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Attorneys for Plaintiff and the Putative Classes

SUPERIOR COURT FOR THE STATE OF CALIFORNIA

COUNTY OF SACRAMENTO

CHRISTOPHER PAHL and KELLY LESLIE,
individually and on behalf of all others similarly
situated,

Plaintiffs,

v.

CEC EMPLOYEE GROUP, LLC, a Delaware
Limited Liability Company, **COLORADO**
TECHNICAL UNIVERSITY, INC., a
Colorado Corporation, **AMERICAN**
INTERCONTINENTAL UNIVERSITY
SYSTEM, INC., a Georgia Corporation,
TRIDENT UNIVERSITY
INTERNATIONAL, LLC, a Delaware
Corporation, **AMERICAN**
INTERCONTINENTAL UNIVERSITY, INC.,
a Georgia Corporation, and **CALIFORNIA**
SOUTHERN UNIVERSITY,

Defendants.

CASE NO. 34-2022-00322588

**SUPPLEMENTAL DECLARATION OF
JULIAN HAMMOND IN SUPPORT OF
PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: February 9, 2024

Time: 9:00 a.m.

Dept.: 28

1
2 I, Julian Hammond, declare as follows:

3 1. I am over the age of 18 and have personal knowledge of the facts set forth in this
4 declaration and could and would testify competently to them.

5 2. I am the founding shareholder of the law firm HammondLaw, P.C. and counsel for the
6 named Plaintiffs and the putative Classes.

7 3. On December 14, 2023, the Court issued a tentative ruling requesting that the parties
8 address the following matters:

9 **Issue 1:** *While Counsel declares that Plaintiff Pahl submitted an initial and amended notice to*
10 *the LWDA (Hammond Decl., ¶¶ 7, 12), Plaintiffs fail to provide a copy of either Notice. Plaintiffs also*
11 *fail to provide proof of their submission of the proposed Settlement to the LWDA. Section 2699,*
12 *subdivision (l)(2) provides that the court "shall review and approve any settlement of any civil action*
13 *filed pursuant to this part. The proposed settlement shall be submitted to the agency at the same time*
14 *that it is submitted to the court." Accordingly, Counsel must provide a copy of the Notice Letters and*
15 *evidence that the settlement was provided to the LWDA.*

16 **Response:** A copy of Plaintiffs' PAGA Notices are attached as **Exhibits 1-4**. Proofs of Service
17 on the LWDA of both the parties' original Settlement Agreement (that was filed with the Court on
18 November 21, 2023), and their Revised Settlement Agreement, are filed herewith.

19 **Issue 2:** *Counsel indicates that the Settlement Agreement and Class Notice are attached to his*
20 *declaration as exhibits; however, no such exhibits appear in the Court's records. Plaintiffs must provide*
21 *the Settlement Agreement and Class Notice for the Court's review. The Court expects Plaintiffs to ensure*
22 *that the Class Notice adequately informs the Class about the claims, the terms of the settlement, the*
23 *release of claims, their anticipated distribution, the amount of fees and expenses being requested by class*
24 *counsel, the amount of any incentive award to the class representatives, the opportunity to object and*
25 *the requirements for objections, the date and place of the final approval hearing, and any opportunity to*
26 *opt-out of the settlement and the procedure for requesting exclusion. The class notice should be*
27 *consistent with the terms of the settlement agreement but should avoid any commentary as to the merits*
28 *of the settlement. For example, the Notice should NOT include a statement such as, "Plaintiffs and their*
attorneys believe the Settlement is fair, reasonable, and adequate and in the best interests of all
Settlement Class Members." This language is unnecessary and may improperly discourage class
members from objecting to the settlement.

1 **Response:** Plaintiffs respectfully note that their original Class Action Settlement Agreement was
2 attached as Exhibit 1 to the Declaration of Julian Hammond filed on November 21, 2023. After reviewing
3 the Court’s tentative ruling, and Preliminary Approval Checklist, the parties revised their original
4 Settlement Agreement, and Class Notice, to ensure it is consistent with the Court’s instructions. The
5 Revised Class Action Settlement Agreement is attached hereto as **Exhibit 5**.

6 **Issue #3:** *While this issue may be clarified in the actual Settlement Agreement, Plaintiffs’ moving*
7 *papers do not indicate that Class Members who receive a re-mailed Notice will receive an extension of*
8 *time to respond. Generally, the Court prefers that an extension of at least 15 days be granted in those*
9 *circumstances. Similarly, the moving papers do not indicate how long settlement checks will remain valid*
10 *before being distributed to the cy pres beneficiary. Generally, the Court prefers a check-cashing period*
11 *of 180 days.*

12 **Response:** The Revised Class Action Settlement Agreement is consistent with the Court’s
13 instructions.

14 **Issue #4:** *While the Court cannot review the actual release language, the Court is concerned by*
15 *Plaintiffs’ brief summary in the moving papers: “[Class Members] will release all claims alleged, or*
16 *that could have been alleged, in the operative Complaint, and arising during the Class Period. SA §§*
17 *17.1, 17.2. Named Plaintiffs will also give a general release. Id. § 17.3.” (Mot., p. 2:24- 26.) Plaintiffs*
18 *do not mention a PAGA release. The class release must be fairly tailored to the claims that were or*
19 *reasonably could be asserted in the lawsuit based on the facts alleged in the complaint. (See Amaro v.*
20 *Anaheim Arena Management, LLC (2021) 69 Cal.App.5th 521, 538-539 [“Releases must be*
21 *appropriately tethered to the complaint’s factual allegations;” “[A] court cannot release claims that are*
22 *outside the scope of the allegations of the complaint.”].) In cases involving both class and PAGA claims,*
23 *the settlement should include separate releases for the Class Members and the Aggrieved Employees.*
24 *The PAGA release must be tethered to the PAGA claims that were or reasonably could have been alleged*
25 *based on the facts alleged in the LWDA Notices. (See Id., at p. 541, fn. 5; Uribe v. Crown Building*
26 *Maintenance Co. (2021) 70 Cap.App.5th 986, 1005.)*

27 **Response:** The Releases included in the Revised Class Action Settlement Agreement are
28 consistent with the Court’s instructions.

29 **Issue #5:** *The Agreement provides for Class Representative Service Awards of \$20,000 to*
30 *Plaintiff Pahl and \$10,000 to Plaintiff Leslie. Plaintiffs must explain the differing values, The Agreement*
31 *provides for Class Representative Service Awards of \$20,000 to Plaintiff Pahl and \$10,000 to Plaintiff*
32 *Leslie. Plaintiffs must explain the differing values, including if the service awards are premised on the*

1 *release of specific, individual claims. Moreover, the Court expects Plaintiffs to each file a declaration*
2 *attesting to the nature of their individual participation in this case, including a description of their*
3 *specific actions and an estimate of time they committed to prosecution of the case. (See Clark v. American*
4 *Residential Services LLC (2009) 175 Cal.App.4th 785, 804-807.)*

5 **Response:** Plaintiffs' declarations are filed herewith. Plaintiff Pahl's enhancement award is
6 premised in part on his release of claims for wrongful termination under Labor Code §§ 98.6 and 1102.5
7 as alleged in the Second Amended Complaint. Plaintiff Pahl estimates that he lost at least \$9,100 in
8 earnings as a result of his termination that occurred after filing his lawsuit, as well as nearly 6 months of
9 matching 401k contributions. In addition, Plaintiff Pahl seeks \$20,000 in civil penalties for Defendants'
10 alleged violation of California's wrongful termination laws. In light of the substantial financial losses
11 Plaintiff Pahl alleges he suffered as result of bringing this lawsuit, which he is releasing as part of the
12 Settlement, the requested service award is appropriate.

13 I declare under penalty of perjury under the laws of the United States and the State of California
14 that the foregoing is true and correct. Executed on January 17, 2024.

15 s/ Julian Hammond
16 Julian Hammond
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EXHIBIT 1

HAMMONDLAW

A PROFESSIONAL CORPORATION

FACSIMILE: 310-295-2385

1201 Pacific Avenue, Suite 600
Tacoma, WA 98402

TELEPHONE: 310-601-6766

June 22, 2022

VIA LWDA WEBSITE

Labor & Workforce Development Agency
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

VIA CERTIFIED MAIL

CEC Employee Group, LLC
2710 Gateway Oaks Drive, Suite 150N
Sacramento, CA 95833

Michele A. Peppers
CEC Employee Group, LLC
231 N Martingale Road
Schaumburg, IL 60173

Elise Baskel
President
Colorado Technical University, Inc.
231 N Martingale Road
Schaumburg, IL 60173

Re: Private Attorneys General Act Notice of Claims Pursuant to California Labor Code § 2699

Dear Ms. Baskel, Mr. Peppers, at al.,

This letter is to provide notice of claims for penalties under the California Labor Code's Private Attorneys General Act, as amended, Cal. Labor Code § 2698 *et seq.* ("PAGA").

We represent Christopher Pahl ("Plaintiff") in connection with his representative claims against CEC Employee Group, LLC ("CEC") and Colorado Technical University, Inc. ("CTU") (collectively referred to here as Defendants) on behalf of all current and former part-time adjunct instructors at CTU employed by Defendant in California ("Adjunct Aggrieved Employees") at anytime from one year prior to the postmark date of this Notice through to trial of this matter ("PAGA Period") for the following Labor Code violations:

- (a) failure to issue accurate itemized wage statements in violation of Labor Code §§ 226(a), 226.2(a);

- (b) failure to pay timely in violation of Labor Code § 204;
- (c) failure to pay separate and apart from the piece for all hours worked and/or failure to pay for all hours worked in violation of Labor Code §§ 226.2, 1194;
- (d) failure to pay separate and apart from the piece for time spent on rest breaks and/or failure to permit and authorize off-duty rest breaks in violation of Labor Code §§ 226.2, 226.7; and
- (e) failure to pay all wages due at the time of discharge from employment in violation of Labor Code §§ 201-202; and
- (f) failure to provide paid sick time off in violation of Labor Code §§ 246 et seq.

Plaintiff Pahl also asserts claims on behalf of all individuals employed by Defendants at CTU in California during the PAGA Period who were required and/or expected to work from home (“Aggrieved Employees” or “Aggrieved Employees”) for the following violation:

- (g) failure to fully reimburse for necessarily incurred business expenses in violation of Labor Code § 2802.

FACTUAL BACKGROUND

Adjunct Aggrieved Employees Are Non-Exempt Piece-Rate Workers

Plaintiff Pahl has been employed by Defendants as an online part-time Adjunct Faculty in California since approximately 2018. CEC Employee Group, LLC is the entity listed on Plaintiff’s and Adjunct Aggrieved Employees’ wage statements and W2. Colorado Technical University is the entity listed on Plaintiff and Adjunct Aggrieved Employees’ offers letters and other documents, including the Faculty Handbook. Both CEC Employee Group, LLC and Colorado Technical University, Inc. are subsidiaries of Perdoceo Education Corporation.

Plaintiff and other Adjunct Aggrieved Employees are non-exempt under California law. IWC Wage Order No. 4-2001, § 1(A) provides certain exemptions including executive, administrative, and professional exemptions. Under the IWC Wage Order No. 4-2001, § 1(A)(3)(d), the professional exemption – which is the only exemption potentially applicable to Adjunct Aggrieved Employees – applies only if an employee earns “a monthly salary equivalent to no less than two (2) times the state minimum wage for full-time employment,” which is defined in Labor Code § 515(c) as 40 hours per week (“minimum earnings requirement”).

Plaintiff and Adjunct Aggrieved Employees are non-exempt for at least two independent reasons. First, they are not paid on a “salary” basis – rather, they are paid on a piece-rate basis. Plaintiff and Adjunct Aggrieved Employees are piece-rate workers because Defendant compensates them with a set amount of money per Course based on the number of course credit hours taught (*e.g.*, for delivering 4-credit online course during a 5- or 10-week academic session, for tutoring, or provide subject matter expert services) and faculty rank.

. The more Courses and Course Credits Adjunct Aggrieved Employees teach, the more they are paid. This type of compensation is a form of piece-rate compensation, not a salary.

Moreover, Adjunct Aggrieved Employees' compensation is not a salary because Defendants reserve the right to cancel a course based on low enrollment and either offer no pay or reduced pay, depending on whether the course is cancelled before or after classes begin. This amount is not a salary because a salary is a predetermined amount that is not subject to reduction based on the quantity or quality of work performed. *See* 29 C.F.R. § 541.602(a).

The DLSE defines "piece-rate" broadly, as "[w]ork paid for according to the number of units turned out. Consequently, a piece rate must be based upon an ascertainable figure paid for completing a particular task or making a particular piece of goods."¹ True to the piece-rate definition in the DLSE Manual, a 2014 report from the U.S. House of Representatives Committee on Education and the Workforce Democratic Staff, discussing poor working conditions of adjunct instructors, characterizes adjunct instructors' pay that is based on the number of courses taught as a piece-rate. The report states: "Generally, adjunct work is piece work. These contingent faculty usually are paid a piece rate, a fixed amount of compensation for each unit produced, regardless of how much time it takes to produce. In this case, the unit of production is a college course."² This is how Defendant paid Adjunct Aggrieved Employees – an ascertainable/fixed amount per "Assignment." As piece-rate workers, Plaintiffs and Adjunct Aggrieved Employees do not fall within any exemption, and are entitled to certain protections under the Labor Code and applicable IWC Wage Order as set forth herein.

Second, even if Adjunct Aggrieved Employees were paid a "salary," the "salary" is less than the required minimum earnings requirement (as described above) for an employee to be classified as exempt during most, if not all, of the pay periods in the PAGA Period.³ Therefore, Adjunct Aggrieved Employees were entitled to, but were denied, certain protections under the Labor Code as set forth herein.³

Failure to Pay Wages Timely Pursuant to Labor Code § 204(a) and/or Missing Wage Statements in Violation of Labor Code § 226(a)

Throughout the PAGA Period, Defendants paid Adjunct Aggrieved Employees wages untimely and failed to issue wage statements for all periods during which Adjunct Aggrieved

¹ DLSE Enforcement and Interpretation Manual, § 2.5.1. Noting the diversity of the nature of piece-rate plans, the DLSE provides a non-exclusive list of examples, including automobile mechanics paid on a "book rate," nurses paid on the basis of the number of procedures performed, a carpet layer paid based on the number of yards of carpet laid, a technician paid by the number of telephones installed, a factory worker paid by the widget completed, and a carpenter paid by the linear foot on framing job. DLSE Manual § 2.5.2.

² "The Just-In-Time Professor" is available here: <https://edlabor.house.gov/download/the-just-in-time-professor>.

³ Labor Code § 515.7, which permitted non-profit universities based in California to begin paying adjunct instructors a salary that is less than the minimum earnings requirement (provided certain other requirements are met) while classifying them as exempt starting September 9, 2020, is inapplicable because (a) Defendants are a for-profit entity, and (b) Defendants are not formed in California. *See* Labor Code § 515.7(a) incorporating Education Code § 66010(b).

Employees performed work. Section 204 of the Labor Code requires that wages be paid twice during each calendar month and that labor performed between the 1st and the 15th day of any calendar month be paid between the 16th and the 26th day of the month, and that labor performed between the 16th and the last day of the month be paid between the 1st and the 10th of the following month. Labor Code § 204 provides a limited exception that does not apply here (the exception is inapplicable for two independent reasons: (a) Adjunct Aggrieved Employees were not paid on a salary basis, and (b) Adjunct Aggrieved Employees were not paid by the 26th of a given month for all work performed in that month).

Throughout the PAGA Period, Defendants did not pay for work performed between the 1st and the 15th of the month before the 26th day of the month. For example, Defendant paid Adjunct Aggrieved Employees for work performed between May 9 and 24, 2022, on May 31, 2022. In addition, the wage statements Defendants issued to Adjunct Aggrieved Employees did not cover the entire period during which Adjunct Aggrieved Employees performed work, including the period between the first day of classes and the last day of classes. For example, for a 5-week course that began on January 25, 2022 and ended on February 28, 2022, Defendants issued two wage statements, on February 28, 2022 and March 15, 2022. For a 10-week course that began on January 25, 2022 and ended on April 4, 2022, Defendants issued four wage statements, on February 28, March 15, March 31, and April 15, 2022.

Plaintiff and Adjunct Aggrieved Employees are entitled to hundred dollars (\$100) per employee per pay period for each initial violation of Section 204(a) and two hundred dollars (\$200) per employee per pay period for each subsequent violation, pursuant to Labor Code § 2699(f)(2). Plaintiff and Adjunct Aggrieved Employees are also entitled up to two hundred fifty dollars (\$250) per employee for each pay period with a missing wage statement, and one thousand dollars (\$1,000) per employee for each subsequent pay period with missing wage statements, pursuant to Labor Code § 226.3.

Unpaid Nonproductive Time and/or Unpaid Wages Pursuant to Labor Code §§ 226.2, 1194, 1194.2, 1197.1(a) and IWC Wage Order No. 4-2001, § 4

Throughout the PAGA Period, whether Adjunct Aggrieved Employees are considered piece-rate workers, Defendants failed to pay Adjunct Aggrieved Employees for all hours worked, including but not limited to course set-up and course preparation that take place prior to the start of classes, grading and degrading submission, and grading and submission of grades for those students who have incomplete grades after the end of an academic term. Defendants provide a set number of “clock” hours based on the number of credit hours assigned to a course that Defendants estimate Adjunct Aggrieved Employees work to complete their course assignments. However, those clock hours are not sufficient to cover all the work performed, including but not limited to, work performed before the first day of classes and after the last day of classes.

In addition, because Adjunct Aggrieved Employees are piece-rate workers, pursuant to Labor Code §§ 226.2, 1194, 1194.2, and Wage Order No. 4-2001, § 4, throughout the PAGA Period Defendant was required, but failed, to pay Adjunct Aggrieved Employees hourly and separately apart from the piece-rate at least at the minimum wage for their nonproductive time. In

addition to completing the assignments for which they were paid on a piece-rate basis, Adjunct Aggrieved Employees perform nonproductive tasks including but not limited to online trainings, such as FERPA, PROD Ethics, and Information Technology training, complete a lengthy and detailed professional development and scholarly/professional activities form, and attend/participate in their course evaluations meetings with their lead faculty or program chair. Even if Adjunct Aggrieved Employees were not piece-rate workers, these tasks were unpaid.

Lastly, Adjunct Aggrieved Employees are not paid for time spent on course set up and course preparation when a course is cancelled.

As a result, pursuant to Labor Code § 2699(f), Plaintiff and Adjunct Aggrieved Employees are entitled to one hundred dollars (\$100) per employee per pay period for each initial violation and two hundred fifty dollars (\$250) per employee per pay period for each subsequent violation, in accordance with Labor Code § 1197.1(a)(1)-(2). Alternatively, Plaintiff and Adjunct Aggrieved Employees are entitled to the default PAGA penalty under Labor Code § 2699(f)(2) of one hundred dollars (\$100) per employee per pay period for each initial violation and two hundred dollars (\$200) per employee per pay period for each subsequent violation.

Rest Break Claims Pursuant to Labor Code §§ 226.2, 226.7, 1194 and IWC Wage Order No. 4-2001, §§ 4, 12

Adjunct Aggrieved Employees routinely worked at least 3.5 hours or more continuously during the PAGA Period, particularly during grading time. Defendant knew or should have known that they did so. Therefore, because Adjunct Aggrieved Employees are piece-rate workers, pursuant to Labor Code §§ 226.2, 1194 and IWC Wage Order No. 4-2001, §§ 4, 12, Defendant was required, but failed, to pay Adjunct Aggrieved Employees for their time spent on rest breaks separately and hourly apart from the piece-rate.

Even if Adjunct Aggrieved Employees are not considered piece-rate workers, as non-exempt employees they are entitled to off-duty paid rest breaks, pursuant to Labor Code § 226.7 and IWC Wage Order No. 4-2001, § 12. However, Defendant failed to authorize and permit Adjunct Aggrieved Employees to take off-duty rest breaks, thereby triggering an obligation to make premium payments for missed rest breaks, yet Defendants did not pay premium pay, in violation of Labor Code § 226.7 and IWC Wage Order No. 4-2001, § 12.

As a result of Defendant's rest break violations throughout the PAGA Period, Plaintiff and Adjunct Aggrieved Employees are entitled to one hundred dollars (\$100) per employee per pay period for each initial violation and two hundred dollars (\$200) per employee per pay period for each subsequent violation, pursuant to Labor Code § 2699(f)(2).

Wage Statement Claims Pursuant to Labor Code §§ 226(a), 226.2(a)

During the PAGA Period, Defendant was required under Labor Code § 226(a) to furnish Adjunct Aggrieved Employees with wage statements containing (1) total hours worked by the employee, (2) all applicable hourly rates in effect during the pay period, and (3) the corresponding

number of hours worked at each hourly rate by the employee. Additionally, because Adjunct Aggrieved Employees are piece-rate workers, under Labor Code § 226(a)(3), Defendant was required to furnish them with wage statements that included the number of piece-rate units earned and any applicable piece rate, and under Labor Code § 226.2(a) to furnish them with wage statements that itemized the total hours of compensable rest and recovery periods, the rate of compensation, and the gross wages paid for those periods during the pay period.

Defendant did not, however, require Adjunct Aggrieved Employees to track their hours worked. Instead of furnishing Adjunct Aggrieved Employees with wage statements that listed their actual hours worked, Defendant furnished Adjunct Aggrieved Employees with wage statements that included the “clock” hours set out in its Faculty Handbook. In addition, Defendant did not list hourly rates on Adjunct Aggrieved Employees’ wage statements. Adjunct Aggrieved Employees’ wage statements included the heading “rate,” but Defendant left the space under this heading blank. Defendant also did not list on Adjunct Aggrieved Employees’ wage statements total hours of compensable rest and recovery periods along with the rate of compensation and gross wages paid for those rest periods, or pieces produced and applicable piece rate.

Therefore, throughout the PAGA Period, Defendant failed to issue accurate itemized wage statements, in violation of Labor Code §§ 226(a) and 226.2(a), and failed to keep the records required in Section 226(a).

As a result, pursuant to Labor Code § 2699(a), (f), Plaintiff and Adjunct Aggrieved Employees are entitled to two hundred fifty dollars (\$250) per employee per initial violation, and one thousand dollars (\$1,000) per employee per subsequent violation, in accordance with Labor Code § 226.3. Alternatively, Plaintiff and Adjunct Aggrieved Employees are entitled to the default PAGA penalty under Labor Code § 2699(f)(2) of one hundred dollars (\$100) per employee per pay period for each initial violation and two hundred dollars (\$200) per employee per pay period for each subsequent violation.

Labor Code §§ 201-202 Failure to Pay Wages Owed at Discharge Claims

As a consequence of Defendant’s failure to pay wages for all hours worked and/or failure to pay separately and apart from the piece-rate for nonproductive time, Adjunct Aggrieved Employees did not receive all compensation due to them upon discharge or separation from employment. In addition, when an Adjunct Aggrieved Employee completed an assignment without being issued another assignment, the final pay was not paid upon discharge or separation, but rather on the next regularly scheduled payroll date. As a result, Defendants violated Labor Code §§ 201-202 by not paying, and/or not timely paying, Adjunct Aggrieved Employees all wages due to them upon discharge or separation from employment.

Pursuant to Labor Code § 2699(f)(2), Plaintiff and Adjunct Aggrieved Employees are entitled to one hundred dollars (\$100) per employee per pay period for each initial violation and two hundred dollars (\$200) per employee per pay period for each subsequent violation.

Labor Code § 246 et seq. Claims for Failure to Provide Paid Sick Leave

Plaintiff and Adjunct Aggrieved Employees who worked for Defendant for 30 or more days within a year from commencement of their employment, were entitled to receive paid sick leave pursuant to Labor Code §§ 246, et seq. CTU, however, failed to provide Plaintiff and Adjunct Aggrieved Employees with paid sick leave during the PAGA Period. CTU's Faculty Handbook provides that Adjunct Faculty in certain geographic jurisdictions may be eligible to accrue and use paid sick leave. Plaintiff and Adjunct Aggrieved Employees' wage statements, however, do not list any available sick leave, nor is Plaintiff aware of any sick leave being available him or to other Adjunct Aggrieved Employees.

Labor Code § 2802 Unreimbursed Business Expenses Claims

Throughout the PAGA Period, Defendant did not reimburse Aggrieved Employees fully for necessary business expenses, including but not limited to the costs of internet, mobile/home phone service, computers that meet certain technical requirements and specifications, web cameras, microphones or headsets with microphones, electricity, printers, ink toner/cartridges and paper, and other expenses associated with working from a home office, in violation of Labor Code § 2802. Defendant knew that Aggrieved Employees had to incur such expenses because Defendant employed Adjunct Aggrieved Employees to teach online from remote locations without providing any equipment and without directly paying for necessary services such as internet, and also employed other Aggrieved Employees to work remotely. Defendant reimbursed Adjunct Aggrieved Employees only \$12.50 per pay period for home office expense, but this amount was not sufficient to cover all expenses they incurred. Upon information and belief, Defendant also did not reimburse other Aggrieved Employees fully for the expenses they incurred in working remotely from their home offices.

Defendant's failure to fully reimburse these expenses was a violation of Labor Code § 2802. Accordingly, Plaintiff and Aggrieved Employees are entitled to hundred dollars (\$100) per employee per pay period for each initial violation and two hundred dollars (\$200) per employee per pay period for each subsequent violation, pursuant to Labor Code § 2699(f)(2).

CONCLUSION

Therefore, pursuant to Labor Code § 2699, we write to inform you and the Labor and Workforce Development Agency of our intent to pursue a lawsuit against Defendants that will include a claim for civil penalties under the PAGA to be brought by the Plaintiff as a representative of the State, individually, and on behalf of all other Adjunct Aggrieved Employees and Aggrieved Employees, based on the Labor Code violations alleged above.

Yours truly,

Julian Hammond

EXHIBIT 2

HAMMONDLAW

A PROFESSIONAL CORPORATION

FACSIMILE: 310-295-2385

1201 Pacific Avenue, Suite 600
Tacoma, WA 98402

TELEPHONE: 310-601-6766

October 7, 2022

VIA LWDA WEBSITE

Labor & Workforce Development Agency
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

VIA E-MAIL BY AGREEMENT

Nathan W. Austin
AustinN@jacksonlewis.com
Jackson Lewis P.C.
400 Capitol Mall
Suite 1600
Sacramento, CA 95814

**Re: Amended Private Attorneys General Act Notice of Claims Pursuant to
Cal. Labor Code § 2699; LWDA Case No. LWDA-CM-890717-22**

Dear Mr. Austin,

This letter is to provide an amended notice of claims for penalties under the California Labor Code's Private Attorneys General Act, as amended, Cal. Labor Code § 2698 *et seq.* ("PAGA").

On June 22, 2022, Mr. Christopher Pahl ("Plaintiff") gave notice of his intent to seek PAGA penalties against CEC Employee Group, LLC ("CEC") and Colorado Technical University, Inc. ("CTU") (CEC and CTU are referred to collectively as, "Defendants") in connection with his representative claims against Defendants on behalf of all current and former part-time adjunct instructors at CTU employed by Defendants in California ("Adjunct Aggrieved Employees") during the PAGA Period, defined as one year prior to the post mark date of the PAGA Notice, for violations of Labor Code §§ 226(a), 226.2, 204, 1194, 226.7, 201-203, 246 *et seq.*, and on behalf of all individuals employed by Defendants at CTU in California during the PAGA Period who were required and/or expected to work remotely from home for the violation of Labor Code § 2802.

The purpose of this amended Notice is to inform you (1) that our firm also represents Kelly Leslie ("Plaintiff Leslie") in connection with her claims against Defendants on behalf of Adjunct Aggrieved Employees and Aggrieved Employees; and (2) Plaintiff Pahl's intent to seek civil penalties pursuant to PAGA, on behalf of himself for Defendants' wrongful retaliation and/or discharge in response to his engaging in protected activities, including the submission of his initial PAGA Notice on June 22, 2022, and the filing of the Complaint in *Pahl v. CEC Employee Group*,

LLC, et al., Case No. 34-2022-00322588 on June 28, 2022, in violation of Labor Code § 98.6, 1102.5.

Plaintiff Leslie's Claims

Ms. Leslie has been employed by Defendants as a part-time adjunct instructor in California to teach courses for the last eight years, and was promoted in or about mid-2019 to Assistant Professor. Throughout her employment, Ms. Leslie has been consistently assigned to teach courses during each academic term. Like other Adjunct Aggrieved Employees, Ms. Leslie taught online courses, remotely.

Throughout her employment, Ms. Leslie has been subject to the same policies and practices as other Adjunct Aggrieved Employees and/or Aggrieved Employees, including but not limited to classification, compensation, and reimbursement policies. Accordingly, Ms. Leslie intends to bring representative claims under PAGA and seek civil penalties pursuant to PAGA, along with Mr. Pahl, on behalf of herself and all other Adjunct Aggrieved Employees and Aggrieved Employees for the violations of Labor Code §§ Labor Code §§ 226(a), 226.2, 204, 1194, 226.7, 201-203, 246 et seq., 2802, on the same basis as described in the initial PAGA notice sent by Mr. Pahl.

Mr. Pahl's Wrongful Retaliation/Discharge Claim

A. Factual Background

Mr. Pahl has been employed by CTU since 2018. During his employment, Mr. Pahl has substantially performed his work duties and has been consistently assigned to teach one or two courses during each academic term. He had never been disciplined by Defendant. Yet, as soon as Mr. Pahl filed his putative Class Action Complaint and submitted his PAGA Notice on June 22, 2022. Defendants took adverse employment action against him by ceasing to assign him any courses. At the time Mr. Pahl submitted his PAGA Notice and filed his putative Class Action Complaint he was teaching two courses which began on May 24, 2022 and ended on June 27, 2022. Defendant did not assign Mr. Pahl to teach any courses in the following two terms, which began on August 9 and September 20, respectively.

When Mr. Pahl inquired about whether he would be assigned to teach a course starting in August 2022, CTU replied that “the decision not to assign you a course this session is based on the University’s strategic decision to expand coverage of teaching schedules and is not a reflection on you.” Such a response is so vague and nebulous a statement that it can only be reasonably interpreted as a made-up pretext.

Defendants’ adverse employment against Mr. Pahl was an act of blatant retaliation for the exercise of his rights under the law and filing the instant Complaint and sending a PAGA notice.

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B. PAGA Penalties

Labor Code § 98.6 provides, in relevant part:

“(a) A person shall not discharge an employee or in any manner discriminate, retaliate, or take any adverse action against any employee because the employee ... has filed a bona fide complaint or claim or instituted or caused to be instituted any proceeding under or relating to his or her rights that are under the jurisdiction of the Labor Commissioner, made a written or oral complaint that he or she is owed unpaid wages, or because the employee has initiated any action or notice pursuant to Section 2699, or has testified or is about to testify in a proceeding pursuant to that section, or because of the exercise by the employee ...on behalf of himself, herself, or others of any rights afforded him or her.

(b) (1) Any employee who is discharged, suspended, retaliated against, subjected to an adverse action, or in any other manner discriminated against in the terms and conditions of his or her employment because the employee ... has initiated any action or notice pursuant to Section 2699 shall be entitled to reinstatement and reimbursement for lost wages and work benefits caused by those acts of the employer.”

Labor Code § 98.6(b)(3) provides:

“[i]n addition to other remedies available, an employer who violates this section is liable for a civil penalty not exceeding ten thousand dollars (\$10,000) per employee for each violation of this section, to be awarded to the employee or employees who suffered the violation.”

Labor Code § 1102.5 prohibits retaliation against an employee whom the employer believes “...disclosed or may disclose information...to a person with authority over the employee...who has the authority to investigate, discover, or correct the violation or noncompliance...if the employee has reasonable cause to believe that the information discloses a violation of...a local, state, or federal rule or regulation...” Notably, PAGA specifically lists Labor Code § 1102.5 as a provision the violation of which is subject to PAGA penalties (*see* Lab. Code § 2699.5) and § 1102.5 itself provides “[i]n addition to other penalties, an employer that is a corporation or limited liability company is liable for a civil penalty not exceeding ten thousand dollars (\$10,000) for each violation of this section (Lab. Code § 1105.2(f)).

As alleged above, Defendants terminated Mr. Pahl in retaliation for his having filed a complaint alleging that Defendants’ compensation policies and/or practices violated California Labor Code §§ 226(a), 226.2(a), 226.7, 1194, 201-203, 204, 2802 as well as § 246 et al., and for his having sent a PAGA notice alleging the same violations.

Thus, Defendants engaged in retaliation against Mr. Pahl because he engaged in the kind of activity described in § 98.6 (e.g., including but not limited to, filing “a bona fide complaint or claim or instituted or caused to be instituted [a] proceeding under or relating to his [] rights that

are under the jurisdiction of the Labor Commissioner,” “initiated ...notice pursuant to Section 2699” etc. and the kind of activity described in § 1102.5 (e.g., including but not limited to disclosing information to a person with authority over the employees, who has authority to investigate and correct the violation.)

As a result of Defendants’ violation of Labor Code § 98.6 Mr. Pahl seeks a civil penalty of \$10,000 for each violation of this section.

As a result of Defendants’ violation of Labor Code § 1102.5 Mr. Pahl seeks a civil penalty of \$10,000 for each violation of this section.

CONCLUSION

Therefore, pursuant to Labor Code § 2699.3, we write to inform you and the Labor and Workforce Development Agency of our intent to seek civil penalties on behalf of Mr. Pahl and Ms. Leslie and other Adjunct Aggrieved Employees and Aggrieved Employees, as described above, in the *Pahl v. CEC Employee Group, LLC, et al.*, Case No. 34-2022-00322588 action.

Yours truly,

Julian Hammond

EXHIBIT 3

HAMMONDLAW

A PROFESSIONAL CORPORATION

FACSIMILE: 310-295-2385

1201 Pacific Avenue, Suite 600
Tacoma, WA 98402

TELEPHONE: 310-601-6766

March 21, 2023

VIA LWDA WEBSITE

Labor & Workforce Development Agency
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

VIA E-MAIL BY AGREEMENT

Nathan W. Austin
AustinN@jacksonlewis.com
Jackson Lewis P.C.
400 Capitol Mall, Suite 1600
Sacramento, CA 95814

Re: *Pahl v. CEC Employee Group, LLC, et al.*
Sacramento Superior Court Case No. 34-2022-00322588
LWDA-CM-890717-22
Second Amended Private Attorneys General Act Notice of Claims

Dear Mr. Austin,

Plaintiffs Christopher Pahl and Kelly Leslie provide a second amended notice of claims for penalties under the California Labor Code's Private Attorneys General Act, as amended, Cal. Labor Code § 2698 *et seq.* ("PAGA").

On June 22, 2022, Christopher Pahl ("Plaintiff") gave notice of his intent to seek PAGA penalties against CEC Employee Group, LLC and Colorado Technical University, Inc. ("Defendants") in connection with his representative claims on behalf of all current and former part-time adjunct instructors employed by Defendants in California ("Adjunct Aggrieved Employees") from June 22, 2021 to the present ("PAGA Period") for violations of Labor Code §§ 226(a), 226.2, 226.3, 204, 1194, 1194.2, 1197.1, 226.7, 201-203, and 246 *et seq.*; and on behalf of all individuals employed by Defendants in California during the PAGA Period who were required and/or expected to work remotely from home for a violation of Labor Code § 2802 ("Aggrieved Employees").

On October 7, 2022, Plaintiff Pahl provided an amended PAGA Notice, informing Defendants that Plaintiff's Counsel also represent Kelly Leslie in connection with her claims against Defendants on behalf of Adjunct Aggrieved Employees and Aggrieved Employees; and informing Defendants of Plaintiff Pahl's intention to seek individual PAGA penalties for Defendants' violation of Labor Code § 98.6, 1102.5.

Plaintiffs hereby amend the definition of “Defendants” in the PAGA Notice and Amended PAGA Notice to include Trident University International; American Intercontinental University, Inc.; and California Southern University.

Pursuant to Labor Code § 2699.3, we write to inform you and the Labor and Workforce Development Agency of our intent to amend the operative Complaint in *Pahl v. CEC Employee Group, LLC, et al.*, Case No. 34-2022-00322588, to seek civil penalties from Defendants Trident University International, American Intercontinental University, Inc. and California Southern University, for the labor code violations alleged on behalf of Aggrieved Employees and Adjunct Aggrieved Employees in the PAGA Notice and Amended PAGA Notice, and that arise during the PAGA Period.

Yours truly,

Julian Hammond

EXHIBIT 4

HAMMONDLAW

A PROFESSIONAL CORPORATION

FACSIMILE: 310-295-2385

1201 Pacific Avenue, Suite 600
Tacoma, WA 98402

TELEPHONE: 310-601-6766

June 7, 2023

VIA LWDA WEBSITE

Labor & Workforce Development Agency
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

VIA E-MAIL BY AGREEMENT

Nathan W. Austin
AustinN@jacksonlewis.com
Jackson Lewis P.C.
400 Capitol Mall Suite 1600
Sacramento, CA 95814

Re: *Pahl v. CEC Employee Group, LLC, et al.*
Sacramento Superior Court Case No. 34-2022-00322588
LWDA-CM-890717-22
Third Amended PAGA Notice

Dear Mr. Austin,

Plaintiffs Christopher Pahl and Kelly Leslie provide a third amended notice of claims for penalties under the California Labor Code's Private Attorneys General Act, as amended, Cal. Labor Code § 2698 *et seq.* ("PAGA").

1. On June 22, 2022, Christopher Pahl ("Plaintiff") gave notice of his intent to seek PAGA penalties against CEC Employee Group, LLC and Colorado Technical University, Inc. ("Defendants") in connection with his representative claims on behalf of all current and former part-time adjunct instructors employed by Defendants in California ("Adjunct Aggrieved Employees") from June 22, 2021 to the present ("PAGA Period") for violations of Labor Code §§ 226(a), 226.2, 226.3, 204, 1194, 1194.2, 1197.1, 226.7, 201-203, and 246 *et seq.*; and on behalf of all individuals employed by Defendants in California during the PAGA Period who were required and/or expected to work remotely from home for a violation of Labor Code § 2802 ("Aggrieved Employees").

2. On October 7, 2022, Plaintiff Pahl provided an amended PAGA Notice, informing Defendants that Plaintiff's Counsel also represent Kelly Leslie in connection with her claims against Defendants on behalf of Adjunct Aggrieved Employees and Aggrieved Employees; and informing Defendants of Plaintiff Pahl's intention to seek individual PAGA penalties for Defendants' violation of Labor Code § 98.6, 1102.5.

3. On March 21, 2023, Plaintiffs provided a second amended PAGA Notice, amending the definition of “Defendants” in the PAGA Notice and Amended PAGA Notice to include Trident University International; American Intercontinental University, Inc.; and California Southern University.

4. Plaintiffs hereby amend the definition of “Defendants” in the PAGA Notice, Amended PAGA Notice, and Second Amended PAGA Notice, to include “American Intercontinental University System, Inc.”

5. Pursuant to Labor Code § 2699.3, we write to inform you and the Labor and Workforce Development Agency of our intent to amend the operative Complaint in *Pahl v. CEC Employee Group, LLC, et al.*, Case No. 34-2022-00322588, to seek civil penalties from Defendant American Intercontinental University System, Inc., for the labor code violations alleged on behalf of Aggrieved Employees and Adjunct Aggrieved Employees in the PAGA Notice, Amended PAGA Notice, and Second Amended PAGA Notice, and that arise during the PAGA Period.

Yours truly,

Julian Hammond

EXHIBIT 5

REVISED CLASS ACTION SETTLEMENT AGREEMENT

This Revised Class Action Settlement Agreement (“Settlement Agreement”) is made and entered into between Plaintiffs Christopher Pahl and Kelly Leslie (“Plaintiffs” or “Class Representatives”), individually and on behalf of the Settlement Classes (as defined below), by and through HammondLaw, P.C. (“Class Counsel”), and Defendants CEC Employee Group, LLC; Colorado Technical University, Inc.; Trident University International, LLC; American Intercontinental University System, Inc. (formerly known as American Intercontinental University, Inc.) and California Southern University (“Defendants”) subject to the approval of the Court, as provided below. This Settlement Agreement is intended by Plaintiffs and Defendants to fully, finally, and forever resolve, discharge, and settle the Action (as defined below) and Released Claims (as defined below), upon and subject to the terms and conditions hereof, as follows:

1. Definitions.

As used herein, for the purposes of this Settlement Agreement only, the following terms will be defined as set forth below:

1.1 “Action” refers to the civil action entitled: *Christopher Pahl v. CEC Employee Group, LLC*, Case No. 2022-00322588, in the Superior Court of California, County of Sacramento.

1.2 “Adjunct Class” or “Adjunct Class Members” refers to all persons who are or have been employed by Defendants as adjunct professors in California at any time during the period from June 28, 2018 through June 7, 2023. The Adjunct Class does not include any person who previous settled or released any other claims covered by this Settlement Agreement, or any person who previously was paid or received awards through civil or administrative actions for the claims covered by this Settlement Agreement.

1.3 “Staff Class” or “Staff Class Members” refers to all persons who are or have been employed by Defendants in California as remote workers, excluding Adjunct Class Members, from June 28, 2018 through June 7, 2023. The Staff Class does not include any person who previous settled or released any other claims covered by this Settlement Agreement, or any person who previously was paid or received awards through civil or administrative actions for the claims covered by this Settlement Agreement.

1.4 “Class Members” refers to the Adjunct Class and Staff Class collectively.

1.5 “Class Counsel” refers to the attorneys of record for the Class Representatives, *i.e.*, HammondLaw, P.C.

1.6 “Class Notice” refers to the form of direct-mail notice substantially in the form attached as “**Exhibit A**,” as may be modified by the Court.

1.7 “Class Period” means the period from June 28, 2018 through June 7, 2023.

1.8 “Class Representatives” refers to Plaintiffs Christopher Pahl and Kelly Leslie.

1.9 “Complaint” refers to the operative Second Amended Complaint in this Action.

1.10 “Court” refers to the Superior Court of California for Sacramento County where the action was originally filed.

1.11 “Defendants” refers to CEC Employer Group, LLC; Colorado Technical University, Inc.; Trident University International, LLC; American Intercontinental University System, Inc. (formerly known as American Intercontinental University, Inc.); and California Southern University.

1.12 “Final Approval Hearing” refers to the hearing at which the Court will make a final determination whether the terms of the settlement are fair, reasonable, and adequate for the Class and meet all applicable requirements for approval.

1.13 “Final Approval Order” refers to the final order by the Court approving the settlement following the Final Approval Hearing and entering final judgment.

1.14 “Effective Date” refers to the date the Final Approval Order is signed if no objections to the settlement are filed. If objections are filed and overruled, then the Effective Date is 75 days following the date the Final Approval Order is signed. If an appeal is taken from the Final Approval Order, then the Effective Date will be ten business days after the appeal is withdrawn or after an appellate decision affirming the final approval decision becomes final.

1.15 “Maximum Settlement Amount” (also referred to herein as “MSA”) refers to the maximum settlement payment of Nine Hundred Thousand Dollars (\$900,000) Defendants will be obligated to make, except that Defendants shall bear, in addition, all employer-side payroll tax payments due and payable to federal and state tax authorities as a result of this settlement. The Maximum Settlement Amount includes all payments made to Settlement Class Members, PAGA Penalties, Service Award payment to the Class Representative, all Settlement Administration Costs, and attorneys’ fees and litigation costs and expenses to Class Counsel as approved by the Court.

1.16 “Judgment” refers to the final judgment by the Court approving the settlement.

1.17 “Net Settlement Amount” (also referred to herein as “NSA”) is the MSA minus Court-approved attorney’s fees and litigation costs, Settlement Administration Costs, Service Award, and the amount allocated to PAGA Penalties. The NSA is the maximum amount that will be available for distribution to Settlement Class Members.

1.18 “PAGA Penalties” refers to the Thirty Thousand Dollars (\$30,000) allocated to Plaintiffs’ PAGA claims which shall be paid as follows: 75% of the PAGA Penalties shall be paid to the Labor and Workforce Development Agency (“LWDA”) as its share of the of civil penalties for PAGA claims; and 25% shall be distributed to Class Members who worked during the PAGA Period (“PAGA Members”). Eighty percent (80%) of the PAGA Penalties shall be deducted from the portion of the MSA allocated to the Adjunct Class and 20% of the PAGA Penalties shall be deducted from the portion of the MSA allocated to the Staff Class.

1.19 “PAGA Period” means the period from June 22, 2021 through to June 7, 2023.

1.20 “Parties” are Plaintiffs and Defendants.

1.21 “Released Claims” are those claims defined in Section 17.

1.22 “Released Parties” collectively refers to: (i) Defendants CEC Employee Group, LLC, Colorado Technical University, Inc., Trident University International, LLC, American Intercontinental University, Inc., American Intercontinental University System, Inc., California Southern University, (ii) each of Defendants’ respective past, present and future parents, subsidiaries and affiliates, including, without limitation, any corporation, limited liability company, partnership, trust, foundation, and non-profit entity which controls, is controlled by, or is under common control with Defendants; (iii) the past, present and future shareholders, directors, officers, agents, employees, attorneys, insurers, members, partners, managers, contractors, agents, consultants, representatives, administrators, fiduciaries, benefit plans, transferees, predecessors, successors, and assigns of any of the foregoing; and (iv) any individual or entity which could be jointly liable with any of the foregoing, including, but not limited to, temporary agencies.

1.23 “Request for Exclusion” refers to a request to be excluded from the settlement, which must be made in writing in conformity with the requirements set forth in the Class Notice, as well as the Court’s

order granting preliminary approval, and mailed to the Administrator and postmarked on or before the Response Deadline.

1.24 “Response Deadline” is forty-five (45) calendar days after the date that the Class Notice is mailed to Class Members and is the deadline by which Class Members’ Requests for Exclusion, disputes regarding Settlement Payments, and/or objections must be postmarked in order to be timely. Class Members who receive a re-mailed Notice shall have an additional 15 calendar days beyond the Response Deadline to respond.

1.25 “Service Award” refers to the monetary awards to Plaintiffs Christopher Pahl and Kelly Leslie. Christopher Pahl shall receive an amount not to exceed Twenty Thousand Dollars (\$20,000) or other amount as approved by the Court for his service as a Class Representative, to be paid from the Maximum Settlement amount, subject to approval by the Court, as described below. Kelly Leslie shall receive an amount not to exceed Ten Thousand Dollars (\$10,000) or other amount as approved by the Court, for her service as a Class Representative, to be paid for from the Maximum Settlement Amount, subject to approval by the Court, as described below.

1.26 “Settlement Administrator” refers to ILYM Group, Inc., the third-party administrator mutually selected by the parties, subject to approval by the Court, to perform the notice, claims administration, and distribution functions further described in this Settlement Agreement.

1.27 “Settlement Administration Costs” refers to the cost of paying the Settlement Administrator. This cost will be paid out of the MSA, in an amount not to exceed Twenty Thousand Dollars (\$20,000).

1.28 “Settlement Class” or “Settlement Class Member” refers to Adjunct Class Members and Staff Class Members who do not request exclusion from the settlement.

1.29 “Settlement Payment” refers to the amount paid to each Settlement Class Member.

2. Procedural History and Recitals.

On June 22, 2022, Pahl gave his notice to the LWDA of his intent to seek PAGA penalties against CEC Employee Group, LLC and Colorado Technical University, Inc. for alleged violations of Labor Code §§ 226(a), 226.2, 226.3, 204, 1194, 1194.2, 1197.1, 226.7, 201-203, and 246 *et seq.* (“Adjunct Aggrieved Employees”), and on behalf of all individuals employed by those entities in California who were required and/or expected to work remotely from home for a violation of Labor Code § 2802 (“Aggrieved Employees”). On June 28, 2022, Plaintiff Pahl filed this lawsuit against CEC Employee Group, LLP and

Colorado Technical University, Inc. in Sacramento County Superior Court alleging the following causes of action: (1) failure to pay wages separately from the piece and hourly for non-productive tasks and/or failure to pay wages for all hours worked in violation of California Labor Code §§ 226.2, 1194 and IWC Wage Order No. 4-2001 § 4; (2) failure to pay separately from the piece and hourly for rest breaks and/or failure to authorize and permit paid rest breaks, and failure to pay premium pay in violation of California Labor Code §§ 226.2, 226.7, 1194 and IWC Wage Order No. 4-2001 §§ 4, 12; (3) failure to issue accurate itemized wage statements in violation of California Labor Code §§ 226(a) and (e); and 226.2(a); (4) failure to reimburse business expenses in violation of California Labor Code § 2802; and (5) unfair, unlawful or fraudulent business practices in violation of California Business & Professions Code § 17200, *et seq.* (“UCL”). Plaintiff Pahl filed a First Amended Complaint on September 7, 2022 adding a claim for PAGA penalties based on alleged violations of Labor Code §§ 1194, 1194.2, 1197.1, 201, 202, 204, 226(a), 226.2, 226.7, 226(a), 246, and 2802. On October 7, 2022, Pahl submitted an amended notice of intent to the LWDA identifying that Kelly Leslie also sought to represent the Adjunct Aggrieved Employees and Aggrieved Employees, and also to notify state his intent to seek individual PAGA penalties of alleged violations of Labor Code §§ 98.6, and 1102.5. On October 11, 2022, Defendants filed an Answer to the FAC with a general denial of the allegations in the FAC and raising affirmative defenses. On March 21, 2023, Plaintiffs submitted a Second Amended PAGA notice amending their prior notices to identify that Plaintiffs also intended to seek penalties against Trident University International, LLC; American Intercontinental University, Inc.; and California Southern University in addition to CEC Employee Group, LLC and Colorado Technical University, Inc. for the previously alleged Labor Code violations. On June 7, 2023, Plaintiffs submitted a Third Amended PAGA notice amending their prior notices to identify that Plaintiffs also intended to seek penalties against American Intercontinental University System, Inc. On September 20, 2023, Plaintiffs filed a Second Amended Complaint adding Kelly Leslie as a named plaintiff and adding Trident University International, LLC; American Intercontinental University, Inc.; American Intercontinental University System, Inc.; and California Southern University as Defendants to their Labor Code claims and PAGA claims. Plaintiffs’ Second Amended Complaint alleges violation of Labor Code sections 201-203, the Work Adjustment and Retraining Notification Act, and the California Worker Adjustment and Retraining Notification Act.

2.1 On March 9, 2023, the Parties participated in a mediation session with Mr. Lou Marlin, an experienced mediator. The Parties reached the basic terms of a settlement which are memorialized in this formal Settlement Agreement, subject to approval by the Court. The Parties jointly represent that this is a fair, reasonable, and adequate settlement and have arrived at this settlement through arms-length negotiations, taking into account all relevant factors, present and potential.

2.2 This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendants of liability or wrongdoing. Defendants make no admission of liability or wrongdoing by virtue of entering into this Agreement. Additionally, Defendants reserve the right to contest any issues relating to class certification and liability if the settlement is not approved. Defendants deny that they have engaged in any unlawful activity, have failed to comply with the law in any respect, have any liability to anyone under the claims asserted in the Action, or that but for the settlement, a Class should be certified in the Action. This settlement and Plaintiffs' and Defendants' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with this settlement). Notwithstanding, in the interest of avoiding further litigation, Defendants desire to fully and finally settle Released Claims.

2.3 Class Counsel represent that they have thoroughly investigated the claims alleged against Defendants in the Action. Class Counsel represent that they have conducted their own investigation into the underlying facts, events, and issues related to the subject matter of this Action. Class Counsel represent that they have further undertaken an extensive analysis of the legal principles applicable to the claims asserted against Defendants, and the potential defenses thereto. Class Representatives and Defendants have had an opportunity to evaluate their respective positions on the merits of the claims asserted.

2.4 Class Counsel has also engaged in intensive arm's-length negotiations with counsel for Defendants with a view toward achieving substantial benefits for the Class while avoiding the cost, delay and uncertainty of further litigation, trial, and appellate review.

NOW THEREFORE, in consideration of the covenants and agreements set forth herein, and of the release of all Released Claims, Plaintiffs, on behalf of themselves and the Class, Class Counsel, and Defendants agree to the terms and provisions of this Settlement Agreement, subject to the approval of the Court.

3. Limitation on Effect of Settlement.

The Parties agree that certification of a class is appropriate for settlement purposes only. In the event that the settlement is not finally approved, or the settlement is otherwise terminated, and any class and representative action, which was certified for settlement purposes only, shall be vacated, and shall be of no force or effect whatsoever and shall not be admissible nor construed as an admission or concession of any kind by the Parties, in whole or part, and Defendants expressly reserve all rights to challenge certification of a class on all available grounds.

4. Establishment of the MSA.

Within 20 calendar days of the Effective Date, Defendants shall transmit the MSA to the Settlement Administrator. The MSA will cover payment by Defendants pursuant to this Settlement Agreement, to Settlement Class Members, Settlement Administration Costs, attorneys' fees and litigation costs to Class Counsel, and Service Awards to the Class Representatives. In addition, Defendants shall transmit to the Settlement Administrator an amount equal to employer-side payroll taxes due on the wage component of the Net Settlement Amount, within 10 calendar days from the date on which the Settlement Administrator notifies Defendants of the calculated amount. This settlement is non-reversionary and under no circumstances will any part of the MSA revert to Defendants.

5. Calculation of the NSA and Distribution of Settlement Proceeds.

5.1 Each Settlement Class Member will be entitled to a share of the NSA in accordance with the formula set forth below. Payments will be made from the NSA only to Settlement Class Members, as set forth herein.

5.1.1 Each Adjunct Class Member shall be paid pro rata based on the number of workweeks worked during the Class Period for those Adjunct Class Members who do not opt out. Eighty-three and one-third percent (83 1/3%) of the NSA shall be distributed to the Adjunct Class Members. The Settlement Administrator will calculate the number of workweeks worked by Adjunct Class during the Class Period based on the same methodology that was used to calculate the workweek figures by Defendants prior to mediation and the amount to be paid to Adjunct Class Members per workweek based on information to be provided by Defendants. The workweeks will be calculated by the Settlement Administrator for each Class Member by dividing the total days employed as a Class Member during the Class Period by seven (so long as the total days employed by the Class Member includes weekends and holidays; if the total

days employed by the Class Members includes only weekdays, the total days should be divided by five). The total workweeks shall not count any period of time an employee was not working. Defendants' workweek data will be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement Administrator by credible written evidence. All workweek disputes will be resolved and decided by the Settlement Administrator, and the Settlement Administrator's decision on all workweek disputes will be final and non-appealable.

5.1.2 Each Staff Class Member shall be paid pro rata based on the number of workweeks worked during the Class Period for those Staff Class Members who do not opt out. Sixteen and two-thirds percent (16 2/3%) of the NSA shall be distributed to the Staff Class Members. The Individual Settlement awards for the Staff Class will be allocated from the Net Settlement Amount and paid as follows: The amount to be paid per workweek to eligible Staff Class Members will be calculated by the Settlement Administrator by dividing the Net Settlement Amount by the total number of workweeks for all Staff Class Members; any person who opts out of the Settlement is not a Staff Class Member. The total workweeks shall not count any period of time an employee was not working

5.1.3 PAGA penalties (i.e. \$6,000) shall be paid to PAGA Members pro rata based on the number of work weeks worked by the PAGA Member during the PAGA Period. These PAGA settlement payments shall be allocated as penalties and reported on IRS Form 1099.

5.1.4 If a Class Member timely and validly submits a Request for Exclusion, as set forth herein, their share will return to the NSA and will be distributed to the remaining Settlement Class Members, with the exception of a PAGA Member's pro rata share of PAGA penalties which shall be paid to the PAGA Member.

5.2 Payments to Class Members and PAGA Members pursuant to this Settlement Agreement will not be construed as compensation for purposes of determining eligibility for or benefit calculations of any health and welfare benefit plan, retirement benefit plan, vacation benefit plan, unemployment compensation, including, without limitation, all plans, subject to Employee Retirement Income Security Act ("ERISA"). The Parties agree these payments do not represent any modification of any employee's previously-credited hours of service or other eligibility criteria under any employee pension benefit plan, employee welfare benefit plan, or other program or policy.

6. Attorneys' Fees and Costs.

Class Counsel shall request attorneys' fees up to 35% of the MSA, i.e., \$315,000 for attorneys' fees, and up to \$25,000 for reimbursement of litigation costs. Defendants agree to not oppose Class Counsel's request for attorneys' fees and costs in these amounts. The terms of this Settlement Agreement will not be abrogated and will continue in full force even if the Court awards a lower amount of attorneys' fees or costs than requested by Class Counsel. However, Class Counsel retains the right to appeal any such reductions, but such an appeal will not delay Defendants' obligation to make all payments set forth in this Settlement Agreement. Any unapproved amount of attorneys' fees and litigation costs will be added to the NSA and will be distributed to the Settlement Class Members.

7. Service Award.

Class Counsel shall request a Service Award of up to Ten Thousand Dollars (\$10,000) for Kelly Leslie and a Service Award of up to Twenty Thousand Dollars (\$20,000) for Christopher Pahl. Any unapproved amounts will be added to the NSA and distributed to the Settlement Class Members.

8. PAGA Penalties

Subject to Court approval, \$30,000 shall be attributed to Plaintiff's claims under PAGA. The Settlement Administrator shall apportion and distribute the \$30,000 payment as follows: (a) \$22,500 shall be paid to the LWDA as its 75% share of the settlement of civil penalties for PAGA claims; and (b) \$7,500 shall be distributed pro rata based on the number of workweeks worked by the Settlement Class Members who were employed during the PAGA Period as their 25% share of the settlement of civil penalties for PAGA claims. Eighty percent (80%) of the PAGA Penalties, i.e., \$24,000 shall be deducted from the portion of the Maximum Settlement Amount allocated to the Adjunct Class and 20% of the PAGA Penalties, i.e., \$6,000 shall be deducted from the portion of the Maximum Settlement Amount allocated to the Staff Class.

9. Costs of Settlement Administration.

The Parties have mutually agreed to the selection of ILYM ("Settlement Administrator"), to undertake the administration of the settlement in this Action. The administration duties include, without limitation, the following: establishing and maintaining a qualified settlement account for the NSA, obtaining tax identification number(s) for Defendants applicable to the settlement, calculating the Class Member Payments, performing an initial National Change of Address (NCOA) search upon receipt of the

Class Member mailing addresses, mailing the Class Notices, performing one skip trace on Class Notices which are returned as undeliverable, reviewing and processing Requests for Exclusion, disputes, and objections, setting up a toll-free number, mailing the Class Members Payments and tax forms to the Settlement Class Members, and setting up a static website regarding the settlement. The Settlement Administrator will report payment of the individual Class Member Payments to all required taxing and other authorities, take appropriate withholdings, forward payments for withholdings and issue Internal Revenue Service Forms W-2 and 1099. The Settlement Administrator will establish a Qualified Settlement Fund (“QSF”), pursuant to section 468B(g) of the Internal Revenue Code for the purposes of administering the settlement. The Parties estimate that the costs and expenses of administration of the settlement will not exceed \$20,000, and these costs and expenses will be paid from the GSA, subject to approval of the Court. Any amounts allocated but not paid to the Settlement Administrator will be added to the NSA and distributed to the class *pro rata* based on the formula set out in subparagraph 5.1.1.

10. Settlement Administration.

10.1 Within ten business days of the order granting preliminary approval of the settlement (“Preliminary Approval Order”) Defendants shall provide the Settlement Administrator with the following information (“Class Data List”):

- (a) the name, employment identification number, last known address, last known telephone number, and Social Security number of each Class Member;
- (b) the number of workweeks worked by each Adjunct Class Member during the period from June 28, 2018 through to June 7, 2023 (if any); and
- (c) the number of workweeks worked by each Staff Class Member, excluding Adjunct Class Members, during the period from June 28, 2018 through to June 7, 2023 (if any); and

10.2 Upon receipt of the Class Data List, the Settlement Administrator shall access the National Change of Address (“NCOA”) Database, and update the addresses contained therein.

10.3 Within twenty-five calendar days of the Preliminary Approval Order, the Settlement Administrator shall provide the Class Notice by bulk first class mail, forwarding requested, to the Class Members at the addresses identified through the process described above.

10.4 As to any Class Notices that are returned as undeliverable, or where the NCOA Database indicates that the last known address of any Class Member is invalid or otherwise undeliverable, the

Settlement Administrator will perform a skip trace procedure and re-mail all returned, undelivered mail within five calendar days of the date on which the Settlement Administrator is informed that a Class Notice is undeliverable or otherwise invalid.

10.5 If Defendants and the Settlement Administrator determine, based upon further review of available data, that a person previously identified as being a Class Member should not be so included or identify a person who should have been included as a Class Member but was not so included, Defendants and the Settlement Administrator shall immediately notify Class Counsel and Parties shall meet and confer to mutually determine whether it is appropriate to delete or add such person.

10.6 The Settlement Administrator and all those working through, in concert with, or on behalf of the Settlement Administrator, shall be obligated to take all reasonable steps to maintain the confidentiality of Class Member information and to carry out the other duties enumerated in the Settlement Agreement, including calculating each Class Member's potential share of the settlement.

10.7 The Settlement Administrator shall provide Defendants' counsel and Class Counsel with weekly summary reports, including the total number of Class Notices that were returned as undeliverable, the total number of objections, disputes, and/or Requests for Exclusion. The Settlement Administrator shall maintain records of its work, which will be available for inspection upon request by Defendants' counsel or Class Counsel.

10.8 The Class Notice will be a pre-printed notice, in substantially the form attached hereto as **Exhibit A** and as approved by the Court. In addition to other information contained on the Class Notice, the Class Notice will include an explanation of the distribution formula used to determine the share of the Net Settlement Amount the Class Member may be entitled to receive under the settlement.

11. Requests for Exclusion.

11.1 Any Class Member may elect to opt out of the settlement by submitting a written Request for Exclusion to the Settlement Administrator, postmarked no later than the Response Deadline. The Request for Exclusion must contain the following: full name, signature, address and last four digits of his or her social security number; and a clear statement that he or she seeks to be excluded from the settlement. The Settlement Administrator shall immediately send all Requests for Exclusion to Defendants' counsel and Class Counsel. A Class Member who fails to comply with the opt out procedure set forth herein on

or before the Response Deadline will not be excluded and will instead be bound by all provisions of the Settlement Agreement and all orders issued pursuant thereto.

11.2 Any Class Member who elects to opt out of the Class in the manner and within the time limits specified above (1) will not have any rights under the Settlement Agreement; (2) will not be entitled to receive any compensation under the Settlement Agreement; (3) will not have standing to submit any objection to the Settlement Agreement; and (4) will not be bound by the Settlement Agreement. However, a PAGA Member may not opt out of the release of PAGA claims set forth in section 17.1, and shall be paid his or her pro rata share of PAGA Penalties regardless of whether he or she opts out of the Class.

11.3 Except for persons who elect to opt out of the settlement in the manner and within the time limits specified above, all Class Members, will be deemed to be in the Class for all purposes under this Settlement Agreement, will be bound by the terms and conditions of this Settlement Agreement (including the release provisions in Section 17 and its subparts, except Section 17.2 which is only applicable to the Class Representatives), including all orders issued pursuant thereto, and will be deemed to have waived all unstated objections and opposition to the fairness, reasonableness, and adequacy of this Settlement Agreement, and any of its terms.

12. Objections.

Any Class Member who does not request exclusion from the settlement may object to the Settlement Agreement by sending the Settlement Administrator, not later than the Response Deadline, a written statement objecting to the settlement. The written objection must contain: full name, address, last four digits of his or her social security number, the case name of the Action, and a clear statement of the basis for his or her objection. The Settlement Administrator shall immediately send all objections to counsel for Defendants and Class Counsel.

Counsel for the Parties shall file any responses to any objections at the time the Motion for Final Approval is filed. Class Members may, prior to the Final Approval Hearing, withdraw their objections or opt out requests in a writing to the Settlement Administrator, which may then be filed with the Court.

13. Resolution of Disputes.

If any Class Member timely disputes the number of workweeks listed on his or her Class Notice or the date(s) of issue, the dispute will be submitted to the Settlement Administrator, who will examine the records and either verify the calculation or provide a corrected calculation. Disputes must be submitted

to the Settlement Administrator in writing, postmarked on or before the Response Deadline. The dispute must contain: Class Member's full name, address, signature, and last four digits of his or her social security number; and any facts supporting the Class Member's dispute, along with any supporting materials confirming that the paychecks attributed to him or her are incorrect. The Settlement Administrator's determination of disputes will be final and non-appealable.

14. Payment Procedure.

14.1 Payments to Settlement Class Members, Class Counsel, Class Representative, Taxing Authorities and LWDA: Within 20 calendar days of receipt of the MSA, the Settlement Administrator will distribute, subject to approval by the Court: (a) Settlement Payments to Class Members; (b) attorneys' fees and costs to Class Counsel; (c) Settlement Administration Costs to the Settlement Administrator; (d) Service Award to the Class Representative; (e) all applicable tax withholdings to the appropriate taxing authorities; and (f) the LWDA's share of the PAGA Penalties.

14.2 Uncashed Checks: Settlement Checks that are not cashed within one hundred and eighty days from the date of issuance by the Settlement Administrator will be voided and the funds will be donated and distributed to Koinonia Family Services as the *cypres* in accordance with California Code of Civil Procedure § 384. Class Members whose checks are not timely cashed and which are cancelled, will be deemed to have irrevocably waived any right in or claim to any payment under the settlement, but the settlement and their release of Released Claims will remain binding upon them.

15. Taxes.

15.1 Employer's Portion of Payroll Taxes: Defendants shall pay the employer's portion of payroll taxes with respect to the wage portion of Class Member Payments separately and in addition to the GSA.

15.2 Tax Treatment of Adjunct Class Payments: The Adjunct Class payments shall be allocated as follows: one third of this payment will be allocated as wages and reported on an IRS Form W-2; one third of this payment will be allocated as penalties and reported on IRS Form 1099; and one third of this payment shall be allocated as interest and reported on IRS Form 1099.

15.3 Tax Treatment of Staff Class Payments: The Staff Class payments shall be allocated as follows: one Hundred Percent (100%) will be allocated to non-wage payments for which IRS Forms 1099-MISC will issue.

15.4 Tax Treatment of PAGA Payments: The PAGA payments shall be allocated as follows: one Hundred Percent (100%) will be allocated to penalties and reported on IRS Form 1099.

15.5 Tax Treatment of Service Award: Christopher Pahl will receive an IRS Form 1099 for his individual Service Award and will be responsible for payment of any taxes owing on said amount. Kelly Leslie will receive an IRS Form 1099 for her individual Service Award and will be responsible for payment of any taxes owing on said amount.

15.6 Tax Treatment of Attorneys' Fees and Cost Award: Class Counsel will receive an IRS Form 1099 for any amount awarded to Class Counsel in the form of attorneys' fees or costs and will be responsible for payment of any taxes owing on said amount.

15.7 No Tax Advice: The Parties are not giving any tax advice in connection with the settlement or any payments to be made pursuant to this settlement including, but not limited to, within the meaning of United States Treasury Circular 230 (31 CFR part 10, as amended). The Parties do not assume any liability for taxes, fees, costs, or assessments resulting from any Settlement Class Members' failure to timely pay his or her share of taxes, interest, fees, or penalties owed.

16. Non-Materiality of Attorneys' Fees, Costs and Service Award.

The attorneys' fees and litigation costs and expenses to Class Counsel, Settlement Administration Costs, and Service Award provided by this settlement, will be awarded at the discretion of the Court, provided that they do not exceed the amounts listed in this Settlement Agreement. The Parties agree that the provisions of Sections 6 (regarding attorneys' fees and costs) and 7 (regarding service award) of this Settlement Agreement are severable from the remainder of the Settlement Agreement. Any denial or reduction in amount by the Court of the application for attorneys' fees and litigation costs and expenses, Service Award, and/or Settlement Administration Costs will in no way affect the validity and effect of the remainder of this Settlement Agreement, or give rise to a right to abrogate this Settlement Agreement.

17. Release.

17.1 Adjunct Class Released Claims: The claims to be released by the Adjunct Class (collectively "the Released Claims") include all claims that were asserted in the Complaint, or reasonably could be asserted in the Complaint based on the facts alleged in the Complaint, on behalf of Adjunct Class Members, and arising during the Class Period against the Released Parties. This includes but is not limited to: (1) all claims for failure to pay wages separately from the piece and hourly for nonproductive time; (2)

failure to pay wages for all hours worked; (3) failure to pay separately from the piece and hourly for rest breaks; (4) failure to provide rest periods or pay rest period premiums; (5) failure to provide compliant wage statements; (6) failure to issue wage statements for all pay periods worked; (7) failure to pay all wages owed upon termination or discharge from employment; (8) failure to reimburse business expenses; (9) claims brought under Business & Professions Code section 17200 et seq. including, but not limited to, all claims for unfair, unlawful and harmful conduct to class members, the general public and Defendants' competitors and claims of unlawfully gaining an unfair advantage over other businesses; (10) WARN; and (11) and California WARN. The release shall exclude claims for vested benefits, wrongful termination, unemployment insurance, disability, workers' compensation, and claims outside of the Class Period. The release shall not become effective until the Maximum Settlement Amount is funded by Defendants.

17.2 Adjunct Aggrieved Employees PAGA Released Claims: The claims to be released by the Adjunct Aggrieved Employees include all claims that were alleged, or reasonably could have been alleged, in the PAGA Notices on behalf of Adjunct Aggrieved Employees, and arising during the PAGA Period, including claims for PAGA Penalties under Labor Code § 201, 202, 203, 204, 210, 226(a), 226.2, 226.3, 226.7, 246, 1194, 1194.2, 1197, 1197.1, and 2802.

17.3 Staff Class Released Claims: The claims to be released by the Staff Class include all claims that were asserted in the Complaint, or reasonably could be asserted in the Complaint based on the facts alleged in the Complaint, on behalf of the Staff Class Members, and arising during the Class Period against the Released Parties. This includes but is not limited to failure to reimburse business expenses. The release shall not become effective until the Maximum Settlement Amount is funded by Defendants.

17.4 Aggrieved Employees PAGA Released Claims: The claims to be released by the Aggrieved Employees include all claims that were alleged, or reasonably could have been alleged, in the PAGA Notices on behalf of Aggrieved Employees, and arising during the PAGA Period, including claims for PAGA Penalties under Labor Code § 2802.

17.5 Plaintiffs' General Release: In addition to the Settlement Class Members' Released Claims described above, in exchange for the consideration recited in this Agreement, including but not limited to the Class Representative Service Award, Plaintiffs Pahl and Leslie release, acquit, discharge, and covenant not to sue any of the Released Parties for any claim, whether known or unknown, which they have ever

had, or hereafter may claim to have, arising on or before the date Plaintiffs Pahl and Leslie sign this Agreement, including without limitation to, any claims relating to or arising out of any aspect of their relationship with Defendant, or the termination of that relationship, any claims for unpaid compensation, wages, reimbursement for business expenses, penalties, or waiting time penalties under the California Labor Code, including Labor Code sections 98.6 and 1102.5, the California Business and Professions Code, the federal Fair Labor Standards Act, 29 U.S.C. section 201, *et seq.*, or any state, county or city law or ordinance regarding wages or compensation; any claims for employee benefits, including without limitation, any claims under the Employee Retirement Income Security Act of 1974; any claims of employment discrimination on any basis, including without limitation, any claims under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, 42 U.S.C. section 1981, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1991, the Family and Medical Leave Act of 1993, the California Government Code, or any other state, county or city law or ordinance regarding employment discrimination. Plaintiff Pahl further releases, acquits, discharges, and covenants not to sue any of the Released Parties for any claim arising out of alleged violations of Labor Code sections 98.6 and 1102.5 in any action including, but not limited to, an action brought pursuant to PAGA. Plaintiffs Pahl and Leslie acknowledge and agree that the foregoing general release is given in exchange for the consideration provided to them under this Agreement by Defendants. However, this release shall not apply to claims for workers' compensation benefits, unemployment insurance benefits, pension or retirement benefits, or any other claim or right that as a matter of law cannot be waived or released.

Plaintiffs Pahl and Leslie expressly waive any rights or benefits available to them under the provisions of Section 1542 of the California Civil Code, which provides as follows:

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

Plaintiffs fully understand the statutory language of Civil Code section 1542 and, with this understanding, nevertheless elect to, and do, assume all risks for claims that have arisen, whether known or unknown, which they have ever had, or hereafter may claim to have, arising on or before the date of their signatures to this Agreement, and specifically waives all rights they may have under California Civil

Code section 1542. Plaintiffs' release shall not become effective until the Maximum Settlement Amount is funded by Defendants.

17.6 The Parties hereto represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged, e.g., Released Claims and Plaintiffs' General Release.

18. Application for Preliminary Approval Order.

18.1 After the Parties' execution of this Settlement Agreement, Plaintiffs shall file a motion for preliminary approval of the settlement, requesting a Preliminary Approval Order that contains the following provisions:

- 18.1.1** preliminarily approving the Settlement Agreement;
- 18.1.2** preliminarily approving and certifying the Classes for settlement purposes only;
- 18.1.3** approving the form of the Class Notice, and finding that the proposed method of disseminating the Class Notice meets the requirements of due process and is the best notice practicable under the circumstances;
- 18.1.4** establishing the procedures and the deadline by which Class Members may assert objections to the settlement, seek exclusion from the settlement, and/or dispute their Settlement Payment;
- 18.1.5** establishing a deadline for the Parties to submit papers/briefing in response to any objections and in support of final approval of the Settlement Agreement; and
- 18.1.6** setting a date for the Final Approval Hearing.

19. Final Approval Order and Final Judgment.

19.1 If the settlement is preliminarily approved by the Court, the Parties shall thereafter request that the Court enter an order granting final approval of the settlement and judgment based thereon ("Final Approval Order and Judgment"), which includes the following provisions:

- 19.1.1** confirming certification of the Class for settlement purposes only;
- 19.1.2** finding that the dissemination of the Class Notice in the form and manner ordered by the Court was accomplished as directed, and met the requirements of due process;
- 19.1.3** finally approving the Settlement Agreement as fair, reasonable and adequate, and directing consummation of the settlement in accordance with its terms and provisions;

- 19.1.4 directing the Parties to implement the terms of the Settlement Agreement;
- 19.1.5 releasing and discharging the Released Parties from any and all liability with respect to the Released Claims;
- 19.1.6 awarding reasonable attorneys' fees and litigation costs to Class Counsel as determined by the Court;
- 19.1.7 awarding Service Award to the Class Representatives as determined by the Court;
- 19.1.8 awarding Settlement Administration Costs to the Settlement Administrator as determined by the Court;
- 19.1.9 approving the allocation of PAGA Penalties to the LWDA;
- 19.1.10 entering final judgment on the Complaint; and
- 19.1.11 preserving continuing and exclusive jurisdiction over all matters related to the administration and consummation of the terms of the settlement and enforcement of the Judgment.

20. Effect of Settlement Not Being Final.

In the event that the settlement does not become final, or is negated, then this Settlement Agreement will become null and void and of no force and effect whatsoever, any class and representative action, which were certified for settlement purposes only, shall be vacated, and shall be of no force or effect whatsoever, and all negotiations, proceedings, and statements relating thereto will be without prejudice as to the rights of any and all Parties hereto, none shall be admissible or construed as an admission or concession of any kind by the Parties, in whole or part, and all Parties and their respective predecessors and successors will be deemed to have reverted to their respective positions in the Action as of the date and time immediately prior to the execution of this Settlement Agreement. If the Court does not approve either preliminarily or finally any material term or condition of the Settlement Agreement, or if the Court effects a material change to the Parties' settlement (including but not limited to the scope of release to be granted by Class Members or the binding effect of the settlement on Class Members), the Parties shall work together in good faith to address any concerns raised by the Court and propose a revised settlement for the Court's approval.

21. Defendants' Right to Void Settlement.

If more than five percent (5%) of the Class Members submit timely opt-out requests, Defendants shall have the exclusive right to void this settlement. Defendants shall make their election within 14

calendar days of the Response Deadline. Neither Party nor their counsel shall encourage any Class Member to opt out of the settlement. If Defendants elect to terminate the Settlement, Defendants shall be responsible for any costs of administration incurred up to that point.

22. Escalator Clause.

The Adjunct Class worked a total of 26,041 workweeks during the period from June 28, 2018 through February 1, 2023. The Parties agree that if the number of actual workweeks exceeds 26,041 by five percent (5%) or more (i.e., more than 27,343 workweeks), Defendants may elect at their sole discretion to shorten the Class Period for Adjunct Class members such that it ends on which the total number of workweeks worked by the Adjunct Class does not exceed 26,041, or Defendants may choose to pay the pro rata percentage increase in excess of 5% to the Maximum Settlement Amount. For example, a 7% increase in workweeks would result in a 2% increase in the Maximum Settlement Amount allocated to the Adjunct Class.

The Staff Class worked a total of 21,656 workweeks during the period from June 28, 2018 through February 1, 2023. The Parties agree that if the number of actual workweeks exceeds 21,656 by five percent (5%) or more (i.e., more than 22,738 workweeks), Defendants may elect at their sole discretion to shorten the Class Period for Staff Class members such that it ends on which the total number of workweeks worked by the Staff Class does not Exceed 21,656, or Defendants may choose to pay the pro rata percentage increase in excess of 5% to the Maximum Settlement Amount. For example, a 7% increase in workweeks would result in a 2% increase in the Maximum Settlement Amount allocated to the Staff Class.

23. No Admissions.

The Parties understand and agree that this Settlement Agreement is the result of a good faith compromise settlement of disputed claims, and no part of this Settlement Agreement, or the negotiations leading thereto, or any document filed in support thereof, whether or not the settlement is finally approved and/or consummated, may be offered or should be construed as an admission of any wrongdoing by Defendants or the Released Parties.

24. Avoidance of Undue Publicity.

The Parties and their counsel agree that they will not issue any press releases, communicate to the press, media or to the public, through social media or otherwise, the settlement terms or amount unless and until the court has granted Preliminary Approval. Class Counsel will take all steps necessary to

ensure Plaintiffs are aware of, and will encourage them to adhere to, the restriction against any media comment on the settlement and its terms. Class Counsel further agrees not to use the settlement of the Action or any of its terms for any marketing or promotional purposes. Nothing herein will restrict Class Counsel from including publicly available information regarding this Settlement in future judicial submissions regarding Class Counsel's qualifications and experience.

25. Non-Disparagement

Defendants agree that any inquiry about Plaintiffs' work history shall be referred to their third-party employment verification service, which will respond only by confirming Plaintiffs' dates of employment and positions held. No other information concerning Plaintiffs' work history will be provided by Defendants.

26. Enforcement Action.

In the event that any Party institutes any legal action or other proceeding against another Party or Parties to enforce the provisions of this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees, incurred in connection with any enforcement action.

27. Construction.

This Settlement Agreement was entered into after substantial good faith, arm's-length negotiations between the Parties. This Settlement Agreement has been entered into without any coercion and under no duress. The Parties acknowledge and agree that all Parties had an equal hand in drafting this Settlement Agreement so that it will not be deemed to have been prepared or drafted by one party or another.

28. Entire Agreement.

This Settlement Agreement (including Exhibits hereto) sets forth the entire agreement of the Parties with respect to its subject matter and supersedes any and all other prior agreements and all negotiations leading up to the execution of this Settlement Agreement, whether oral or written, regarding the subjects covered herein. The Parties acknowledge that no representations, inducements, warranties, promises, or statements relating to the subjects covered herein, oral or otherwise, have been made by any of the Parties that are not embodied or incorporated by reference herein. Except as otherwise set forth in this Agreement, any notice, order, judgment, or other exhibit that requires approval of the Court must be approved without material alteration that substantially changes or increases the cost of compliance with

this Settlement Agreement in order for this Settlement Agreement to become effective. Before invoking this provision to challenge the effectiveness of this Settlement Agreement, the invoking Party shall consult with, and if necessary mediate in good faith with, the other Party in an effort to resolve any such challenge.

29. Modification or Amendment.

This Settlement Agreement may not be modified or amended except in a writing signed by all Parties or their successors in interest.

30. Successors.

This Settlement Agreement will be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, successors and assigns, and upon any corporation, partnership or other entity into or with which any Party hereto may merge, combine, or consolidate.

31. Counterparts.

This Settlement Agreement may be executed in one or more counterparts by facsimile or electronic signature, which for purposes of this Settlement Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument. Any executed counterpart shall be admissible in evidence to prove the existence and contents of this Settlement Agreement.

32. Waivers.

The waiver by any Party of any breach of this Settlement Agreement will not be deemed or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous, of this Settlement Agreement.

33. Governing Law.

This Settlement Agreement will be governed by and construed, enforced, and administered in accordance with the internal laws of the State of California. The parties intend for this Agreement to be admissible and binding under Code of Civil Procedure section 664.6.

34. Headings.

The headings contained in this Settlement Agreement are for convenience and reference purposes only, and will not be given weight in its construction.

35. Notices.

Any notices, requests, demands, or other communications required or permitted to be given pursuant to this Settlement Agreement, other than the contemplated Class Notice to the Class Members, must be in writing and mailed as follows:

35.1 To Class Representative, the Class and Class Counsel to the attention of Julian Hammond, Esq., HammondLaw, P.C., 1201 Pacific Avenue, Suite 600, Tacoma, Washington 98702; Telephone: (310) 601-6766.

35.2 To Defendant, to the attention of Nathan W. Austin and Keelia K. Lee, Jackson Lewis PC, 400 Capitol Mall, Suite 1600, Sacramento, California 95814; Telephone: (916) 341-0404.

IN WITNESS WHEREOF, this Settlement Agreement has been duly executed by and on behalf of the Parties, as follows:

Plaintiffs and Proposed Class Representative

Dated: 1/5/2024, 2023 By: Christopher Pahl
Christopher Pahl

Dated: 1/5/2024, 2023 By: Kelly Leslie
Kelly Leslie

CEC Employee Group, LLC

Dated: _____, 2023 By: _____

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35. Notices.

Any notices, requests, demands, or other communications required or permitted to be given pursuant to this Settlement Agreement, other than the contemplated Class Notice to the Class Members, must be in writing and mailed as follows:

35.1 To Class Representative, the Class and Class Counsel to the attention of Julian Hammond, Esq., HammondLaw, P.C., 1201 Pacific Avenue, Suite 600, Tacoma, Washington 98702; Telephone: (310) 601-6766.

35.2 To Defendant, to the attention of Nathan W. Austin and Keelia K. Lee, Jackson Lewis PC, 400 Capitol Mall, Suite 1600, Sacramento, California 95814; Telephone: (916) 341-0404.

IN WITNESS WHEREOF, this Settlement Agreement has been duly executed by and on behalf of the Parties, as follows:

Plaintiffs and Proposed Class Representative

Dated: _____, 2023 By: _____
Christopher Pahl

Dated: _____, 2023 By: _____
Kelly Leslie

CEC Employee Group, LLC

Dated: January 11, 2024, ~~2023~~ By: Michele A Peppers
Michele A Peppers
VP Accounting & Reporting, CAO

Digitally signed by Michele A Peppers
Date: 2024.01.11 23:30:53 -06'00'

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APPROVED AS TO FORM:

**Counsel for Plaintiffs and
Proposed Class Counsel**

Dated: 01/17/2024, 2023 By: 
Julian Hammond
HammondLaw, P.C.

Counsel for Defendants

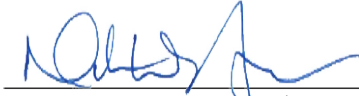
Dated: January 16, 2024, 2023 By: 
Nathan W. Austin
Jackson Lewis P.C.
Attorneys for CEC Employer Group, LLC; Colorado
Technical University, Inc.; Trident University
International, LLC; American Intercontinental
University, Inc.; American Intercontinental University
System, Inc.; and California Southern University

Exhibit A

Christopher Pahl and Kelly Leslie v. CEC Employee Group, LLC, Colorado Technical University, Inc., Trident University International, LLC, American Intercontinental University System, Inc., American Intercontinental University, Inc., and California Southern University
Sacramento County Superior Court, Case No. 2022-00322588

As a current or former exempt employee who worked as an adjunct professor or remote worker for CEC Employee Group, LLC, Colorado Technical University, Inc., Trident University International, LLC, American Intercontinental University System, Inc. (formerly known as American Intercontinental University, Inc.), or California Southern University, you are entitled to receive money from a class action settlement.

*The California Superior Court, Sacramento County, authorized this Class Notice.
This is not a solicitation from a lawyer.*

PLEASE READ THIS CLASS NOTICE CAREFULLY. YOUR LEGAL RIGHTS ARE AFFECTED BY IT.

If you worked for CEC Employee Group, LLC, Colorado Technical University, Inc., Trident University International, LLC, American Intercontinental University System, Inc. (formerly known as American Intercontinental University, Inc.), or California Southern University, (collectively, the “Defendants”) as an adjunct professor at any time between June 28, 2018 and June 7, 2023 (“Class Period”) you are entitled to participate in this Class Action Settlement. All such employees are referred to herein as “Adjunct Class Members.”

If you worked for the Defendants as a remote worker in a position other than Adjunct Class Member during the Class Period you are entitled to participate in this Class Action Settlement. All such employees are referred to herein as “Staff Class Members.” Adjunct Class Members and Staff Class Members are collectively referred to herein as “Class Members.”

- The settlement resolves a class-action lawsuit, *Christopher Pahl and Kelly Leslie v. CEC Employee Group, LLC and Colorado Technical University, Inc., Trident University International, LLC, American Intercontinental University System, Inc., American Intercontinental University, Inc., and California Southern University* (the “Lawsuit”), which alleges: (1) failure to pay separately from the piece and hourly and/or failure to pay wages for all hours worked, (2) failure to pay separately from the piece and hourly for rest breaks and/or failure to authorize and permit paid rest breaks, (3) failure to issue to accurate itemized wage statements for all pay periods worked, (4) failure to timely pay wages when due upon discharge, (5) failure to reimburse business expenses, (6) violation of the Worker Adjustment and Retraining Notification Act (“WARN”), (7) violation of the California Worker Adjustment and Retraining Notification Act (“Cal WARN”), (8) violation of Cal. Bus. & Prof. Code sections 17200 *et seq.*, and (9) civil penalties under the Private Attorneys General Act.
- The Court has not made any determination of the validity of the claims in the Lawsuit. Defendants vigorously deny the claims in the Lawsuit and contend that they fully complied with all applicable laws.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

DO NOTHING AND RECEIVE PAYMENT	Get a payment, and give up your legal rights to pursue claims released by the settlement of the Lawsuit.
OPT OUT OF THE SETTLEMENT	Exclude yourself from the Class Action Settlement, get no payment, and retain your legal rights to pursue claims that would otherwise be released by the settlement of the Lawsuit. You cannot opt-out of the PAGA portion of the proposed Settlement and you will be paid your share of the PAGA Penalties and give up your rights to pursue claims under PAGA regardless of whether or not you opt out.
OBJECT TO THE SETTLEMENT	If you do not opt out, you may write to the Settlement Administrator, ILYM Group, Inc., about why you object to the settlement and they will forward your concerns to counsel which will then be provided to the Court. If the Court approves the Settlement despite your objection, you will still be bound by the Settlement. You or your attorney may also address the Court during the Final Approval hearing scheduled for DATE AND TIME in Department XX of the Sacramento County Superior Court, located at 720 9th Street Sacramento, California 95814.

- The Settlement Fund will be used to settle claims of all Class Members. The amount of Class Members' individual settlement payments will be determined as follows: (1) Adjunct Class Members who worked during Class Period shall receive 83.33% of the Net Settlement Fund based on the number of workweeks worked during the Class Period; and (2) Staff Class Members who worked during the Class Period will receive 16.66% of the Net Settlement Amount based on the number of workweeks worked during the Class Period. Additionally, 25% of the amount allocated to PAGA Penalties shall be distributed to the Class Members who worked during the PAGA Period ("Aggrieved Employees"), June 22, 2021 through **June 7, 2023**, based on the number of workweeks worked during the PAGA Period.
- The Court has preliminarily approved this settlement. A final fairness hearing addressing the fairness, adequacy, and reasonableness of the Settlement will be held on **[FINAL APPROVAL HEARING DATE]** to determine whether the Settlement should receive the Court's final approval.
- Lawyers for the Class Members will be asking the Court to award \$315,000 to be paid out of the settlement (35%) as attorneys' fees for investigating the facts, litigating the case, and negotiating the settlement, as well as reasonable costs not to exceed \$25,000 incurred during the case. They also will ask the Court to approve a total of \$10,000 in service award to Plaintiff Leslie and a total of \$20,000 in service award to Plaintiff Pahl (collectively, "Representative Plaintiffs") who assisted in litigating this case for the benefit of all Class Members and for also providing a general release of claims.
- Any questions? Read on and visit **www. .com**.

BASIC INFORMATION

1. Why did I get this Class Notice package?

Defendants' records show that you currently work, or previously worked, for the Defendants in California as an Adjunct Class Member or Staff Class Member. You were sent this Class Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options before the Court decides whether to finally approve the settlement. If the Court approves the settlement and then any objections and appeals are resolved, the Settlement Administrator, ILYM Group, Inc., appointed by the Court will make the payments described in this Notice. This Notice explains the Lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

2. What is this Lawsuit about?

Christopher Pahl and Kelly Leslie, the Plaintiffs in this Lawsuit, alleged that from June 28, 2018 through to the June 7, 2023, Defendants violated California law by failing to pay Adjunct Class Members for all hours worked, failing to provide them with legally-compliant rest breaks, and failing to furnish accurate wage statements. In addition, Plaintiffs alleged that Defendants failed to reimburse Adjunct Class Members and Staff Class Members for a reasonable portion of their business expenses related to their use of their home internet and other necessary expenses for remote work. As noted above, Defendants deny each of these allegations and contend that Plaintiffs' claims have no merit whatsoever. A copy of the most recent version of the Complaint may be found at www.ilymgroup.com.

3. Why is this a class action?

In a class action, one or more people called Class Representatives make allegations on behalf of other people whom they allege have similar claims. All these people comprise a Class and are referred to as Class Members, except those who decide to exclude themselves from the Class. One court resolves the issues for all Class Members.

4. Why is there a settlement?

The Parties disagree on the probable outcome of the case with respect to liability and damages. Plaintiffs believe that the claims asserted against Defendants are valid and could be proven if the case went to trial. Defendants believe that the Plaintiffs' claims have no merit and that the Plaintiffs would not prevail if the case went to trial. Defendants further contend that, other than in the context of this settlement, the case is not suitable for class treatment. The Court has not decided in favor of the Plaintiffs or the Defendants. There has been no trial in this case. Instead, both sides recognize the risks, expenses, and disruption that are associated with continued litigation, and they have therefore chosen to resolve their differences by entering into a settlement. The parties entered into this settlement after arms-length negotiations while using the services of an experienced and neutral mediator.

5. What is a class action settlement?

The Court must approve the terms of the settlement described below as fair and reasonable to the class. Once approved, the settlement will affect all Class Members except those who choose to opt out. This Class Notice explains your legal rights, the terms of the settlement, what you must do to participate, and the amount of money you may get. Please read this entire Class Notice carefully.

6. How do I know if I am an Adjunct Class Member or Staff Class Member?

If you fit the following definition, you are an Adjunct Class Member:

All persons who are or have been employed by the Defendants as adjunct instructors in California at any time between June 28, 2018 and June 7, 2023.

If you fit either or both of the following definitions, then you are a Staff Class Member:

All persons who are or have been employed by the Defendants as remote workers in California at any time between June 28, 2018 and June 7, 2023, excluding Adjunct Class Members.

You are receiving this notice because Defendants' records show that you are an Adjunct Class Member or a Staff Class Member.

7. Are there exceptions to being included?

You are not a Class Member if you were not employed by the Defendants as an adjunct professor or remote worker in California at any time during the period between June 28, 2018 and June 7, 2023. You are not a Class Member if you have previously settled or released the claims covered by this Class Action Settlement or if you previously were paid or received awards through civil or administrative actions for the claims covered by this Class Action Settlement. You can also choose to be excluded from this settlement by opting out of this settlement, in which case you will not be a Class Member, but will still be bound by the PAGA Release in the Settlement.

8. I'm still not sure if I am a Class Member. What should I do?

You may contact the Settlement Administrator for further information, or you may also contact Class Counsel at the phone number provided in Section 22 of this Notice. Or, you can do nothing, and if you are entitled to a payment, you will be paid. Be mindful, however, that if this Class Notice reaches you and the address where you now live is different, you should contact the Settlement Administrator and provide updated information so that any future correspondence or the settlement check itself reaches you and is not returned as an address unknown.

9. What does the settlement provide?

The Parties have agreed to settle the Lawsuit for a "Gross Settlement Amount" of Nine Hundred Thousand Dollars (\$900,000.00) on a non-reversionary basis. This means that the entire Gross Settlement Amount will be paid out, subject to various Court-approved deductions listed below in this Section. In addition to the Gross Settlement Amount, Defendants will bear all employer-side payroll tax payments due and payable to federal and state tax authorities as a result of this Settlement. The Gross Settlement Amount shall be deemed in satisfaction of claims for: (1) all wages, rest break premiums, unreimbursed business expenses, penalties, interest, and/or other amounts to be paid to Class Members; (2) attorneys' fees not to exceed \$315,000 and costs of Class Counsel not to exceed \$25,000.00; (3) service payment to the Class Representatives not to exceed \$30,000.00 total; (4) all costs of third-party administration not expected to exceed \$20,000.00; and (d) PAGA penalties not to exceed \$30,000 total.

10. How was payment calculated?

The funds payable to Class Members will be divided up pro rata using the following formula:

From the Gross Settlement Amount, payments will be made to the Class Counsel, the Class Representatives, the Settlement Administrator, and the amount to be paid for PAGA Penalties. The remaining amount is called the "Net Settlement Amount," which is estimated to be in the amount of approximately \$490,000.00, depending on the final Court-approved deductions as discussed above.

The Net Settlement Amount shall be distributed as follows: (1) Eighty-three and one-third percent (83 1/3%) of the Net Settlement Amount shall be distributed to the Adjunct Class Members (“Adjunct Share”), and (2) Sixteen and two-thirds percent (16 2/3%) of the Net Settlement Amount shall be distributed to the Staff Class Members (“Staff Share”).

Adjunct Class Members will be paid according to the following formula: Adjunct Class Members will receive a pro rata share based on their share of the total workweeks worked by the Adjunct Class during the Class Period.

Staff Class Members will be paid according to the following formula: Staff Class Members will receive a pro rata share based on their share of the total workweeks worked by the Staff Member Class during the Class Period.

In addition, 25% of the amount allocated to PAGA Penalties shall be distributed to the Adjunct Class and Staff Class who worked during the PAGA Period. The amount will be allocated as follows: 80% shall be allocated to the Adjunct Class and 20% shall be allocated to the Staff Class. The amounts will be distributed to Aggrieved Employees based on their share of the total workweeks worked during the PAGA Period.

11. How much will I get from the Settlement?

Defendants’ records indicate that you worked << >> workweeks as an Adjunct Class Member between June 28, 2018 and June 7, 2023. Based on these records, your estimated payment as an Adjunct Class Member, would be \$<<EstimatedAdjunctAward>>.

Defendants’ records indicate that you worked << >> workweeks as a Staff Class Member between June 28, 2018 and June 7, 2023. Based on these records, your estimated payment as a Staff Class Member would be \$<<EstimatedStaffAward>>.

Defendants’ records indicate that you worked << >> workweeks as an Adjunct Class Member between June 22, 2021 and June 7, 2023 (“Adjunct Aggrieved Employee”). Based on these records, your estimated PAGA payment would be \$<<EstimatedAdjunctPAGA>>.

Defendants’ records indicate that you worked << >> workweeks as a Staff Class Member between June 22, 2021 and June 7, 2023 (“Aggrieved Employee”). Based on these records, your estimated PAGA payment would be \$<<EstimatedStaffPAGA>>.

Class Members who do not opt-out will be paid out of the Net Settlement Amount but you will receive your share of PAGA payment whether or not you opt-out. The payments made from the Staff Net Share will be allocated to non-wage payments for which IRS Forms 1099-MISC will issue. The Staff PAGA Share will be allocated as penalties and reported on IRS Form 1099. The Adjunct Net Share will be allocated as follows: one third (1/3) of each such settlement payment will be designated for alleged unpaid wages, for which an IRS Form W-2 shall be issued; one third (1/3) of each such settlement payment will be designated for interest for which an IRS Form 1099-MISC shall be issued; and the remaining one third (1/3) of each such settlement payment will be designated for penalties for which an IRS Form 1099-INT shall be issued. The Adjunct PAGA Share will be allocated as penalties and reported on IRS Form 1099.

If you believe that you worked a different number of workweeks during the Class Period than the number(s) referenced above, you may dispute your calculation by providing written documentation to the Settlement Administrator supporting your position on or before [RESPONSE DEADLINE]. If you do not dispute your employment dates or your paychecks calculation and do not opt out of the settlement, you will be bound by the settlement and receive a settlement payment. **In other words, if you are a Class Member, you do not need to take any action to receive the settlement payment(s) set forth above.**

12. When would I get my payment?

As set forth in Section 18, below, the Court will hold a hearing on [DATE OF FINAL APPROVAL] to decide whether to approve the settlement. If the Court approves the settlement, after that there may be appeals if anyone has filed a timely objection. It is always uncertain when these objections and appeals can be resolved, and resolving them can take time. To check on the progress of the settlement, you may call the Settlement Administrator at (888) 250-6810, or contact Class Counsel (see Question 21 for contact info). *Please be patient.*

13. What claims am I releasing?

Adjunct Class Released Claims: The claims to be released by the Adjunct Class (collectively “the Released Claims”) include all claims that were asserted in the Complaint, or reasonably could be asserted in the Complaint based on the facts alleged in the Complaint, on behalf of Adjunct Class Members, and arising during the Class Period against the Released Parties. This includes but is not limited to: (1) all claims for failure to pay wages separately from the piece and hourly for nonproductive time; (2) failure to pay wages for all hours worked; (3) failure to pay separately from the piece and hourly for rest breaks; (4) failure to provide rest periods or pay rest period premiums; (5) failure to provide compliant wage statements; (6) failure to issue wage statements for all pay periods worked; (7) failure to pay all wages owed upon termination or discharge from employment; (8) failure to reimburse business expenses; (9) claims brought under Business & Professions Code section 17200 et seq. including, but not limited to, all claims for unfair, unlawful and harmful conduct to class members, the general public and Defendants’ competitors and claims of unlawfully gaining an unfair advantage over other businesses; (10) WARN; and (11) and California WARN. The release shall exclude claims for vested benefits, wrongful termination, unemployment insurance, disability, workers’ compensation, and claims outside of the Class Period. The release shall not become effective until the Maximum Settlement Amount is funded by Defendants

Adjunct Aggrieved Employees PAGA Released Claims: The claims to be released by the Adjunct Aggrieved Employees include all claims that were alleged, or reasonably could have been alleged, in the PAGA Notices on behalf of Adjunct Aggrieved Employees, and arising during the PAGA Period, including claims for PAGA Penalties under Labor Code § 201, 202, 203, 204, 210, 226(a), 226.2, 226.3, 226.7, 246, 1194, 1194.2, 1197, 1197.1, and 2802.

Staff Class Released Claims: The claims to be released by the Staff Class include all claims that were asserted in the Complaint, or reasonably could be asserted in the Complaint based on the facts alleged in the Complaint, on behalf of the Staff Class Members, and arising during the Class Period against the Released Parties. This includes but is not limited to failure to reimburse business expenses. The release shall not become effective until the Maximum Settlement Amount is funded by Defendants.

Aggrieved Employees PAGA Released Claims: The claims to be released by the Aggrieved Employees include all claims that were alleged, or reasonably could have been alleged, in the PAGA Notices on behalf of Aggrieved Employees, and arising during the PAGA Period, including claims for PAGA Penalties under Labor Code § 2802.

14. Do I have a lawyer in this case?

The Court has appointed HammondLaw, P.C. to represent you and all the other Class Members in this action. Class Counsel will be compensated from the Gross Settlement Amount as discussed in this Class Notice. If you want to be represented by your own lawyer, you may hire one at your own expense.

15. How will the lawyers be paid?

Class Counsel will ask the Court to approve payment of \$315,000 (i.e., thirty-five percent (35%)) of the Gross Settlement) to them for attorneys’ fees, as well as costs in an amount not to exceed \$25,000.00. The fees will pay Class Counsel for investigating the facts, litigating the case and negotiating and finalizing the settlement. Defendants

have agreed not to oppose Class Counsel's application for these fees and expenses. The Court may choose to award less than the amount requested by Class Counsel. All other payments to the Plaintiffs, and to the Settlement Administrator also come from the balance of the Gross Settlement.

16. How can I opt out of this settlement?

You can opt out of this settlement and retain your rights, other than your PAGA claims which will be release whether or not you opt out. To do so, you must prepare and submit in writing your signed and dated statement that you want to be excluded from the settlement. You must include your name, signature, address and last four digits of your social security number, and a clear statement that you seek to be excluded from the Settlement. Your written statement must be mailed to the Settlement Administrator, **ILYM Group, Inc.**, and be postmarked no later than **[RESPONSE DEADLINE]**, or it will not be considered, and you will still remain a Settlement Class Member, and be bound by the settlement. **ILYM Group, Inc.'s** address is listed in section 23, below. However, Aggrieved Employees cannot opt out of their share of the PAGA Settlement

17. How do I tell the Court that I do not agree with the settlement?

If you do not opt out, you can object to the settlement if you do not agree with it. You should give reasons why you think the Court should not approve the settlement and the Court will consider your views. To object, and to have the Court hear your views, you should send a letter saying that you object to the *Pahl v. CEC Employee Group, LLC and Colorado Technical University, Inc.* settlement and give your reasons. Be sure to include your name, address and last four digits of your social security number, and provide both the legal and the factual reasons you object to the settlement, and indicate whether you intend to appear at the Final Fairness Hearing. Your objection is to be mailed to the Settlement Administrator, **ILYM Group, Inc.**, and must be postmarked no later than **[RESPONSE DEADLINE]**. **ILYM Group, Inc.'s** address is listed in section 23, below.

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you do not have to appear at the hearing. You may attend the hearing remotely via Zoom.

18. When and where will the Court decide whether to approve the settlement?

The Court will hold a Fairness Hearing on **[DATE OF FINAL APPROVAL HEARING]** in Department 28 of the Sacramento County Superior Court located at 720 9th Street, Sacramento, California 95814. As stated above, the hearing will take place remotely via Zoom. To join by Zoom link: <https://saccourt-ca-gov.zoomgov.com/my/sscdept28> To join by phone: (833) 568-8864 / ID: 16039062174. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections and they have been properly lodged, the Court will consider them. The Judge will listen to people who attend the hearing and who do not opt out. The Court may also decide how much to pay to Class Counsel. At or after the hearing, the Court will decide whether to approve the settlement. We do not know how long this decision will take.

19. Do I have to come to the hearing?

No. Class Counsel will answer any questions that the Judge may have. But, you are welcome to come at your own expense, if any. If you sent an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but that is not required.

20. May I speak at the hearing?

If you wish to speak at the Final Approval Hearing, you may appear at the scheduled Final Approval Hearing. You cannot speak at the hearing if you have excluded yourself from the Settlement

21. What happens if I do nothing at all?

You will be a member of the settlement class. You will be bound by the release as set forth under question 12. Once the Settlement is finally approved by the Court, and the necessary deadlines have passed, you will be mailed your settlement check.

GETTING MORE INFORMATION

22. Are there more details about the settlement?

This Class Notice summarizes the proposed settlement. You may call or contact the Settlement Administrator or Class Counsel if you would like more information about the case. The pleadings and other records in this litigation, including the Settlement Agreement, may be also obtained on the settlement website here: <https://www.ilymgroup.com/casesactive>. The pleadings and other records in this litigation may be examined online on the Sacramento County Superior Court's website, known as 'Cases Access,' at <https://services.saccourt.ca.gov/PublicCaseAccess/>. After arriving at the website, you may go to "Civil" tab at the top and "Search by Case" by entering case no. 34-2022-00322588 and clicking 'Search.' Images of every document filed in the case may be viewed through the Case Access at a minimal charge. Many, but not all, of the documents filed in the case will be made available free of charge on the settlement website here: <https://www.ilymgroup.com/casesactive>.

Class Counsel may be reached at:

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Tacoma, WA 98402
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23. How do I get more information?

You may visit <https://www.ilymgroup.com/casesactive>, call the Settlement Administrator at (888) 250-6810 or Class Counsel above, or write to the Settlement Administrator at **ILYM Group, Inc. P.O. Box 2031**, Tustin, CA 92781.

PLEASE DO NOT CONTACT THE COURT OR THE DEFENDANTS WITH INQUIRIES