

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

2 This Joint Stipulation of Class Action and PAGA Settlement (“Settlement”) is made and entered
3 into between Plaintiffs Rochelle Ketchum and Latrease Jackson (“Plaintiffs”), on behalf of themselves
4 and all others similarly situated, and as a proxy/agent for the State of California and the California Labor
5 Workforce Development Agency (“LWDA”) to the extent permitted by law, on the one hand; and
6 Defendant Alegria Community Living (“Defendant”), on the other hand, (collectively, the “Parties”). If
7 approved by the Court, this Settlement provides for all benefits, rights, and obligations of the Parties for
8 resolving this matter.

9 **1. DEFINITIONS.**

10 The following terms, when used in Settlement, have the following meanings:

11 1.1 “Action” or “Instant Action” means the civil actions titled *Rochelle Ketchum, Latrease*
12 *Jackson, individually, and on behalf of other members of the general public similarly situated v. Alegria*
13 *Community Living, a California corporation; and Does 1 through 100, inclusive, Alameda Superior*
14 *Court, Case No. 22CV013890, consolidated with Rochelle Ketchum, individually, and on behalf of other*
15 *aggrieved employees pursuant to the California Private Attorneys General Act v. Alegria Community*
16 *Living, a California corporation; and Does 1 through 100, inclusive, Alameda Superior Court, Case*
17 *No. 22CV013889.*

18 1.2 “Agreement,” “Settlement,” “Settlement Agreement,” or “Stipulation” means this Joint
19 Stipulation of Class Action and PAGA Settlement.

20 1.3 “Class” means all current and former hourly-paid or non-exempt employees who worked
21 for Defendant within the State of California at any time during the period from July 6, 2018 through the
22 date the Court grants Preliminary Approval of this settlement and who reside in California. The Class is
23 estimated to consist of 242 persons with an estimated 24,131 workweeks. If the actual number of
24 workweeks for all class members from July 6, 2018 to December 1, 2023 should exceed the Certified
25 Workweek Amount by more than five percent (5%), the Maximum Settlement Amount shall be
26 increased by the percentage difference between the Certified Workweek Amount and the actual number
27 of workweeks that accrued for all class members from July 6, 2018 to December 1, 2023).

28 1.4 “Class Counsel” means Graham B. LippSmith, MaryBeth LippSmith, Celene Chan

Andrews, and Jaclyn L. Anderson of LippSmith LLP and Arby Aiwarzian, Joanna Ghosh, and Brian St. John of Lawyers *for* Justice.

1.5 “Class Member” means each person eligible to participate in this Settlement who is an individual belonging to the Class (as defined in Paragraph 1.3) and has not agreed to a general release of claims against Defendant.

1.6 “Class Period” means July 6, 2018 through the date the Court grants Preliminary Approval of this settlement.

1.7 “Class Representatives” means Plaintiffs Rochelle Ketchum and Latrease Jackson. Plaintiff Rochelle Ketchum brings this Action on behalf of herself and other aggrieved employees pursuant to the California Private Attorney General Act as a representative of the State of California Labor and Workforce Development Agency (“LWDA”).

1.8 “Class Representatives’ Released Claims” means all claims, obligations, demands, actions, rights, causes of action, and liabilities against the Releasees (as defined in Paragraph 1.28), based on the facts as set forth in the First Amended Complaint filed on May 2, 2023, whether in law or equity, whether sounding in tort, contract, federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, whether known or unknown, and whether anticipated or unanticipated, including unknown claims covered by Civil Code § 1542 (as quoted in Paragraph 4.12.3) by the Class Representatives, arising during the period from the beginning of the Class Representatives’s dates of employment with Defendant to the date on which the Court enters an order granting final approval of this Settlement, for any type of relief, including, without limitation, claims for wages, business expenses, damages, unpaid costs, penalties (including civil and waiting time penalties), liquidated damages, punitive damages, interest, attorneys’ fees, litigation costs, restitution, or equitable relief with the sole exception of any claims which cannot be released as a matter of law. The Class Representatives’s Released Claims include, but are not limited to, the Released Claims (as defined in Paragraph 1.27) as well as any other claims under any provision of the Fair Labor Standards Act, any provision of the California Labor Code or any applicable California Industrial Welfare Commission Wage Orders, and claims under state or federal discrimination statutes, including, without limitation, the California Fair Employment and Housing Act, California Government Code § 12940 *et seq.*; the

Unruh Civil Rights Act, California Civil Code § 51 *et seq.*; the California Constitution; Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000 *et seq.*; the Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq.*; California’s PAGA (Cal. Labor Code § 2698, *et seq.*), Cal. Bus. and Prof. Code § 17200 *et seq.*; the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 *et seq.*; any IWI California Wage Orders and California Code of Regulations, Title 8, section 11000, *et seq.*, and/or any other federal, state or local human rights, civil rights, wage-hour, pension or labor law, rule, statute, regulation, constitution or ordinance and/or public policy, contract or tort law, or any claim of retaliation under such laws, or any claim of breach of any contract (whether express, oral, written or implied from any source), or any claim of intentional or negligent infliction of emotional distress, tortious interference with contractual relations, wrongful or abusive or constructive discharge, defamation, prima facie tort, fraud, negligence, loss of consortium, malpractice, breach of duty of care, breach of fiduciary duty; and all of their implementing regulations and interpretive guidelines. However, nothing in this General Release shall prohibit or restrict Plaintiffs from:

- (i) providing information to, or otherwise assisting in, an investigation by Congress, the Equal Employment Opportunity Commission or the NLRB, the Securities and Exchange Commission (“SEC”) or any other federal regulatory or law enforcement agency or self-regulatory organization (“SRO”);
- (ii) testifying, participating, or otherwise assisting in a proceeding relating to an alleged violation of any federal law relating to fraud or any rule or regulation of the SEC or any SRO; or
- (iii) complying with a lawful subpoena or other legal process, subject to the terms of this Stipulation, including but not limited to the confidentiality provisions herein, and subject to the condition that Plaintiffs agree not to seek, or in any way obtain or accept, any monetary award, recovery or settlement therefrom and agrees that they understand that such limitation does not in any way restrict their ability to file and pursue such charge consistent with the confidentiality obligations set forth in this Stipulation; and further provided, however, that Plaintiffs do not waive any rights with respect to, or release Defendant from,

any claim:

- a. for California Workers' Compensation benefits (except that Plaintiffs hereby release and waive any claims that, as a result of their termination, they are entitled to additional benefits or payments);
- b. for unemployment compensation benefits;
- c. that cannot be released by private contract; or
- d. for breach of the terms of the Stipulation between Plaintiffs and Defendant.

1.9 "Complaint" means the operative complaint, which is the First Amended Complaint for damages and injunctive relief filed with this Court on May 2, 2023.

1.10 "Court" means the California Superior Court for the County of Alameda.

1.11 "Response Deadline" shall mean forty-five (45) calendar days from the initial mailing of the Notice to Class Members.

1.12 "Defendant" means Alegria Community Living, a California corporation.

1.13 "Defense Counsel" means Kathryn T. McGuigan and Kayla K. Cox of Morgan, Lewis & Bockius LLP.

1.14 "Effective Date" means the latest of the following: (a) the Court's grant of final approval of this Settlement if no objections by or on behalf of members of the Settlement Class have been filed or such objections have been withdrawn or otherwise settled between the parties; (b) the time for appeal has expired if an objection has been filed and no appeal was filed or it was withdrawn; or (c) the final resolution of any appeal that has been filed and this Settlement has not been wholly vacated.

1.15 "Service Payment" means the amount approved by the Court to be paid to the Plaintiffs, not to exceed \$5,000.00 each for a total of up to \$10,000.00, for the time and work they performed in this Action. The Service Payment amount shall be separate from and in addition to the Class Representatives' Individual Payment Amount as a Settlement Class Member and Plaintiffs' share of the PAGA Penalty Payment distributed to PAGA aggrieved employees. The Service Payment shall be considered non-wages, for which an appropriate IRS Form 1099 will be issued to the Plaintiffs.

1.16 "Final Approval and Fairness Hearing" means the hearing set by the Court to (a) review

1 the Settlement and determine whether the Court should give final approval to this Settlement,
2 (b) consider any timely objections made pursuant to Paragraph 4.6.4 of this Settlement, and all responses
3 by the Parties, (c) consider the request for Class Counsel's Fee and Costs Award, (d) consider the
4 Settlement Administrator's costs, and (e) consider the Plaintiffs' application for a Service Payment.

5 1.17 "Final Judgment" shall mean the Order Granting Final Approval of the Settlement and
6 Judgment entered by the Court, and substantially in the form attached hereto as **Exhibit 1**.

7 1.18 "Fee and Costs Award" shall mean Class Counsel's attorneys' fees and actual costs for
8 litigation and resolution of this Action, which shall be awarded by the Court upon Class Counsel's
9 motion/application for attorneys' fees and costs, and which shall be paid from the Maximum Settlement
10 Amount as defined in Paragraph 1.20.

11 1.19 "Individual Payment Amount" means an individual Class Member's potential allocation
12 of the Net Settlement Amount, as described in Paragraph 4.2.2.

13 1.20 "Maximum Settlement Amount" refers to the maximum total payment Defendant shall
14 be obligated to make in the amount of \$710,000.00 pursuant to this Settlement. The Maximum
15 Settlement Amount shall include (a) attorneys' fees of up to \$248,500.00; (b) Plaintiffs' reasonable
16 litigation costs and expenses up to \$16,500.00; (c) reasonable third party administration costs; (d) a
17 PAGA Penalty Payment of \$80,000.00, of which \$60,000.00 will be paid to the Labor Workforce
18 Development Agency, representing 75% of PAGA civil penalties, with the remaining 25%, \$20,000.00
19 to be distributed among the "PAGA aggrieved employees" ("PAGA aggrieved employees" are all
20 nonexempt in California employees at any time from May 2, 2022 to the date of preliminary approval
21 ("PAGA Period"), even if the employee opts out of the class settlement); (e) a Service Payment not to
22 exceed \$5,000.00 for each Plaintiff for a total of up to \$10,000.00; and (f) the Net Settlement Amount
23 as described in Paragraph 1.21. Defendant's share of any employer-payroll taxes attributed to Individual
24 Payment Amounts shall be paid separately and in addition to the Maximum Settlement Amount and
25 shall be determined by the Settlement Administrator.

26 1.21 "Net Settlement Amount" is the remaining portion of the Maximum Settlement Amount
27 after deduction of the court-approved attorneys' fees and costs, including any attorney liens, Settlement
28 Administration Costs, the payment to the Labor Workforce Development Agency in the amount of

1 \$60,000 (representing 75% of the PAGA Penalty Payment), and the Service Payment. The Net
2 Settlement Amount (less applicable withholdings attributed to the portion of Individual Payment
3 Amounts designated as wages) will be distributed to Settlement Class Members and the PAGA
4 aggrieved employees.

5 1.22 “Notice” or “Notice of Settlement” means the document substantially in the form
6 attached hereto as **Exhibit 2**.

7 1.23 “Plaintiffs” are Rochelle Ketchum and Latrease Jackson.

8 1.24 “Preliminary Approval Date” means the date the Court approves this Settlement per this
9 Joint Stipulation, and the Exhibits thereto, and enters an Order providing for notice of settlement to the
10 Class, an opportunity to opt out of the Class, an opportunity to submit timely objections to the
11 Settlement, a procedure for disputing the number of workweeks, and setting a hearing on the fairness of
12 the terms of Settlement, including approval of Class Counsel’s attorneys’ fees and Class Counsel’s
13 litigation costs and the Plaintiffs’ Application for a Service Payment.

14 1.25 “Preliminary Approval Order” means the document substantially in the form attached
15 hereto as **Exhibit 3**.

16 1.26 “QSF” means the Qualified Settlement Fund set up by the Settlement Administrator for
17 the benefit of the Settlement Class Members and from which the Settlement payments shall be made.

18 1.27 “Released Claims” means all claims, demands, rights, liabilities, and causes of action
19 that were pled in any of the Complaints in the Action or could have been pled based on the facts
20 alleged in any of the Complaints in the Action, based on Defendant’s alleged (1) failure to pay all
21 overtime; (2) failure to provide proper meal periods, or premium pay for non-compliant meal periods;
22 (3) failure to authorize and permit rest periods, or premium pay for non-compliant rest periods;
23 (4) failure to pay minimum wages; (5) failure to pay all wages on termination of employment;
24 (6) failure to pay timely wages during employment; (7) failure to provide accurate wage statements;
25 (8) failure to maintain requisite payroll records; (9) unreimbursed business expenses pursuant to Labor
26 Code Sections 2800 and 2802; and (10) all claims for unfair business practices that could have been
27 premised on the facts, claims, causes of action or legal theories described above. The “Release of
28 Claims Period,” or the time period for which claims within the scope of this paragraph are released,

1 shall be from July 6, 2018 through the date of preliminary approval. Plaintiffs release all claims for
2 statutory penalties that could have been sought by the Labor Commissioner for the violations
3 identified in Plaintiffs' pre-filing letters to the LWDA; Plaintiffs do not release any aggrieved
4 employee's claim for wages or damages.

5 Any Class Member who receives a PAGA payment and who opts out of the Settlement is only
6 bound by the release of PAGA claims, which releases Releasees from all PAGA claims and claims for
7 PAGA penalties alleged in any iteration of the complaints filed by Plaintiffs, and any letters submitted
8 to the LWDA by Plaintiffs seeking authorization to pursue PAGA claims which occurred during the
9 PAGA Period ("PAGA Released Claims"). The PAGA Release Period shall be the PAGA Period. The
10 release as to the State of California and aggrieved employees only covers claims that arise under the
11 Private Attorneys General Act, and does not cover an aggrieved employee's individual Labor Code
12 claims. The release expressly excludes claims for vested benefits, wrongful termination,
13 unemployment insurance, disability, social security, workers' compensation, class claims, and PAGA
14 claims outside of the PAGA Period.

15 1.28 "Releasees" means Alegria Community Living, a California corporation, together with
16 its officers, directors, employees, and agents.

17 1.29 "Settlement Administration Costs" means the fees and expenses reasonably incurred by
18 the Settlement Administrator as a result of the procedures and processes expressly required by this
19 Stipulation and which are not to exceed \$9,000 of the Net Settlement Amount, regardless of whether
20 Final Approval is granted and Final Judgment is ordered, and shall include all costs of administering the
21 Settlement, including, but not limited to, all tax document preparation, custodial fees, and accounting
22 fees incurred by the Settlement Administrator; all costs and fees associated with preparing, issuing and
23 mailing any and all Notices of Settlement and other settlement correspondence to Class Members and/or
24 Settlement Class Members; all costs and fees associated with communicating with Class Members,
25 Class Counsel, and Defense Counsel regarding settlement; all costs and fees associated with computing,
26 processing, reviewing, and paying the Individual Payment Amounts, and resolving disputed claims; all
27 costs and fees associated with calculating tax withholdings and payroll taxes, making related payment
28 to federal and state tax authorities, and issuing tax forms relating to payments made under the

1 Settlement; all costs and fees associated with preparing any tax returns and any other filings required by
2 any governmental taxing authority or agency; all costs and fees associated with preparing any other
3 notices, reports, or filings to be prepared in the course of administering Individual Payment Amounts;
4 and any other reasonable costs and fees incurred and/or charged by the Settlement Administrator in
5 connection with the execution of its duties under this Stipulation. In the event that the Court does not
6 grant final approval of this Settlement and does not enter final judgment thereon, the Parties agree to
7 share all Settlement Administration Costs incurred to date on a 50/50 basis.

8 1.30 “Settlement Administrator” means and refers to Simpluris Inc., the entity that will be
9 responsible for the administration of the Settlement and related matters as described in this Settlement.

10 1.31 “Settlement Class Member” means any and all Class Members who have not timely
11 submitted a valid request for exclusion, as set forth in Paragraph 4.6.3.

12 1.32 “Settlement Proceeds” means the Maximum Settlement Amount.

13 **2. DESCRIPTION OF THE LITIGATION**

14 This Stipulation and all associated exhibits or attachments are made for the sole purpose of
15 settling the Action. This Stipulation and the Settlement it evidences are made in compromise of disputed
16 claims. The Settling Parties enter into this Stipulation on a conditional basis. In the event that the Court
17 does not enter the Final Approval Order and Judgment, or in the event that the associated Judgment does
18 not become a Final Judgment for any reason, this Stipulation (except for those provisions relating to
19 non-admissibility and non-admission of liability and those provisions relating to the return of documents
20 and discovery) shall be deemed null and void *ab initio*, shall be of no force or effect whatsoever, and
21 shall not be referred to or utilized for any purpose whatsoever, including to support certification or
22 oppose decertification of any claim in any action. Further, the negotiation related to this Stipulation shall
23 remain strictly confidential and subject to the provisions of California Evidence Code Sections 1119
24 and any other analogous rules of evidence that might apply.

25 Defendant denies all claims as to liability, damages, penalties, interest, fees, restitution,
26 injunctive relief, and all other forms of relief, as well as the class and PAGA allegations asserted in the
27 Action. Defendant has agreed to resolve the Action via this Stipulation, but to the extent this Stipulation
28 is deemed void or the Effective Date does not occur, Defendant does not waive, but rather expressly

1 reserves, all rights to challenge all such claims and allegations in the Action upon all procedural and
2 factual grounds, including, without limitation, the ability to challenge class or representative action
3 treatment on any grounds, to move for dismissal of any or all claims, and to assert any and all other
4 potential defenses or privileges. Named Plaintiffs and Class Counsel agree that Defendant retains and
5 reserves these rights in the event the Court does not enter the Final Approval Order and Judgment and
6 they agree not to take a position to the contrary; specifically, named Plaintiffs and Class Counsel agree
7 not to argue or present any argument, and hereby waive any argument, that based on this Stipulation,
8 Defendant could not contest class certification on any grounds, seek decertification, move for dismissal
9 of any or all claims, and/or assert any and all other potential defenses and privileges if the Action were
10 to proceed.

11 Similarly, to the extent the Court does not enter the Final Approval Order and Judgment, this
12 Stipulation is otherwise deemed void, or the Effective Date does not occur, named Plaintiffs does not
13 waive, but rather expressly reserves, all rights to prosecute all such claims and allegations in the Action
14 on his own behalf and on behalf of the allegedly PAGA aggrieved employees and Class Members upon
15 all procedural and factual grounds, including through trial. Defendant agrees that named Plaintiffs, the
16 allegedly PAGA aggrieved employees, and the Class Members retain and reserve these rights and they
17 agree not to take a position to the contrary.

18 2.1 Plaintiffs are former non-exempt employee of Defendant, employed as Direct Support
19 Professionals. Defendant employed Plaintiff Ketchum from approximately October 2019 to
20 approximately May 2021 and Plaintiff Jackson from approximately October 2018 to approximately
21 September 2019 and from approximately January 2021 to approximately April 2021.

22 2.2 On July 6, 2022, Plaintiff Ketchum filed a class action complaint against Defendant
23 summarized as follows: (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime);
24 (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (3)
25 Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums); (4) Violation of California
26 Labor Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (5) Violation of California Labor
27 Code §§ 201 and 202 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 204
28 (Wages Not Timely Paid During Employment); (7) Violation of California Labor Code § 226(a) (Non-

1 Compliant Wage Statements); (8) Violation of California Labor Code § 1174(d) (Failure to Keep
2 Requisite Payroll Records); (9) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed
3 Business Expenses); and (10) Violation of California Labor Code §§ 17200, *et seq.* On July 6, 2022,
4 Plaintiff Ketchum also filed a complaint against Defendant for Enforcement Under the Private Attorneys
5 General Act for Violation of California Labor Code § 2698, *et seq.* (California Labor Code Private
6 Attorneys General Act of 2004). The two cases were consolidated by Joint Stipulation and Order dated
7 October 19, 2022.

8 2.3 On or around May 2, 2023, Plaintiff Ketchum filed an amended complaint to add
9 Latrease Jackson as a Class Representative against Defendant.

10 2.4 On May 2, 2023, Plaintiffs filed a first amended class action complaint summarized as
11 follows: (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of
12 California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (3) Violation of California
13 Labor Code § 226.7 (Unpaid Rest Period Premiums); (4) Violation of California Labor Code §§ 1194,
14 1197, and 1197.1 (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201 and 202
15 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 204 (Wages Not Timely Paid
16 During Employment); (7) Violation of California Labor Code § 226(a) (Non-Compliant Wage
17 Statements); (8) Violation of California Labor Code § 1174(d) (Failure to Keep Requisite Payroll
18 Records); (9) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses);
19 (10) Violation of California Labor Code §§ 17200, *et seq.*; and (11) Violation of California Labor Code
20 § 2698, *et seq.* (California Labor Code Private Attorneys General Act of 2004).

21 2.5 The parties engaged in informal discovery, including plaintiffs serving a request for data
22 to prepare for the mediation. The parties met and conferred with respect to data for the mediation.
23 Defendant shared data with Plaintiffs' counsel, which Plaintiffs used in their damages analysis.
24 Plaintiffs' damages calculations are based on review and analysis of the information and documents
25 produced by Defendant to date, as well as information provided by Plaintiffs via interviews and
26 Plaintiffs' counsel's independent research. Defendant informally produced, among other things, the
27 Plaintiffs' sample pay data, the Plaintiffs' sample time data, Defendant's relevant policies and
28 procedures pertaining to the claims raised in the Complaint, and Plaintiffs' personnel file (inclusive of

1 Plaintiffs' time and payroll records).

2 2.6 In or around October 2022, the Parties agreed to attend mediation. At that time, the
3 Parties scheduled mediation with Jeffrey Krivis on July 27, 2023, which was the first available date due
4 to the respective schedules of the mediator and of counsel. Ultimately, on August 29, 2023, the Parties
5 attended a mediation session with Mr. Krivis, an experienced class action mediator. At this mediation,
6 the Parties discussed Plaintiffs' claims, theories for class certification, and Defendant's defenses thereto.
7 The Parties also analyzed the potential exposure of Defendant on Plaintiffs' claims, Defendant's
8 potential liability for penalties and interest, as well as the potential risks associated with Defendant's
9 financial standing and its implications on any potential judgment. The mediation lasted the entire day,
10 but the parties did not reach an agreement that day. The Parties, both through Mr. Krivis and in
11 communications with counsel, continued to discuss potential resolution of this case subsequent to the
12 mediation, including requesting, receiving, and analyzing further data and production. On December 8,
13 2023, the Parties' negotiations resulted in the preparation of a Memorandum of Understanding
14 ("MOU"), which the Parties continued to work through and finalized on January 23, 2024. By February
15 5, 2024, all Parties and their counsel executed the MOU which set forth an agreement to resolve the
16 Action for Seven Hundred and Ten Thousand U.S. Dollars (\$710,000.00).

17 2.7 Class Counsel and Defense Counsel have thoroughly investigated the claims and facts
18 alleged in this Action and have made a thorough study of the legal principles applicable to the claims
19 asserted against Defendant. In response to informal discovery, Defendant has provided Class Counsel
20 with copies of critical policy documents relating to Plaintiffs' claims in this Action, as well as Plaintiffs'
21 time and payroll records and a sampling of such records for the Class.

22 2.8 Defense Counsel has explained to Class Counsel that it believes Defendant (1) has
23 substantial factual and legal defenses to the claims asserted in the Action, which render the outcome of
24 the Action substantially uncertain and (2) believes that class certification would not be granted. Class
25 Counsel has explained to Defense Counsel that it believes (1) certification would be proper,
26 (2) decertification will not happen, and that (3) Plaintiffs will at trial on all claims certified by the Court.
27 The proposed Settlement provides expeditious relief and benefits to Class Members (much sooner than
28 would be possible than if the Parties' disputed positions were to be litigated in continued and ongoing

litigation though trial and appeal).

2.9 Taking into account all relevant factors, present and potential, the Parties believe that this Settlement is a fair, adequate, and reasonable settlement of this Action and have arrived at this Settlement after extensive arms-length negotiations.

3. LIMITATION ON EFFECT OF SETTLEMENT

3.1 In the event that this Settlement is terminated or cancelled pursuant to its terms, the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of the Settlement.

3.2 This Settlement shall not constitute, in this or any other proceeding, an admission of any kind by Defendant, including without limitation, that certification of a class is appropriate or proper or that Plaintiffs could establish any of the requisite elements for class treatment of any of the claims in the Action. In the event that the Settlement is not finally approved, or the Settlement is otherwise terminated, Defendant expressly reserves all rights to challenge this Action and the propriety of class certification on all available grounds.

3.3 The Plaintiffs and Class Counsel agree that Defendant retains and reserves these rights, and agree not to argue or present any argument, and hereby waive any argument that, based on this Settlement, Defendant cannot challenge claims and allegations in the Action upon any grounds, including, without limitation, challenging class treatment or asserting any and all other potential defenses or privileges.

3.4 Defendant specifically and generally denies any and all liability or wrongdoing of any sort with regard to any of the claims alleged and makes no concessions or admissions of liability of any sort. Nonetheless, Defendant has concluded that further conduct of the Action would be undesirable, and Defendant wants the Action to be fully and finally settled in the manner and upon the terms and conditions set forth in this Settlement.

4. OPERATIVE TERMS OF SETTLEMENT

The Parties to this Action agree as follows:

4.1 The Parties will cooperate in obtaining an order from the Court approving the Settlement. The Parties agree to use their best efforts to expedite the preparation and submission of the Settlement

1 and related documents. The Parties further agree to fully cooperate in the drafting and/or filing of any
2 further documents or filings reasonably necessary to be prepared or filed, shall take all steps that may
3 be requested by the Court or that are otherwise necessary to the approval and implementation of this
4 Settlement, and shall otherwise use their respective best efforts to obtain Court approval of this
5 Settlement.

6 4.1.1 If this Stipulation is terminated or canceled pursuant to its terms, the Parties shall be
7 released from all remaining obligations under the terms of the Stipulation. In such an event, the Parties
8 agree to share all costs incurred from carrying out the terms of the Stipulation, prior to its termination
9 or cancellation, including but not limited to any Settlement Administration Costs on a 50/50 basis.

10 4.2 Allocation of the Net Settlement Amount.

11 4.2.1 All Settlement Class Members will receive their Individual Payment Amount without the
12 need to complete or submit claim forms.

13 4.2.2 Each Class Member's Individual Payment Amount shall be calculated by (i) dividing the
14 Settlement Class Member's total number of workweeks worked for Defendant in California during the
15 Class Period by the total number of workweeks worked by all Settlement Class Members for Defendant
16 during the Class Period, and (ii) multiplying that pro rata share by the allocated amount of the Net
17 Settlement Amount. Any workweeks during the Class Period in which a Settlement Class Member did
18 not actually work (for example, while on a leave of absence, *etc.*) are not included in calculating that
19 Settlement Class Member's Individual Payment Amount. The calculation of a Settlement Class
20 Member's total workweeks worked in California shall be construed from Defendant's records. Each
21 Settlement Class Member's Individual Payment Amount shall be distributed to that Settlement Class
22 Member, less applicable withholdings attributed to the portion of Individual Payment Amounts
23 designated as wages, as described in Paragraph 4.2.4(a).

24 Of the PAGA Penalty Payment of \$80,000.00, 25%, or \$20,000.00, will be distributed among
25 the PAGA aggrieved employees, even if the employee opts out of the class settlement. The PAGA
26 aggrieved employees' share of the \$20,000.00 of the PAGA Penalty Payment shall be calculated by
27 (i) dividing the aggrieved employee's total number of workweeks worked for Defendant in California
28 during the PAGA Period by the total number of workweeks worked by all aggrieved employees for

1 Defendant during the PAGA Period, and (ii) multiplying that pro rata share by the allocated amount of
2 the \$20,000.00. Any workweeks during the PAGA Period in which an aggrieved employee did not
3 actually work (for example, while on a leave of absence, *etc.*) are not included in calculating that
4 aggrieved employee's PAGA payment. The calculation of an aggrieved employee's total workweeks
5 worked in California shall be construed from Defendant's records. The amount payable to aggrieved
6 employees as set forth in this paragraph will be paid to all aggrieved employees employed during the
7 PAGA Period, including those who may opt out of the Settlement. Any Class Member who receives a
8 PAGA payment pursuant to this paragraph and who opts out of the Settlement is bound by the release
9 only as to claims arising under PAGA.

10 4.2.3 For each Class Member who submits a valid and timely request for exclusion, the
11 Settlement Administrator shall proportionally increase the payments to each participating Class Member
12 such that the total Settlement payout equals one hundred percent (100%) of the Net Settlement Amount.

13 4.2.4 The Parties recognize that the Individual Payment Amounts to be paid to Class Members
14 reflect settlement of a dispute over claimed wages, interest, penalties. All Individual Payment Amounts
15 to Settlement Class Members are allocated as follows:

16 (a) One third (33.33%) of the Individual Payment Amounts shall be allocated for payment
17 of disputed wages to Settlement Class Members. For this portion of the Individual Payment Amounts,
18 Settlement Class Members shall receive a W-2 form.

19 (b) Two thirds (66.67%) of the Individual Payment Amounts shall be allocated for disputed
20 penalties and interest. This portion of the Individual Payment Amounts consists of other income, not
21 wages, for which Settlement Class Members shall receive a 1099 form as and if required by law.

22 4.3 The Employer's Share of Payroll Taxes

23 4.3.1 The Settlement Administrator shall remit and report the applicable portions of the payroll
24 tax payment to the appropriate taxing authorities on a timely basis pursuant to its duties and undertakings
25 set forth in Paragraph 1.29. The employer's share of payroll taxes attributed to the Individual Payment
26 Amounts shall be paid separately and in addition to the Maximum Settlement Amount as set forth in
27 paragraph 1.21. The Settlement Administrator shall furnish its own Employer ID Number and calculate
28 all settlement checks and payroll deductions based on the information that will be provided by

1 Defendant. No taxes will be withheld from the aggrieved employee's share of the PAGA penalties.

2 4.3.2 Other than the withholding and reporting requirements set forth in Paragraphs 1.29 and
3 4.2.4, Settlement Class Members shall be solely responsible for the reporting and payment of their share
4 of any federal, state and/or municipal income or other taxes on payments made pursuant to this
5 Settlement. No party has made any representation to any of the other Parties as to the taxability of any
6 payments pursuant to this Settlement, including the payments to Class Members, the payments to Class
7 Counsel, the payment to the Plaintiffs, the payroll tax liability of Defendant, or the allocation of
8 Settlement proceeds to wage and non-wage income as provided in Paragraph 4.2.4, or otherwise as to
9 the tax implications of any provision of this Settlement.

10 4.4 Preliminary Approval

11 4.4.1 Plaintiffs will seek to obtain the Court's preliminary approval of the Settlement as
12 directed by the Court. Plaintiffs will submit this Settlement to the Court for preliminary approval of its
13 terms and for approval of the steps to be taken to obtain final approval of the Settlement. Plaintiffs will
14 request that the Court's preliminary approval of this Settlement be embodied in the Preliminary
15 Approval Order (as defined in Paragraph 1.25).

16 4.5 Notice to Class Members. The Settlement Administrator shall disseminate the Notice in
17 the manner described below, with the Settlement Administration Costs being paid from the Maximum
18 Settlement Amount.

19 4.5.1 No later than fourteen (14) days after the entry of the Preliminary Approval Order,
20 Defendant shall provide the Settlement Administrator with the following information for each Class
21 Member: name, last known mailing address, last known email address, last known telephone number,
22 social security number, and the total number of workweeks in California as a nonexempt employee
23 during the Class Period. No later than ten (10) calendar days after receipt of such Class Member
24 information, the Settlement Administrator will perform a national change of address ("NCOA") search,
25 update the addresses per the results of the NCOA search, and then mail the Notice (as defined in
26 Paragraph 1.22) to each Class Member by first-class mail, postage prepaid and electronic mail.

27 4.5.2 In the event that a Notice sent by mail is returned as undeliverable, the Settlement
28 Administrator will make reasonable efforts to obtain a valid mailing address by using the Social Security

1 number of the Class Member and standard skip tracing devices to conduct a search for a correct mailing
2 address and by contacting Class Counsel and Defense Counsel. Such efforts shall include conducting a
3 reasonable search for the correct address at a cost of up to \$1.25 per Class Member whose Notice is
4 returned as undeliverable and contacting Defendant for an updated address for current employees.
5 Following each search that results in a corrected address, the Settlement Administrator shall promptly
6 resend the Notice to the Class Member by first-class mail, postage prepaid. Following each search that
7 results in no corrected address, the Settlement Administrator shall resend the Notice to the Class
8 Member, postage prepaid, to the original address; only one (1) such re-mailing to the same address shall
9 ever occur, per address. The Settlement Administrator shall make one (1) attempt to re-mail the Notice
10 within five (5) calendar days from the date of the return of the Notice. In any event, such efforts must
11 be completed no less than fifteen (15) business days before the date of the Final Approval and Fairness
12 Hearing.

13 4.5.3 If Defendant and the Settlement Administrator determine, based upon further review of
14 available data, that a person previously identified as being a Class Member should not be so included or
15 identify a person who should have been included as a Class Member but was not so included, Defendant
16 and the Settlement Administrator shall promptly delete or add such person as appropriate and
17 immediately notify Class Counsel prior to such deletions or additions (and the reasons thereof).

18 4.5.4 All costs of mailing of the Notice, whether foreseen or not, shall be paid from the
19 Maximum Settlement Amount, including the cost of searching for Class Members' addresses as
20 provided in Paragraphs 4.5.1 and 4.5.2.

21 4.5.5 No later than the filing of Plaintiffs' Motion for Final Approval of Class Action
22 Settlement, the Settlement Administrator shall enable Class Counsel to file a declaration under penalty
23 of perjury advising the Court that the requirements of Paragraphs 4.5.1 and 4.5.2 of this Settlement have
24 been fulfilled. The Settlement Administrator shall provide such other reports as requested by counsel
25 for the Parties or the Court, including any required declarations in support of preliminary and final
26 approval of the Settlement.

27 4.5.6 Compliance with these procedures shall constitute due and sufficient notice to Class
28 Members of this Settlement and shall satisfy the requirement of due process. Nothing else shall be

1 required of, or done by, the Parties, Class Counsel, and Defense Counsel to provide notice of the
2 proposed Settlement.

3 4.5.7 Other than the obligations set forth in this Agreement, Defendant shall have no additional
4 obligation to identify or locate any Class Member or have any liability in connection with the provision
5 of information to the Settlement Administrator.

6 4.6 Responses to Notice

7 4.6.1 For Class Members who are re-mailed the Notice due to it being undeliverable, the
8 deadline by which to submit a Dispute Data Form, Request for Exclusion, or Objection will be the later
9 of: (a) ten (10) calendar days from the date the Notice was re-mailed; or (b) the Response Deadline.

10 4.6.2 The Notice shall inform Class Members of the number of workweeks they worked as
11 non-exempt employees in California during the Class Period and PAGA Period based on Defendant's
12 records. Class Members may dispute this information by providing the Settlement Administrator with
13 additional information and documentation postmarked on or before the Response Deadline ("Dispute").
14 A Dispute must include a Dispute Data Form signed by the Class Member, referencing the case name
15 and case number, 22CV013890, and stating all of the following: (1) the full name of the Class Member;
16 (2) the number of workweeks the Class Member contends is correct; and (3) attaching any
17 documentation support his or her contended number of workweeks. If there is a Dispute, the Settlement
18 Administrator will consult with the Parties to determine whether an adjustment is warranted. Any
19 Disputes not resolved by the Settlement Administrator or the Parties will be resolved by the Court. Prior
20 to any such involvement of the Court, counsel for the Parties will confer in good faith to resolve the
21 Disputes without the necessity of involving the Court. Neither the Parties nor any of their counsel shall
22 discourage any Class Member from submitting a Dispute.

23 4.6.3 Class Members, with the exception of the Class Representatives, may opt-out of the
24 Settlement. Class Members who wish to exercise this option must submit a Request for Exclusion Form
25 ("Request for Exclusion") as provided in this Paragraph. The Request for Exclusion must include the
26 Class Member's full name, address, and telephone number, the name and case number of the Action,
27 and shall be signed by the Class Member. Unsigned Requests for Exclusion, those that do not comply
28

1 with the requirements listed herein, or those postmarked after the Response Deadline will not be honored
2 unless mutually agreed to by counsel for all Parties or ordered by the Court.

3 Class Members will have until the Response Deadline (as defined in Paragraph 1.11) within
4 which to complete and postmark their Request for Exclusion. The date of the postmark shall be the
5 exclusive means used to determine whether a Request for Exclusion has been timely submitted, if the
6 postmark is legible. If the postmark envelope is not legible, then the date the return-mailing envelope
7 is received by the Settlement Administrator shall be the exclusive means to determine whether a
8 Request for Exclusion has been timely submitted.

9 By submitting a Request for Exclusion, a Class Member shall be deemed to have exercised his
10 or her option to opt-out of the class action lawsuit. Any member of the Class who requests exclusion
11 from the Settlement will not be entitled to any share of the Settlement, will not be bound by the
12 Settlement, and will not have any right to object, appeal or comment thereon. Class Members who fail
13 to submit a valid and timely Request for Exclusion shall be bound by all terms of the Settlement and the
14 Final Judgment entered in this Action, regardless of whether they otherwise have requested exclusion
15 from the Settlement. The Settlement Administrator shall forward all Requests for Exclusion received to
16 Class Counsel and Defense Counsel within one (1) business day of receipt. Also, not later than the filing
17 of Plaintiffs' Motion for Final Approval of Class Action Settlement, the Settlement Administrator shall
18 enable Class Counsel to file the declaration of the Settlement Administrator advising the Court of a
19 complete list of all members of the Class who have timely requested exclusion from the Settlement, and
20 which shall authenticate all Requests for Exclusion received. The Settlement Administrator's
21 declaration shall also include all Requests for Exclusion received as exhibits to the declaration.

22 4.6.4 For efficiency and ease of handling objections at the Final Approval Hearing, any
23 person or entity who does not request exclusion but who wishes to object to this Settlement should
24 submit an Objection Form ("Objection") as provided in this Paragraph. The Objection must be signed
25 by the Settlement Class Member, reference the case name and case number 22CV013890, and state all
26 of the following: (1) the full name of the Class Member; (2) the grounds for the objection; and (3) any
27 legal briefs, papers, or memoranda the objecting Class Member proposes to submit to the Court. Class
28

1 Members who fail to object in the manner specified above still have the right to appear in Court at the
2 Final Approval Hearing to state his or her objection(s).

3 Class Members will have until the Response Deadline (as defined in Paragraph 1.11) within
4 which to complete and postmark their Objection. If the postmark is not legible, then the date the
5 return-mailing envelope is received by the Settlement Administrator shall be the exclusive means to
6 determine whether the Objection has been timely submitted.

7 Any person or entity who fails to submit such a timely written Objection shall not be precluded
8 from appearing at the Final Approval and Fairness Hearing should s/he wish to appear. Either of the
9 Parties may file a responsive document to any Objection, or other similar document purporting to
10 object to the Settlement, with the Court no later than five (5) calendar days before the Final Approval
11 and Fairness Hearing. The Settlement Administrator shall forward Class and Defense Counsel copies
12 of all Objections or other documents purporting to object to the Settlement, within one (1) business
13 day of receipt. Also, not later than the filing of Plaintiffs' Motion for Final Approval of Class Action
14 Settlement, the Settlement Administrator shall enable Class Counsel to file a declaration under penalty
15 of perjury advising the Court with a complete list of all members of the Class who have submitted
16 Objections and shall authenticate all Objections received. The Settlement Administrator's declaration
17 shall also include all Objections received as exhibits to the declaration.

18 If the Class Member does not submit an Objection or appear in Court to object at the Final
19 Approval Hearing, the Class Member shall be deemed to have waived his or her right to object and shall
20 be foreclosed from making any objections to the Settlement whether by appeal or otherwise. At no time
21 shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to object
22 to the Settlement. The Settlement Administrator shall provide the Parties with weekly updates regarding
23 the status of any Objections.

24 4.6.5 If any individual whose name does not appear on the updated Class list provided to the
25 Settlement Administrator believes that he or she is a member of the Class, he or she shall have the
26 opportunity to dispute his or her exclusion from the Class. If an individual believes he or she is a member
27 of the Class, he or she must notify the Settlement Administrator in writing no later than the Response
28 Deadline (as defined in Paragraph 1.11). The Parties will meet and confer regarding any such

1 individual(s) in an attempt to reach an agreement as to whether any such individual(s) should be regarded
2 as a member of the Class. If the Parties so agree, the Settlement Administrator will mail a Notice (as
3 defined in Paragraph 1.22) to the individual(s) and treat the individual(s) as a member of the Class for
4 all other purposes. Such an individual will have all of the same rights as any other member of the Class
5 under this Agreement and shall have up until the latter of ten (10) business days from the mailing of the
6 Notice or the Response Deadline in which to submit a Dispute Data Form, Request for Exclusion Form,
7 or Objection Form.

8 4.6.6 Neither the Parties nor their respective counsel will solicit or otherwise encourage any
9 Class Member, directly or indirectly, to request exclusion from the Settlement or object to the
10 Settlement.

11 4.6.7 The Settlement Administrator must forward all Disputes to the Parties within one (1)
12 business day of receipt. Defendant shall review and respond to each submitted Dispute regarding the
13 total number of workweeks worked by the Settlement Class Member in California during the Class
14 Period within ten (10) calendar days of receipt, and shall transmit a copy of their response to the
15 Settlement Administrator. Defendant's response shall state whether Defendant agrees with or dispute
16 the information provided in the Dispute Data Form.

17 (a) If Defendant agrees with all of the information provided in the Dispute regarding the
18 total number of workweeks worked by the Settlement Class Member in California during the Class
19 Period, the information and/or documentation provided by the Settlement Class Member shall govern
20 the calculation of his or her Individual Payment Amount.

21 (b) If Defendant disagrees with any of the information provided in a Dispute regarding the
22 total number of workweeks worked by the Settlement Class Member in California during the Class
23 Period, it shall follow the procedure set forth in Paragraph 4.6.8 of this Settlement.

24 4.6.8 In the event that Defendant disagrees with the information provided in a Dispute
25 regarding the total number of hours worked by the Settlement Class Member during the Class Period,
26 Defense Counsel will promptly advise Class Counsel in writing of the Dispute and provide Class
27 Counsel with copies of information sufficient to resolve the dispute. Copies of all Dispute Data Forms
28 and correspondence with the person(s) submitting Dispute Data Forms shall be made available to Class

1 Counsel upon request. Defense Counsel and Class Counsel shall attempt in good faith to resolve any
2 such dispute within ten (10) calendar days of Class Counsel's receipt of Defense Counsel's notice of a
3 dispute as to the Dispute Data Form. Class Counsel shall have full discretion on behalf of the Settlement
4 Class Members to resolve such disputes with Defense Counsel, except that any and all payment relating
5 to the disputed entitlement must be from the Net Settlement Amount. If Defense Counsel and Class
6 Counsel are unable to resolve the Dispute Data Form dispute within ten (10) calendar days, a final and
7 binding determination on the dispute shall be made by the Settlement Administrator.

8 4.7 Application for Class Counsel's Attorneys' Fees and Litigation Costs. Class Counsel
9 shall apply to the Court for the Fee and Costs Award as defined in paragraph 1.18. Class Counsel shall
10 request an award of attorneys' fees for an amount not to exceed \$248,500.00, including satisfaction of
11 any liens and litigation costs actually incurred, in an amount not to exceed \$16,500.00. Defendant agrees
12 not to oppose this request.

13 4.8 Application for Service Payment. Class Counsel, on behalf of the Plaintiffs, shall apply
14 to the Court for the Service Payment (as defined in paragraph 1.15) for an amount not to exceed
15 \$5,000.00 for each Plaintiff for a total of up to \$10,000.00 from the Maximum Settlement Amount.

16 4.9 Final Approval and Fairness Hearing. On the date set forth in the Notice of Settlement,
17 the Court shall hold the Final Approval and Fairness Hearing where objections, if any, may be heard.
18 Defendant reserves its rights to file papers in advance of the Final Approval and Fairness Hearing. The
19 Parties shall file all motions and documents in support of a finding of Final Approval and Fairness of
20 the Settlement in a single motion, inclusive of any requests for Fee and Costs Awards, no later than
21 fourteen (14) calendar days before the Final Approval and Fairness hearing.

22 4.10 Final Judgment. If the Court approves this Settlement at the Final Approval and Fairness
23 Hearing, the Parties request that the Court enter the Final Judgment after the Maximum Settlement
24 Amount is fully funded.

25 4.11 Funding of the Qualified Settlement Fund/Distribution of Settlement Proceeds

26 4.11.1 No later than five (5) business days after entry of the Court's order granting final
27 approval, the Settlement Administrator shall send to Defendant the electronic wiring instructions for
28 paying the Maximum Settlement Amount into the QSF, and the Settlement Administrator will also at

1 the same time identify the amount to be sent to the QSF to pay for the employer's share of payroll
2 taxes associated with the portion of the Individual Payments Amounts allocated to wages. No later
3 than five (5) business days after receipt of the wiring instructions and amount of payroll taxes,
4 Defendant shall fund the QSF, including the amount required to cover the employer's share of payroll
5 taxes as calculated by the Settlement Administrator.

6 4.11.2 The QSF shall be an interest-bearing account(s) at a federally insured bank(s) that is
7 mutually acceptable to the Parties and the Settlement Administrator that is FDIC insured for the full
8 amount deposited. The Parties agree that the QSF shall be a non-reversionary fund and that under no
9 circumstance will there be any reversion to Defendant of any of the funds from the Settlement Proceeds
10 or the QSF.

11 4.11.3 The Settlement Administrator shall distribute checks via first-class mail to Settlement
12 Class Members and aggrieved employees for their respective Individual Payment Amounts no later than
13 ten (10) calendar days after the QSF is fully funded.

14 4.11.4 Ninety (90) calendar days after the first issuance of Settlement Proceeds, undeposited
15 checks from the initial distribution of Settlement Proceeds will be cancelled and voided. The Settlement
16 Administrator shall then redistribute the remaining uncashed Settlement Proceeds to Class Members
17 and aggrieved employees who cashed their payments from the initial distribution of Settlement
18 Proceeds, applying the same criteria provided in Paragraph 4.2.2. Ninety (90) calendar days after that
19 second issuance and redistribution of remaining Settlement Proceeds, undeposited checks from that
20 second distribution will be cancelled and voided. Settlement Proceeds remaining after the second
21 issuance, along with any amounts that would have been paid to Class Members who request exclusion,
22 will be delivered to the Alliance for Children's Rights by the Settlement Administrator, or shall
23 otherwise be distributed as ordered by the Court.

24 The failure by any Class Member or aggrieved employee to claim or deposit any check issued
25 by the Settlement Administrator shall have no effect on that Class Member's release of all Released
26 Claims (as defined in paragraph 1.27). The Settlement Administrator shall also enable Class Counsel to
27 file a declaration attesting to the distribution of the Maximum Settlement Amount and the distribution
28 of any "residual" funds as further ordered by the Court.

1 4.11.5 The Settlement Administrator shall also remit all amounts withheld from Individual
2 Payment Amounts attributed to the wage portion of the payments and all employer-related payroll taxes
3 to the Internal Revenue Service and California E.D.D., and/or any other proper entity to whom
4 withholdings and employer-related payroll taxes attributed to Individual Payment Amounts are due, no
5 later than one hundred and eighty (180) days after issuance of Individual Payment Amounts as set forth
6 in paragraph 4.11.3. In the event that the estimated amount of Defendant's employer-related payroll
7 taxes exceeds the amount wired to the QSF, any excess monies shall revert to Defendant.

8 4.11.6 No person shall have any claim against the Settlement Administrator, Defendant or any
9 of the Releasees, the Plaintiffs, the Class Members, or Class Counsel based on payments made
10 substantially in accordance with this Settlement, or further Orders of this Court.

11 4.12 Release of Claims

12 4.12.1 Contingent upon full and final payment by Defendant of the Maximum Settlement
13 Amount consistent with Paragraph 4.11.1, the Class Representatives and each Settlement Class Member
14 shall be deemed to have fully, finally, and forever released the Releasees from all Released Claims.

15 4.12.2 In addition, the Plaintiffs shall be deemed to have fully, finally, and forever released the
16 Releasees from the Released Claims, contingent upon full and final payment by Defendant of the
17 Maximum Settlement Amount consistent with Paragraph 4.11.1.

18 4.12.3 With respect to the Released Claims *only*, the Plaintiffs shall be deemed to have expressly
19 waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits she
20 may otherwise have had pursuant to § 1542 of the California Civil Code, which provides as follows:

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

25 4.13 Miscellaneous Provisions

26 4.13.1 Unless otherwise specifically provided herein, all notices, demands, or other
27 communications given hereunder shall be in writing and shall be addressed as follows:
28

To Plaintiffs and the Class:
Graham B. LippSmith
MaryBeth LippSmith
Celene Chan Andrews
Jaclyn L. Anderson
LIPPSMITH LLP
555 S. Flower Street, Suite 3000
Los Angeles, CA 90071

To Defendant:
Kathryn T. McGuigan
Kayla K. Cox
MORGAN, LEWIS & BOCKIUS LLP
300 South Grand Avenue
Twenty-Second Floor
Los Angeles, California 90071-3132

4.13.2 Defendant shall not take any adverse action against any Class Member because of the Action or because of the existence of, and/or participation in, the Settlement, or because they choose to benefit from the Settlement or to object to the Settlement. Neither Party shall take any action to discourage Class Members from participating in the Settlement.

4.13.3 Each Party has cooperated in the drafting and preparation of this Settlement. Hence, in any construction made to this Settlement, the same shall not be construed against any of the Parties.

4.13.4 The Plaintiffs, by signing this Settlement, are bound by the terms herein and further agree not to request to be excluded from the Settlement and not to object to any terms of this Settlement. Any such request for exclusion or objection shall therefore be void and of no force or effect. Defendant, Class Counsel, and the Plaintiffs waive their rights to file an appeal, writ, or any challenge whatsoever to the terms of this Settlement.

4.13.5 Neither Class Counsel nor any other attorneys acting for, or purporting to act for, the Class, Class Members, or Plaintiffs, may recover or seek to recover any amounts for fees, costs, or disbursements from the Releasees or the Settlement except as expressly provided herein.

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

4.13.7 This Agreement, including Exhibits, constitutes the full, complete and entire

1 understanding, agreement and arrangement between the Plaintiffs on the one hand, and Defendant on
2 the other hand, with respect to the settlement of the Action and Released Claims against Defendant.
3 Except those set forth expressly in the Agreement, there are no other agreements, covenants, promises,
4 representations or arrangements between the Parties with respect to the Settlement of the Action and the
5 Released Claims against Defendant.

6 4.13.8 This Settlement shall be binding upon and inure to the benefit of the Parties hereto and
7 their respective heirs, trustees, executors, successors, and assigns.

8 4.13.9 This Settlement may be executed in one or more counterparts. All executed counterparts
9 and each of them shall be deemed to be one and the same instrument.

10 4.13.10 In the event that one or more of the Parties to this Settlement institutes any legal action,
11 arbitration, or other proceeding to enforce the provisions of this Settlement or to declare rights and/or
12 obligations under this Settlement, the successful party or parties shall be entitled to recover from the
13 unsuccessful party or parties reasonable attorneys' fees and costs. Notwithstanding the entry of Final
14 Judgment, the Court shall retain jurisdiction of this matter solely for the purposes of interpreting and
15 enforcing the terms of this Agreement and the Judgment.

16 4.13.11 This Settlement and the Exhibits hereto shall be considered to have been negotiated,
17 executed, and delivered, and to have been wholly performed, in the State of California, and the rights
18 and obligations of the Parties to the Settlement shall be construed and enforced in accordance with, and
19 governed by, the substantive laws of the State of California (including Cal. Code Civ. P. § 664.6) without
20 giving effect to that State's choice of law principles.

21 4.13.12 Paragraph titles or captions contained in the Settlement are inserted as a matter of
22 convenience and for reference, and in no way define, limit, extend, or describe the scope of this
23 Settlement, or any provision thereof.

24 4.13.13 Before declaring any provision of this Settlement invalid, the Court shall first attempt to
25 construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to
26 define all provisions of this Settlement valid and enforceable.

27 4.13.14 The Parties agree to the Court staying and holding all proceedings in the Action, except
28 such proceedings necessary to implement and complete the Settlement, in abeyance pending the

1 settlement hearings to be conducted by the Court.

2 4.13.15 The Parties agree to keep the Settlement confidential through Preliminary Approval.
3 Thereafter, the Parties agree that they will make no comments to the media or otherwise publicize the
4 terms of the Settlement. Class Counsel and Defense Counsel agree to make no reference to the
5 Settlement on their respective websites and/or on their respective social media.

6 4.13.16 All terms of this Agreement and the Exhibits thereto shall be governed by and interpreted
7 according to the law of the State of California.

8 IN WITNESS WHEREOF, this Settlement is executed by the Parties and their duly authorized
9 attorneys, as of the day and year herein set forth.

10 Dated: March05
11 _____, 2024

By: 
Rochelle Ketchum (Mar 5, 2024 16:47 PST)
ROCHELLE KETCHUM
Plaintiff

12
13 Dated: _____, 2024

By: _____
LATREASE JACKSON
Plaintiff

14
15 Dated: _____, 2024

Alegria Community Living, a California
corporation
By: _____
Its: _____
Defendant

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19 APPROVED AS TO FORM AND CONTENT:

20
21 **LIPPSMITH LLP**

22 Dated: _____, 2024

By: _____
Graham B. LippSmith
Attorney for Plaintiffs and the Class

23
24
25 **LAWYERS *for* JUSTICE**

26
27 Dated: _____, 2024

By: _____
Arby Aiwazian
Attorney for Plaintiffs and the Class

1 settlement hearings to be conducted by the Court.

2 4.13.15 The Parties agree to keep the Settlement confidential through Preliminary Approval.
3 Thereafter, the Parties agree that they will make no comments to the media or otherwise publicize the
4 terms of the Settlement. Class Counsel and Defense Counsel agree to make no reference to the
5 Settlement on their respective websites and/or on their respective social media.

6 4.13.16 All terms of this Agreement and the Exhibits thereto shall be governed by and interpreted
7 according to the law of the State of California.

8 IN WITNESS WHEREOF, this Settlement is executed by the Parties and their duly authorized
9 attorneys, as of the day and year herein set forth.

10 Dated: _____, 2024

11 By: _____
12 ROCHELLE KETCHUM
13 Plaintiff

14 Dated: 0304 _____, 2024

15 By:  _____
16 LaTrea Jackson (Mar 4, 2024 21:36 PST)
17 LATREASE JACKSON
18 Plaintiff

19 Dated: _____, 2024

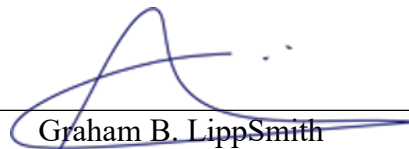
20 Alegria Community Living, a California
21 corporation

22 By: _____
23 Its: _____
24 Defendant

25 APPROVED AS TO FORM AND CONTENT:

26 **LIPPSMITH LLP**

27 Dated: March 5, 2024

28 By:  _____
Graham B. LippSmith
Attorney for Plaintiffs and the Class

LAWYERS for JUSTICE

Dated: _____, 2024

By: _____
Arby Aiwazian
Attorney for Plaintiffs and the Class

1 settlement hearings to be conducted by the Court.

2 4.13.15 The Parties agree to keep the Settlement confidential through Preliminary Approval.
3 Thereafter, the Parties agree that they will make no comments to the media or otherwise publicize the
4 terms of the Settlement. Class Counsel and Defense Counsel agree to make no reference to the
5 Settlement on their respective websites and/or on their respective social media.

6 4.13.16 All terms of this Agreement and the Exhibits thereto shall be governed by and interpreted
7 according to the law of the State of California.

8 IN WITNESS WHEREOF, this Settlement is executed by the Parties and their duly authorized
9 attorneys, as of the day and year herein set forth.

10 Dated: _____, 2024

11 By: _____
12 ROCHELLE KETCHUM
Plaintiff

13 Dated: _____, 2024

14 By: _____
LATREASE JACKSON
Plaintiff

15 Dated: 3/8, 2024

Alegria Community Living, a California
corporation

17 By: KAREN TOTO
18 Its: [Signature], Executive
Defendant Director

19 APPROVED AS TO FORM AND CONTENT:
20

21 **LIPPSMITH LLP**

22 Dated: _____, 2024

23 By: _____
Graham B. LippSmith
Attorney for Plaintiffs and the Class

25 **LAWYERS for JUSTICE**

26 Dated: _____, 2024

27 By: _____
Arby Aiwarzian
Attorney for Plaintiffs and the Class
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1 settlement hearings to be conducted by the Court.

2 4.13.15 The Parties agree to keep the Settlement confidential through Preliminary Approval.
3 Thereafter, the Parties agree that they will make no comments to the media or otherwise publicize the
4 terms of the Settlement. Class Counsel and Defense Counsel agree to make no reference to the
5 Settlement on their respective websites and/or on their respective social media.

6 4.13.16 All terms of this Agreement and the Exhibits thereto shall be governed by and interpreted
7 according to the law of the State of California.

8 IN WITNESS WHEREOF, this Settlement is executed by the Parties and their duly authorized
9 attorneys, as of the day and year herein set forth.

10 Dated: _____, 2024

11 By: _____
12 ROCHELLE KETCHUM
Plaintiff

13 Dated: _____, 2024

14 By: _____
LATREASE JACKSON
Plaintiff

15 Dated: _____, 2024

16 Alegria Community Living, a California
corporation

17 By: _____
18 Its: _____
Defendant

19 APPROVED AS TO FORM AND CONTENT:

20
21 **LIPPSMITH LLP**

22 Dated: _____, 2024

23 By: _____
24 Graham B. LippSmith
Attorney for Plaintiffs and the Class

25 **LAWYERS *for* JUSTICE**

26 Dated: March 5, _____, 2024

27 By:  _____
28 ~~Arby Arwazian~~ Brian J. St. John
Attorney for Plaintiffs and the Class

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MORGAN, LEWIS & BOCKIUS LLP

Dated: **March 5**, 2024

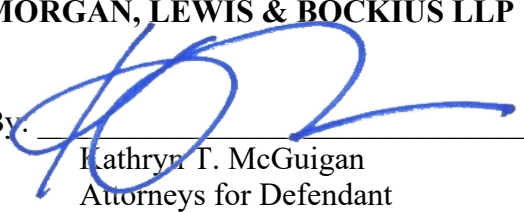
By. 
Kathryn T. McGuigan
Attorneys for Defendant
Alegria Community Living

EXHIBIT 1

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA

ROCHELLE KETCHUM, LATREASE JACKSON, individually, and on behalf of other members of the general public similarly situated;

Plaintiffs,

vs.

ALEGRIA COMMUNITY LIVING, a California corporation; and DOES 1 through 100, inclusive,

Defendant.

Lead Case No.: 22CV013890
Consolidated Case No.: 22CV013889

ASSIGNED FOR ALL PURPOSES TO
Judge Tara Desautels
Department 23

CLASS ACTION

**[PROPOSED] ORDER GRANTING
FINAL APPROVAL OF CLASS ACTION
AND PAGA SETTLEMENT**

Date: March 27, 2024
Time: 2:30 p.m.
Dept.: 23
Judge: Hon. Tara Desautels

Complaint Filed: July 6, 2022
FAC Filed: May 2, 2023
Jury Trial Date: None

1 The Motion for Final Approval of the Settlement (the “Final Approval Motion”) as set forth
2 in the Joint Stipulation of Class Action and PAGA Settlement (the “Settlement Agreement”) came
3 for hearing on _____, in Department 23 of the above-entitled court. On _____, the
4 Court entered an order granting preliminary approval of the settlement. The Final Approval Motion
5 was unopposed by Defendant Alegria Community Living (“Defendant”). Having considered the
6 Final Approval Motion, the Settlement Agreement, the Declarations, and all other materials properly
7 before the Court and having conducted an inquiry pursuant to California Rules of Court, rule
8 3.769(g), the Court finds that the Settlement Agreement was entered by all parties in good faith, and
9 the Settlement Agreement is approved. Due and adequate notice having been given to the Class, and
10 the Court having considered the Settlement Agreement, all papers filed and proceedings had herein
11 and all oral and written comments received regarding the proposed settlement, and having reviewed
12 the record in this Litigation, and good cause appearing,

13 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED AS FOLLOWS:

- 14 1. The Court grants final approval of the Settlement Agreement.
- 15 2. The Court, for purposes of this Judgment and Order (“Judgment”), refers to all
16 defined terms as set forth in the Settlement Agreement.
- 17 3. The Court has jurisdiction over the subject matter over this Action, the Class
18 Representatives, the Class Members, and Defendant.
- 19 4. The Court finds that the distribution of the Class Notice, as provided for in the
20 Order Granting Preliminary Approval of the Settlement, constituted the best notice practicable
21 under the circumstances to all Class Members and fully met the requirements of California law
22 and due process under the Constitution of the State of California and United States Constitution.
23 Based on evidence and other material submitted, the actual notice to the Class was adequate and
24 reasonably calculated, under the circumstances, to apprise Settlement Class Members of the
25 pendency of the action, the terms of the proposed settlement, and of their right to appear, object to,
26 or exclude themselves from the proposed settlement.

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1 5. The Court finds that the instant Action presented a good faith dispute of the claims
2 alleged, and the Court finds in favor of settlement approval. Specifically, the claims on behalf of
3 the Class Members included the alleged (1) failure to pay all overtime; (2) failure to provide
4 proper meal periods, or premium pay for non-compliant meal periods; (3) failure to authorize and
5 permit rest periods, or premium pay for non-compliant rest periods; (4) failure to pay minimum
6 wages; (5) failure to pay all wages on termination of employment; (6) failure to pay timely wages
7 during employment; (7) failure to provide accurate wage statements; (8) failure to maintain
8 requisite payroll records; (9) unreimbursed business expenses pursuant to Labor Code Sections
9 2800 and 2802; and (10) unfair business practices; and (11) claims for civil penalties under the
10 California Private Attorneys General Act of 2004 (“PAGA”).

11 6. _____ Class Members requested Exclusion from the Settlement following a full and
12 fair opportunity to do so, so all Class Members are entitled to payment pursuant to the Settlement
13 and this Judgment.

14 7. _____ Class Members objected to the Settlement following a full and fair
15 opportunity to participate in the Final Approval Hearing.

16 8. The Court approves the Settlement, as set forth in the Settlement Agreement and
17 each of the releases and other terms, as fair, just, reasonable, and adequate. The Parties are
18 directed to perform in accordance with the terms set forth in the Settlement Agreement.

19 9. The Parties are to bear their own costs, except as otherwise provided in the
20 Settlement Agreement.

21 10. For purposes of effectuating this Order and Judgment (including the Released
22 Claims), this Court certifies and binds the following Settlement Class for settlement purposes
23 only: All current and former hourly-paid or non-exempt employees: who worked for Defendant
24 within the State of California at any time during the period from July 6, 2018 to final judgment
25 and who reside in California. Settlement ¶ 1.3. Excluded from the Settlement Class are persons
26 who validly and timely exclude themselves using the procedures set forth in the Settlement
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1 Agreement, as well as any judicial officer who presides over this matter and members of their
2 family.

3 11. With respect to the Settlement Class and for purposes of approving this Settlement,
4 this Court finds and concludes as follows: (a) the Class Members are ascertainable and so
5 numerous that joinder of all members is impracticable; (b) there are questions of law or fact
6 common to the Class Members, and there is a well-defined community of interest among the Class
7 Members with respect to the subject matter of the Action; (c) the claims of the Class
8 Representatives are typical of the claims of the Class Members; (d) the Class Representatives have
9 fairly and adequately protected the interests of the Class Members; (e) a class action is superior to
10 other available methods for an efficient adjudication of this controversy; and (f) Class Counsel are
11 qualified to serve as counsel for the Plaintiffs in their individual and representative capacities and
12 for the Settlement Class.

13 12. The Court further finds that the Settlement is fair, adequate, and reasonable and in
14 the best interests of the Class. The Court finds that the Parties reached the Settlement following
15 meaningful discovery and investigation conducted by Class Counsel and that the Settlement is the
16 result of serious, informed, adversarial, and arms-length negotiations between the Parties. In so
17 finding, the Court has considered all of the evidence presented, including evidence regarding the
18 strength of Plaintiffs' case; the risk, expense, and complexity of the claims presented; the likely
19 duration of further litigation; the amount offered in the Settlement; the extent of investigation and
20 discovery completed; and the experience and views of Class Counsel.

21 13. By this Judgment, the Class Representatives shall release, relinquish, and
22 discharge, and each of the Settlement Class Members shall be deemed to have, and by operation of
23 the Judgment shall have, fully, finally, and forever released, relinquished, and discharged all
24 Released Claims, as defined in the Settlement Agreement.

25 14. Neither the Settlement Agreement nor the Settlement contained therein, nor any act
26 performed or document executed pursuant to or in furtherance of the Settlement Agreement or the
27 Settlement (i) is or may be deemed to be or may be used by the Plaintiffs or Class Members as an
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1 admission of, or evidence of, the validity of any of the Class Members' Released Claims, or of any
2 wrongdoing or liability of Defendant or any of the other Released Parties; or (ii) is or may be
3 deemed to be or may be used by the Plaintiffs or Class Members as an admission of, or evidence
4 of, any fault or omission of Defendant or any of the other Released Parties in any civil, criminal,
5 or administrative proceeding in any court, administrative agency, or other tribunal.

6 15. Plaintiffs and all Class Members, shall have, by operation of this Order and the
7 accompanying Final Judgment, fully, finally and forever released, relinquished and discharged
8 Released Parties from all Settled Claims, as set forth in the Settlement Agreement. Class Members
9 shall be forever barred and enjoined from prosecuting any of the Settled Claims against the
10 Released Parties whether or not they actually receive or cash individual Settlement Payment
11 checks or individual PAGA Payment checks and shall not be entitled to any further payment or
12 any personal relief of any kind from any Released Parties including any payment for damages,
13 wages, compensation, commissions, fees, costs, reimbursements, penalties, or interest on account
14 of the Settled Claims.

15 16. The State of California, including the California Labor and Workforce
16 Development Agency ("LWDA"), by and through Plaintiff Rochelle Ketchum, a PAGA
17 Representative, shall by operation of this Order and the accompanying Final Judgment, fully,
18 finally and forever released, relinquished and discharged Released Parties from all settled PAGA
19 Claims, as set forth in the Settlement Agreement.

20 17. The Maximum Settlement Amount to be paid under the Settlement Agreement is
21 \$710,000.00. From this amount, Class Counsel collectively sought an award of attorney fees of up
22 to \$248,500.00, litigation expenses of up to \$16,500.00, third party administration costs of up to
23 \$9,000.00, a Service Payment to Plaintiffs of \$5,000.00 each for a total of \$10,000, and
24 \$80,000.00 for PAGA penalties, \$60,000.00 of which is paid to the California Labor and
25 Workforce Development Agency ("LWDA") and \$20,000.00 to eligible aggrieved employees who
26 were employed during the PAGA Period as set forth in the Settlement Agreement. Defendant does
27 not oppose these requests.

1 18. The Court finds that the amounts for the attorney fees, litigation costs and
2 expenses, Service Payment, and allocation toward PAGA penalties are fair, reasonable, and
3 appropriate in light of the services and work performed, costs incurred and to be incurred, and the
4 results achieved in this Action.

5 19. The Court finds that the Settlement Amount is fair, reasonable and adequate, and
6 awards the payments set forth below from the Settlement Amount:

- 7 A) \$248,500.00 to Class Counsel for attorney fees;
8 B) up to \$16,500.00 to Class Counsel for litigation costs and expenses;
9 C) up to \$9,000.00 to Simpluris, Inc. for third party administration costs;
10 D) \$10,000.00 to Plaintiffs as Service Payments (comprised of \$5,000.00 to
11 each Plaintiff);
12 E) \$80,000.00 for PAGA penalties, \$60,000.00 of which is paid to the
13 California Labor and Workforce Development Agency (“LWDA”) and \$20,000.00 to eligible
14 aggrieved employees who were employed during the PAGA Period as set forth in the Settlement
15 Agreement; and
16 F) After deducting the foregoing payments from the Settlement Amount, the
17 remainder shall form the Net Settlement Fund payable to the Settlement Class Members as set
18 forth in the Settlement Agreement and as calculated by the Settlement Administrator.

19 20. The Settlement Administrator is directed to calculate the Class Members’
20 Individual Settlement Amounts from the Net Settlement Fund and issue all payments within and in
21 accordance with the Settlement Agreement and the timeline set forth below:

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23 _____, 2024	The Effective Date occurs
24 _____, 2024	The Settlement Administrator shall provide Defendant with wiring instructions for funding the QSF and the amount for employer-side taxes relating to the wage payments of the Individual Payment Amounts.

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_____ , 2024	Defendant funds the QSF
_____ , 2024	The Settlement Administrator shall issue payments to the Settlement Class Members, Class Counsel, Plaintiffs, the LWDA and itself.
_____ , 2024	Deadline for Class Members to cash checks for first issuance of Settlement Proceeds. Settlement Administrator shall redistribute the uncashed Settlement Proceeds to Class Members and aggrieved employees who cashed their payments from the initial distribution.
_____ , 2024 (90 days after date of first issuance of settlement check by the Settlement Administrator)	Deadline for Class Members to cash checks for second issuance of Settlement Proceeds. Settlement Administrator shall issue the uncashed check fund to Alliance for Children's Rights.
_____ , 2024	Class Counsel shall file a declaration from the Settlement Administrator setting forth the disbursements that were actually made.

21. Ninety (90) calendar days after the first issuance of Settlement Proceeds, undeposited checks from the initial distribution of Settlement Proceeds will be redistributed to Class Members and aggrieved employees who cashed their payments from the initial distribution of Settlement Proceeds. Ninety (90) calendar days after the second issuance of Settlement Proceeds, undeposited checks from the second distribution will be cancelled and voided. Settlement Proceeds remaining be delivered to the Alliance for Children's Rights by the Settlement Administrator.

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1 22. This document shall constitute a Judgment for purposes of California Rule of Court
2 3.769(h). The Court reserves exclusive and continuing jurisdiction over the Action, the Class
3 Representatives, the Class Members, and Defendant for the purposes of supervising the
4 implementation, enforcement, construction, administration, and interpretation of the Settlement
5 Agreement and this Judgment.

6
7 **IT IS SO ORDERED.**

8
9 DATED: _____

Honorable Tara Desautels
Judge of the Superior Court

EXHIBIT 2

NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT

Superior Court of California, County of Alameda

Ketchum, et al. v. Alegria Community Living,

Case No. 22CV013890 consolidated with

Ketchum, et al. v. Alegria Community Living,

Case No. 22CV013889

This Notice provides important information about a proposed settlement in the class action lawsuit brought by Rochelle Ketchum and LaTrease Jackson (“Plaintiffs”) against Alegria Community Living (“Defendant”), and your right to participate in, exclude yourself from, or object to the settlement.

A. Summary of the Claims

Plaintiffs contend that Defendant violated various provisions of the California Labor Code by its alleged: (1) failure to pay all overtime; (2) failure to provide proper meal periods, or premium pay for non-compliant meal periods; (3) failure to authorize and permit rest periods, or premium pay for non-compliant rest periods; (4) failure to pay minimum wages; (5) failure to pay all wages on termination of employment; (6) failure to pay timely wages during employment; (7) failure to provide accurate wage statements; (8) failure to maintain requisite payroll records; (9) unreimbursed business expenses pursuant to Labor Code Sections 2800 and 2802; and (10) unfair business practices. Plaintiffs also assert a claim for civil penalties under the California Labor Code Private Attorneys General Act (“PAGA”) based on the foregoing alleged violations by Defendant. PAGA authorizes aggrieved employees to file lawsuits to recover civil penalties on behalf of themselves, other employees, and the State of California for Labor Code violations. Plaintiffs seek to recover on behalf of themselves and other Class Members, wages, missed meal and rest break premiums, penalties, interest, costs, and attorney fees.

Defendant denies all of Plaintiffs’ claims and maintains that it has complied with all applicable laws. Specifically, Defendant contends that it correctly compensated Class Members for all compensable work hours at the appropriate regular and premium rates; provided Class Members with proper meal and rest periods or paid required premiums for missed or non-compliant breaks; provided Class Members with compliant wage statements and maintained requisite payroll records; timely paid Class Members all wages owing during their employment and at the time of termination; and reimbursed Class Members for all business expenses. Defendant further contends that for any purpose other than settlement, this action is not appropriate for class treatment.

The Court has not decided if Defendant violated any laws or if Plaintiffs or Class Members are entitled to any money or other relief. The Court has only determined that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable, and any final determination of those issues will be made at the final hearing.

B. Why You Are Receiving This Notice

On _____, 2024, the Superior Court of California, County of Alameda (“the Court”) preliminarily approved a class action settlement of the lawsuit on behalf of all persons who have either been, or currently are, employed by Defendant in California as hourly paid employees eligible for overtime, rest and meal breaks, and subject to California’s minimum wage laws (collectively “Class Members” or “employees”) during the period at any time beginning July 6, 2018 through the date the Court grants Preliminary Approval of this settlement (“Class Period”). According to Defendant’s records, you are a Class Member. Because you are a Class Member, you have the right to participate in, object to, or exclude yourself from the settlement. This Notice explains your legal rights and options with respect to the settlement.

C. The Terms of the Settlement

Defendant has agreed to pay a maximum Gross Settlement Fund of \$710,000.00 in exchange for a release of the claims asserted by Plaintiffs and Class Members in the lawsuit. Out of the Gross Settlement Fund, Class Counsel will be requesting the Court to award it up to \$248,500.00 in attorney fees, up to \$16,500.00 in litigation costs, a Service Payment to Plaintiffs of up to \$5,000.00 to each Plaintiff for a total of \$10,000.00, up to \$9,000.00 in third party administration costs, and \$80,000.00 allocated to PAGA penalties, 75% of which, or \$60,000.00 will be paid to the Labor Workforce Development Agency (“LWDA”) under PAGA. It is estimated that after deducting the attorney fees, litigation costs, Service Payment, amount allocated to PAGA from the Gross Settlement Fund, at least \$346,000.00 in payments (“Net Settlement Amount”) will be available for distribution to Class Members.

The Net Settlement Amount will be divided among Class Members as follows: To determine your share of the Net Settlement Amount, the Net Settlement Amount will be divided by the total number of weeks worked by all Settlement Class Members as employees in California during the Class Period, multiplied by the number of weeks worked by you as an employee in California during the Class Period. Unless you exclude yourself from the settlement as explained below, you will receive a settlement payment.

In addition, \$20,000.00 from the amount allocated to PAGA will be paid to Class Members who were employed with Defendant as employees in California at any time during the period of May 2, 2022 to the date of preliminary approval (“PAGA Period”). If you worked during the PAGA Period, to determine your share of the PAGA settlement, the PAGA settlement will be divided by the total number of weeks worked by all eligible Class Members as employees in California during the PAGA Period, multiplied by the number of weeks worked by you as an employee in California during the PAGA Period. You will receive your portion for the PAGA settlement even if you request exclusion from the settlement. You may neither object nor opt out of the PAGA settlement. These PAGA penalty payments will be reported on a Form 1099.

D. Your Options

You have three options: (1) participate in the settlement and not object to the settlement; (2) participate in the settlement and object to the settlement; or (3) request exclusion from the settlement.

If you choose to participate in the settlement (i.e., remain in the Class), you may also object to the settlement, as explained below. If you remain in the Class, you will be represented by Class Counsel. Class Counsel, however, will not represent you for purposes of making objections to the settlement. If you remain in the Class, you will be subject to any Judgment that will be entered in the Action, including the release of the Released Claims as described below.

1. Participate in the Settlement

Under the settlement, you will receive a settlement payment unless you request exclusion from the settlement. According to Defendant's records, you worked ____ weeks during the Class Period as an employee in California. As such, your settlement payment is estimated to be \$_____. The recovery by different Class Members will vary based on the number of weeks worked.

Even if you request exclusion, you will receive a portion of the PAGA settlement if you worked during the PAGA Period, which is at any time from May 2, 2022 until the date of preliminary approval. You cannot object or opt out of the PAGA settlement. According to Defendant's records, you worked ____ weeks during the PAGA Period as an employee in California. As such, your share of the PAGA settlement is estimated to be \$_____. The recovery by different employees will vary based on the number of weeks worked.

If you believe that the number of weeks worked is incorrect, you should provide the Settlement Administrator with an explanation, along with any documentation relating to your disagreement by no later than ____, 2024. If there is a dispute about the number of weeks you worked, the Settlement Administrator will review the Defendant's records and your records to attempt to resolve the dispute.

A Dispute Data Form is being provided to you, along with this notice. You should send your explanation and documentation regarding any dispute to the Settlement Administrator at the following address:

____ Class Action Settlement Administrator
c/o Simpluris, Inc.
P.O. Box _____
_____, _____
(____) ____-____

Settlement checks will be mailed, so if your address changes, you should inform the Settlement Administrator of the change. Your settlement payment will be mailed to you some time after the Court grants final approval of the settlement at the Final Approval Hearing.

33.33% of your settlement payment is allocated to wages, and taxes will be withheld from that portion and will be reported on a W-2. The remaining 66.67% of your settlement payment is allocated to non-wages and interest. No taxes will be withheld from this portion and will be reported on a 1099. If you received a portion of the PAGA settlement, no taxes will be withheld from this portion and will be reported on a 1099. Settlement Class Members are responsible for the proper income tax treatment of their settlement payments. The Settlement Administrator, Defendant and its counsel, and Plaintiffs and Class Counsel cannot and are not providing tax advice concerning the tax consequences and treatment of any settlement payment received by Settlement Class Members.

2. Object to the Settlement

If you do not exclude yourself from the settlement, you have the right to object to the settlement. To do so, mail the Objection Form to the Settlement Administrator at the address noted above and postmarked no later than _____, 2024. An Objection Form is being provided to you, along with this notice. Class Counsel will provide the Court with your objection prior to the Final Approval Hearing. You can also hire an attorney at your own expense to represent you in your objection.

You may elect to appear in Court at the Final Approval Hearing to state your objections if you do not make your written objection in the manner specified above. You are not required to appear in Court. Absent good cause found by the Court, if you do not submit a written objection OR appear in Court to object at the Final Approval Hearing, you will be deemed to have waived your right to object and shall be foreclosed from making any objections to the settlement whether by appeal or otherwise.

3. Exclude Yourself from the Settlement

If you wish to exclude yourself from the settlement, you must mail to the Settlement Administrator a valid Exclusion Form, which is a request to be excluded from the settlement. An Exclusion Form is being provided to you, along with this notice. The Exclusion Form states, in effect, that you wish to be excluded from the settlement in the class action lawsuit. The Exclusion Form must be postmarked no later than _____, 2024, and mailed to the Settlement Administrator at the address noted above. If you exclude yourself from the settlement, you will not be entitled to recover any settlement payment except your share of the PAGA settlement if you worked during the PAGA Period. You will also not be allowed to object to the settlement, but you will retain the right to bring any claims you may have against Defendant.

E. Release of Claims

Unless you timely exclude yourself from the settlement, upon the final approval by the Court of this Settlement Agreement, and except as to such rights or claims as may be created by this Settlement Agreement, each Class Member who has not timely requested exclusion from the Settlement, fully releases and discharges Defendant, and all of its officers, directors, agents, and employees (collectively “Released Parties”), from any and all claims, demands, rights, liabilities, actions, grievances, demands for arbitration, and causes of action, of every nature and description,

that were or could have been asserted based on the facts alleged in the Operative Complaint, including but not limited to, any state or federal claims relating to the failure to pay wages and overtime, failure to provide meal or rest breaks, failure to provide accurate and complete wage statements, failure to keep requisite payroll records, failure to timely pay employees during employment or at termination, failure to reimburse employees for business expenses, unfair competition, waiting time penalties, interest, attorney fees, or any other alleged known or unknown wage and hour violations that were alleged or could reasonably have been alleged based on arising out of the acts, facts, transactions, occurrences, representations, or omissions that were asserted in the Lawsuit (“Released Claims”).

F. Final Approval Hearing

The Court has scheduled a Final Approval Hearing for _____, 2024, at _____ a.m. in Department 23 of the Superior Court of California, County of Alameda, located at 1221 Oak Street, Oakland, CA 94612. At the Final Approval Hearing, the Court will decide whether to grant final approval of the settlement. The Court will also rule on the application by Plaintiffs for an award of attorney fees, litigation costs, administration costs, payment to the LWDA, and a Service Payment to Plaintiffs. You have the right to attend the Final Approval Hearing and address the Court. You also have the right to retain an attorney at your own expense to speak on your behalf. You are not required to attend the Final Approval Hearing.

G. Where to Get More Information

If you want more information about the lawsuit or the settlement, you can contact Class Counsel or any other advisor of your choice. You can also view and obtain copies of lawsuit and related documents, including the Joint Stipulation of Class Action and PAGA Settlement attached as Exhibit 1 to the March 5, 2024 Declaration of Graham B. LippSmith in Support of Plaintiffs’ Motion for Preliminary Approval of Class Action and PAGA Settlement (filed on March 5, 2024), in the Court’s file by going to the Clerk’s office at the Superior Court of California, County of Alameda, located at 1225 Fallon Street; Oakland, CA 94612 or online at <https://eportal.alameda.courts.ca.gov/>. DO NOT CONTACT THE JUDGE OR JUDGE’S COURTROOM CLERK. Below is the contact information for the lawyers representing the Parties and for the Clerk of the Court.

Class Counsel

Arby Aiwarzian
Joanna Ghosh
Brian St. John
LAWYERS FOR JUSTICE, PC
410 West Arden Ave., Suite 203
Glendale, CA 91203
Telephone: (818) 265-1020
Facsimile: (818) 265-1021
Email: arby@calljustice.com
Email: joanna@calljustice.com
Email: brian@calljustice.com

Defendant’s Counsel

Kathryn T. McGuigan
MORGAN, LEWIS & BOCKIUS LLP
300 South Grand Avenue
Twenty-Second Floor
Los Angeles, California 90071-3132
Tel: (213) 612-2500
Fax: (213) 612-2501
Email: kathryn.mcguigan@morganlewis.com

Kayla K. Cox
MORGAN, LEWIS & BOCKIUS
One Market, Spear Street Tower
San Francisco, CA 94105
Tel: (415) 442-1000
Fax: (415) 442-1001
Email: kayla.cox@morganlewis.com

Graham B. LippSmith
MaryBeth LippSmith
Celene Chan Andrews
Jaclyn L. Anderson
LIPPSMITH LLP
555 S. Flower Street, Suite 3000
Los Angeles, CA 90071
Telephone: (213) 344-1820
Facsimile: (213) 513-2495
Email: contact@lippsmith.com

BY ORDER OF THE COURT ENTERED ON _____, 2024.

DISPUTE DATA FORM

Rochelle Ketchum, et al. v. Alegria Community Living

Superior Court of California, County of Alameda
Case No. 22CV013890, consolidated with Case No. 22CV013889

If you wish to dispute the number of workweeks attributed to you as a non-exempt employee in California while working for Alegria Community Living during the Class Period, you may submit this form (or any other written statement) stating the number of workweeks you contend is correct, along with any documents that support your Dispute, by mailing or delivering this form or any other written statement to the Settlement Administrator on or before , 2024 as follows:

Settlement Administrator:

Settlement Administrator
c/o Simpluris, Inc.
[ADDRESS]
[TELEPHONE]
[FAX]

Even if you Dispute the number of workweeks attributed to you for this Settlement, you will still receive your pro rata share of the Net Settlement Amount if the Court approves the Settlement.

Number of Workweeks You Contend is Correct: _____

Dated: _____

(Typed or Printed Name)

(Signature)

(Address)

(City, State, Zip Code)

(Telephone Number, Including Area Code)

***Please attach additional pages of documents that support your Dispute to this Form and send all documents to the Settlement Administrator.**

OBJECTION FORM

Rochelle Ketchum, et al. v. Alegria Community Living

Superior Court of California, County of Alameda
Case No. 22CV013890, consolidated with Case No. 22CV013889

YOUR LEGAL RIGHTS & OPTIONS IN THIS SETTLEMENT	
DO NOTHING	No action is required to get your share of this settlement.
EXCLUDE YOURSELF	<u>Get no payment except PAGA penalties, if applicable.</u> This is the only option that allows you to file your own lawsuit against Defendant. Exclusion from the class settlement will not result in exclusion from the PAGA settlement to the extent the PAGA settlement applies to you.
OBJECT	If you so choose, you may object to this settlement.

If you wish to object to the Settlement, you may submit this form (or any other written statement) stating the basis for your objection, along with any documents that support your objection, by mailing or delivering this form or any other written statement to the Settlement Administrator on or before _____, 2024 as follows:

Settlement Administrator:

Settlement Administrator
c/o Simpluris, Inc.
[ADDRESS]
[TELEPHONE]
[FAX]

Even if you object to the Settlement, you will still receive your pro rata share of the Net Settlement Amount, if the Court approves the Settlement.

I object to the proposed settlement for the following reasons:

(If you need more space, please attach additional pages to this form.)

Dated: _____

(Typed or Printed Name)

(Signature)

(Address)

(City, State, Zip Code)

(Telephone Number, Including Area Code)

REQUEST FOR EXCLUSION FORM

Rochelle Ketchum, et al. v. Alegria Community Living

Superior Court of California, County of Alameda
Case No. 22CV013890, consolidated with Case No. 22CV013889

YOUR LEGAL RIGHTS & OPTIONS IN THIS SETTLEMENT	
DO NOTHING	No action is required to get your share of this settlement.
EXCLUDE YOURSELF	<u>Get no payment except PAGA penalties, if applicable.</u> This is the only option that allows you to file your own lawsuit against Defendant. Exclusion from the class settlement will not result in exclusion from the PAGA settlement to the extent the PAGA settlement applies to you.
OBJECT	If you so choose, you may object to this settlement.

I declare as follows:

I am or was an hourly paid or non-exempt employee who worked at Alegria Community Living in California at any time from July 6, 2018 through _____ (“Class Period”), I have received and reviewed the Notice of Pendency of Class Action and Proposed Settlement, and I wish to be ***excluded*** from the Settlement Class and ***not*** to participate in the proposed Settlement. Exclusion from the class settlement will not result in exclusion from any PAGA settlement.

Dated: _____

(Typed or Printed Name)

(Signature)

(Address)

(City, State, Zip Code)

(Telephone Number, Including Area Code)

If you wish to exclude yourself from the settlement, this form must be mailed, faxed or delivered to the Settlement Administrator on or before _____, 2024:

Settlement Administrator
c/o Simpluris, Inc.
[ADDRESS]
[TELEPHONE]
[FAX]

EXHIBIT 3

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA

ROCHELLE KETCHUM, LATREASE JACKSON, individually, and on behalf of other members of the general public similarly situated;

Plaintiffs,

vs.

ALEGRIA COMMUNITY LIVING, a California corporation; and DOES 1 through 100, inclusive,

Defendant.

Lead Case No.: 22CV013890
Consolidated Case No.: 22CV013889

ASSIGNED FOR ALL PURPOSES TO
Judge Tara Desautels
Department 23

CLASS ACTION

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: March 27, 2024
Time: 2:30 p.m.
Dept.: 23
Judge: Hon. Tara Desautels

Complaint Filed: July 6, 2022
FAC Filed: May 2, 2023
Jury Trial Date: None

1 On March 27, 2024, the Honorable Tara Desautels considered Plaintiffs Rochelle Ketchum
2 and LaTrease Jackson's ("Plaintiffs") Motion for Preliminary Approval of Class Action and
3 PAGA Settlement ("Preliminary Approval Motion"), Declarations of Brian St. John (Plaintiffs'
4 Counsel), Graham B. LippSmith (Plaintiffs' Counsel), Eric Springer (Settlement Administrator),
5 Rochelle Ketchum (Plaintiff), and LaTrease Jackson (Plaintiff); the Joint Stipulation of Class
6 Action and PAGA Settlement ("Settlement Agreement"); Notice of Class Action Settlement
7 ("Class Notice"); Exclusion Form; Objection Form; Dispute Data Form; and other documents
8 submitted in support of the Preliminary Approval Motion.

9 Celene Chan Andrews of LippSmith LLP appeared for and on behalf of Plaintiffs and the
10 Putative Class; Kathryn T. McGuigan of Morgan, Lewis & Bockius LLP appeared on behalf of
11 Defendant Alegria Community Living ("Defendant").

12 Having considered the Preliminary Approval Motion, the Declarations, and all supporting
13 legal authorities and documents, the Court orders as follows:

14 **IT IS HEREBY ORDERED THAT:**

- 15 1. The Court grants preliminary approval of the Settlement Agreement.
- 16 2. This Order incorporates by reference the definitions in the Settlement Agreement,
17 attached as **Exhibit 1** to the Declaration of Graham B. LippSmith in Support of Plaintiffs' Motion
18 for Preliminary Approval of Class Action and PAGA Settlement. All terms defined therein shall
19 have the same meaning in this Order as set forth in the Settlement Agreement.
- 20 3. For settlement purposes only, the Court provisionally certifies the following
21 Settlement Class: Class Members include all current and former hourly-paid or non-exempt
22 employees: who worked for Defendant within the State of California at any time during the
23 period from July 6, 2018 to final judgment and who reside in California. Settlement ¶ 1.3.
24 Excluded from the Settlement Class are persons who validly and timely exclude themselves using
25 the procedures set forth in the Settlement Agreement.
- 26 4. The Court preliminarily appoints named Plaintiffs Rochelle Ketchum and LaTrease
27 Jackson as Class Representatives.

1 5. The Court preliminarily appoints Arby Aiwarzian, Joanna Ghosh, and Brian St.
2 John of Lawyers *for* Justice, PC and LippSmith LLP as Class Counsel. For purposes of these
3 settlement proceedings, the Court finds Plaintiffs’ Counsel adequate, competent, and capable of
4 performing their responsibilities as Class Counsel.

5 6. The Court preliminarily approves the proposed class Settlement upon the terms and
6 conditions set forth in the Settlement Agreement. The Court finds, on a preliminary basis, that the
7 Settlement appears to be within the range of reasonableness of settlement that the Court could
8 ultimately grant final approval. It appears to the Court, on a preliminary basis, that the Settlement
9 amount is fair, adequate, and reasonable as to all potential Class Members when balanced against
10 the probable outcome of further litigation relating to liability and damages issues. It further
11 appears that the Parties have conducted extensive and costly investigation and research, such that
12 counsel for the Parties are reasonably able to evaluate their respective positions at this time. It
13 further appears to the Court that the Settlement will avoid the Parties incurring substantial
14 additional costs, as well as the delay and risks that further prosecution of the Action would
15 present. It further appears that the Settlement has been reached as the result of intensive, non-
16 collusive, arm’s-length negotiations utilizing an experienced mediator. Preliminary approval is not
17 a final finding that the Settlement Agreement is fair, reasonable, and adequate. Instead, the Court
18 has determined that reasonable cause exists to submit the proposed Settlement Agreement to
19 Settlement Class Members and to hold a hearing on the fairness of the proposed settlement and on
20 final approval of the settlement (“Final Approval Hearing”).

21 7. The Court approves, as to form and content, the proposed Class Notice attached
22 hereto as **Exhibit A**. The proposed Class Notice (a) provides the best practicable notice under the
23 circumstances; (b) is reasonably calculated, under the circumstances, to apprise Settlement Class
24 Members of the pendency of the action, the terms of the proposed settlement, and of their right to
25 appear, object to, or exclude themselves from the proposed settlement; (c) is reasonable and
26 constitutes due, adequate, and sufficient notice to all persons entitled to receive notice; and
27 (d) complies fully with the requirements of the California Rules of Court, the California Code of
28

1 Civil Procedure, the California Civil Code, the Constitution of the State of California, the United
2 States Constitution, and any other applicable law.

3 8. The Court directs the mailing of the Class Notice by first-class mail to the Class
4 Members in accordance with the schedule and procedures set forth in the Settlement Agreement.
5 The Class Notice shall be accompanied by an Exclusion Form, attached hereto as **Exhibit B**, an
6 Objection Form, attached hereto as **Exhibit C**, and a Dispute Data Form, attached hereto as
7 **Exhibit D**, that the Class Members may use to exclude themselves from the Settlement or to
8 object to the Settlement, or dispute the workweeks worked. Any Form shall be submitted to the
9 Settlement Administrator rather than filed with the Court.

10 9. The Court hereby preliminarily approves the definition and disposition of the
11 Maximum Settlement Amount of \$710,000.00, which is inclusive of payment of attorney fees not
12 to exceed \$248,500.00 (35% of the Maximum Settlement Amount); litigation costs not to exceed
13 \$16,500.00; third party administration costs of up to \$9,000.00; Service Payment of \$10,000.00 to
14 Plaintiffs (comprised of \$5,000.00 to each Plaintiff); and PAGA penalties of \$80,000.00 (of which
15 75% or \$60,000 will be paid to the LWDA and 25% or \$20,000.00 will be paid to eligible Class
16 Members). The Net Settlement Amount will be distributed pro rata to Settlement Class Members
17 with 33.33% allocated to disputed wages, for which Settlement Class Members shall receive a W-
18 2 form, and 66.67% allocated to disputed penalties and interest, for which Settlement Class
19 Members shall receive a 1099 Form. Defendant shall pay the employer's share of payroll taxes on
20 the portion of the Maximum Settlement Amount payable to Settlement Class Members as wages,
21 in addition to the Maximum Settlement Amount.

22 10. The Court appoints Simpluris, Inc. ("Simpluris") as the Settlement Administrator
23 and approves payment of Settlement Administration costs to be paid by Defendant separate from
24 the Maximum Settlement Amount for services to be rendered by Simpluris on behalf of the Class.
25 Concurrently with the filing of the motion for final approval, the Settlement Administrator shall
26 prepare and submit to Class Counsel and Defendant's Counsel a declaration attesting to the
27 completion of the notice process as set forth in the Settlement Agreement, including an
28 explanation of efforts to resend any Class Notice returned undeliverable and the total number of

1 opt-outs and objections received before and after the deadline. The declaration shall also
2 authenticate a copy of every Exclusion Form and Objection Form the Settlement Administrator
3 receives.

4 11. The Court directs Defendant to provide the Settlement Administrator with the
5 “Class List” for Class Members providing the following information: name, last known mailing
6 address, last known telephone number, Social Security number, and the total number of
7 workweeks in California as a nonexempt employee during the Class Period and PAGA Period.
8 Defendant shall provide the Class List as referenced herein to the Settlement Administrator in
9 accordance with the procedure and deadlines set forth in the Settlement Agreement within
10 fourteen (14) calendar days of this Order.

11 12. The Settlement Administrator shall use the National Change of Address database
12 (U.S. Postal Service) to check for updated addresses for Class Members and shall then mail, via
13 first class U.S. mail, the Class Notice to Class Members as approved in paragraph 7 herein, in
14 accordance with the procedure and deadlines set forth in the Settlement Agreement. The
15 Settlement Administrator shall mail the Notice within ten (10) calendar days of receipt of the
16 Class List and Information for the Class. The deadline by which Class Members may dispute the
17 number of workweeks, opt out, or object shall be forty-five (45) calendar days from the date of the
18 Settlement Administrator’s mailing of the Class Notice.

19 13. Any Class Member or aggrieved employee who wants to dispute the number of
20 workweeks they worked as a non-exempt employee in California during the Class Period and/or
21 PAGA Period must timely provide the Settlement Administrator with additional information and
22 documentation (“Dispute”), as set forth in the Settlement Agreement, by completing a Dispute
23 Data Form, attached hereto as **Exhibit D**. Any Class Member or aggrieved employee submitting a
24 Dispute must sign the Dispute Data Form, referencing the case name and case number
25 (22CV013890), and must complete the Dispute Data Form with the following information: (1) the
26 full name of the Class Member or aggrieved employee; (2) the number of workweeks the Class
27 Member or aggrieved employee contends is correct; (3) and attaching any documentation to
28 support their contended number of workweeks. In the event of any Dispute, the Settlement

1 Administrator shall consult with the Parties to determine whether an adjustment to the number of
2 workweeks a Class Member or aggrieved employee worked is warranted. The Court will resolve
3 any Dispute the Settlement Administrator and/or the Parties do not resolve. Prior to raising a
4 Dispute with the Court, counsel for the Parties shall confer in good faith to resolve the Dispute to
5 avoid the necessity of involving the Court.

6 14. Any Class Member who desires to opt out or be excluded from the Settlement must
7 timely submit a written request for exclusion in accordance with the Class Notice. All such
8 persons who properly and timely exclude themselves from the Settlement shall not be Class
9 Members and shall have no rights with respect to the settlement, no interest in the settlement
10 proceeds, and no standing to object to the proposed settlement. However, Class Members who
11 request exclusion but were employed during the PAGA Period, as defined in the Settlement
12 Agreement, will receive their pro rata portion of the PAGA settlement upon final approval of the
13 Settlement.

14 15. Any Class Member who wishes to object to the Settlement must either serve a
15 written objection on the Settlement Administrator or appear at the Final Approval hearing to
16 object. The Settlement Administrator will email a copy of any written objections to Class Counsel
17 and counsel for Defendant. Class Counsel will file any objections with the Court. The objection
18 should set forth the factual and legal basis for the objection in a clear and concise manner. Class
19 Members who fail to object in the manner specified above still have the right to appear in Court at
20 the Final Approval Hearing to state their objections. Absent good cause found by the Court, any
21 Class Member who fails to make their objection in the manner provided for in this Order shall be
22 deemed to have waived such objection and shall forever be foreclosed from making any objection
23 to or appeal of the fairness, reasonableness, or adequacy of the Settlement as incorporated in the
24 Settlement Agreement, or to the award of attorney fees, costs, or Service Payment to Plaintiffs.

25 16. The Parties shall file a single Motion with documents in support of a finding of
26 Final Approval and Fairness of the Settlement, inclusive of supporting documents in support of
27 any requested Fee and Costs Award, no later than fourteen (14) court days before the Final
28 Approval and Fairness hearing.

1 17. A Final Approval hearing shall be held with the Court on _____, 2024
2 at 8:30 a.m., in Department 23 of the Superior Court of California County of Alameda, 1221 Oak
3 Street; Oakland, CA 94612, to determine (1) whether the proposed Settlement is fair, reasonable,
4 and adequate and whether the Court should grant final approval of the Settlement; (2) the amount
5 of attorney fees and costs to award Class Counsel; and (3) the amount of a Service Payment to the
6 Plaintiffs. The Settlement Administrator shall provide Notice of any continuance of the Final
7 Approval hearing to any Class Members who have submitted an objection to the Settlement.

8 18. In the event the Settlement does not become effective in accordance with the terms
9 of the Settlement, or the Settlement is not finally approved, is terminated, cancelled, or fails to
10 become effective for any reason, this Order shall be rendered null and void and shall be vacated,
11 and the Parties shall revert to their respective positions as of the commencement of the Action. In
12 any such circumstance, the Parties will be free to assert any claim or defense that could have been
13 asserted at the outset of the Action.

14
15 **IT IS SO ORDERED.**
16
17

18 DATED: _____

Honorable Tara Desautels
Judge of the Superior Court

EXHIBIT A

NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT

Superior Court of California, County of Alameda

Ketchum, et al. v. Alegria Community Living,

Case No. 22CV013890 consolidated with

Ketchum, et al. v. Alegria Community Living,

Case No. 22CV013889

This Notice provides important information about a proposed settlement in the class action lawsuit brought by Rochelle Ketchum and LaTrease Jackson (“Plaintiffs”) against Alegria Community Living (“Defendant”), and your right to participate in, exclude yourself from, or object to the settlement.

A. Summary of the Claims

Plaintiffs contend that Defendant violated various provisions of the California Labor Code by its alleged: (1) failure to pay all overtime; (2) failure to provide proper meal periods, or premium pay for non-compliant meal periods; (3) failure to authorize and permit rest periods, or premium pay for non-compliant rest periods; (4) failure to pay minimum wages; (5) failure to pay all wages on termination of employment; (6) failure to pay timely wages during employment; (7) failure to provide accurate wage statements; (8) failure to maintain requisite payroll records; (9) unreimbursed business expenses pursuant to Labor Code Sections 2800 and 2802; and (10) unfair business practices. Plaintiffs also assert a claim for civil penalties under the California Labor Code Private Attorneys General Act (“PAGA”) based on the foregoing alleged violations by Defendant. PAGA authorizes aggrieved employees to file lawsuits to recover civil penalties on behalf of themselves, other employees, and the State of California for Labor Code violations. Plaintiffs seek to recover on behalf of themselves and other Class Members, wages, missed meal and rest break premiums, penalties, interest, costs, and attorney fees.

Defendant denies all of Plaintiffs’ claims and maintains that it has complied with all applicable laws. Specifically, Defendant contends that it correctly compensated Class Members for all compensable work hours at the appropriate regular and premium rates; provided Class Members with proper meal and rest periods or paid required premiums for missed or non-compliant breaks; provided Class Members with compliant wage statements and maintained requisite payroll records; timely paid Class Members all wages owing during their employment and at the time of termination; and reimbursed Class Members for all business expenses. Defendant further contends that for any purpose other than settlement, this action is not appropriate for class treatment.

The Court has not decided if Defendant violated any laws or if Plaintiffs or Class Members are entitled to any money or other relief. The Court has only determined that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable, and any final determination of those issues will be made at the final hearing.

B. Why You Are Receiving This Notice

On _____, 2024, the Superior Court of California, County of Alameda (“the Court”) preliminarily approved a class action settlement of the lawsuit on behalf of all persons who have either been, or currently are, employed by Defendant in California as hourly paid employees eligible for overtime, rest and meal breaks, and subject to California’s minimum wage laws (collectively “Class Members” or “employees”) during the period at any time beginning July 6, 2018 through the date the Court grants Preliminary Approval of this settlement (“Class Period”). According to Defendant’s records, you are a Class Member. Because you are a Class Member, you have the right to participate in, object to, or exclude yourself from the settlement. This Notice explains your legal rights and options with respect to the settlement.

C. The Terms of the Settlement

Defendant has agreed to pay a maximum Gross Settlement Fund of \$710,000.00 in exchange for a release of the claims asserted by Plaintiffs and Class Members in the lawsuit. Out of the Gross Settlement Fund, Class Counsel will be requesting the Court to award it up to \$248,500.00 in attorney fees, up to \$16,500.00 in litigation costs, a Service Payment to Plaintiffs of up to \$5,000.00 to each Plaintiff for a total of \$10,000.00, up to \$9,000.00 in third party administration costs, and \$80,000.00 allocated to PAGA penalties, 75% of which, or \$60,000.00 will be paid to the Labor Workforce Development Agency (“LWDA”) under PAGA. It is estimated that after deducting the attorney fees, litigation costs, Service Payment, amount allocated to PAGA from the Gross Settlement Fund, at least \$346,000.00 in payments (“Net Settlement Amount”) will be available for distribution to Class Members.

The Net Settlement Amount will be divided among Class Members as follows: To determine your share of the Net Settlement Amount, the Net Settlement Amount will be divided by the total number of weeks worked by all Settlement Class Members as employees in California during the Class Period, multiplied by the number of weeks worked by you as an employee in California during the Class Period. Unless you exclude yourself from the settlement as explained below, you will receive a settlement payment.

In addition, \$20,000.00 from the amount allocated to PAGA will be paid to Class Members who were employed with Defendant as employees in California at any time during the period of May 2, 2022 to the date of preliminary approval (“PAGA Period”). If you worked during the PAGA Period, to determine your share of the PAGA settlement, the PAGA settlement will be divided by the total number of weeks worked by all eligible Class Members as employees in California during the PAGA Period, multiplied by the number of weeks worked by you as an employee in California during the PAGA Period. You will receive your portion for the PAGA settlement even if you request exclusion from the settlement. You may neither object nor opt out of the PAGA settlement. These PAGA penalty payments will be reported on a Form 1099.

D. Your Options

You have three options: (1) participate in the settlement and not object to the settlement; (2) participate in the settlement and object to the settlement; or (3) request exclusion from the settlement.

If you choose to participate in the settlement (i.e., remain in the Class), you may also object to the settlement, as explained below. If you remain in the Class, you will be represented by Class Counsel. Class Counsel, however, will not represent you for purposes of making objections to the settlement. If you remain in the Class, you will be subject to any Judgment that will be entered in the Action, including the release of the Released Claims as described below.

1. Participate in the Settlement

Under the settlement, you will receive a settlement payment unless you request exclusion from the settlement. According to Defendant's records, you worked ____ weeks during the Class Period as an employee in California. As such, your settlement payment is estimated to be \$_____. The recovery by different Class Members will vary based on the number of weeks worked.

Even if you request exclusion, you will receive a portion of the PAGA settlement if you worked during the PAGA Period, which is at any time from May 2, 2022 until the date of preliminary approval. You cannot object or opt out of the PAGA settlement. According to Defendant's records, you worked ____ weeks during the PAGA Period as an employee in California. As such, your share of the PAGA settlement is estimated to be \$_____. The recovery by different employees will vary based on the number of weeks worked.

If you believe that the number of weeks worked is incorrect, you should provide the Settlement Administrator with an explanation, along with any documentation relating to your disagreement by no later than ____, 2024. If there is a dispute about the number of weeks you worked, the Settlement Administrator will review the Defendant's records and your records to attempt to resolve the dispute.

A Dispute Data Form is being provided to you, along with this notice. You should send your explanation and documentation regarding any dispute to the Settlement Administrator at the following address:

____ Class Action Settlement Administrator
c/o Simpluris, Inc.
P.O. Box _____
_____, _____
(____) ____-____

Settlement checks will be mailed, so if your address changes, you should inform the Settlement Administrator of the change. Your settlement payment will be mailed to you some time after the Court grants final approval of the settlement at the Final Approval Hearing.

33.33% of your settlement payment is allocated to wages, and taxes will be withheld from that portion and will be reported on a W-2. The remaining 66.67% of your settlement payment is allocated to non-wages and interest. No taxes will be withheld from this portion and will be reported on a 1099. If you received a portion of the PAGA settlement, no taxes will be withheld from this portion and will be reported on a 1099. Settlement Class Members are responsible for the proper income tax treatment of their settlement payments. The Settlement Administrator, Defendant and its counsel, and Plaintiffs and Class Counsel cannot and are not providing tax advice concerning the tax consequences and treatment of any settlement payment received by Settlement Class Members.

2. Object to the Settlement

If you do not exclude yourself from the settlement, you have the right to object to the settlement. To do so, mail the Objection Form to the Settlement Administrator at the address noted above and postmarked no later than _____, 2024. An Objection Form is being provided to you, along with this notice. Class Counsel will provide the Court with your objection prior to the Final Approval Hearing. You can also hire an attorney at your own expense to represent you in your objection.

You may elect to appear in Court at the Final Approval Hearing to state your objections if you do not make your written objection in the manner specified above. You are not required to appear in Court. Absent good cause found by the Court, if you do not submit a written objection OR appear in Court to object at the Final Approval Hearing, you will be deemed to have waived your right to object and shall be foreclosed from making any objections to the settlement whether by appeal or otherwise.

3. Exclude Yourself from the Settlement

If you wish to exclude yourself from the settlement, you must mail to the Settlement Administrator a valid Exclusion Form, which is a request to be excluded from the settlement. An Exclusion Form is being provided to you, along with this notice. The Exclusion Form states, in effect, that you wish to be excluded from the settlement in the class action lawsuit. The Exclusion Form must be postmarked no later than _____, 2024, and mailed to the Settlement Administrator at the address noted above. If you exclude yourself from the settlement, you will not be entitled to recover any settlement payment except your share of the PAGA settlement if you worked during the PAGA Period. You will also not be allowed to object to the settlement, but you will retain the right to bring any claims you may have against Defendant.

E. Release of Claims

Unless you timely exclude yourself from the settlement, upon the final approval by the Court of this Settlement Agreement, and except as to such rights or claims as may be created by this Settlement Agreement, each Class Member who has not timely requested exclusion from the Settlement, fully releases and discharges Defendant, and all of its officers, directors, agents, and employees (collectively “Released Parties”), from any and all claims, demands, rights, liabilities, actions, grievances, demands for arbitration, and causes of action, of every nature and description,

that were or could have been asserted based on the facts alleged in the Operative Complaint, including but not limited to, any state or federal claims relating to the failure to pay wages and overtime, failure to provide meal or rest breaks, failure to provide accurate and complete wage statements, failure to keep requisite payroll records, failure to timely pay employees during employment or at termination, failure to reimburse employees for business expenses, unfair competition, waiting time penalties, interest, attorney fees, or any other alleged known or unknown wage and hour violations that were alleged or could reasonably have been alleged based on arising out of the acts, facts, transactions, occurrences, representations, or omissions that were asserted in the Lawsuit (“Released Claims”).

F. Final Approval Hearing

The Court has scheduled a Final Approval Hearing for _____, 2024, at _____ a.m. in Department 23 of the Superior Court of California, County of Alameda, located at 1221 Oak Street, Oakland, CA 94612. At the Final Approval Hearing, the Court will decide whether to grant final approval of the settlement. The Court will also rule on the application by Plaintiffs for an award of attorney fees, litigation costs, administration costs, payment to the LWDA, and a Service Payment to Plaintiffs. You have the right to attend the Final Approval Hearing and address the Court. You also have the right to retain an attorney at your own expense to speak on your behalf. You are not required to attend the Final Approval Hearing.

G. Where to Get More Information

If you want more information about the lawsuit or the settlement, you can contact Class Counsel or any other advisor of your choice. You can also view and obtain copies of lawsuit and related documents, including the Joint Stipulation of Class Action and PAGA Settlement attached as Exhibit 1 to the March 5, 2024 Declaration of Graham B. LippSmith in Support of Plaintiffs’ Motion for Preliminary Approval of Class Action and PAGA Settlement (filed on March 5, 2024), in the Court’s file by going to the Clerk’s office at the Superior Court of California, County of Alameda, located at 1225 Fallon Street; Oakland, CA 94612 or online at <https://eportal.alameda.courts.ca.gov/>. DO NOT CONTACT THE JUDGE OR JUDGE’S COURTROOM CLERK. Below is the contact information for the lawyers representing the Parties and for the Clerk of the Court.

Class Counsel

Arby Aiwarzian
Joanna Ghosh
Brian St. John
LAWYERS FOR JUSTICE, PC
410 West Arden Ave., Suite 203
Glendale, CA 91203
Telephone: (818) 265-1020
Facsimile: (818) 265-1021
Email: arby@calljustice.com
Email: joanna@calljustice.com
Email: brian@calljustice.com

Defendant’s Counsel

Kathryn T. McGuigan
MORGAN, LEWIS & BOCKIUS LLP
300 South Grand Avenue
Twenty-Second Floor
Los Angeles, California 90071-3132
Tel: (213) 612-2500
Fax: (213) 612-2501
Email: kathryn.mcguigan@morganlewis.com

Kayla K. Cox
MORGAN, LEWIS & BOCKIUS
One Market, Spear Street Tower
San Francisco, CA 94105
Tel: (415) 442-1000
Fax: (415) 442-1001
Email: kayla.cox@morganlewis.com

Graham B. LippSmith
MaryBeth LippSmith
Celene Chan Andrews
Jaclyn L. Anderson
LIPPSMITH LLP
555 S. Flower Street, Suite 3000
Los Angeles, CA 90071
Telephone: (213) 344-1820
Facsimile: (213) 513-2495
Email: contact@lippsmith.com

BY ORDER OF THE COURT ENTERED ON _____, 2024.

EXHIBIT B

REQUEST FOR EXCLUSION FORM

Rochelle Ketchum, et al. v. Alegria Community Living

Superior Court of California, County of Alameda
Case No. 22CV013890, consolidated with Case No. 22CV013889

YOUR LEGAL RIGHTS & OPTIONS IN THIS SETTLEMENT	
DO NOTHING	No action is required to get your share of this settlement.
EXCLUDE YOURSELF	<u>Get no payment except PAGA penalties, if applicable.</u> This is the only option that allows you to file your own lawsuit against Defendant. Exclusion from the class settlement will not result in exclusion from the PAGA settlement to the extent the PAGA settlement applies to you.
OBJECT	If you so choose, you may object to this settlement.

I declare as follows:

I am or was an hourly paid or non-exempt employee who worked at Alegria Community Living in California at any time from July 6, 2018 through _____ (“Class Period”), I have received and reviewed the Notice of Pendency of Class Action and Proposed Settlement, and I wish to be ***excluded*** from the Settlement Class and ***not*** to participate in the proposed Settlement. Exclusion from the class settlement will not result in exclusion from any PAGA settlement.

Dated: _____

(Typed or Printed Name)

(Signature)

(Address)

(City, State, Zip Code)

(Telephone Number, Including Area Code)

If you wish to exclude yourself from the settlement, this form must be mailed, faxed or delivered to the Settlement Administrator on or before _____, 2024:

Settlement Administrator
c/o Simpluris, Inc.
[ADDRESS]
[TELEPHONE]
[FAX]

EXHIBIT C

OBJECTION FORM

Rochelle Ketchum, et al. v. Alegria Community Living

Superior Court of California, County of Alameda
Case No. 22CV013890, consolidated with Case No. 22CV013889

YOUR LEGAL RIGHTS & OPTIONS IN THIS SETTLEMENT	
DO NOTHING	No action is required to get your share of this settlement.
EXCLUDE YOURSELF	<u>Get no payment except PAGA penalties, if applicable.</u> This is the only option that allows you to file your own lawsuit against Defendant. Exclusion from the class settlement will not result in exclusion from the PAGA settlement to the extent the PAGA settlement applies to you.
OBJECT	If you so choose, you may object to this settlement.

If you wish to object to the Settlement, you may submit this form (or any other written statement) stating the basis for your objection, along with any documents that support your objection, by mailing or delivering this form or any other written statement to the Settlement Administrator on or before _____, 2024 as follows:

Settlement Administrator:

Settlement Administrator
c/o Simpluris, Inc.
[ADDRESS]
[TELEPHONE]
[FAX]

Even if you object to the Settlement, you will still receive your pro rata share of the Net Settlement Amount, if the Court approves the Settlement.

I object to the proposed settlement for the following reasons:

(If you need more space, please attach additional pages to this form.)

Dated: _____

(Typed or Printed Name)

(Signature)

(Address)

(City, State, Zip Code)

(Telephone Number, Including Area Code)

EXHIBIT D

DISPUTE DATA FORM

Rochelle Ketchum, et al. v. Alegria Community Living

Superior Court of California, County of Alameda
Case No. 22CV013890, consolidated with Case No. 22CV013889

If you wish to dispute the number of workweeks attributed to you as a non-exempt employee in California while working for Alegria Community Living during the Class Period, you may submit this form (or any other written statement) stating the number of workweeks you contend is correct, along with any documents that support your Dispute, by mailing or delivering this form or any other written statement to the Settlement Administrator on or before , 2024 as follows:

Settlement Administrator:

Settlement Administrator
c/o Simpluris, Inc.
[ADDRESS]
[TELEPHONE]
[FAX]

Even if you Dispute the number of workweeks attributed to you for this Settlement, you will still receive your pro rata share of the Net Settlement Amount if the Court approves the Settlement.

Number of Workweeks You Contend is Correct: _____

Dated: _____

(Typed or Printed Name)

(Signature)

(Address)

(City, State, Zip Code)

(Telephone Number, Including Area Code)

***Please attach additional pages of documents that support your Dispute to this Form and send all documents to the Settlement Administrator.**