claims set forth in the class notice in Patricia Ryan, et al. v. Acadia Healthcare Inc., et al., including all claims under the FLSA and hereby affirmatively opt in to the FLSA claim and FLSA waiver for purposes of 29 U.S.C. § 216(b).”

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1 **7. MOTION FOR PRELIMINARY APPROVAL**

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

5 Plaintiffs’ Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents
6 necessary for obtaining Preliminary Approval, including: (i) a draft of the notice and
7 memorandum in support of the Motion for Preliminary Approval that includes an analysis of the
8 Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor
9 Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and
10 Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from
11 the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting
12 to its willingness to serve; competency; operative procedures for protecting the security of Class
13 Data; amounts of insurance coverage for any data breach, defalcation of funds or other
14 misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members;
15 and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense
16 Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve
17 and disclosing all facts relevant to any actual or potential conflicts of interest with Class
18 Members, and/or the Administrator; (vi) a signed declaration from each Class Counsel firm
19 attesting to its competency to represent the Class Members; its timely transmission to the LWDA
20 of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd.
21 (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code
22 section 2699, subd. (l)(2)); (vii) a redlined version of the Parties’ Agreement showing all
23 modifications made to the Model Agreement ready for filing with the Court; and (viii) all facts
24 relevant to any actual or potential conflict of interest with Class Members and the Administrator.
25 In their Declarations, Plaintiffs and Class Counsel shall aver that they are not aware of any other
26 pending matter or action asserting claims that will be extinguished or adversely affected by the
27 Settlement.

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1 7.1. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible
2 for expeditiously finalizing and Plaintiffs' Counsel filing the Motion for Preliminary Approval
3 after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for
4 Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for
5 Preliminary Approval. Class Counsel are responsible for delivering the Court's Preliminary
6 Approval to the Administrator.

7 7.2. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
8 Preliminary Approval and/or the supporting declarations and documents, Class Counsel and
9 Defense Counsel will expeditiously work together on behalf of the Parties by meeting and
10 conferring, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary
11 Approval or conditions Preliminary Approval on any material change to this Agreement, Class
12 Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by
13 meeting and conferring, and in good faith, to modify the Agreement and otherwise satisfy the
14 Court's concerns.

15 **8. SETTLEMENT ADMINISTRATION**

16 8.1. Selection of Administrator. The Parties have jointly selected Phoenix to serve as the
17 Administrator and verified that, as a condition of appointment, Phoenix agrees to be bound by
18 this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange
19 for payment of Administration Expenses. The Parties and their Counsel represent that they have
20 no interest or relationship, financial or otherwise, with the Administrator other than a professional
21 relationship arising out of prior experiences administering settlements.

22 8.2. Employer Identification Number. The Administrator shall have and use its own Employer
23 Identification Number for purposes of calculating payroll tax withholdings and providing reports
24 to state and federal tax authorities.

25 8.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets
26 the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section
27 468B-1.

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1 8.4. Notice to Class Members

2 8.4.1. No later than 3 calendar days after receipt of the Class Data, the Administrator
3 shall notify Class Counsel that the list has been received and state the number of Class
4 Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

5 8.4.2. Using best efforts to perform as soon as possible, and in no event later than 14
6 calendar days after receiving the Class Data, the Administrator will send to all Class
7 Members identified in the Class Data, via first-class United States Postal Service
8 (“USPS”) mail, the Class Notice with Spanish translation, substantially the same as the
9 form attached to this Agreement as Exhibit A. The first page of the Class Notice shall
10 prominently estimate the dollar amounts of any Individual Class Payment and/or Individual
11 PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA
12 Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices,
13 the Administrator shall update Class Member addresses using the National Change of
14 Address database.

15 8.4.3. Not later than 3 business days after the Administrator’s receipt of any Class Notice
16 returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice
17 using any forwarding address provided by the USPS. If the USPS does not provide a
18 forwarding address, the Administrator shall conduct a Class Member Address Search,
19 and re-mail the Class Notice to the most current address obtained. The Administrator
20 has no obligation to make further attempts to locate or send Class Notice to Class
21 Members whose Class Notice is returned by the USPS a second time.

22 8.4.4. The deadlines for Class Members’ written objections, Challenges to Workweeks
23 and/or Pay Periods, and Requests for Exclusion will be extended an additional 15 days
24 beyond the 45 days otherwise provided in the Class Notice for all Class Members whose
25 notice is re-mailed. The Administrator will inform the Class Member of the extended
26 deadline with the re-mailed Class Notice.

27 8.4.5. If the Administrator, Defense Counsel or Class Counsel is contacted by or
28 otherwise discovers any persons who believe they should have been included in the

1 Class Data and should have received Class Notice, the Parties will expeditiously meet
2 and confer, and in good faith to agree on whether to include them as Class Members. If
3 the Parties agree, such persons will be Class Members entitled to the same rights as other
4 Class Members, and the Administrator will send, via email or overnight delivery, a Class
5 Notice requiring them to exercise options under this Agreement not later than 15 days
6 after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are
7 later.

8 **8.5. Requests for Exclusion (Opt-Outs).**

9 8.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement
10 must send the Administrator, by fax, email, or mail, a signed written Request for
11 Exclusion not later than 45 days after the Administrator mails the Class Notice (plus an
12 additional 15 days for Class Members whose Class Notice is re-mailed). A Request for
13 Exclusion is a letter from a Class Member or his/her representative that reasonably
14 communicates the Class Member's election to be excluded from the Settlement and
15 includes the Class Member's name, address, signature, and email address or telephone
16 number. To be valid, a Request for Exclusion must be timely faxed, emailed, or
17 postmarked by the Response Deadline. Aggrieved Employees are prohibited from
18 requesting exclusion from the Released PAGA Claims.

19 8.5.2. The Administrator may not reject a Request for Exclusion as invalid because it
20 fails to contain all the information specified in the Class Notice. The Administrator shall
21 accept any Request for Exclusion as valid if the Administrator can reasonably ascertain
22 the identity of the person as a Class Member and the Class Member's desire to be
23 excluded. The Administrator's determination shall be final and not appealable or
24 otherwise susceptible to challenge. If the Administrator has reason to question the
25 authenticity of a Request for Exclusion, the Administrator may demand additional proof
26 of the Class Member's identity. The Administrator's determination of authenticity shall
27 be final and not appealable or otherwise susceptible to challenge.

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1 8.5.3. Every Class Member who does not submit a timely and valid Request for
2 Exclusion is deemed to be a Participating Class Member under this Agreement, entitled
3 to all benefits and bound by all terms and conditions of the Settlement, including the
4 Participating Class Members' Releases under Paragraphs 6.2 and 6.3 of this Agreement,
5 regardless of whether the Participating Class Member actually receives the Class Notice
6 or objects to the Settlement.

7 8.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a
8 Non-Participating Class Member and shall not receive an Individual Class Payment or
9 have the right to object to the class action components of the Settlement. Because future
10 PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-
11 Participating Class Members who are Aggrieved Employees are deemed to release the
12 claims identified in Paragraph 6.4 of this Agreement and are eligible for an Individual
13 PAGA Payment.

14 8.6. Challenges to Calculation of Workweeks. Each Class Member shall have 45 days after
15 the Administrator mails the Class Notice (plus an additional 15 days for Class Members whose
16 Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods
17 (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the
18 allocation by communicating with the Administrator via fax, email or mail. The Administrator
19 must encourage the challenging Class Member to submit supporting documentation. In the
20 absence of any contrary documentation, the Administrator is entitled to presume that the
21 Workweeks contained in the Class Notice are correct so long as they are consistent with the Class
22 Data. The Administrator's determination of each Class Member's allocation of Workweeks
23 and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The
24 Administrator shall promptly provide copies of all challenges to calculation of Workweeks
25 and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination
26 the challenges.

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8.7. Objections to Settlement

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

8.7.2. Participating Class Members may send written objections to the Administrator by fax, email or mail. Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional 15 days for Class Members whose Class Notice was re-mailed).

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

8.7.4. Aggrieved Employees are not permitted to object to any of the PAGA components of the Settlement. Aggrieved Employees also do not have the right to seek intervention in the Actions in light of *Turrieta v. Lyft, Inc.* (2024) 16 Cal. 5th 664.

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

8.8.1. Email Address and Toll-Free Number. The Administrator will maintain and monitor an email address and a toll-free telephone number to receive Class Member calls and emails.

8.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests

1 for Exclusion; and (c) copies of all Requests for Exclusion from Settlement submitted
2 (whether valid or invalid).

3 8.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written
4 reports to Class Counsel and Defense Counsel that, among other things, tally the number
5 of: (1) Class Notices mailed or re-mailed, (2) Class Notices returned undelivered, (3)
6 Requests for Exclusion (whether valid or invalid) received, (4) objections received, (5)
7 challenges to Workweeks and/or Pay Periods received and/or resolved, and (6) checks
8 mailed for Individual Class Payments and Individual PAGA Payments (“Weekly
9 Report”). The Weekly Reports must include or provide the Administrator’s assessment
10 of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion
11 and objections received.

12 8.8.4. Workweek and/or Pay Period Challenges. The Administrator has the authority to
13 address and make final decisions consistent with the terms of this Agreement on all
14 Class Member challenges over the calculation of Workweeks and/or Pay Periods. The
15 Administrator’s decision shall be final and not appealable or otherwise susceptible to
16 challenge.

17 8.8.5. Administrator’s Declaration. Not later than 14 days before the date by which
18 Plaintiffs are required to file the Motion for Final Approval of the Settlement, the
19 Administrator will provide to Class Counsel and Defense Counsel, a signed declaration
20 suitable for filing in Court attesting to its due diligence and compliance with all of its
21 obligations under this Agreement, including, but not limited to, its mailing of Class
22 Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices,
23 attempts to locate Class Members, the total number of Requests for Exclusion from
24 Settlement it received (both valid or invalid), the number of written objections and
25 attach the Exclusion List. The Administrator will supplement its declaration as needed
26 or requested by the Parties and/or the Court. Class Counsel are responsible for filing the
27 Administrator’s declaration(s) in Court.

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1 8.8.6. Final Report by Settlement Administrator. Within 10 days after the Administrator
2 disburses all funds in the Gross Settlement Amount, the Administrator will provide
3 Class Counsel and Defense Counsel with a final report detailing its disbursements by
4 employee identification number only of all payments made under this Agreement. At
5 least 7 days before any deadline set by the Court, the Administrator will prepare, and
6 submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in
7 Court attesting to its disbursement of all payments required under this Agreement. Class
8 Counsel is responsible for filing the Administrator's declaration in Court.

9 **9. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE**

10 9.1. Increase in Workweeks. Based on its records, Defendants represent that, as of the date of
11 the mediation, Class Members collectively worked a total of 190,545 Workweeks during the
12 Class Period. In the event the actual total number of Workweeks worked by Class Members
13 exceeds 190,545 by more than 10% (i.e., if the actual Workweeks are greater than 209,600), then:
14 (1) the Gross Settlement Amount shall be increased proportionately for each additional week
15 worked above 209,600 Workweeks; or (2) Defendants can choose to end the Class Period on the
16 date the number of Workweeks reaches 209,600 workweeks (190,545 plus 10%), at Defendants'
17 sole discretion. Thus, for example, should there be 211,505 Workweeks (i.e. 11% greater than
18 190,545) in the Class Period, and Defendants elect option (1), then the Maximum Settlement
19 Amount shall be increased by 1% from \$2,858,175.00 to 2,886,756.75.

20 **10. DEFENDANTS' RIGHT TO WITHDRAW**

21 10.1. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5%
22 of the total of all Class Members and/or if the combined Workweeks worked by Class Members
23 who timely exclude themselves amounts to more than 5% of the total Workweeks worked by all
24 Class Members, Defendants may, but are not obligated to, elect to withdraw from the Settlement.
25 The Parties agree that, if Defendants withdraw, the Settlement shall be void ab initio, have no
26 force or effect whatsoever, and that neither Party will have any further obligation to perform under
27 this Agreement; provided, however, Defendants will remain responsible for paying all Settlement
28 Administration Expenses incurred to that point. Defendants must notify Class Counsel and the

1 Court of their election to withdraw not later than fourteen (14) calendar days after the expiration
2 of the opt-out period.

3 **11. MOTION FOR FINAL APPROVAL**

4 Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will
5 file in Court, a motion for final approval of the Settlement that includes a request for approval of
6 the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order
7 and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiffs shall provide
8 drafts of these documents to Defense Counsel no later than 3 business days prior to filing the
9 Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and
10 confer, and in good faith, to resolve any disagreements concerning the Motion for Final
11 Approval.

12 11.1. Response to Objections. Each Party retains the right to respond to any objection raised by
13 a Participating Class Member, including the right to file responsive documents in Court no later
14 than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the
15 Court.

16 11.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final
17 Approval on any material change to the Settlement (including, but not limited to, the scope of
18 release to be granted by Class Members), the Parties will expeditiously work together in good
19 faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final
20 Approval. The Court’s decision to award less than the amounts requested for the Class
21 Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation
22 Expenses Payment and/or Administrator Expenses Payment shall not constitute a material
23 modification to the Agreement within the meaning of this paragraph.

24 11.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
25 Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of
26 (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters,
27 and (iii) addressing such post-Judgment matters as are permitted by law.

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

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

12. AMENDED JUDGMENT

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

13. ADDITIONAL PROVISIONS

13.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants

1 that any of the allegations in the Operative Complaint have merit or that Defendants has any
2 liability for any claims asserted; nor should it be intended or construed as an admission by
3 Plaintiffs that Defendants' defenses in the Actions have merit. The Parties agree that class
4 certification and representative treatment is for purposes of this Settlement only. If, for any reason
5 the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendants
6 reserve the right to contest certification of any class for any reasons, and Defendants reserve all
7 available defenses to the claims in the Actions, and Plaintiffs reserve the right to move for class
8 certification on any grounds available and to contest Defendants' defenses. The Settlement, this
9 Agreement and Parties' willingness to settle the Actions will have no bearing on, and will not be
10 admissible in connection with, any litigation (except for proceedings to enforce or effectuate the
11 Settlement and this Agreement).

12 13.2. Confidentiality Prior to Preliminary Approval. Prior to the Motion for Preliminary
13 Approval being filed, Plaintiffs and Class Counsel will not make any public disclosures of any
14 kind regarding the Settlement, including but not limited to postings on Class Counsel's website
15 and postings on any social media sites/outlets that identifies Defendants. Class Counsel will not
16 include or use the Settlement for any marketing or promotional purposes that identifies
17 Defendants, or for attempting to influence Defendants' business relationships, either before or
18 after the motion for preliminary approval is filed. Following preliminary approval of the
19 Settlement, Plaintiffs and Class Counsel will not initiate any communications with the media or
20 third parties. If contacted by the media or third parties (except for Class Members), Plaintiffs
21 and Class Counsel will only discuss information publicly available. Class Counsel further agree
22 not to use the Settlement or any of its terms for any marketing or promotional purposes that
23 identifies Defendants. Furthermore, nothing herein shall restrict Class Counsel's ability to
24 communicate with Class Members nor using this settlement for purposes of adequacy as Class
25 Counsel.

26 Nothing in this Agreement requires Plaintiffs to relinquish or forgo any claims, charges,
27 complaints, or similar activity against Defendants protected under whistleblower statutes,
28 including, but not limited to, the Sarbanes-Oxley Act and the Dodd-Frank Act. Furthermore,

1 Plaintiffs understand that nothing in this Agreement limits their ability to communicate with any
2 government agencies or otherwise participate in or fully cooperate with any investigation or
3 proceeding that may be conducted by any government agency.

4 Plaintiffs understand and acknowledge that they are not prohibited or in any way restricted from
5 reporting possible violations of law to a governmental agency or entity, nor are they required to
6 represent that they have not reported any such possible violations of law to a governmental
7 agency or entity, and they are not required to inform the Defendants if they made or will make
8 such reports.

9 Notwithstanding any confidentiality agreement or provision, nothing in this Agreement prohibits
10 or limits Plaintiffs or their counsel from initiating communications directly with, responding to
11 any inquiry from, volunteering information to, or providing testimony before any government
12 agency, including but not limited to the Securities and Exchange Commission, in connection with
13 any reporting of, investigation into, or proceeding regarding potential violations of law. Nothing
14 in this Agreement is intended to cause Plaintiffs to inform or notify Defendants of their
15 participation in any governmental whistleblower activity or program.

16 This Section does not in any way restrict or impede Plaintiffs from exercising protected rights,
17 including rights under the National Labor Relations Act and the right to file unlawful labor
18 practice (ULP) charges or participate, assist, or cooperate in ULP investigations, and rights under
19 the federal securities laws, including the right to report possible securities law violations to the
20 SEC, without notice to Defendants. This Section also does not prevent Plaintiffs from complying
21 with any applicable law or regulation or a valid order of a court of competent jurisdiction or an
22 authorized government agency, provided that such compliance does not exceed that required by
23 the law, regulation, or order.

24 13.3. No Solicitation. The Parties separately agree that they and their respective counsel and
25 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal
26 from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's
27 ability to communicate with Class Members in accordance with Class Counsel's ethical
28 obligations owed to Class Members.

1 13.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
2 together with its attached exhibits shall constitute the entire agreement between the Parties
3 relating to the Settlement, superseding any and all oral representations, warranties, covenants, or
4 inducements made to or by any Party.

5 13.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
6 represent that they are authorized by Plaintiffs and Defendants, respectively, to take all
7 appropriate action required or permitted to be taken by such Parties pursuant to this Agreement
8 to effectuate its terms, and to execute any other documents reasonably required to effectuate the
9 terms of this Agreement including any amendments to this Agreement.

10 13.6. Cooperation. The Parties and their counsel will cooperate with each other and use their
11 best efforts, in good faith, to implement the Settlement by, among other things, modifying the
12 Settlement Agreement, submitting supplemental evidence and supplementing points and
13 authorities as requested by the Court. In the event the Parties are unable to agree upon the form
14 or content of any document necessary to implement the Settlement, or on any modification of the
15 Agreement that may become necessary to implement the Settlement, the Parties will seek the
16 assistance of a mediator and/or the Court for resolution.

17 13.7. No Prior Assignments. The Parties separately represent and warrant that they have not
18 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
19 encumber to any person or entity any portion of any liability, claim, demand, action, cause of
20 action, or right released and discharged by the Party in this Settlement.

21 13.8. No Tax Advice. Neither Plaintiffs, Class Counsel, Defendants nor Defense Counsel are
22 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied
23 upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR
24 Part 10, as amended) or otherwise.

25 13.9. Modification of Agreement. This Agreement, and all parts of it, may be amended,
26 modified, changed, or waived only by an express written instrument signed by all Parties or their
27 representatives, and approved by the Court.

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

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

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

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

13.14. Use of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152 or Rule 408 of the Federal Rules of Evidence, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court.

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

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

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

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1 13.18. Execution in Counterparts. This Agreement may be executed in one or more counterparts
2 by facsimile, electronically (i.e., DocuSign), or email which for purposes of this Agreement shall
3 be accepted as an original. All executed counterparts and each of them will be deemed to be one
4 and the same instrument if counsel for the Parties exchange between themselves signed
5 counterparts. Any executed counterpart will be admissible in evidence to prove the existence and
6 contents of this Agreement.

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

12 13.20. Severability. In the event that one or more of the provisions contained in this Agreement
13 shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity,
14 illegality, or unenforceability shall in no way effect any other provision if Defendants' Counsel
15 and Class Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing
16 to proceed as if such invalid, illegal, or unenforceable provision had never been included in this
17 Agreement.

18 **IT IS SO AGREED:**

19 Dated: 02/21/2025


Patricia J Ryan (Feb 21, 2025 19:42 PST)

PATRICIA RYAN
Plaintiff and Class Representative

22 Dated: _____

KEVIN FLEMING
Plaintiff and Class Representative

25 Dated: 03/04/2025



MISSION TREATMENT SERVICES, INC.,
Defendant

By: Daniel Hymas

Its: Regional Vice President

13.18. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

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

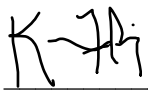
13.20. Severability. In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Defendants' Counsel and Class Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

IT IS SO AGREED:

Dated: _____

PATRICIA RYAN
Plaintiff and Class Representative

Dated: 02/27/2025



KEVIN FLEMING
Plaintiff and Class Representative

Dated: _____

MISSION TREATMENT SERVICES, INC.,
Defendant

By: _____

Its: _____

1 Dated: 3/4/2025 | 11:01:46 AM CST

Signed by:
Brian P. Farley
1C4258F818A7426

ACADIA HEALTHCARE COMPANY,
INC., Defendant

By: Brian P. Farley

Its: Vice President & Secretary

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6 Dated:

CALIFORNIA TREATMENT SERVICES,
LLC, Defendant

By:

Its:

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9 **AGREED AS TO FORM:**

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12 Dated: February 28, 2025

Vedang J. Patel

DAVID D. BIBIYAN

VEDANG J. PATEL

Attorneys for Plaintiff PATRICIA RYAN and
all others similarly situated and aggrieved

13
14
15
16
17 Dated:

BRIAN S. KABATECK

SHANT A. KARNIKIAN

ANASTASIA K. MAZZELLA

Attorneys for Plaintiff KEVIN FLEMING and
all others similarly situated and aggrieved

18
19
20
21
22
23 Dated:

KEVIN D. REESE

MICHAEL D. THOMAS

BUCK N. HADDIX

Attorneys for Defendants MISSION
TREATMENT SERVICES, INC., ACADIA
HEALTHCARE COMPANY, INC., and
CALIFORNIA TREATMENT SERVICES,
LLC

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Dated: _____

ACADIA HEALTHCARE COMPANY,
INC., Defendant

By: _____

Its: _____

Dated: 03/04/2025



CALIFORNIA TREATMENT SERVICES,
LLC, Defendant

By: Daniel Hymas

Its: Regional Vice President

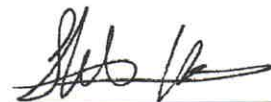
AGREED AS TO FORM:

Dated: _____

DAVID D. BIBIYAN
VEDANG J. PATEL

Attorneys for Plaintiff PATRICIA RYAN and
all others similarly situated and aggrieved

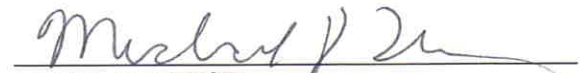
Dated: 2/28/2025



BRIAN S. KABATECK
SHANT A. KARNIKIAN
ANASTASIA K. MAZZELLA

Attorneys for Plaintiff KEVIN FLEMING and
all others similarly situated and aggrieved

Dated: 3/5/2025



KEVIN D. REESE
MICHAEL D. THOMAS
BUCK N. HADDIX

Attorneys for Defendants MISSION
TREATMENT SERVICES, INC., ACADIA
HEALTHCARE COMPANY, INC., and
CALIFORNIA TREATMENT SERVICES,
LLC