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# CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

Subject to court approval, this Class Action and PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff Sabrina Dwyer ("Plaintiff"), individually and on behalf of the Settlement Class, and Defendant Wings Recovery Center, LLC hereinafter, "Wings Recovery Center" or "Defendant(s)"). The Agreement refers to Plaintiff and Wings Recovery Center collectively as "Parties" or as a "Party."

## 1. DEFINITIONS.

1.1. "Action" means Plaintiff's lawsuit alleging wage and hour violations against Wings Recovery Center captioned *Sabrina Dwyer v. Wings Recovery Center, LLC dba Sero Mental Health*; Case No. 25CU037363C, pending in San Diego County Superior Court.

1.2. "Address Search" means the Administrator's search for Covered Employees' mailing addresses using all reasonably available sources, including but not limited to the National Change of Address database, skip traces, and direct contact by the Administrator.

1.3. "Administration Expenses" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its costs in accordance with the Administrator's bid as approved by the Court. The Administration Expenses shall not exceed $9,000.00, except for a showing of good cause and as approved by the Court.

1.4. "Administrator" means Apex Class Action LLC.

1.5. "Attorneys' Fees" mean the amounts allocated to Plaintiff's Counsel for reimbursement of reasonable attorneys' fees in connection with this Settlement in an amount not to exceed 33.33% of the Gross Settlement Amount.

1.6. "Class" or "Class Member(s)" means all individuals currently or formerly employed by Wings Recovery Center in California as hourly, non-exempt employees during the Class Period.

1.7. "Class Notice" means the Notice of Class Action and PAGA Settlement, attached as **Attachment A** and including the Request for Exclusion, attached as **Attachment B**, to be mailed to Class Members and incorporated by reference into this Agreement.

1.8. "Class Period" means the period from July 15, 2021, through August 17, 2026, whichever is earlier.

1.9. "Class Response Deadline" means 45 days after the Administrator mails the Class Notice to Class Members and shall be the last date on which Class Members may: (a) email or mail Requests for Exclusion from the Settlement, or (b) email or mail an objection to the Settlement subject to an additional 14 calendar days beyond the Class Response Deadline expiry for Class Notices that are remailed as detailed herein.

1.10. "Class Settlement" means the portion of the Settlement that relates to the settlement of Plaintiff's class action claims.

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1.11. "Class Workweek" means any week during which a Class Member worked for Wings Recovery Center for at least one day during the Class Period.

1.12. "Class Workweek Estimate" means, based on a review of Defendant's records to date, a total of 11,332 Class Workweeks.

1.13. "Court" means the San Diego County Superior Court.

1.14. "Covered Employees" means all PAGA Members and all Class Members.

1.15. "Defense Counsel" means captioned counsel of record from the law firm of Jackson Lewis P.C.

1.16. "Effective Date" means the date on which the Court enters Judgment on its order granting Final Approval of the Settlement and the Judgment is final. The Judgment is final as of the latest of the following occurrences: (i) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (ii) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (iii) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.17. "Employee Data" means all Covered Employees' identifying information in Wings Recovery Center's possession including their names, last-known mailing addresses, Social Security numbers, and either the dates worked for Defendant during the Class Period as a non-exempt employee in California or the number of Class Workweeks and PAGA Periods.

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

1.19. "Final Approval Hearing" means the Court's hearing on the final motion for approval of the Settlement.

1.20. "Gross Settlement Amount" means **$490,000.00**, which is the total amount Defendant(s) agree(s) to pay under the Settlement to resolve the class and PAGA claims, subject to the terms and conditions of this Settlement.

1.21. "Individual Class Payments" means the Participating Class Member's pro rata share of the Net Settlement Amount, calculated according to the number of Class Workweeks.

1.22. "Individual PAGA Payments" means the PAGA Members' pro rata share of the Net PAGA Payment, calculated according to the number of PAGA Pay Periods.

1.23. "Individual Settlement Payments" means the Individual Class Payment and the Individual PAGA Payments.

1.24. "Judgment" means the judgment entered by the Court based upon the Final Approval of the Settlement.

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1.25. "Litigation Costs" means the amount incurred by Plaintiff's Counsel to prosecute the Action, according to proof and subject to Court approval, not to exceed $30,000.00.

1.26. "LWDA" means the California Labor Workforce and Development Agency.

1.27. "LWDA Payment" means the 65% share of the PAGA Payment allocated to be paid to the LWDA under Labor Code section 2699, subd. (m).

1.28. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Service Payment, Attorneys' Fees, Litigation Costs, the PAGA Payment, and the Administration Expenses.

1.29. "Net PAGA Payment" means the 35% share of the PAGA Payment allocated to be paid to the PAGA Employees under Labor Code section 2699, subd. (m).

1.30. "Non-Participating Class Member" means any Class Member who submits a valid and timely Request for Exclusion from the Class Settlement.

1.31. "Operative Complaint" means the most recently filed complaint, including amended complaints, filed by Plaintiff.

1.32. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Class Settlement.

1.33. "PAGA" means California's Private Attorneys General Act of 2004.

1.34. "PAGA Members" means all individuals currently or formerly employed by Wings Recovery Center in California as hourly, non-exempt employees during the PAGA Period.

1.35. "PAGA Notice" means Plaintiff's letter to Defendant(s) and the LWDA, including any amendments thereto, pursuant to Labor Code § 2699.3(a).

1.36. "PAGA Pay Period" means any pay period during which a PAGA Member worked for Defendant for at least one day during the PAGA Period.

1.37. "PAGA Payment" means $10,000.00, which is the amount provided in exchange for the release of the PAGA claims addressed in this Settlement, and which shall be paid from the Gross Settlement Amount, with 65% of the PAGA Payment constituting the LWDA Payment ($6,500.00), with the remaining 35% constituting the Net PAGA Payment ($3,500.00) to be allocated and paid to PAGA Members.

1.38. "PAGA Period" means June 13, 2024, through the end of the Class Period.

1.39. "Plaintiff" means plaintiff Sabrina Dwyer.

1.40. "Plaintiff's Counsel" means Ferraro Vega Employment Lawyers, Inc.

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1.41. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

1.42. "Released Claims" means the claims being released in connection with this Settlement, as set forth in full below.

1.43. "Released Parties" means: Defendant and all its present and former parent companies, subsidiaries, divisions, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity which could be liable for any of the claims alleged in the operative Complaint, and Defendant's counsel of record in the action.

1.44. "Request for Exclusion" means a Class Member's submission of a signed written request to be excluded from the Class Settlement, including on the form provided with the Class Notice.

1.45. "Service Payment" means the payment to the Plaintiff for initiating and providing services in support of the Action in an amount up to $10,000.00, subject to Court approval, which also constitutes consideration for Plaintiff's individual settlement and general release of all claims, as set forth in this Agreement.

1.46. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

## 2. MONETARY TERMS.

2.1. Gross Settlement Amount. Subject to all terms of this Agreement, Defendant shall pay the Gross Settlement Amount in connection with this Settlement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Covered Employees to submit any claim or form as a condition of payment. The Gross Settlement Amount is non-reversionary.

2.1.1. Employer Payroll Taxes: The Gross Settlement Amount does not include any employer payroll taxes owed on the Wage Portion of the Individual Class Payments, which shall be paid separately by Defendant as calculated by the Administrator.

2.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts approved by the Court:

2.2.1. To Plaintiff: The Service Payment, in addition to any Individual Settlement Payment that Plaintiff may be entitled to receive as a Covered Employee. If the Court approves a Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Service Payment using IRS Form 1099. An award of less than the requested amount for the Service Payment will not give rise to a basis to abrogate the Settlement Agreement and the Court has authority under this Agreement to reduce (or increase) the Service Payment, at its discretion at the final approval stage.

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2.2.2. To Plaintiff's Counsel: Attorneys' Fees and Litigation Costs to Plaintiff's Counsel. Defendant will not oppose requests for these payments, provided the requests do not exceed the amounts set forth in this Agreement. If the Court approves Attorneys' Fees and/or Litigation Costs in an amount less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the Attorneys' Fees and Litigation Costs using one or more IRS 1099 Forms.

2.2.3. To the Administrator: Administration Expenses to the Administrator. To the extent the Administration Expenses are less or the Court approves payment less than the Administration Expenses set forth in this Agreement, the Administrator will allocate the remainder to the Net Settlement Amount.

2.2.4. To the LWDA: Subject to Court approval, the PAGA Payment will be allocated to cover any and all claims for civil penalties associated with the Released Claims that were, or could have been, brought in the Actions under PAGA based on the factual allegations in the Operative Complaint and PAGA Notice; 65% of the PAGA Payment will be paid to the LWDA (i.e., the LWDA Payment) and the remaining 35% of the PAGA Payment (i.e., the Net PAGA Payment) will be distributed to PAGA Members as penalties in exchange for a full and final release of the PAGA claims. The Court has authority under this Agreement to increase (or reduce) the PAGA Payment up to and including at the final approval hearing, and the Parties respectfully reserve the right to increase (or reduce) the PAGA Payment up to and including at the final approval stage, subject to the Court's final approval. If the Court approves a PAGA Payment of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

2.2.5. To Each Participating Class Member/Tax Allocation: An Individual Class Payment calculated by: (a) dividing the Net Settlement Amount by the total number of Class Workweeks worked by all Participating Class Members during the Class Period; and (b) multiplying the result by each Participating Class Member's Class Workweeks. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis. 15% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 85% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

2.2.6. To Each PAGA Member/Tax Allocation: An Individual PAGA Payment calculated by: (a) dividing the Net Settlement Amount by the total number of PAGA Pay Periods worked by all PAGA Members during the PAGA Period; and (b) multiplying the result by each PAGA Members' PAGA Pay Periods. The Individual PAGA Payments are not subject to wage withholdings and will be reported on IRS 1099 Forms. Covered Employees assume full responsibility and liability for any individual taxes owed on their Individual PAGA Payment.

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## 3. SETTLEMENT FUNDING AND PAYMENTS.

3.1. Delivery of Employee Data to Administrator. Within 14 calendar days of the date the Court enters its order granting preliminary approval of the Settlement, Defendant will provide to the settlement administrator a list in Microsoft Excel format containing each Covered Employee's (A) full name, (B) last known address, (C) Social Security Number, and (D) either (i) the dates worked for Defendant during the Class Period as a non-exempt employee in California or (ii) the total workweeks worked by the Class Member during the Class Period and the total pay periods worked by the PAGA Member during the PAGA Period. The Administrator shall not be permitted share any Employee Data, or the information contained therein, with Plaintiff, Class Counsel, or any other individual or entity absent express written consent from Defendant or Defendant's Counsel, with the exception of any names of Class Members who request to be excluded from the Class Settlement pursuant to Section 6.8.2 of this Agreement.

3.2. Funding of Gross Settlement Amount. Wings Recovery Center shall fully fund the Gross Settlement Amount and fund the amount necessary to fully pay its share of payroll taxes by transmitting the funds to the Administrator no later than 21 days after the Effective Date.

3.3. Payments from the Gross Settlement Amount. Within 10 days after Wings Recovery Center funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Settlement Payments, the Administration Expenses, the LWDA Payment, Attorneys' Fees, Litigation Costs, and Service Payment.

3.3.1. The Administrator will issue checks for the Individual Settlement Payments and send them to Covered Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

3.3.2. The Administrator must conduct an Address Search for all other Covered Employees whose checks are returned undelivered without USPS forwarding addresses. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Address Search. The Administrator need not take further steps to deliver checks to Covered Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Covered Employee whose original check was lost or misplaced, requested by the Covered Employee prior to the void date.

3.3.3. For any Covered Employee whose Individual Settlement Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds, in the name of the Covered Employee, to the State of California's Unclaimed Property Division.

3.3.4. The payment of Individual Settlement Payments shall not obligate Wings Recovery Center to confer any additional benefits or make any additional payments to Covered Employee beyond those specified in this Agreement.

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3.3.5. The Administrator will send checks for Individual PAGA Payments to all PAGA Members, who have no right to opt-out or otherwise exclude themselves from the settlement and release of PAGA claims set forth in this Settlement.

3.4. Payments to the Responsible Tax Authorities. The Administrator will pay the Participating Class Members' portion of normal payroll withholding taxes out of each Participating Class Member's Individual Class Payment. The Administrator shall also pay Wings Recovery Center's portion of payroll taxes as the current or former employer (including the employer's payment of applicable FICA, FUTA, and SUI contributions, etc.) to the appropriate local, state, and federal taxing authorities. The Administrator will calculate the amount of the Participating Class Members' and Wings Recovery Center's portion of payroll withholding taxes and forward those amounts to the appropriate taxing authorities.

## 4. RELEASES OF CLAIMS.

Effective on the date when Wings Recovery Center fully funds the Gross Settlement Amount and all associated employer payroll taxes owed on the Wage Portion of the Individual Class Payments, the following releases of claims will take effect:

4.1. Plaintiff's General Release. Plaintiff and Plaintiff's respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint or ascertained during the Action; and (b) any other claims, debts, liabilities, demands, damages, obligations, actions and causes of actions, of any nature whatsoever, whether known or unknown, or suspected or unsuspected, arising out of or in connection with their employment with Wings Recovery Center, the separation of such employment, or any other act, omission or event occurring between the Parties at any time prior to the date the Plaintiff executes this Agreement. This General Release includes, without limitation: (1) all claims for violation of any federal, state or local statute, ordinance or regulation relating to employment benefits, leaves of absence, or discrimination, harassment, retaliation, or whistleblowing in employment, specifically including, without limitation, the California Fair Employment and Housing Act, the California Family Rights Act, Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Genetic Information Nondiscrimination Act, the Americans with Disabilities Act, and the Employee Retirement Income Security Act, the Consolidated Omnibus Budget Reconciliation Act, the Securities Act, the Immigration Reform and Control Act the Worker Adjustment and Retraining Notification Act of 1988, the California Worker Adjustment and Retraining Notification Act, the Uniformed Service Employment and Reemployment Rights Act, and any regulation of any administrative agency or governmental authority relating to employment benefits or discrimination or harassment or retaliation in employment; (2) all claims for failure to pay minimum or overtime wages, failure to timely pay wages, failure to provide accurate itemized wage statements, failure to maintain accurate records, failure to reimburse business expenses, failure to provide meal periods or rest breaks, failure to provide paid sick leave, failure to post notice of paydays and time and place of payment, and any claim for violations of the California Labor Code, California's Business and Professions Code § 17200 et seq., and the applicable California Industrial Welfare Commission Wage Order; (3) any

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non-statutory tort or contractual claim, including all claims for breach of oral, implied or written contract, breach of implied covenant of good faith and fair dealing, negligent or intentional infliction of emotional distress, and conversion; (4) all claims for wrongful termination of employment; (5) all claims for wages, penalties and/or benefits; and (6) all claims for attorneys' fees and costs. Plaintiff's General Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time. Plaintiff acknowledges that they may discover facts or law different from, or in addition to, the facts or law that Plaintiff now know or believe to be true but agree, nonetheless, that Plaintiff's General Release shall be and remain effective in all respects, notwithstanding such different or additional facts or their discovery of them.

4.1.1. Plaintiff's Section 1542 Waiver. For purposes of Plaintiff's General Release, Plaintiff expressly waives and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

4.2. Release by Participating Class Members: All Class Members who do not validly opt out of the Settlement, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, shall be deemed to have released the Released Parties from all claims under state, federal or local law, whether statutory, common law or administrative law, that were asserted or that reasonably could have been alleged, based on the factual allegations of the operative Complaint and/or ascertained in the course of the action, including without limitation claims predicated on Defendant's alleged failure to pay all wages owed, pay all overtime wages, meal period violations, rest period violations, paid sick leave violations, untimely payment of wages, wage statement violations, failure to timely pay final wages upon separation, unfair competition, unpaid reporting time wages, and unpaid split shift premium wages, that arose during the Class Period. Participating Class Members **do not** release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts outside of the Operative Complaint or outside the Class Period.

4.3. Release by PAGA Members: The State of California, through the LWDA, and on behalf of all PAGA Members and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, shall be deemed to have released the Released Parties from all claims for PAGA penalties that were asserted or that reasonably could have been alleged, based on the factual allegations of the operative Complaint and/or ascertained in the course of the action, including without limitation claims predicated on Defendant's alleged failure to pay all wages owed, pay all overtime wages, meal period violations, rest period violations, paid sick leave violations, untimely payment of wages, wage statement violations, failure to timely pay final wages upon separation, unpaid reporting time wages, and unpaid split shift premium wages, that arose during the PAGA Period.

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## 5. MOTION FOR SETTLEMENT APPROVAL.

5.1. Preliminary Approval. Not later than 16 court days before the Preliminary Approval Hearing, Plaintiff shall move for an order conditionally certifying the Class for settlement purposes only, granting Preliminary Approval of the Settlement, setting a date for the Final Approval Hearing, and approving the Class Notice. Wings Recovery Center shall accept service of the Motion (or any other motions, stipulations, declarations, proposed orders, exhibits, or other documents filed in connection with this Settlement) via electronic service at the email addresses set forth in this Agreement or, if an electronic service agreement is already in place, at the email addresses in the Parties' electronic service agreement.

The proposed orders granting preliminary and final approval of the Settlement and the notice of the Settlement sent to Covered Employees are to be mutually agreed upon by the Parties prior to Plaintiff presenting the orders and notice to the Court. Plaintiff will also provide Defendant with the opportunity to review and comment upon drafts of all other pleadings to be filed in connection with her motions for preliminary and final approval of the Settlement (e.g., notice of motion, memorandum of points and authorities, declarations) at least 7 days prior to filing such motion with the Court. With the exception of the proposed orders and notice, which must be mutually agreed upon, Plaintiff agrees to consider in good faith all suggested comments by Defendant, and to meet and confer with Defendant regarding any suggested comments that are not accepted. Plaintiff also agrees to provide Defendant with a draft of the preliminary approval motion within 30 days of Defendant executing the long-form settlement agreement, unless Plaintiff's Counsel and Defense Counsel confer and agree otherwise.

5.2. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Settlement or forthcoming motions or joint stipulations for approval, Plaintiff's Counsel and Defense Counsel will expeditiously work together in good faith on behalf of the Parties to resolve the disagreement. If the Court does not grant settlement approval or conditions any approval or review on any material change to this Agreement, Plaintiff's Counsel and Defense Counsel will expeditiously work together in good faith on behalf of the Parties to modify the Agreement and satisfy the Court's concerns. Should the Court decline to approve all material aspects of the Settlement, the Settlement will be null and void, and the Parties will have no further obligations under it.

## 6. SETTLEMENT ADMINISTRATION.

6.1. Selection of Administrator. The Parties have jointly selected the Administrator to administer this Settlement. The Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

6.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number to calculate payroll tax withholdings and report to state and federal tax authorities.

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6.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund under U.S. Treasury Regulation section 468B-1.

6.4. Notice to Class Members.

6.4.1. No later than 3 business days after receipt of the Employee Data, the Administrator shall notify Plaintiff's Counsel that the list has been received and state the number of Covered Employees and Class Workweeks and PAGA Pay Periods in the Employee Data.

6.4.2. Using best efforts to perform as soon as possible, and no later than 14 days after receiving the Employee Data, the Administrator will send to all Class Members identified in the Employee Data, via first-class United States Postal Service ("USPS") mail, the Class Notice substantially in the form attached to this Agreement as Attachment A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment payable to the Class Member, and the number of Class Workweeks used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Covered Employees' addresses using the National Change of Address database.

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

6.4.4. The deadlines for Class Members' written objections, challenges to Class Workweeks and/or PAGA Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the time otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

6.4.5. If the Administrator, Defendant, Defense Counsel, or Plaintiff's Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Employee Data and should have received Class Notice, the Parties will expeditiously meet and confer in a good-faith effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

6.5. Requests for Exclusion (Opt-Outs).

6.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter

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from a Class Member or their representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address, and email address or telephone number, and the last four digits of the Class Member's Social Security Number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

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

6.5.3. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases paragraph of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

6.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment, nor shall they have the right to object to the class action components of the Settlement. However, they will remain a PAGA Member, receive an Individual PAGA Payment, and remain subject to the Release by PAGA Members.

6.5.5. By signing this Agreement, Plaintiff waives the right to exclude himself (opt out of) or object to the Class Settlement.

6.6. Challenges to Calculation of Class Workweeks. Each Class Member shall have until the Class Response Deadline (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email, or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Class Workweeks contained in the Class Notice are correct so long as they are consistent with the Employee Data. The Administrator's determination of each Class Member's allocation of Class Workweeks shall be final and not appealable or otherwise susceptible to challenge, except by the Court. The Administrator shall promptly provide copies of all challenges to the calculation of Class Workweeks to Defense Counsel and Plaintiff's Counsel and the Administrator's determination of the challenges.

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6.7. Objections to Settlement.

6.7.1. Only Participating Class Members may object to the Class Settlement, including contesting the fairness of the Class Settlement.

6.7.2. Participating Class Members may send written objections to the Administrator, by email or mail. Alternatively, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than the Class Response Deadline (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

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

6.8. Administrator Duties. The Administrator has a duty and is authorized to perform and observe all tasks necessary to effectuate and administer the Settlement in a manner consistent with the terms of this Agreement.

6.8.1. Email Address and Toll-Free Number. The Administrator will establish, maintain, and use its own company website with their contact information included so that Covered Employees may find the Administrator on the World Wide Web. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member telephone calls and emails.

6.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the Response Deadline, the Administrator shall email a list to Plaintiff's Counsel and Defense Counsel containing (a) the names of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid), with all contact information and Social Security Numbers redacted.

6.8.3. Weekly Reports. The Administrator must, on a weekly or biweekly basis, provide written reports to Plaintiff's Counsel and Defense Counsel that tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Class Workweeks received and/or resolved, and checks mailed for Individual Class Payments. The Weekly Reports must provide the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

6.8.4. Class Workweek Challenges. The Administrator has the authority to address and make final decisions, consistent with the terms of this Agreement and subject to the Court's review, on all Class Member challenges over the calculation of Class Workweeks. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge, except by the Court.

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6.8.5. Administrator's Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Plaintiff's Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Covered Employees, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Plaintiff's Counsel is responsible for filing the Administrator's declaration(s) in Court.

6.8.6. Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Plaintiff's Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, if applicable and if requested by either Party, the Administrator will prepare, and submit to Plaintiff's Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement.

**7. ESCALATION CLAUSE.** Defendant represents that the total number of Class Workweeks worked by Class Members was approximately 11,332 as of the date of mediation. If the total number of Class Workweeks exceeds this total by 10% or more (e.g., if the total workweek count is 12,466 or more ) for the applicable Class Period, Defendant, at its sole discretion, shall either: (i) increase the Gross Settlement Amount on a proportional basis for those Class Workweeks worked in excess of ten percent (10%) of the current 11,332 estimate (i.e., if there is a 12% increase in the Class Workweeks, Defendant shall increase the Gross Settlement Amount by 2%), or (ii) elect to cut off the Class Period and PAGA Period as of the date the total Class Workweeks worked by Class Members during the Class Period does not exceed 10% of the 11,332 estimate (i.e., so that the total Class Workweeks is at or below 12,465).

**8. EMPLOYEE ESTIMATE.** Based on the records evaluated, there are an estimated 193 Class Members and 114 PAGA Members covered by this Agreement.

**9. DEFENDANT'S RIGHT TO WITHDRAW.** If the number of Covered Employees who validly opt out of the Settlement equals or exceeds 10% of the total Covered Employees and/or if the combined Class Workweeks worked by Covered Employees who validly opt out of the Settlement equals or exceeds 10% of the total Class Workweeks worked by all Covered Employees, Defendant may elect, but is not obligated, to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, that Defendant will remain responsible for paying all Settlement administration expenses incurred to that point.

**10. MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the Final Approval Hearing, Plaintiff will file in Court and serve on Defendants a Motion for Final Approval of the Settlement that includes a Proposed Final Approval Order and a Proposed

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Judgment, which shall specifically state and include a request for approval of the PAGA settlement under Labor Code § 2699, subd. (s). Plaintiff's Counsel will provide drafts of the Proposed Final Approval Order and Proposed Judgment to Defense Counsel in advance of filing for Defense Counsel's review pursuant to Section 5. Defendant and Defense Counsel shall accept service of the Motion for Final Approval (or any other motions, stipulations, declarations, proposed orders, exhibits, or other documents filed in connection with this Settlement) via electronic service to Defense Counsel at the email addresses set forth in this Agreement or, if an electronic service agreement is already in place, at the email addresses in the Parties' electronic service agreement.

The proposed order granting final approval of the Settlement and the proposed Judgment are to be mutually agreed upon by the Parties prior to Plaintiff presenting the order and Judgment to the Court. Plaintiff will also provide Defendant with the opportunity to review and comment upon drafts of all other pleadings to be filed in connection with her motion for final approval of the Settlement (e.g., notice of motion, memorandum of points and authorities, declarations) at least 7 days prior to filing such motion with the Court, unless otherwise agreed to in writing by both Parties. With the exception of the proposed order and Judgment, which must be mutually agreed upon, Plaintiff agrees to consider in good faith all suggested comments by Defendant, and to meet and confer with Defendant regarding any suggested comments that are not accepted.

10.1. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court prior to the Final Approval Hearing, or as otherwise provided by the Court.

10.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement, the Parties will expeditiously work together through counsel in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval.

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

10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Attorneys' Fees and Litigation Costs set forth in this Settlement, the Parties, their respective counsel, and all Covered Employees, excluding opt outs, as applicable and provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals.

10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Covered Employees), this Agreement shall be null and void. The Parties shall agree to expeditiously work together in good faith to address the appellate court's concerns and to obtain

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Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur.

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

**12. ADDITIONAL PROVISIONS.**

12.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by the Parties that any of the allegations or the defenses in the Operative Complaint have merit or that there is any liability for any claims asserted or that any claims may proceed on a class, collective, or representative basis. The Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.2. Publicity. Prior to Plaintiff filing the motion for preliminary approval of the Settlement, Plaintiff and Plaintiff's Counsel will not make any public disclosures of any kind regarding the Settlement or this Memorandum of Understanding, including but not limited to postings on Plaintiff's Counsel's website and postings on any social media sites/outlets. Plaintiff's Counsel will take all steps necessary to ensure Plaintiff is aware of, and will encourage her to adhere to, the restriction against any public disclosures regarding the Settlement or this Memorandum of Understanding. Following the filing of the preliminary approval motion, Plaintiff and Plaintiff's Counsel will not initiate any communications with the media or third parties regarding the Settlement. If contacted by the media or third parties (except for Covered Employees), Plaintiff and Plaintiff's Counsel will only discuss information publicly available. Plaintiff's Counsel will take all steps necessary to ensure the Plaintiff is aware of, and will encourage her to adhere to, the restriction against initiating any media comment. Plaintiff's Counsel further agrees not to use the Settlement or any of its terms for any marketing or promotional purposes, or for attempting to influence Defendant's business relationships, either before or after the preliminary approval motion is filed, however nothing herein will restrict Plaintiff's Counsel from including publicly available information regarding this settlement in future judicial submissions regarding Plaintiff's Counsel's qualifications and experience.

12.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Covered Employee to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Plaintiff's Counsel's ability to communicate with Covered Employees in accordance with Plaintiff's Counsel's ethical obligations owed to Covered Employees.

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

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12.5. Attorney Authorization. Plaintiff's Counsel and Defense Counsel separately warrant and represent that they are authorized by the Parties, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

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

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

12.8. No Tax Advice. Neither the Parties, Plaintiff's Counsel, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

12.9. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or Plaintiff's Counsel and Defense Counsel, as their legal representatives.

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

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

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

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

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

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12.15. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code section 1152, and all copies and summaries of the Class data provided to Class Counsel by Defendant in connection with the mediation, settlement negotiations, or in connection with the Settlement are and remain the sole property of Defendant and may be used only with respect to this Settlement, and for no other purpose, and furthermore may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 30 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff Plaintiff's Counsel shall destroy all paper and electronic versions of Class data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.

12.16. Notice. All notices or other communications between the Parties required in connection with this Agreement shall be in writing and shall be deemed to have been duly given as of the 3rd business day after mailing by U.S. Mail or the same day if sent by email, addressed as follows:

To Plaintiff:

***Ferraro Vega Employment Lawyers, Inc.***
Attn: Nicholas J. Ferraro
Lauren N. Vega
Conor J.D. Gómez
3333 Camino del Rio South, Suite 300
San Diego, CA 92108 USA
conor@ferrarovega.com / classactions@ferrarovega.com
www.ferrarovega.com

To Defendant:

***Jackson Lewis P.C.***
*Attn: Eric J. Gitig,*
*725 South Figueroa Street, Suite 2800*
*Los Angeles, CA 90017*
*Eric.Gitig@JacksonLewis.com*

***Jackson Lewis P.C.***
*Attn: Paul Yim and Briana Antuna*
*225 Broadway, Suite 1800*
*San Diego, California, 92101*
*Paul.Yim@Jacksonlewis.com and Briana.Antuna@Jacksonlewis.com*

12.17. Execution in Counterparts. This Agreement may be executed using physical and/or electronic signatures (i.e. DocuSign, SignRequest, Adobe Sign, etc.), which shall be accepted as originals for purposes of this Agreement. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

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12.18. Enforcement. The parties agree to expressly stipulate for the settlement of the case on the terms set forth in this Settlement Agreement, and hereby agree that Court, upon motion of either party, may enter judgment pursuant to the terms of this Settlement or otherwise enforce a breach of this Settlement. The parties expressly request that the Court retain jurisdiction over the Parties to enforce the Settlement until performance in full of the terms of the settlement, pursuant to Code of Civil Procedure sec. 664.6 and its procedures for enforcement.

**SIGNATURES**

*I have read this Agreement and agree to its terms.*

***Plaintiff Sabrina Dwyer***

Date: 10/08/2026

Sabrina Dwyer

Sabrina Dwyer

***Defendant Wings Recovery Center, LLC***

Date: 10/12/26

Kristen Scheel (Oct 12, 2026 16:10:30 EDT)

Name: Kristen Scheel

Title: CEO

***Ferraro Vega Employment Lawyers, Inc.***

Date: 10/08/2026

Nicholas J. Ferraro

Nicholas J. Ferraro
Lauren N. Vega
Conor J.D. Gómez
*Attorneys for Plaintiff Sabrina Dwyer*

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***Jackson Lewis P.C.***

Date: October 12, 2026

Eric J. Gitig
Briana Antuna
Paul Yim
*Attorneys for Defendant Wings Recovery Center, LLC*

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# Attachment A

## Notice of Class and PAGA Action Settlement

Signature ref: 4028b196-b1a6-46f0-b142-f8cb0a40ed67

# NOTICE OF CLASS AND PAGA ACTION SETTLEMENT

*Sabrina Dwyer et al. v. Wings Recovery Center, LLC dba Sero Mental Health et al.*
Superior Court of the State of California for the County of San Diego
Case No. 25CU037363C

*This notice is to the following individuals in connection with a pending class and representative PAGA action settlement:*

"Class" or "Class Member(s)" means all individuals currently or formerly employed by Wings Recovery Center in California as hourly, non-exempt employees during the Class Period.

"PAGA Members" means all individuals currently or formerly employed by Wings Recovery Center in California as hourly, non-exempt employees during the PAGA Period.

*Read this notice carefully. Your legal rights could be affected whether you act or not.*

The Superior Court of the State of California for the County of San Diego (the "Court") has preliminarily approved the settlement of this class and representative action lawsuit filed by Sabrina Dwyer ("Class Representative") against Wings Recovery Center, LLC ("Wings Recovery Center") for alleged wage and hour violations (the "Lawsuit").

Wings Recovery Center denies all claims and maintains it has fully complied with the law at all relevant times.

Wings Recovery Center's records reflect you worked **[[Individual Workweeks]]** workweeks during the Class Period of July 15, 2021, through August 17, 2026. Based on this information, your Individual Class Payment is estimated to be **$[[Individual Class Payment]]** (less any applicable state and federal withholdings). The actual amount you may receive will likely be different and will depend on multiple factors, such as how many other individuals decide to opt out.

Additionally, Wings Recovery Center's records reflect you worked [Insert Pay Periods] during the PAGA Period of June 13, 2024, through the end of the Class Period. Based on this information, your Individual PAGA Payment is estimated to be [$Individual PAGA Payment]. You may not opt out of the PAGA Settlement.

| **YOUR OPTIONS** | |
|---|---|
| **DO NOTHING** | You do not have to do anything in response to this notice. If you do nothing, you will remain eligible to automatically receive an Individual Class Payment if the Court grants final approval of the settlement. In such case, you will be bound by |

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| | |
|---|---|
| | the release provisions in the settlement and release your claims in exchange for compensation. |
| **OPT OUT** | You may opt out of the Class Settlement by submitting a Request for Exclusion form. If you opt out, you may not object to the Class Settlement, you will not receive an Individual Class Payment, and you shall not be bound by the Class release provisions in the settlement.<br>***You may <u>not</u> opt out of the PAGA Settlement or seek exclusion from the PAGA Settlement and will be bound by the release provisions in the settlement.*** |
| **OBJECT** | You may object to the Class Settlement by submitting a written objection. If the Court grants final approval of the settlement despite your objection, you will remain eligible to automatically receive an Individual Class Payment if the Court grants final approval of the settlement. In such case, you will be bound by the release provisions in the settlement. |

The Court's final approval hearing is scheduled to take place on **[[Final Approval Hearing Date]]** at **[[Final Approval Hearing Time]]** in Dept. 69 of the San Diego Superior Court, located at 330 W Broadway, San Diego, CA 92101. You do not have to attend but you do have the right to appear. ***For more information, please carefully read this notice.***

## 1. WHAT IS THE ACTION ABOUT?

The Class Representative is former employee of Wings Recovery Center. The Class Representative alleged the following causes of action against Wings Recovery Center: (1) Failure to Pay All Wages Owed; (2) Failure to Pay All Overtime Wages; (3) Meal Period Violations; (4) Rest Period Violations; (5) Paid Sick Leave Violations; (6) Untimely Payment of Wages; (7) Wage Statement Violations; (8) Waiting Time Penalties; (9) Unfair Competition; (10) Unpaid Reporting Time Wages; (11) Unpaid Split Shift Premium Wages; (12) Civil Penalties under the Private Attorneys General Act (Labor Code §§ 2698 et seq.) Plaintiff is represented by Ferraro Vega Employment Lawyers ("Plaintiff's Counsel.")

Wings Recovery Center denies violating any laws or failing to pay any wages and contends it complied with all applicable laws. Wings Recovery Center rejects any suggestion of wrongdoing in its entirety and also denies that any of Plaintiff's claims are appropriate for class or representee treatment.

## 2. WHAT ARE THE PROPOSED SETTLEMENT TERMS?

At the Final Approval Hearing, the Class Representative, through Plaintiff's Counsel, will ask the Court to approve a Gross Settlement Amount of $490,000.00 and authorize the following payments from that amount: Service Payment to the Class Representative ($10,000.00), Attorneys' Fees in the amount of $163,317.00, representing 33.33% of the Gross Settlement Amount, Litigation Costs (not to exceed $30,000.00), the LWDA's 65% portion of the PAGA Payment ($6,500.00), and Administration Expenses (not to exceed $9,000.00) to be paid to the third-party settlement administrator.

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After the above deductions in amounts approved by the Court, the Administrator will calculate and distribute Individual Class Payments to Participating Class Members based on their Class Workweeks and Individual PAGA Payments based on their PAGA Pay Periods. 15% of each Individual Class Payment shall constitute taxable wages ("Wage Portion") and 85% shall constitute interest and penalties ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Wings Recovery Center will separately pay employer payroll taxes it owes on the Wage Portion. The Administrator will report the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms. The Individual PAGA Payments are not subject to wage withholdings and will be reported on IRS 1099 Forms. Class Members and PAGA Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement.

You will be treated as a Participating Class Member, participating fully in the settlement, unless you submit a signed Request for Exclusion by [[Response Deadline]] the "Response Deadline."

After the Settlement is granted final approval by the Court and Wings Recovery Center has fully funded the settlement and separately paid all employer payroll taxes, Participating Class Members and PAGA Members will be legally barred from asserting any of the claims released under the settlement, as follows:

2.1. Class Release

Release by Participating Class Members: All Class Members who do not validly opt out of the Settlement, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, shall be deemed to have released the Released Parties from all claims under state, federal or local law, whether statutory, common law or administrative law, that were asserted or that reasonably could have been alleged, based on the factual allegations of the operative Complaint and/or ascertained in the course of the action, including without limitation claims predicated on Defendant's alleged failure to pay all wages owed, pay all overtime wages, meal period violations, rest period violations, paid sick leave violations, untimely payment of wages, wage statement violations, failure to timely pay final wages upon separation, unfair competition, unpaid reporting time wages, and unpaid split shift premium wages, that arose during the Class Period. Participating Class Members **do not** release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts outside of the Operative Complaint or outside the Class Period.

2.2. PAGA Release

Release by PAGA Members: The State of California, through the LWDA, and on behalf of all PAGA Members and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, shall be deemed to have released the Released Parties from all claims for PAGA penalties that were asserted or that reasonably could have been alleged, based on the factual allegations of the operative Complaint and/or ascertained in the course of the action, including without limitation claims predicated on Defendant's alleged failure to pay all wages owed, pay all overtime wages, meal period violations, rest period violations, paid sick

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leave violations, untimely payment of wages, wage statement violations, failure to timely pay final wages upon separation, unpaid reporting time wages, and unpaid split shift premium wages, that arose during the PAGA Period.

### 3. HOW IS MY INDIVIDUAL CLASS PAYMENT CALCULATED?

The number of Class Workweeks you worked during the Class Period are stated on the first page of this Class Notice. The Administrator will calculate your Individual Class Payment by (1) dividing the Net Settlement Amount by the total number of Class Workweeks worked by all Participating Class Members, and then (2) multiplying the result by the number of Class Workweeks worked by each respective Participating Class Member. In other words, you will receive a proportional recovery based on your length of employment in relation to other Class Members.

### 4. HOW IS MY INDIVIDUAL PAGA PAYMENT CALCULATED?

The number of Pay Periods you worked during the PAGA Period are stated on the first page of this Class Notice. The Administrator will calculate your Individual PAGA Payment by (1) dividing the Net Settlement Amount by the total number of PAGA Pay Periods worked by all PAGA Members during the PAGA Period, and then (2) multiplying the results by the number of Pay Periods worked by each PAGA Member. In other words, you will receive a proportional recovery based on your length of employment in relation to other PAGA Members.

### 5. HOW CAN I CORRECT THE NUMBER OF CLASS WORKWEEKS AND/OR PAGA PAY PERIODS?

You have until the Response Deadline to correct or challenge the number of Class Workweeks and PAGA Pay Periods. You can submit your challenge by signing and sending a letter to the Administrator via mail or email to the Administrator at the following address:

Administrator:
Apex Class Action, LLC.
18 Technology Drive, Suite 154
Irvine, CA 92618
Fax: (949) 989-4428
Phone: (800) 335-0700
https://apexclassaction.com/

The Administrator will accept Wings Recovery Center's calculation of Class Workweeks and PAGA Pay Periods as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you.

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## 6. HOW WILL I GET PAID?

The Administrator will send, by U.S. mail, a single check to every Participating Class Member and PAGA Member following the Effective Date of this Settlement. Your check will be sent to the same address as this notice. If you change your address, notify the Administrator as soon as possible.

## 7. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Complete the attached Request for Exclusion form and mail or email it to the Administrator before the Response Deadline. If you opt-out, you will not receive an Individual Class Payment and you will not be bound by the Class Release. If you opt out of the Class Settlement by submitting a timely Request for Exclusion and are a PAGA Member, you will still receive your Individual PAGA Payment and be bound by the PAGA Release.

## 8. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Class Settlement by submitting a written objection to the Administrator before the Response Deadline. To object, please provide a written statement to the Administrator advising what you object to, why you object, and any facts that support your objection. Please sign the objection and identify the Action and include your name, current address, telephone number, and your approximate dates of employment.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection.

## 9. CAN I ATTEND THE FINAL APPROVAL HEARING?

You may, but are not required to, attend the Final Approval Hearing on [[Final Approval Hearing Date]] at [[Final Approval Hearing Time]] in Dept. 69 of the San Diego County Superior Court, located at 330 W Broadway, San Diego, CA 92101. At the hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to the LWDA, Plaintiff's Counsel, the Class Representative(s), and the Administrator. The Court will invite comment from objectors, Plaintiff's Counsel, and Defense Counsel before making a decision.

It is possible the Court will reschedule the Final Approval Hearing. Please review the Court's online docket or contact the Administrator or Plaintiff's Counsel to verify the date and time of the Final Approval Hearing if you believe it may have been continued or otherwise changed.

## 10. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Wings Recovery Center and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment, or any other

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Settlement documents is to go to the following website [[website]]. You can also telephone or send an email to the Administrator and/or to Plaintiff's Counsel at the addresses below:

Settlement Administrator

Plaintiff's Counsel
Nicholas J. Ferraro (State Bar No. 306528)
Lauren N. Vega (State Bar No. 306525)
Conor J.D. Gómez (State Bar No. 337395)
Ferraro Vega Employment Lawyers, Inc.
3333 Camino del Rio South, Suite 300
San Diego, California 92108
(619) 693-7727 telephone
classactions@ferrarovega.com
ferrarovega.com

## 11. WHAT IF I LOSE MY SETTLEMENT CHECK OR FAIL TO CASH IT?

If you lose or misplace your settlement check, the Administrator will replace it if you request a replacement before the void date on the face of the original check. If your check is already void or you have otherwise failed to cash it, it will be provided to the State of California's Unclaimed Property Division in your name. For more information, please review how to process a claim for your funds with the State of California, https://www.sco.ca.gov/upd_form_claim.html.

**DO NOT CONTACT THE COURT OR THE COURT CLERK TO OBTAIN INFORMATION ABOUT THE SETTLEMENT**

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# Attachment B

## Request for Exclusion Form

Signature ref: 4028b196-b1a6-46f0-b142-f8cb0a40ed67

# Request for Exclusion Form

*Sabrina Dwyer et al. v. Wings Recovery Center, LLC dba Sero Mental Health et al.*
Superior Court of the State of California for the County of San Diego
Case No. 25CU037363C

By signing and returning this form, I confirm that I do not want to be included in the Settlement or receive a settlement check in the class action lawsuit referenced above.

I understand that by opting out, I am giving up my right to receive any payments in this Settlement. To "opt out," this form must be postmarked no later than [[Response Deadline]] and mailed via U.S. Mail to the following address:

Apex Class Action, LLC.
18 Technology Drive, Suite 154
Irvine, CA 92618
Fax: (949) 989-4428
Phone: (800) 335-0700
https://apexclassaction.com/

I confirm I have reviewed the Notice of Class Action Settlement. I have decided to be excluded from the class and **not** participate in the proposed settlement or receive an individual settlement check I am otherwise entitled to receive.

Dated: _____

_____
*(Signature)*

_____
*(Last Four Digits of SSN)*

_____
*(Type or print name and former name(s))*

_____
*(Telephone Number)*

_____
*(Address)*

4909-5025-7100, v. 1