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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO

SHERRIE GRIZZELLE and FATIMA
ALRAZAA, individually, on a
representative basis, and on behalf of all
others similarly situated;

Plaintiffs,

vs.

LUTHERAN SOCIAL SERVICES OF
SOUTHERN CALIFORNIA, a California
Corporation; and DOES 1 through 20,
inclusive;

Defendants.

Case No.: CIVSB2520891

*[Assigned to Hon. Winston Keh, Dept S37, for
all purposes]*

**DECLARATION OF BRIAN J. MANKIN
ESQ., IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Hearing

Date: September 16, 2026

Time: 8:30 a.m.

Dept.: 37

1 I, Brian J. Mankin, state and declare:

2 1. I am an attorney licensed to practice before all of the courts of the State of
3 California. I manage the employment department within my firm where I am also a Partner. I
4 represent Plaintiffs in this action and I am thoroughly familiar with and have personal knowledge
5 of all of the facts set forth herein. I submit this declaration in support of Plaintiffs' Motion for
6 Preliminary Approval of this Class Action Settlement. If called as a witness, I could and would
7 competently testify thereto.

8 **COUNSEL'S EXPERIENCE**

9 2. I have been a member, in good standing, of the State Bar of California since 2001.
10 I am admitted to practice in the United States District Courts for the Central and Southern
11 District of California and the Ninth Circuit Court of Appeal and have tried cases in various
12 courts in California.

13 3. I have handled well over 500 employee vs. employer litigation matters during my
14 nearly 25 years in practice. Over the last 19 years, my practice has almost entirely consisted of
15 representing employees, the majority of which has included class action and representative
16 action wage and hour matters. In total, I have handled well over 300 class action and
17 representative action wage/hour cases, and have been appointed by the court as class counsel and
18 have received final court approval and judgment in close to half of those actions to date, and
19 anticipate receiving final approval in many more of those in the future.

20 4. As part of these settlements and judgments, I have recovered in excess of \$300
21 million in damages for my clients and the class members (who often work as nurses, ambulance
22 drivers, technicians, warehouse workers, truck drivers, sales, professional occupations and
23 countless other trades). At one point, my team and I held the record for the largest known
24 PAGA-only case in California's history - a \$12.5 million-dollar court approved settlement,
25 which followed extensive litigation, summary adjudication and writs to the CA Supreme Court
26 against a Fortune 50 company (*Garcia v. Macy's*, San Bernardino Superior Court).

27 5. I have tried two class and PAGA cases against Fortune 100 companies. I was
28 lead counsel in a PAGA case that my firm tried to the bench in the Orange County Superior

1 Court and received a \$425,000 judgment. I was co-counsel in a class action case against
2 Walmart that was tried to the jury in District Court for the Central District, wherein the jury
3 awarded Plaintiffs over \$6 million. Following the successful outcome in trial, both cases were
4 appealed.

5 6. I was named by the LA Times as one “Southern California Leading Lawyers” in
6 the May 2023 issue of Consumer Attorney’s of Southern California (a recognition given to 17
7 employment/labor law attorneys in 2023). Additionally, over the last 8 consecutive years, I have
8 been selected by my peers as a “Super Lawyer” in Employment Litigation, a distinction that only
9 5% of lawyers receive.

10 **BRIEF SUMMARY OF THE SETTLEMENT**

11 7. Following mediation, extensive discovery, and further negotiations, Plaintiffs and
12 Defendant (the “Parties”) eventually entered into a Class Action and PAGA Settlement
13 Agreement and Release of Claims resolving the wage and hour claims of the putative class (the
14 “Settlement Agreement” or “S.A.”), a true and correct copy of which is attached hereto as
15 **Exhibit A.**

16 8. The Settlement Agreement seeks to release and discharge Defendant from the
17 claims brought against it in exchange for Defendant’s agreement to pay \$600,000 on a non-
18 reversionary, non-claims made basis (each Class Member will receive his/her share of the Net
19 Settlement Amount without having to submit a claim form or take any action, except for those
20 who opt-out).

21 9. Plaintiffs seek to represent a class of current and former nonexempt employees
22 employed by Defendant in California during the Class Period (July 18, 2021, through March 31,
23 2026).

24 10. Under the terms of the Settlement Agreement, Defendant will not oppose
25 Plaintiffs’ Counsel’s application for a reasonable award of attorneys’ fees not to exceed 1/3 of
26 the Settlement Amount, litigation expenses not to exceed \$30,000, Administrator Costs of
27 \$10,500, PAGA penalties of \$20,000 (with 65% to the LWDA and 35% to the Aggrieved
28 Employees), and Service Payments totaling \$20,000 to the four named Plaintiffs for the

substantial work performed on behalf of the Class.

11. After subtracting these deductions from the Settlement Amount, approximately \$319,500.00 will be available to pay individual settlement amounts to approximately 200 Class Members who do not opt-out of the settlement, as follows:

<i>Settlement Amount</i>	\$ 600,000.00
Attorneys' Fees (1/3)	\$ 200,000.00
Litigation Costs (not to exceed)	\$ 30,000.00
Administrator Costs	\$ 10,500.00
PAGA Penalties	\$ 20,000.00
Class Representatives Service Awards	\$ 20,000.00
<i>Net Settlement Amount</i>	\$ 319,500.00

12. Assuming 500 Class Members, the average payment will be approximately \$639 (NSA / 500). However, the actual payments will be calculated on a pro-rata basis according to the number of Weeks Worked by each Class Member during the Class Period (S.A. ¶ 46(c)). The Class Members collectively worked approximately 40,000 Workweeks, so Class Members will receive approximately \$8 for each week worked during the Class Period. There are about 246 total weeks in the Class Period, so this results in an estimated high payment of \$1,968 for a Class Member who worked the full period. In addition, approximately 230 Aggrieved Employees will receive a share of the \$7,000 PAGA Penalties (35% of the \$20,000 allocation), calculated pro-rata based on Weeks Worked during the PAGA Period.

13. Each Class Member will receive the Class Notice, a true and correct copy of which is attached as **Exhibit B**, explaining the nature of the case, and the process for participating, objecting and opting-out, and advising of his/her estimated settlement payment and the number of Work Weeks he/she is credited with working during the applicable periods. For purposes of this settlement, we do not believe it is appropriate or necessary to include out-out and objection forms with the Class Notice. Based on my past experience with hundreds of class action settlements, Class Members are often confused by use of these forms and including them with the Class Notice often leads to "false positives" where Class Members sign and return those forms without wanting to object or be excluded from the settlement (because they do not read all of the documentation carefully). For example, in many settlements where opt-out and objection

1 forms have been included, my office was notified by the administrator that a class member
2 submitted one of those forms (but did not fill out any substantive information). And, when the
3 administrator followed up and spoke with the individual who submitted the form, they stated that
4 they did not intend to opt-out or object – they assumed they needed to sign and return the form to
5 receive their check.

6 **PROCEDURAL BACKGROUND**

7 14. My office has performed considerable work and diligently investigated and
8 prosecuted this case to a successful conclusion. Our work has resulted in the creation of a
9 significant settlement fund for the benefit of the Class. We efficiently communicated and
10 exchanged information informally with Defense counsel which enabled the parties to
11 successfully settle the case. Because of the risks involved in litigating the case and the contested
12 legal and factual issues, my office believes this settlement to be fair, reasonable, and adequate.

13 15. After being retained by Plaintiff Grizzelle, we submitted a July 18, 2025, letter to
14 the Labor and Workforce Development Agency (“LWDA”) for civil penalties under the Private
15 Attorneys General Act of 2004 (“PAGA”), and sent a letter to Defendant requesting the
16 production of her personnel and timekeeping records to further evaluate her wage and hour
17 claims. A true and correct copy of Plaintiff Grizzelle’s LWDA Notice Letter is attached hereto
18 as **Exhibit C**.

19 16. That same day, Plaintiff Grizzelle commenced the Class Action by filing a
20 complaint against Defendant on a putative class action basis, alleging the following causes of
21 action: (a) failure to pay minimum wages, (b) failure to pay overtime wages, (c) failure to
22 provide meal periods, (d) failure to provide rest breaks, (e) failure to reimburse business
23 expenses, (f) failure to pay vested vacation wages, (g) failure to timely pay wages upon
24 separation of employment, (h) failure to provide accurate itemized wage statements, and (i)
25 unfair and unlawful competition. After the LWDA exhaustion period ran and the LWDA
26 declined to assert jurisdiction over the PAGA Claims, Plaintiff Grizzelle filed a separate PAGA
27 Action on October 2, 2025, which was designated as Case No. CIVSB2529067. The Court
28 deemed the Class Action and PAGA Action related.

1 17. After litigation commenced, Defendant retained counsel and immediately began
2 to defend the case. After early discussions among counsel, the Parties agreed to attend private
3 mediation. In preparation for mediation, the Parties informally exchanged documents and
4 information that allowed both sides to calculate the potential damages and evaluate potential risk,
5 including policies and procedures pertaining to the claims, statistics relating to the number of
6 current and former employees, number of shifts, workweeks and pay periods worked and other
7 things, and a sampling of payroll and timekeeping records. This information enabled both
8 parties to take a deep dive into the claims. Additionally, during this process, Plaintiffs and their
9 counsel analyzed, researched, and investigated the potential issues, including matters related to
10 the calculation of damages, trial, and appellate issues and risks.

11 18. On February 19, 2026, Plaintiffs and Defendant participated in mediation before
12 Hon. Daniel Buckley (Ret.), who served many years on the bench and is now a well respected
13 class action wage and hour mediator. At the conclusion of mediation, and after extensive arms-
14 length negotiations, the mediator issued a mediator's proposal which was ultimately accepted by
15 the Parties. Pursuant to the Settlement, Plaintiff filed a first amended complaint in the Class
16 Action on May 26, 2026, consolidating the PAGA Action with the Class Action and adding
17 Fatima Alrazaa as a Plaintiff and proposed Class Representative.

18 **SUMMARY OF THE CLAIMS AND DEFENSES**

19 19. Plaintiffs alleged numerous wage and hour violations on behalf of the Class.
20 However, Defendant vigorously contested and denied each of Plaintiffs' material allegations on
21 the merits and as to the propriety of a class action or PAGA representative action. Still, Plaintiffs
22 believed there were several strong claims.

23 20. For instance, Plaintiffs raised three unpaid wage claims. First, Plaintiffs alleged
24 the Class Members were paid on an hourly basis plus other forms of compensation, such as
25 bonuses, yet those amounts were not included in the calculations for overtime and various other
26 payments. Second, Plaintiffs alleged that Defendant required the Class Members to work off-the-
27 clock (to complete tasks like "charting"). Third, Plaintiffs alleged that Defendant failed to
28 comply with Labor Code § 510 when it did not pay overtime for a seventh consecutive day of

1 work. Plaintiffs also argued these violations resulted in significant unpaid wages, waiting time
2 penalties under Labor Code § 203 and other derivative penalties. However, Defendant opposed
3 each unpaid wage claim on the merits and as to the propriety of class certification.

4 21. Plaintiffs also alleged that Class Members were denied compliant meal and rest
5 breaks due to the nature of the work. However, Defendant argued it provided and made all
6 mandated meal and rest breaks available to the Class. Thus, Defendant argued these claims were
7 without merit because, for each violation, a fact-finder would have to determine why a break was
8 noncompliant; if it was the employee's choice, no liability attaches.

9 22. Finally, Plaintiffs alleged a variety of other claims (all of which Defendant
10 disputed), such as the failure to reimburse business expenses, failure to timely pay all wages
11 upon separation of employment, and failure to provide accurate itemized wage statements.

12 23. Despite the disputed nature of the claims, the Parties concluded that further
13 litigation of the Action would be protracted and expensive, and that it is desirable that the Action
14 be fully and finally settled to limit further risk, expense, and protracted litigation.

15 **THE WAGE AND HOUR CLAIMS, CLASS COUNSEL'S INVESTIGATION, AND**
16 **EVALUATION OF THE SETTLEMENT**

17 24. The putative Class in this case consists of approximately 500 similarly situated
18 employees who worked for Defendant in California at any time during the Class Period.

19 25. In preparation for mediation and then the later negotiations, Peter Carlson, a
20 senior associate within my firm, and I formulated a damages model and risk analysis based upon
21 detailed data obtained through informal discovery and information exchanges. The summary of
22 the claims below is based on those calculations and the risks that we potentially faced, giving
23 significant credit to the defenses that Defendant raised or would likely raise in further
24 proceedings.

25 26. Here, there were several categories of claims alleged by Plaintiff, including but
26 not limited to: (1) unpaid wage claims under various theories, (2) meal and rest break violations,
27 (3) derivative claims for waiting time and wage statement penalties due to the other alleged
28 violations, (4) unreimbursed expense claims, and (5) PAGA claims (many of which arose out of

1 the underlying class claims).

2 27. As to the unpaid wage claims, Plaintiffs alleged various distinct theories of
3 liability, as stated above. In total, we estimated the maximum value of these unpaid wages to be
4 approximately \$638,931. However, Defendant vehemently opposed these unpaid wage claims on
5 the merits and as to the propriety of class certification. Moreover, in addition to its other defenses
6 on the merits, Defendant argued that Plaintiffs would be unable to meet its evidentiary burden at
7 summary judgment and/or trial because Plaintiffs and the Class would be unable to introduce
8 evidence as to the amount of unpaid wages (since certain claims are not apparent from the
9 timekeeping records alone), thus defeating liability. Due to these defenses and arguments,
10 Plaintiffs assigned appropriate risks for these unpaid wage claims at the class certification stage
11 and on the merits, and calculated the risk-adjusted value of the unpaid wage claims as \$150,000.

12 28. Plaintiffs also alleged meal and rest break claims against Defendant. Based on
13 analysis of the timekeeping records, we calculated total maximum exposure of \$1,800,000 (given
14 the violation rate and substantial number of estimated shifts). However, Defendant raised
15 numerous arguments in response to this claim, including that it maintained fully compliant
16 written policies and specifically authorized the Class Members to take meal and rest breaks,
17 meaning that no one had a reason or cause to miss a break or take a short/late break (which
18 Defendant argued is reflected by the small meal violation rate). Therefore, Defendant asserted
19 that a fact-finder would have to determine for each Class Member whether a break was missed
20 and why, and why a break was noncompliant or nonexistent, because if it was by the employee's
21 choice, no liability attaches to Defendant. These defenses are factored into Plaintiffs' analysis in
22 two ways. First, these issues raise questions regarding whether the meal and rest break claims
23 could be certified; second, these defenses also go toward the merits given the evidentiary
24 question of proving the number of meal and rest violations. As such, we calculated the risk-
25 adjusted value for the combined meal and rest break claims at \$800,000.

26 29. Plaintiffs also alleged claims for waiting time penalties and wage statement
27 violations. The maximum values for these claims were as follows: (1) \$1,406,856 for waiting
28 time penalties, and (2) \$670,000 for wage statement violations. But Defendant raised a variety of

1 defenses to these derivative claims that impacted the valuation. Namely, as to the wage
2 statement violations, Defendant argued that its wage statements did not violate Labor Code §
3 226, and that “derivative” violations cannot trigger liability under § 226 and, even if there was a
4 “technical” violation, Plaintiffs would be unable to prove the required “knowing and intentional”
5 and “injury” elements. As such, Plaintiffs calculated a risk-adjusted value of \$80,000 for the
6 wage statement violations. Then, as to the waiting time penalty claims, the valuation had to
7 account for the fact that this claim was derivative of the unpaid wage and meal/rest break claims
8 and, if those claims failed at certification or on the merits, there would be no waiting time
9 penalties owed, so the same risks for those claims applied to this claim. Furthermore, even if the
10 unpaid wage and/or meal/rest claims succeeded at certification and on the merits, Defendant
11 argued that the claim would fail because Plaintiffs could not prove that the violations (if any
12 existed) were “willful” under the meaning of Labor Code § 203. Defendant also argued there
13 was no “willful” violation since they had compliant written policies and any deviations
14 therefrom were inadvertent and unintentional. Additionally, Defendant argued that it had several
15 “good faith” defenses that prevents imposition of the waiting time penalties. As a result of these
16 myriad defenses and risks, we calculated the risk-adjusted value of the § 203 claim as \$250,000.

17 30. Finally, Plaintiffs alleged that Defendant failed to reimburse the Class Members
18 for all expenses necessary to carry out tasks for Defendant. Plaintiffs calculated the maximum
19 potential unreimbursed expenses as \$400,000. However, Defendant disputed that it failed to
20 reimburse expenses and argued that Class Members were provided all tools and equipment
21 needed to perform their tasks. Thus, Defendant argued that any expenses (if any were incurred)
22 were not “reasonable” or “necessary” and, thus, Defendant did not have an obligation to
23 reimburse for such expenses. Given the fact-intensive nature of this claim, and possible
24 individualized issues, Plaintiffs calculated the risk-adjusted value of the expense claim as
25 \$40,000.

26 31. In sum, when factoring in the defenses and risks of ongoing litigation (and
27 possible appeals), we estimated the total risk-adjusted class recovery as \$1,320,000.

28 ///

1 **THE SETTLEMENT IS FAIR, JUST, AND REASONABLE**

2 32. The settlement was the product of extensive arm's length negotiations, facilitated
3 by an experienced mediator and then continuing with ongoing negotiations for many months
4 after mediation. Though cordial and professional, the settlement negotiations were adversarial
5 and non-collusive in nature. The settlement reached is the product of substantial effort by the
6 parties and their counsel. Although we believed that there was a possibility of certifying the
7 claims, we recognized the potential risk, expense, and complexity posed by litigation, such as
8 unfavorable decisions on class certification, summary judgment, at trial and/or on the damages
9 awarded, and/or on an appeal that can take several more years to litigate.

10 33. The settlement will result in a fair payment to each class member based on the
11 number of weeks worked. Plaintiffs and my firm have diligently investigated the claims and
12 defenses on behalf of the Class Members and worked to achieve a resolution of the claims to
13 maximize the recovery by avoiding further expenditure of attorneys' fees and costs. After
14 evaluating the significant risks attendant with further litigation described above and weighing
15 them against the benefits of a known compromise and settlement as set forth in the Settlement
16 Agreement, settlement on the terms agreed to is believed to be in the best interest of Plaintiffs
17 and the Class, and is a fair and reasonable resolution of the claims alleged.

18 34. My firm brought to bear a great deal of experience in negotiating the settlement of
19 this case. We engaged in the necessary discovery and investigation, making it possible to
20 exercise informed judgment throughout the settlement process, including significant document
21 review (*e.g.*, documents pertaining to Defendant's policies and procedures, personnel documents,
22 among others), and conducted an extensive analysis of the detailed class-wide data provided by
23 Defendant.

24 35. Based on my experience in other cases, including wage and hour matters, I
25 believe I am qualified to evaluate the class claims and viability of defenses in this class action.
26 In this case, the recovery for each class member is reasonable, fair, and adequate, and this
27 settlement is in the best interests of the class. The settlement provides each class member with
28 compensation for the alleged violations when viewed in relation to the costs and risks inherent in

1 obtaining class certification and proceeding to trial.

2 36. My firm, as well as defense counsel, fully endorse the terms and conditions of the
3 settlement as set forth in the abovementioned Settlement Agreement.

4 37. Of course, the settlement amount represents a compromise figure, taking into
5 account the various risks surrounding class certification and the merits of Defendant's asserted
6 defense. Nevertheless, the settlement provides for fair and adequate payments to the class
7 members, with no reversion to Defendant.

8 **PLAINTIFFS' REQUESTED ENHANCEMENT PAYMENTS**

9 38. Plaintiffs seek service awards totaling \$20,000 to the Class Representatives,
10 allocated as \$10,000 to each Plaintiff. These amounts are justified and reasonable given the
11 work each performed on behalf of the Class. Indeed, Plaintiffs each came forward and litigated
12 this case in an effort to effectuate a policy and practice change that benefitted all other Class
13 Members (and to recover unpaid wages and other damages). They ultimately succeeded despite
14 significant risk.

15 39. Plaintiffs each provided invaluable assistance to my office and the Class in this
16 case, including providing factual background; reviewing the litigation documents; providing
17 information and documents about Defendant's policies and practices; participating in phone calls
18 to discuss litigation and settlement strategy; assisting with discovery and deposition strategy;
19 making themselves available throughout the litigation to assist with analyzing the claims and
20 defenses; helping Class Counsel prepare for the mediation, and; reviewing the settlement
21 documents. Plaintiffs agreed to participate in this case with no guarantee of personal benefit.

22 40. The Class Representatives also assumed significant risk in bringing this litigation
23 – namely, had they lost, they could have been ordered to pay Defendant's costs. Moreover, each
24 Class Representative was required, as a condition of this Class settlement, to give up a broad
25 general release of all claims against Defendant (with a Civil Code § 1542 waiver) – something
26 that none of the other Class Members were required to do.

27 ///

28 ///

1 **ADEQUACY OF COUNSEL AND THE PROVISIONAL REASONABLENESS OF THE**
2 **REQUESTED FEES AND COSTS**

3 41. As set forth above, I have handled over 300 class and representative actions, have
4 been appointed as class counsel and have successfully resolved over half of those cases, and
5 many others remain pending and will successfully resolve in the future.

6 42. When this case was taken on a contingency fee basis, with my firm agreeing to
7 assume responsibility for all litigation costs, the ultimate result was far from certain. In the
8 course of this litigation, my firm paid all costs including filing fees, court costs, research fees,
9 and mediation costs. There was never a guarantee that we would recoup those expenditures.

10 43. It is my experience that attorney fee awards of one-third or slightly higher of a
11 common fund settlement is the standard in California. In this case, my firm agreed to seek one-
12 third of the Settlement Amount for attorneys' fees, a request which Defendant does not oppose. I
13 believe the 1/3 fee requested here is reasonable given that we already have a negative multiplier
14 through only the preliminary approval stage (*i.e.*, before the lengthy settlement administration
15 process and preparing/filing of the motion for final approval). The fee is further warranted
16 because it is within the range of reasonableness typically awarded in class actions. The litigation
17 costs are reasonably capped at \$30,000 and will be based on the actual amount of costs incurred
18 at the time of final approval.

19 **SETTLEMENT ADMINISTRATOR**

20 44. The parties request that the Court appoint Phoenix Settlement Administrators to
21 serve as the Settlement Administrator. Phoenix is experienced in administering class action
22 settlements, and has provided a proposal to administer this settlement for a total of \$10,500,
23 which is attached hereto as **Exhibit D**.

24 **SUBMISSION TO THE LWDA**

25 45. Plaintiffs have concurrently submitted the settlement and all moving papers to the
26 LWDA in accordance with Labor Code § 2699(1)(2). The proof of submission is attached hereto
27 as **Exhibit E**.

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47. The proposed Class Notice is attached as **Exhibit B**.

49. Phoenix's proposal to administer the Settlement is attached hereto as **Exhibit D**.

51. For the foregoing reasons, it is respectfully requested that the Court grant preliminary approval of the settlement as being fair, reasonable, and in the best interests of the Class, as well as preliminarily approve the requested attorneys' fees, costs, and enhancement of the settlement to the Class Representatives.

By: Brian J. Mankin
Brian J. Mankin, Esq.

EXHIBIT “A”

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO

SHERRIE GRIZZELLE and FATIMA
ALRAZAA, individually, on a representative
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LUTHERAN SOCIAL SERVICES OF
SOUTHERN CALIFORNIA, a California
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inclusive;

Defendants.

Case No.: CIVSB2520891
*[Assigned to Hon. Michael Dauber, Dept S37,
for all purposes]*

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT AND
RELEASE OF CLAIMS**

This Class Action Settlement Agreement and Release of Claims is entered into by and
between Plaintiffs Sherrie Grizzelle and Fatima Alrazaa, individually and on behalf of all others
similarly situated, and on behalf of the State of California, and Defendant Lutheran Social Services

of Southern California, and is approved by their respective counsel of record, subject to the terms and conditions hereof and the Court’s approval.

A. Definitions

1. “Action” collectively refers to: (a) Plaintiff Grizzelle’s lawsuit alleging wage and hour violations against Defendant captioned *Grizzelle v. Lutheran Social Services of Southern California*, which was initiated on July 18, 2025, and is pending in Superior Court of the State of California, County of San Bernardino, Case No. CIVSB2520891 (the “Class Action”), and (b) Plaintiff Grizzelle’s separate lawsuit alleging wage and hour violations under PAGA against Defendant captioned *Grizzelle v. Lutheran Social Services of Southern California*, which was initiated on October 2, 2025, and is pending in Superior Court of the State of California, County of San Bernardino, Case No. CIVSB2529067 (the “PAGA Action”). The Class Action and PAGA Action were deemed related and consolidated by way of the filing of a first amended complaint in the Class Action on May 26, 2026.

2. “Administrator” means and refers to Phoenix Settlement Administrators, the third-party class action settlement administrator agreed to by the Parties, that will provide the Notice to the Class Members and distribute the settlement amounts as described in this Agreement.

3. “Administration Costs” means the costs payable from the Settlement Amount to the Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, tax reporting, and deposit of the employee and employer share of payroll taxes, unclaimed property due diligence, reporting and remittance obligations, distributing the Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The Administration Costs shall be paid from the Settlement Amount, including, if necessary, any such costs in excess of the amount represented by the Administrator as being the maximum costs necessary to administer the Settlement.

4. “Aggrieved Employee(s)” means all current and former nonexempt employees employed by Defendant in California during the PAGA Period.

5. “Agreement” or “Settlement Agreement” or “Settlement” shall mean this Class Action and PAGA Settlement Agreement and Release of Claims.

1 6. “Class” is defined all current and former nonexempt employees employed by
2 Defendant in California during the Class Period.

3 7. “Class Member(s)” refers to individual members of the Class.

4 8. “Class Counsel” refers to Brian Mankin and Peter Carlson of Lauby, Mankin &
5 Lauby LLP.

6 9. “Class Data” means a complete list that Defendant will diligently and in good faith
7 compile from their records and provide to the Administrator on one spreadsheet which shall
8 include, for each Class Member, the individual’s full name, last known address, Social Security
9 Number, total Work Weeks worked during the Class Period and total Pay Periods worked during
10 the PAGA Period.

11 10. “Class Period” is deemed to be any time during the period of July 18, 2021, through
12 March 31, 2026.

13 11. “Class Representatives” or “Plaintiffs” means and refers to Plaintiffs Sherrie
14 Grizzelle and Fatima Alrazaa.

15 12. “Complaint” refers to the operative first amended class and PAGA representative
16 action complaint filed in the Class Action.

17 13. “Court” (or “Judge”) means the California Superior Court, County of San
18 Bernardino.

19 14. “Defendant” means and refers to Lutheran Social Services of Southern California.

20 15. “Defendant’s Counsel” or “Defense Counsel” means and refers to Jackson Lewis,
21 P.C.

22 16. “Effective Date” means the latest of the following dates: (i) if no Class Member
23 timely and properly intervenes, or files a motion to vacate the judgment approving the Settlement
24 Agreement under Code of Civil Procedure § 663, then the date of the Court’s Notice of Entry of
25 Order regarding Final Approval of the Settlement; (ii) if a Class Member intervenes, or files a
26 motion to vacate the judgment approving the Settlement Agreement, then sixty-one (61) calendar
27 days following the date the Court enters an order granting Final Approval, assuming no appeal is
28 filed; or (iii) if a timely appeal is filed, then the date of final resolution of that appeal or other

collateral attack (including any requests for rehearing and/or petitions for *certiorari*), resulting in final judicial approval of the Settlement.

17. “Escalator Clause:” Defendant represents that the Class Members worked approximately 40,000 Work Weeks during the Class Period. Should the total number of Work Weeks in the Class Period exceed 44,000 (which is 10% more than Defendant’s representation), then Defendant shall have the option of either: (1) increasing the Gross Settlement Amount by \$15.00 (GSA divided by 40,000) for each additional Workweek above 44,000, or (2) changing the end date of the Class Period to a date through which there are no more than 44,000 workweeks. However, in no event shall the Class Period end before February 19, 2026 (the date of mediation).

18. “Final Approval” refers to the order of the Court granting final approval of this Settlement Agreement and entering a judgment approving this Agreement on substantially the terms provided herein or as may be modified by subsequent agreement of the Parties.

19. “Individual Class Payment” refers to each Participating Class Members share of the Net Settlement Amount, as further discussed in Paragraph 46(c) below.

20. “Individual PAGA Payment” refers to each Aggrieved Employees share of the PAGA Penalties, as further discussed in Paragraph 46(h) below.

21. “Net Settlement Amount” shall have the meaning ascribed to it in Paragraph 46(b) below.

22. “Notice” means the notice of proposed class settlement that will be sent to the Class Members and which will advise each Class Member of the settlement and his or her estimated Individual Class Payment and Individual PAGA Payment and will further advise of the setting of a Final Approval Hearing.

23. “Objecting Class Member” means a Class Member, other than Plaintiffs, who submits a valid and timely objection to the terms of this Agreement, pursuant to Paragraph 67(c) below.

24. “PAGA Penalties” means the amount that the Parties have agreed to pay to the Labor and Workforce Development Agency (“LWDA”) in connection with the California Labor

Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”), as well as the Individual PAGA Payment allocated to each Aggrieved Employee.

25. “PAGA Period” is deemed to be any time during the period of July 18, 2024, through March 31, 2026.

26. “Participating Class Member” means any and all Class Members who are deemed to participate and receive an Individual Class Payment and do not opt-out by submitting timely valid Requests for Exclusion.

27. “Parties” means Plaintiffs and Defendant, collectively.

28. “Preliminary Approval Date” means the date the Court approves the Settlement Agreement and enters the Preliminary Approval Order.

29. “Preliminary Approval Order” means the judicial Order to be entered by the Court, upon the application or motion of the Plaintiffs, preliminarily approving this Settlement and providing for the issuance of the Notice to the Class, an opportunity to opt out of the Settlement, an opportunity to submit timely objections to the Settlement, and setting a final approval hearing on the fairness of the terms of Settlement, including approval of attorneys’ fees and costs. Provided that the motion is consistent with the terms herein, Defendant will not object to Plaintiffs’ motion for preliminary approval but will be provided with an opportunity to review and comment upon the motion before it is filed.

30. “QSF” means the Qualified Settlement Fund set up by the Administrator for the benefit of the Participating Class Members and Aggrieved Employees, and from which the settlement payments shall be made.

31. “Released Class Claims” or “Class Claims” by the Participating Class Members include all claims that were alleged, or that reasonably could have been alleged based upon the facts stated in the Complaint, including: (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest breaks, (5) failure to reimburse business expenses, (6) failure to pay vested vacation, (7) failure to timely pay final wages, (8) failure to provide accurate itemized wage statements, and (9) unfair and unlawful competition. The time period governing the Released Class Claims shall be the Class Period.

32. “Released PAGA Claims” or “PAGA Claims” means the PAGA claims alleged in the Complaint and in the relevant LWDA notice letters, or that reasonably could have been alleged based on the facts stated in the Complaint and in the relevant LWDA notice letters, including all PAGA claims seeking civil penalties premised upon: (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest breaks, (5) failure to reimburse business expenses, (6) failure to pay vested vacation, (7) failure to timely pay final wages, (8) failure to provide accurate itemized wage statements, and (9) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 et seq. based on the facts or claims alleged in the LWDA notice letters and Complaint. The time period governing the PAGA Released Claims shall be the PAGA Period. The Released PAGA Claims do not release any Aggrieved Employees’ claims for wages or statutory penalties (“Released PAGA Claims”). The time period governing the PAGA Released Claims shall be the PAGA Period. The PAGA Released Claims do not release any Aggrieved Employees’ claims for wages or statutory penalties.

33. “Released Parties” means Defendant, together with its officers, directors, employees, agents, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

34. “Response Deadline” is 45 calendar days from the date the Notice is mailed to the Class Members.

35. “Request for Exclusion” shall have the meaning ascribed to it in Paragraph 67(a) below.

36. “Service Payment” or “Service Award” means the amount approved by the Court to be paid to the Class Representatives in addition to their Individual Class Payments as Participating Class Members and Individual PAGA Payments as Aggrieved Employees.

37. “Settlement Amount” is \$600,000.00, subject to the Escalator Clause and exclusive of Defendant’s obligation to fund their share of payroll taxes, as further discussed in Paragraph 46(c) below.

1 38. “Work Weeks” or “Weeks Worked” in the context of a Class Member means any
2 and all work weeks during the Class Period during which the Class Member worked at least one
3 day in California for Defendant. Likewise, in the context of Aggrieved Employees, “Pay Periods”
4 means any and all pay periods worked during the PAGA Period during which the Aggrieved
5 Employee worked at least one day in California for Defendant.

6 **B. General Terms**

7 39. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff Grizzelle gave timely
8 written notice to Defendant and the LWDA by sending the PAGA Notice Letter on July 18, 2025.
9 That same day, Plaintiff Grizzelle commenced the Class Action by filing a complaint against
10 Defendant on a putative class action basis, alleging the following causes of action: (a) failure to
11 pay minimum wages, (b) failure to pay overtime wages, (c) failure to provide meal periods, (d)
12 failure to provide rest breaks, (e) failure to reimburse business expenses, (f) failure to pay vested
13 vacation wages, (g) failure to timely pay wages upon separation of employment, (h) failure to
14 provide accurate itemized wage statements, and (i) unfair and unlawful competition. After the
15 LWDA exhaustion period ran and the LWDA declined to assert jurisdiction over the PAGA
16 Claims, Plaintiff Grizzelle filed a separate PAGA Action on October 2, 2025. The Court deemed
17 the Class Action and PAGA Action related, and then the actions were consolidated by way of the
18 filing of the operative first amended Complaint, which also added Fatima Alrazaa as a Plaintiff
19 and proposed Class Representative.

20 40. On February 19, 2026, the Parties attended private mediation with Hon. Daniel
21 Buckley (Ret.) and reached this Settlement.

22 41. Defendant denies Plaintiffs’ claims and allegations and contends that the Action is
23 not suitable for class certification.

24 42. The Class Representatives believe they can proceed with the representative and
25 class claims, that the Action is meritorious, and that class certification is appropriate.

26 43. The Parties have conducted a thorough investigation into the facts of the Action.
27 This includes conducting an extensive exchange of informal discovery, including a sampling of
28 payroll and timekeeping records for Class Members. Class Counsel is both knowledgeable about

1 and has done extensive research with respect to the applicable law and potential defenses to the
2 claims of the Class. Class Counsel has diligently pursued an investigation of the Class Members'
3 claims against Defendant. Based on the foregoing data and on their own independent investigation
4 and evaluation, Class Counsel is of the opinion that the settlement with Defendant for the
5 consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and
6 adequate and is in the best interest of the Class Members in light of all known facts and
7 circumstances, including the risk of significant delay and uncertainty associated with litigation,
8 various defenses asserted by Defendant, and numerous potential appellate issues.

9 44. The Parties agree that neither the Parties' Settlement, this Agreement, nor the acts
10 to be performed or judgment to be entered pursuant to the terms of the Settlement and Agreement,
11 shall be construed as an admission by Defendant of any wrongdoing or violation of any statute or
12 law or liability on the claims or allegations in the Action.

13 45. Stipulation for Class Certification. For settlement purposes only, Defendant will
14 stipulate that the Participating Class Members may be conditionally certified as a Class. This
15 stipulation to certification is in no way an admission that class action certification is proper and
16 shall not be admissible in this or in any other action except for the sole purposes of enforcing this
17 Agreement. Should, for whatever reason, the Court fail to issue Final Approval, the Parties'
18 stipulation to class certification as part of the Settlement shall become null and void *ab initio* and
19 shall have no bearing on, and shall not be admissible in connection with, the issue of whether
20 certification would be appropriate in a non-settlement context. Defendant expressly reserves its
21 rights and declares that it would continue to oppose class certification and the substantive merits
22 of the case should the Court fail to issue Final Approval. Plaintiffs expressly reserve their rights
23 and declare that they will continue to pursue class certification and a trial should the Court fail to
24 issue Final Approval.

25 **C. Terms of Settlement**

26 46. The financial terms of the Settlement are as follows:

27 (a) Settlement Amount: The Parties agree to settle this Action for the
28 Settlement Amount, subject to the Escalator Clause and Defendant's obligation to separately pay

the share of payroll taxes owed on the wage portion of the Individual Class Payments, which is the maximum amount that will be paid by Defendant and includes Individual Class Payments, Class Counsel's Attorneys' Fees and Costs Award, the Service Payments to the Class Representatives, Administration Costs, and PAGA Penalties.

(b) Net Settlement Amount: The "Net Settlement Amount" is defined as the Settlement Amount less the Attorneys' Fees and Costs Award, the Service Payments to the Class Representatives as awarded by the Court, the Administration Costs, and PAGA Penalties. If the Court reduces the Attorneys' Fees and Costs Award, Service Award, or Administrator Costs, or either increases or decreases the amount allocated to the PAGA Penalties, the difference shall be placed in the Net Settlement Amount and allocated to the Class.

(c) Calculation of Individual Class Payments: Individual Class Payments for the Class will be calculated and apportioned from the Net Settlement Amount based on the number of Weeks Worked by a Class Member during the Class Period. Each specific Individual Class Payment will be calculated by: (a) dividing the Net Settlement Amount by the total number of Weeks Worked by all Participating Class Members during the Class Period, and (b) multiplying the result by each Participating Class Members' Weeks Worked. The entire Net Settlement Amount will be disbursed to all Participating Class Members. If there are any valid and timely Requests for Exclusion, the Administrator shall proportionally increase the Individual Class Payment for each Participating Class Member according to the number of Weeks Worked, so that the amount actually distributed to Participating Class Members equals one hundred percent (100%) of the Net Settlement Amount.

(d) Allocation of Individual Class Payments: The Individual Class Payments to Participating Class Members will be allocated as follows: 10% as wages subject to withholding of all applicable local, state and federal taxes; and 90% will be allocated for interest and statutory penalties (pursuant to, *e.g.*, California Labor Code sections 203, 210, 226) from which no taxes will be withheld. The Administrator will issue to each Participating Class Member an Internal Revenue Service Form W-2 and comparable state forms with respect to the wage allocation and a Form 1099 with respect to the penalties and interest allocations.

1 (e) Service Payments to Class Representatives: The amount, if any, awarded
2 to each Class Representative as a Service Payment will be set by the Court in its discretion, not to
3 exceed \$10,000 for each Plaintiff in exchange for the services that Plaintiffs performed on behalf
4 of the Class. Defendant agrees not to oppose this request. The Service Payments to the Class
5 Representatives will be paid out of the Settlement Amount. The Class Representatives will be
6 issued an IRS Form 1099 in connection with these payments and shall be solely and legally
7 responsible to pay all applicable taxes on this payment. The Parties agree that any amount awarded
8 as the Service Payments to the Class Representatives less than the requested amount shall not be
9 a basis for Class Counsel to void this Settlement Agreement. Should the Court approve a lesser
10 amount for the Service Payments, the difference shall be added to the Net Settlement Amount to
11 be distributed to the Participating Class Members.

12 (f) Attorneys' Fees and Costs Award: Defendant agrees to not oppose a request
13 by Class Counsel to the Court for an award of attorneys' fees of one-third of the Settlement
14 Amount, plus reasonable litigation costs not to exceed \$30,000 ("Attorney's Fees and Cost
15 Award"). Defendant agrees not to oppose any contention by Class Counsel that attorneys' fees
16 should be based on the common fund theory. The Attorney's Fee and Cost Award shall be paid
17 from the Settlement Amount, and, except for this award, Defendant shall have no further obligation
18 to pay any attorneys' fees, costs, or expenses to Class Counsel. Should the Court approve a lesser
19 amount than what is sought by Class Counsel, the difference shall be added to the Net Settlement
20 Amount to be distributed to the Participating Class Members. Any Court order awarding less than
21 the amount sought by Class Counsel shall not be grounds to rescind the Settlement Agreement or
22 otherwise void the Settlement. The Administrator shall issue to Class Counsel an IRS Form 1099
23 reflecting the amount of attorneys' fees and costs awarded by the Court.

24 (g) Administration Costs: The fees and other charges of the Administrator will
25 be paid from the Settlement Amount, not to exceed \$10,500.00, unless (1) the Escalator Clause is
26 triggered (whereby any reasonable increase in Administration Costs shall be paid from the
27 increased Settlement Amount, subject to Court approval), or (2) as otherwise approved by all
28 Parties and the Court.

1 (h) PAGA Penalties: The Parties agree that \$20,000 is allocated to PAGA
2 Penalties, and is to be paid from the Settlement Amount, subject to Court approval. Of this amount,
3 \$13,000 (65%) shall be paid to the LWDA in satisfaction of civil penalties under the Private
4 Attorney General Act of 2004 (“PAGA”) and \$7,000 (35%) will form the Individual PAGA
5 Payments to the Aggrieved Employees, which shall be calculated and allocated pro-rata by (a)
6 dividing the amount of the Aggrieved Employees’ 35% share of PAGA Penalties (\$7,000) by the
7 total number of PAGA Period pay periods worked by all Aggrieved Employees during the PAGA
8 Period and (b) multiplying the result by each Aggrieved Employee’s PAGA Period Pay Periods.
9 Individual PAGA Payments will be treated entirely as civil penalties and shall be reported as
10 required on an IRS Form 1099. Class Counsel shall give proper notice to the LWDA of the
11 Settlement.

12 (i) Tax Liability: Class Counsel and Defendant make no representations as to
13 the tax treatment or legal effect of settlement amounts called for hereunder, and Plaintiffs and the
14 Class Members are not relying on any statement or representation by Class Counsel or Defendant
15 in this regard. Plaintiffs, Participating Class Members, and Aggrieved Employees understand and
16 agree that they will be solely responsible for the payment of any taxes and penalties assessed on
17 their respective Individual Class Payments and Individual PAGA Payments, described herein.
18 Forms 1099 will be distributed in the manner required by the Internal Revenue Code of 1986 (the
19 “Code”) and consistent with this Agreement. If the Code, the regulations promulgated thereunder,
20 or other applicable tax law, is changed after the date of this Agreement, the processes set forth in
21 this Section may be modified in a manner to bring Defendant into compliance with any such
22 changes. Plaintiffs, Participating Class Members, and Aggrieved Employees understand and agree
23 that they will be solely responsible for the payment of any taxes and penalties assessed on their
24 respective payments described herein.

25 (j) CIRCULAR 230 DISCLAIMER. EACH PARTY TO THIS
26 AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY”
27 AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING
28 PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO

1 PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR
2 DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND
3 OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH
4 COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
5 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
6 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
7 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS
8 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
9 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO
10 THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY
11 OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED
12 TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR
13 ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE
14 IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER
15 TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE
16 CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES
17 (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON
18 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX
19 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION
20 CONTEMPLATED BY THIS AGREEMENT.

21 (k) "Non-Reversionary" Settlement. This is a "non-reversionary" settlement.
22 Under no circumstances will any portion of the Settlement Amount revert to Defendant.
23 Participating Class Members and Aggrieved Employees will not have to make a claim in order to
24 receive an Individual Class Payment or Individual PAGA Payment. Distributions, in the form of
25 Individual Class Payment or Individual PAGA Payments will be made directly to each
26 Participating Class Member and Aggrieved Employee. The Administrator shall be responsible for
27 accurately and timely reporting and remittance obligations with respect to unclaimed funds as a
28

1 result of a Participating Class Member and/or Aggrieved Employee not cashing any checks
2 delivered pursuant to the Settlement by the check cashing deadline, as set forth herein.

3 (l) Class Counsel and Plaintiffs believe that the Settlement is fair and
4 reasonable and will so represent same to the Court.

5 **D. Release by the Participating Class Members**

6 47. Upon entry of the Final Approval Order and Defendant fully funding the Settlement
7 Amount and the required employer-side payroll taxes, and except as to such rights or claims as
8 may be created by this Agreement, Plaintiffs and the Participating Class Members will forever
9 completely release and discharge the Released Parties from the Released Class Claims for the
10 Class Period.

11 48. Each Participating Class Member will be deemed to have made the foregoing
12 Release as if by manually signing it.

13 49. Class Representatives, on behalf of themselves and the Class, acknowledge and
14 agree that the claims for unpaid wages and untimely payment of wages in the Action are disputed,
15 and that the payments set forth herein constitute payment of all sums allegedly due to them. Class
16 Representatives, on behalf of themselves and the Class, acknowledge and agree that Labor Code
17 §§ 206.5 and 2804 are not applicable to the Parties or Settlement. Labor Code § 206.5 provides in
18 pertinent part as follows: “An employer shall not require the execution of any release of any claim
19 or right on account of wages due, or to become due, or made as an advance on wages to be earned,
20 unless payment of those wages has been made.”

21 **E. Release of PAGA Claims**

22 50. Upon entry of the Final Approval Order and Defendant fully funding the Gross
23 Settlement Amount and the required employer-side payroll taxes, Plaintiffs – in their individual
24 capacity and on behalf of the State of California, LWDA and Aggrieved Employees – shall
25 completely release and discharge the Released Parties from the Released PAGA Claims for the
26 PAGA Period.

1 51. Regardless of submitting a valid Request for Exclusion, neither Plaintiffs nor any
2 Aggrieved Employee shall have the right to opt-out or otherwise exclude themselves from
3 releasing the Released PAGA Claims.

4 52. It is the intent of the Parties that the Final Approval Order shall have full equitable
5 and collateral estoppel and res judicata effect to the fullest extent permitted by law.

6 **F. Release by Plaintiffs and Class Representatives**

7 53. The Class Representatives do hereby, for themselves and their spouses, heirs,
8 successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators,
9 guardians, personal representatives, and assigns forever and completely release and discharge the
10 Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises,
11 agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses,
12 debts, and expenses (including back wages, statutory penalties, civil penalties, liquidated damages,
13 exemplary damages, interest, attorneys' fees, and costs) of any nature whatsoever, from the
14 beginning of time through the execution of this Agreement, whether known or unknown, suspected
15 or unsuspected, including but not limited to all claims arising out of, based upon, or relating to
16 Class Representatives' employment with Defendant or the remuneration for or termination of such
17 employment (the "Class Representatives' Claims"). The Release of Class Representatives' Claims
18 is expressly conditioned on and subject to the terms of the separate individual settlement
19 agreements entered into by and among Plaintiffs and Defendant.

20 54. Without limiting the generality of the foregoing, this general release by Plaintiffs
21 includes all federal, state and local statutory claims, federal and state common law claims
22 (including but not limited to those for contract, tort and equity), including without limitation the
23 Americans with Disabilities Act, Age Discrimination in Employment Act, Title VII of the Civil
24 Rights Act of 1964 (as amended), 42 USC sec. 1981, 42 USC sec. 1983, the Fair Labor Standards
25 Act, the Employment Retirement Security Income Act of 1974, the California Constitution, the
26 California Fair Employment and Housing Act, the California Unfair Competition Act (California
27 Business and Professions Code section 17200 et seq.), and the California Labor Code.

1 55. Plaintiffs agree that there is a risk that any injury that they may have suffered by
2 reason of the Released Parties' relationship with them might not now be known, and there is a
3 further risk that said injuries, whether known or unknown at the date of this Settlement Agreement,
4 might possibly become progressively worse, and that as a result thereof further damages may be
5 sustained. Nevertheless, Plaintiffs agree to forever and fully release and discharge the Released
6 Parties, and understands that by the execution of this Settlement Agreement no further claims for
7 any such injuries that existed at the time of the execution of this Settlement Agreement may ever
8 be asserted by Plaintiffs with respect to claims arising in the time period from the beginning of
9 time to the execution of this Settlement Agreement.

10 56. Plaintiffs expressly waive and relinquish all rights and benefits afforded by Section
11 1542 of the Civil Code of the State of California and do so understanding and acknowledging the
12 significance of the waiver of Section 1542. Section 1542 of the Civil Code of the State of
13 California states:

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

21 Notwithstanding the provisions of Section 1542, and for the purpose of implementing a
22 full and complete release and discharge of all parties, the Class Representatives expressly
23 acknowledges that this Settlement Agreement is intended to include in its effect, without
24 limitation, all claims that Class Representatives knew of, as well as all claims that they do not
25 know or suspect to exist in his favor against the Released Parties, or any of them, for the time
26 period from the beginning of time to the execution of this Settlement Agreement, and that this
27 Settlement Agreement contemplates the extinguishment of any such Class Representatives'
28 Claims. Notwithstanding the above, the general release by the Class Representatives shall not
extend to claims for workers' compensation benefits, claims for unemployment benefits, claims
for state disability benefits, or other claims that may not be released by law.

1 **G. Interim Stay of Proceedings**

2 57. Pending completion of all of the prerequisites necessary to effectuate this
3 Settlement, the Parties agree, subject to Court approval, to a stay of all proceedings in the Action
4 except such as is necessary to effectuate the Settlement.

5 **H. Notice Process**

6 58. Appointment of Administrator. The Parties have agreed to the appointment of the
7 Administrator to perform the duties of a settlement administrator, including mailing the Notice,
8 using standard devices to obtain forwarding addresses, independently reviewing and verifying
9 documentation associated with any claims or opt-out requests, resolving any disputes regarding
10 the calculation or application of the formula for determining the Individual Class Payment and
11 Individual PAGA Payments, drafting and mailing the settlement checks to Participating Class
12 Members and Aggrieved Employees, issuing all necessary tax forms, and performing such other
13 tasks as set forth herein or as the Parties mutually agree or that the Court orders.

14 59. Disputes Regarding Administration. Any and all disputes relating to administration
15 of the Settlement by the Administrator (except for disputes regarding Class Data) shall be referred
16 to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions
17 of this Agreement, until Plaintiffs and Defendant notify the Court that all payments and obligations
18 contemplated by this Agreement have been fully carried out. Prior to presenting any issue to the
19 Court, counsel for the Parties will confer in good faith to resolve the dispute without the necessity
20 of Court intervention. The Administrator shall also be responsible for issuing to Plaintiffs,
21 Participating Class Members, and Aggrieved Employees, and Class Counsel any Tax Forms as
22 may be required by law for all amounts paid pursuant to this Agreement.

23 60. Class Data. Within twenty-one (21) days after entry of the Preliminary Approval
24 Order, Defendant shall provide the Class Data to the Administrator. The Administrator will run a
25 check of the Class Members' addresses against those on file with the U.S. Postal Service's National
26 Change of Address List. The Class Data provided to the Administrator will remain confidential
27 and will not be used or disclosed to anyone, except as required by applicable tax authorities,
28 pursuant to Defendant's express written consent, or by order of the Court. Although Class Counsel

will not be provided with the list of Class Data, nothing herein shall prevent Class Counsel from communicating with Class Members regarding the Action and Settlement.

61. Total Workweeks. At least 5 days prior to mailing the Notice, the Administrator shall provide a spreadsheet to Class Counsel and Defense Counsel containing a preliminary calculation of all payments to be paid from the Settlement Amount, including the estimated Individual Class Payments to each Class Member and Individual PAGA Payments to each Aggrieved Employee (a person's name shall be redacted and a control number used in place of the name). In the event that the total Workweeks worked by all Class Members triggers the Escalator Clause, the Administrator shall notify the Parties of the increased Settlement Amount, and related increased payments from the Settlement Amount, including increased Attorneys' Fees and Costs and any increased Administration Costs, all of which shall be subject to Court approval. In the event that the Escalator Clause is triggered, Defendant shall have 3 days after receiving the spreadsheet to make its selection regarding paying the increased Settlement Amount or shortening the Class Period. If Defendant does not timely make its selection, then the Administrator shall select the increased Settlement Amount option and update the Notice to reflect the changes due to the Escalator Clause.

62. Notice. The Notice, as approved by the Court, shall be sent by the Administrator to the Class Members, by first class mail, in English, within ten (10) calendar days following the Administrator's receipt of the Class Data. The Administrator shall use standard devices, including a skip trace, to obtain forwarding addresses of Class Members if any envelopes are returned.

63. Returned Notices. The Administrator will take steps to ensure that the Notice is received by all Class Members, including utilization of the National Change of Address Database maintained by the United States Postal Service to review the accuracy of and, if possible, update a mailing address. Notices will be re-mailed to any Class Member for whom an updated address is located within ten (10) calendar days following both the Administrator learning of the failed mailing and its receipt of the updated address. The Notice shall be identical to the original Notice, except that it shall notify the Class Member that the exclusion (opt-out) request or objection must

1 be returned by the later of the Response Deadline or fifteen (30) days after the remailing of the
2 Notice.

3 64. Presumption Regarding Receipt of Notice. It will be conclusively presumed that if
4 an envelope has not been returned to Administrator by the Response Deadline that the Class
5 Member received the Notice.

6 65. Disputes Regarding Class Data. Class Members are deemed to participate in the
7 Settlement unless they opt-out, and Aggrieved Employees may not opt out of the Released PAGA
8 Claims. The Notice will inform Class Members of his/her estimated Individual Class Payment and
9 Individual PAGA Payment, as well as the number of weeks he/she worked during the Class Period
10 and PAGA Period. If a Class Member believes they should be credited with more Weeks Worked
11 than Defendant's records show, they may dispute the amounts by timely submitting evidence to
12 the Administrator. Defendant's records will be presumed determinative absent reliable evidence
13 to rebut Defendant's records, but the Administrator will evaluate the evidence submitted by the
14 Class Member and provide it to Class Counsel and Defense Counsel, who agree to meet and confer
15 in good faith about the evidence to determine the Class Member's actual number of Work Weeks,
16 and estimated Individual Class Payment and Individual PAGA Payment. If Class Counsel and
17 Defense Counsel are unable to agree, they agree to submit the dispute to the Court to render a final
18 decision. Class Members and Aggrieved Employees will have until the Response Deadline to
19 dispute Weeks Worked, object or opt out, unless extended by the Court.

20 66. Declaration of Due Diligence. The Administrator shall provide counsel for the
21 Parties a declaration of due diligence and proof of mailing with regard to the mailing of the Notice
22 within 7 days after the Response Deadline.

23 67. Class Members' Rights. Each Class Member will be fully advised of the
24 Settlement, the ability to object to the settlement, and the ability to opt-out or request exclusion
25 from the Released Class Claims portion of the Settlement. The Notice will inform the Class
26 Members of the Court-established deadlines for filing objections or requesting exclusion from the
27 Settlement in accordance with the following guidelines:
28

1 (a) Requests for Exclusion from Class. Any Class Member, other than
2 Plaintiffs, may request to be excluded from the Class by submitting a “Request for Exclusion” to
3 the Administrator, postmarked on or before the Response Deadline. The Request for Exclusion
4 should state:

5 “I WISH TO BE EXCLUDED FROM THE CLASS IN THE
6 LUTHERAN SOCIAL SERVICES’ LAWSUIT. I UNDERSTAND
7 THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT
8 CLASS, I WILL NOT RECEIVE MY INDIVIDUAL CLASS
9 PAYMENT FROM THIS LAWSUIT.”

10 To be valid, any Request for Exclusion must include the full name, address, telephone
11 number, last four digits of the social security number or date of birth, and signature of the Class
12 Member requesting exclusion. The Request for Exclusion must be returned by mail to the
13 Administrator at the specified address set forth in the Notice. Any such Request must be made in
14 accordance with the terms set forth in the Notice. A Request for Exclusion will be timely only if
15 postmarked by the Response Deadline, unless the Parties otherwise agree in writing. Any Class
16 Member who timely requests exclusion in compliance with these requirements: (i) will not have
17 any rights under this Agreement, including the right to object, appeal or comment on the
18 Settlement; (ii) will not be entitled to receive the Individual Class Payment under this Agreement;
19 and (iii) will not be bound by this Agreement, or the Judgment. Any Class Member who is an
20 Aggrieved Employee who requests timely exclusion will still be subject to the Released PAGA
21 Claims to the fullest extent permitted by law and receive an Individual PAGA Payment. All Parties
22 and their counsel, including Defendant’s respective members, member managers, owners, officers,
23 and directors, shall not encourage or solicit opt-outs or objections, directly or indirectly, through
24 any means.

25 (b) Binding Effect on Participating Class Members. All Participating Class
26 Members will: (i) be bound by the terms and conditions of this Agreement, the Judgment, and the
27 releases set forth herein; and (ii) except as otherwise provided herein, will be deemed to have
28

1 waived all objections and oppositions to the fairness, reasonableness, and adequacy of the
2 Settlement.

3 (c) Objections to Settlement. Any Class Member, other than Plaintiffs, who
4 does not submit a valid and timely Request for Exclusion may object to the terms of this
5 Agreement. To object, a Class Member shall inform the Administrator, in writing, of his or her
6 objection which must be postmarked by the Response Deadline at the address set forth in the
7 Notice. Such objection shall include the Objecting Class Member's full name, address, telephone
8 number, last four digits of the social security number or date of birth, signature, and dates of
9 employment with Defendant, in addition to the case name and number, the basis for the objection,
10 including any legal support and each specific reason in support of the objection, as well as any
11 documentation or evidence in support thereof, and, if the Objecting Class Member is represented
12 by counsel, the name and address of his or her counsel. The Administrator shall provide
13 objections, if any, to Class Counsel and Defense Counsel within three (3) calendar days of receipt,
14 and the Administrator shall attach the same to its declaration of due diligence and file with the
15 Court prior to the Final Approval Hearing. An Objecting Class Member remains eligible to receive
16 monetary compensation from the Settlement. Plaintiffs and Defendant shall not be responsible for
17 any fees, costs, or expenses incurred by an Objecting Class Member and/or his or her counsel
18 related to any objections to the Settlement. Submitting an objection does not preserve the right to
19 appeal a final judgment. Rather, the right to appeal is preserved by becoming a party of record by
20 timely and properly intervening or filing a motion to vacate the judgment under Code of Civil
21 Procedure § 663.

22 (d) Failure to Object. Any Class Member who does not timely and properly
23 become a party of record by intervening or filing a motion to vacate the judgment waives any and
24 all rights to appeal from the Judgment, including all rights to any post-judgment proceeding and
25 appellate proceeding, such as a motion to vacate judgment, motion for new trial, a motion under
26 California Code of Civil Procedure section 473, and extraordinary writs.

1 (e) Responses to Objections. Counsel for the Parties may file a response to any
2 objections submitted by an Objecting Class Member at least five (5) court days before the date of
3 the Final Approval Hearing.

4 (f) Class Members will have until the Response Deadline to object or submit a
5 Request for Exclusion to the Administrator by U.S. Mail. The Administrator shall disclose jointly
6 to Class Counsel and Defense Counsel what objections or Requests for Exclusion were timely
7 submitted on a weekly basis, and upon the request of Class Counsel or Defense Counsel.

8 68. Funding of the Settlement Amount. Defendant shall fund the Gross Settlement
9 Amount, plus Defendant's share of payroll taxes, pursuant to the following payment plan: (1) by
10 December 1, 2026, or 10 days after the Effective Date, whichever is later, Defendant shall fund
11 50% of the Gross Settlement Amount, plus Defendant's proportional share of payroll taxes as
12 determined by the Settlement Administrator, and (2) by December 1, 2027, or 10 days after the
13 Effective Date, whichever is later, Defendant shall fund the remaining 50% of the Gross Settlement
14 Amount, plus Defendant's remaining share of payroll taxes as determined by the Settlement
15 Administrator.

16 69. Distribution of Funds. No later than ten (10) calendar days after receipt of each
17 installment, described above, the Administrator shall mail 50% (one-half) of the Court approved
18 payments, including Individual Class Payments to the Participating Class Members, Individual
19 PAGA Payments to the Aggrieved Employees, payment to Class Counsel for the Attorneys' Fees
20 and Costs Award, Service Payment to the Class Representatives, payment to the LWDA for PAGA
21 Penalties, and Administration Costs.

22 70. Deadline for Cashing Settlement Checks. Participating Class Members and
23 Aggrieved Employees shall have 180 calendar days after mailing by the Administrator to cash
24 their settlement checks. The release will be binding upon all Participating Class Members who do
25 not cash their checks within the 180-day period. In the event that any settlement check is returned
26 to the Administrator within 180 days of mailing, the Administrator will, within five (5) business
27 days of receipt of the returned settlement check, perform a skip trace to locate the individual, and
28 notify Defense Counsel and Class Counsel of the results. If a new address is located by these

means, the Administrator will have ten (10) business days to re-issue the check. Neither Defendant, Defense Counsel, Class Counsel, Plaintiffs, nor the Administrator will have any liability for lost or stolen settlement checks, forged signatures on settlement checks, or unauthorized negotiation of settlement checks. Without limiting the foregoing, in the event a Participating Class Member and/or Aggrieved Employee notifies the Administrator that he or she believes that a settlement check has been lost or stolen, the Administrator shall immediately stop payment on such check. If the check in question has not been negotiated prior to the stop payment order, the Administrator will issue a replacement check. For any individual whose Individual Class Payment check and/or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall hold those funds in its account until 180 days after the second disbursement, and then transmit all uncashed funds in the Administrator's account to the California State Controller's Unclaimed Property Fund in the name of the Class Member or Aggrieved Employee, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b)

I. Duties of the Parties Prior to the Court's Approval

71. Promptly after execution of this Agreement, Plaintiffs will move the Court for Preliminary Approval of this Settlement and entry of the Preliminary Approval Order accomplishing the following:

- (a) Approving as to form and content the proposed Notice;
- (b) Directing the mailing of the Notice by first class mail to the Class Members;
- (c) Preliminarily approving this Settlement;
- (d) Preliminarily certifying the class for purposes of this Settlement;
- (e) Advising the LWDA of the proposed Settlement; and
- (f) Scheduling the Final Approval Hearing on the issue of whether this Settlement should be finally approved as fair, reasonable and adequate.

J. Duties of the Parties Following Court's Final Approval

72. In connection with the Final Approval Hearing provided for in this Agreement, Class Counsel shall submit a proposed Final Approval Order:

(a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions;

(b) Approving Class Counsel's application for an award of attorneys' fees and reimbursement of litigation costs and expenses, Service Payments to the Class Representatives, and the payment to the Administrator for costs of administering the settlement; and

(c) Entering judgment approving settlement.

K. Voiding the Agreement

73. If the Court fails or refuses to issue the Final Approval Order or fails to approve any material condition of this Agreement which effects a fundamental change of the Settlement, the entire Agreement shall be rendered voidable and unenforceable as to all Parties herein at the option of either Party.

74. If the Settlement is voided or fails for any reason, Plaintiffs and Defendant will have no further obligations under the Settlement, including any obligation by Defendant to pay the Settlement Amount, or any amounts that otherwise would have been owed under this Settlement.

75. If the Settlement is voided or fails for any reason, any costs incurred by the Administrator shall be borne equally by Defendant and Plaintiffs, unless otherwise specified in this Agreement.

L. Other Terms

76. Waiver. The waiver by one Party of any breach of this Agreement by another Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

77. Parties' Authority. The signatories hereto represent that they are fully authorized to enter into this Agreement and bind the Parties hereto to the terms and conditions hereof.

78. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to accomplish the terms of this Agreement, including but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Agreement. The Parties to this Agreement shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Agreement and the terms set forth herein. As soon as

1 practicable after execution of this Agreement, Class Counsel shall, with the assistance and
2 cooperation of Defendant and Defense Counsel, take all necessary steps to secure the Court's
3 preliminary and final approval of the settlement, and the final entry of judgment.

4 79. No Prior Assignments. The Parties hereto represent, covenant, and warrant that they
5 have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer,
6 or encumber to any person or entity any portion of any liability, claim, demand, action, cause of
7 action or rights released and discharged by this Agreement.

8 80. No Admission. Defendant denies any and all liability to Plaintiffs and/or any Class
9 Member and/or Aggrieved Employee in this Action, as to any and all causes of action that were
10 asserted or that might have been asserted in this Action. Nonetheless, Defendant wishes to settle
11 and compromise the matters at issue in the Complaint to avoid further substantial expense and the
12 inconvenience and distraction of protracted and burdensome litigation. Defendant has taken into
13 account the uncertainty and risks inherent in litigation, and without conceding any infirmity in the
14 defenses that they has asserted or could assert against Plaintiffs, has determined that it is desirable
15 and beneficial that Plaintiffs' claims be settled in the manner and upon the terms and conditions
16 set forth in this Agreement.

17 81. Inadmissibility of Agreement. Whether or not the Court issues the Final Approval
18 Order, nothing contained herein, nor the consummation of this Agreement, is to be construed or
19 deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant
20 or any of the other Released Parties. Each of the Parties hereto has entered into this Agreement
21 with the intention of avoiding further disputes and litigation with the attendant inconvenience and
22 expenses. This Agreement is a settlement document, and it, along with all related documents such
23 as the notices, and motions for preliminary and final approval, shall, pursuant to California
24 Evidence Code section 1152 and/or Federal Rule of Evidence 408, be inadmissible in evidence in
25 any proceeding, except an action or proceeding to approve the settlement, and/or interpret or
26 enforce this Agreement. The stipulation for class certification as part of this Agreement is for
27 settlement purposes only and if, for any reason the settlement is not approved, the stipulation will
28 be of no force or effect.

1 82. No Publicity. The Parties will not publicize the Settlement or disclose it to third
2 parties prior to the Court granting Preliminary Approval, except as required or necessary to
3 effectuate its terms and comply with law. After the Final Approval Date, Class Counsel and Class
4 Representatives agree that they will not discuss the Settlement with the media, any settlement and
5 verdict reporting service, any social media postings or other Internet postings. Nothing herein
6 shall be construed to prevent Class Counsel from the public filing of motions or other case
7 materials in the Action related to seeking and obtaining Court approval of this Settlement and the
8 related awards of attorneys' fees and costs, or to communications with Class Members or their
9 representatives about this Settlement, including through the posting of Court-filed documents on
10 Class Counsel's websites for access solely by the Class Members, or to prevent the Parties or their
11 representatives from communicating with financial or legal advisors regarding the Settlement. In
12 response to any media inquiry, Class Counsel may state only that the Action has been settled on
13 terms mutually agreeable to the Parties.

14 83. Notices. Unless otherwise specifically provided herein, all notices, demands or
15 other communications given hereunder shall be in writing and shall be deemed to have been duly
16 given as of the third business day after mailing by United States registered or certified mail, return
17 receipt requested, addressed:

18 *To the Class:*

19 Brian J. Mankin
20 **brian@lmlfirm.com**
21 Lauby, Mankin & Lauby LLP
22 5198 Arlington Ave, PMB 513
23 Riverside, CA 92504
24 Tel: (951) 320-1444 | Fax: (951) 320-1445

25 *To Defendant:*

26 Michael D. Thomas
27 **michael.thomas@jacksonlewis.com**
28 JACKSON LEWIS, P.C.
29 200 Spectrum Center Drive, #500
30 Irvine, CA 92618
31 Tel: (949) 885-1360

1 84. Construction. The Parties hereto agree that the terms and conditions of this
2 Agreement are the result of lengthy, intensive arms' length negotiations between the Parties and
3 that this Agreement shall not be construed in favor of or against any Party by reason of the extent
4 to which any Party or his or its counsel participated in the drafting of this Agreement. Plaintiffs
5 and Defendant expressly waive the common-law and statutory rule of construction that ambiguities
6 should be construed against the drafter of an agreement and further agree, covenant, and represent
7 that the language in all parts of this Agreement shall be in all cases construed as a whole, according
8 to its fair meaning.

9 85. Captions and Interpretations. Paragraph titles or captions contained herein are
10 inserted as a matter of convenience and for reference, and in no way define, limit, extend, or
11 describe the scope of this Agreement or any provision hereof. Each term of this Agreement is
12 contractual and not merely a recital.

13 86. Modification. This Agreement may not be changed, altered, or modified, except in
14 writing and signed by the Parties hereto, and approved by the Court. This Settlement Agreement
15 may not be discharged except by performance in accordance with its terms or by a writing signed
16 by all of the Parties hereto.

17 87. Dispute Resolution. Prior to instituting legal action to enforce the provisions of
18 this Agreement or to declare rights and/or obligations under this Agreement, a Party shall provide
19 written notice to the other Party and allow an opportunity to cure the alleged deficiencies, and
20 Plaintiffs and Defendant may agree to seek the help of the Mediator to resolve any dispute they
21 are unable to resolve informally. During this period, the Parties shall bear their own attorneys' fees
22 and costs. This provision shall not apply to any legal action or other proceeding instituted by any
23 person or entity other than Plaintiffs or Defendant.

24 88. Choice of Law. This Settlement Agreement shall be governed by and construed,
25 enforced and administered in accordance with the laws of the State of California, without regard
26 to its conflicts-of-law rules.

27 89. Integration Clause. This Settlement Agreement contains the entire agreement
28 between the Parties relating to the settlement and transaction contemplated hereby, and all prior or

1 contemporaneous agreements, understandings, representations, and statements, whether oral or
2 written and whether by a Party or such Party's legal counsel, are merged herein. No rights
3 hereunder may be waived except in writing.

4 90. Binding On Assigns. This Agreement shall be binding upon and inure to the benefit
5 of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and
6 assigns.

7 91. Signatures of All Class Members Unnecessary to be Binding. It is agreed that,
8 because the members of the Class are numerous, it is impossible or impractical to have each Class
9 Member execute this Agreement. The Notice will advise all Class Members of the binding nature
10 of the release provided herein and such shall have the same force and effect as if this Agreement
11 were executed by each Class Member.

12 92. Counterparts. This Agreement may be executed in counterparts, and when each
13 Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an
14 original, and, when taken together with other signed counterparts, shall constitute one fully signed
15 Agreement, which shall be binding upon and effective as to all Parties. Electronic signatures shall
16 have the same force and effect as an original.

17
18 Dated: Jun 25, 2026

PLAINTIFF AND CLASS REPRESENTATIVE

19 

20 Sherrie Grizzelle (Jun 25, 2026 21:51:33 PDT)

21 Sherrie Grizzelle

22
23 Dated: _____

PLAINTIFF AND CLASS REPRESENTATIVE

24
25 _____
26 Fatima Alrazaa
27
28

1 contemporaneous agreements, understandings, representations, and statements, whether oral or
2 written and whether by a Party or such Party's legal counsel, are merged herein. No rights
3 hereunder may be waived except in writing.

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5 of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and
6 assigns.

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14 original, and, when taken together with other signed counterparts, shall constitute one fully signed
15 Agreement, which shall be binding upon and effective as to all Parties. Electronic signatures shall
16 have the same force and effect as an original.

17
18 Dated: _____

PLAINTIFF AND CLASS REPRESENTATIVE

19
20
21 _____
Sherrie Grizzelle

22 Dated: Jun 25, 2026

PLAINTIFF AND CLASS REPRESENTATIVE

23
24 
25 _____
Fatima Alrazaa (Jun 25, 2026 23:38:47 PDT)
26
27
28 Fatima Alrazaa

1 Dated: 07/07/2026
2 _____

**DEFENDANT LUTHERAN SOCIAL SERVICES OF
SOUTHERN CALIFORNIA**

3 
4 _____

5 By: Anita LaSharnda Beckwith (name)
6 _____
7 President and CEO (title)
8 _____

APPROVED AS TO FORM:

9 Dated: _____
10

**CLASS COUNSEL
LAUBY, MANKIN & LAUBY LLP**

11 _____
12 Brian J. Mankin
13 Attorneys for Plaintiffs

14 Dated: _____
15

**DEFENSE COUNSEL
JACKSON LEWIS, P.C.**

16 _____
17 Michael D. Thomas, Esq.
18 Attorneys for Defendant

19 4930-9728-7095, v. 1
20
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1 Dated: _____
2
3

**DEFENDANT LUTHERAN SOCIAL SERVICES OF
SOUTHERN CALIFORNIA**

4 _____
5 By: _____ (name)

6 _____ (title)

7 **APPROVED AS TO FORM:**

8 Dated: 6/26/26

CLASS COUNSEL
LAUBY, MANKIN & LAUBY LLP

9
10 

11 Brian J. Mankin
12 Attorneys for Plaintiffs

13 Dated: July 8, 2026

DEFENSE COUNSEL
JACKSON LEWIS, P.C.

15 

16 Michael D. Thomas, Esq.
17 Attorneys for Defendant

18 4930-9728-7095, v. 1
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EXHIBIT “B”

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT

Grizzelle and Alrazaa v. Lutheran Social Services of Southern California

(San Bernardino County Superior Court, Case No. CIVSB2520891)

***The San Bernardino County Superior Court authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

You may be eligible to receive money from an employee class action lawsuit for alleged violations of the California Labor Code (the “Action”) filed against Defendant Lutheran Social Services of Southern California (“Defendant”).

The Action was filed by Sherrie Grizzelle and Fatima Alrazaa (“Plaintiffs” or “Class Representatives”) and seeks payment of (1) unpaid wages, statutory damages and penalties, interest and attorneys’ fees on behalf of all Class Members, who are defined as “all current and former nonexempt employees employed by Defendant in California during the Class Period (which is July 18, 2021, through March 31, 2026); and (2) penalties under the California Private Attorneys General Act (“PAGA”) on behalf of all Aggrieved Employees, who are defined as “all current and former nonexempt employees employed by Defendant in California during the PAGA Period (which is July 18, 2024, through March 31, 2026). (Plaintiffs and Defendant shall be collectively referred to as the “Parties.”)

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendant to fund Individual Class Payments to Class Members, and (2) a PAGA Settlement requiring Defendant to fund Individual PAGA Payments to Aggrieved Employees and pay penalties to the California Labor and Workforce Development Agency (“LWDA”). Based on Defendant’s records, and the Parties’ current assumptions, your Individual Class and PAGA Payments are shown in the charts below, along with the applicable data points from which these estimates are derived.

[CLASS MEMBER NAME] [ID/CONTROL NUMBER]

Calculations and Data Points for Estimated Payments			
Weeks Worked during Class Period	INSERT	Estimated Individual Class Payment	\$INSERT
Weeks Worked during PAGA Period	INSERT	Estimated Individual PAGA Payment	\$INSERT

Please note that the actual amount you receive may be different from the above and will depend on several factors. (If no amount is stated as an estimated Individual PAGA Payment, then according to Defendant’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work for Defendant in California during the PAGA Period.) If you believe that you worked more weeks during the time periods than are shown in the chart above, you can submit a challenge by **DATE, 2026** (“**Response Deadline**”). See **Section 4** of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

If you worked for Defendant in California during the Class Period and/or the PAGA Period, you have a few options as shown in the Chart below:

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND RECEIVE A SETTLEMENT PAYMENT	If you want to receive your full settlement payment, then no further action is required on your part. You will automatically receive a settlement payment if the Settlement receives final approval by the Court. You will be bound by the terms of the Settlement Agreement and will give up your right to sue on the Released Class Claims described in Section 3 .
EXCLUDE YOURSELF	If you do not wish to participate in the settlement of the Class Claims, you may “opt-out” of the settlement of the Class Claims. If you choose to opt-out, you must submit a Request for Exclusion by [REDACTED], 2026 (see Section 6 for more details on how to opt-out). If you opt-out, you will no longer be a Class Member, and you will (1) <u>not</u> receive an Individual Class Payment, but you will preserve your right to pursue the Released Class Claims described below subject to applicable statutes of limitations, and (2) be barred from filing an objection to the settlement. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released PAGA Claims. See Section 6 of this Notice.
OBJECT	If you decide to object to the settlement with respect to the Class Claims because you find it unfair or unreasonable, you must submit an Objection stating why you object to the settlement by [REDACTED], 2026 (see Section 7 for more details on how to object).
DISPUTE THE NUMBER OF WEEKS WORKED AND/OR PAY PERIODS	If you believe the number of workweeks that you were credited with working in the chart above is incorrect, you may submit a written dispute to the Administrator (see Section 4 for more details on how to submit a dispute). Defendant’s records will be presumed correct, but you may provide evidence to the Administrator showing how many Work Weeks you believe you should be credited.

YOU MAY ATTEND THE FINAL APPROVAL HEARING, BUT IT’S NOT REQUIRED	
DATE: DATE, 2026 TIME: 8:30 A.M.	At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. See Section 8 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former employees of Defendant. The Action accuses Defendant of violating California labor laws by failing to pay minimum and overtime wages, failure to provide meal and rest breaks, failure to reimburse business expenses, failure to timely pay wages each period and upon separation of employment, and failure to provide accurate itemized wage statements. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under PAGA.

Defendant denies violating any laws or failing to pay any wages and contends that it complied with all applicable laws.

Both Parties are represented by attorneys in the Action. See Section 9 below for their contact information.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Defendant or Plaintiffs are correct on the merits. In the meantime, the Parties engaged with an experienced, neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”), Plaintiffs and Defendant have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede

the merit of any claims.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) the Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendant Will Pay \$600,000 as the “Settlement Amount.” Defendant has agreed to pay a total Settlement Amount of \$600,000 and will deposit the Settlement Amount into an account controlled by the Administrator. The Administrator will use the Settlement Amount to pay the Individual Class Payments, Individual PAGA Payments, Class Representatives’ Service Payments, Class Counsel’s attorney’s fees and expenses, the Administrator’s Costs, and PAGA Penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Defendant will fund the Settlement in two installments, with the first payment estimated to be in December 2026 and the second payment estimated to be in December 2027, with both dates conditioned on the Judgment entered by the Court becoming final. The Judgment will be final on the date the Court enters Judgment, or a later date if the Judgment is appealed.

2. Court Approved Deductions from Settlement Amount. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Settlement Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:

A. Up to one-third of the Settlement Amount to Class Counsel for attorneys' fees (\$XX) and up to \$30,000 for their litigation expenses. To date, Class Counsel have invested many hundreds of hours into the case and incurred expenses on the Action without payment to date.

B. Service Payments for litigating the Action, working with Class Counsel, and representing the Class, in an amount up to \$10,000 each for Plaintiffs Grizzelle and Alrazaa.

C. \$10,500 to the Settlement Administrator for services administering the Settlement.

D. Up to \$20,000 for PAGA Penalties, allocated 65% to the LWDA PAGA Payment and 35% in Individual PAGA Payments to the Aggrieved Employees based on their share of Weeks Worked during the PAGA Period.

E. Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the remainder (the “Net Settlement Amount”) by making Individual Class Payments to Participating Class Members based on their pro rata share of total Weeks Worked during the Class Period.

4. Taxes Owed on Payments to Class Members. Plaintiffs and Defendant are asking the Court to approve an allocation of 10% of each Individual Class Payment to taxable wages (“Wage Portion”) and 90% to penalties and interest (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiffs and Defendant have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. **Need to Promptly Cash Payment Checks.** The front of every check issued for Individual Class Payments

and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California State Controller's Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller's Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Settlement, unless you opt-out of the Settlement, not later than the Response Deadline. See Section 6 of this Notice for details on how to Opt-Out.

7. The Proposed Settlement Will be Void If the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.

8. Settlement Administrator. The Court has appointed a neutral company, **Phoenix Settlement Administrators** (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Settlement Administrator will also decide any Disputes over weeks worked, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Settlement Administrator’s contact information is contained in Section 9 of this Notice.

9. Participating Class Members' Release. After the Judgment is final and Defendant has fully funded the Settlement Amount and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or related entities for claims based on the facts alleged in the Action for the duration of the Class Period and PAGA Period, which are resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members release the Released Parties (which includes Defendant, together with its officers, directors, employees, agents, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates) from all claims that were alleged, or that reasonably could have been alleged based upon the facts stated in the Complaint, including: (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest breaks, (5) failure to reimburse business expenses, (6) failure to pay vested vacation, (7) failure to timely pay final wages, (8) failure to provide accurate itemized wage statements, and (9) unfair and unlawful competition. The time period governing the Released Class Claims shall be the Class Period.

10. Release of Released PAGA Claims. After the Court’s judgment is final, and Defendant has paid the Settlement Amount, Plaintiffs, acting on behalf of all Aggrieved Employees, and the LWDA shall release the Released Parties (which includes Defendant, together with its officers, directors, employees, agents, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates) of PAGA claims alleged in the Complaint and in the relevant LWDA notice letters, or that reasonably could have been alleged based on the facts stated in the Complaint and in the relevant LWDA notice letters, including all PAGA claims seeking civil penalties premised upon: (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest breaks, (5) failure to reimburse business expenses, (6) failure to pay vested vacation, (7) failure to timely pay final wages, (8) failure to provide accurate itemized wage statements, and (9) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 et seq. based on the facts or claims alleged in the LWDA notice letters and Complaint. The time period governing the PAGA Released Claims shall be the PAGA Period. The Released PAGA Claims do not release any Aggrieved Employees’ claims for wages or statutory penalties (“Released PAGA Claims”). The time period governing the PAGA Released Claims shall be the PAGA Period. The PAGA Released Claims do not release any Aggrieved Employees’ claims for wages or statutory penalties.

4. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Weeks Worked by all Participating Class Members during the Class Period, and (b) multiplying the result by the number of Weeks Worked by each individual Participating Class Member during the Class Period.

2. Individual PAGA Payments. The Settlement Administrator will calculate Individual PAGA Payments by (a) dividing \$7,000 by the total number of Pay Periods Worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by the number of Pay Periods Worked by each individual Aggrieved Employee during the PAGA Period.

3. Disputing Weeks Worked. The number of weeks you worked during the Class Period and PAGA Period, as recorded in Defendant's records, are stated in the tables on page 1 of this Notice. You have until **INSERT DATE** ("Response Deadline") to dispute the number of Workweeks credited to you by timely submitting evidence to the Settlement Administrator on or before **INSERT DATE 45 Days After Mailing**. Section 9 of this Notice has the Administrator's contact information.

You need to support your dispute by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of weeks worked based on Defendant's records 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. The Administrator will resolve challenges based on your submission and on input from Class Counsel and Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members and Aggrieved Employees. Assuming the Court grants Final Approval, Defendant will fund the Settlement in two installments, with the first payment estimated to be in December 2026 and the second payment estimated to be in December 2027, with both dates conditioned on the Judgment entered by the Court becoming final. The Judgment will be final on the date the Court enters Judgment, or a later date if the Judgment is appealed. Once the first installment is received, the Administrator will send, by U.S. mail, a check to every Participating Class Member (which includes every Class Member who does not opt-out) and Aggrieved Employee, representing 50% of your share of the Settlement. Likewise, once the second installment is received, the Administrator will mail a second check to you, representing your final 50% share of the Settlement. For individuals receiving both an Individual Class Payment and Individual PAGA Payment, your payments may be combined into single check for each installment.

2. Aggrieved Employees Only. If you opted out of the Class settlement, but qualify as an Aggrieved Employee, then the Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee, including those who opt out of the Class Settlement. Note that Aggrieved Employees will also receive two separate checks in accordance with the payment plan described above.

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Settlement Administrator's contact information.

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

You will be treated as a Participating Class Member, participating fully in the Settlement, unless you opt-out of the Settlement, not later than the Response Deadline.

If you **do not** wish to take part in the release of the Class Claims in the Settlement, you may exclude yourself by sending to the Administrator a "Request for Exclusion" letter/card postmarked no later than **INSERT DATE**, 2026 with your full name, address, telephone number, last four digits of your social security number or your date of birth, and signature. The Request for Exclusion should state:

“I WISH TO BE EXCLUDED FROM THE CLASS IN THE LUTHERAN SOCIAL SERVICES’ LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE MY INDIVIDUAL CLASS PAYMENT FROM THIS LAWSUIT.”

Any person who submits a timely Request for Exclusion from the Class Claims (1) will not have any rights under this Settlement, including the right to object, appeal or comment on the Settlement; (2) will not be entitled to receive an Individual Class Payment; (3) will preserve the right to pursue the Released Class Claims, and (4) will not be bound by this Settlement, or the Judgment.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Claims remain eligible to receive an Individual PAGA Payment.

If you do not want to participate in the Settlement, the Administrator will exclude you based on timely receipt of a writing communicating your request to be excluded. Be sure to personally sign your request, identify the Action as Grizzelle v. Lutheran Social Services of Southern California and include your identifying information (full name, address, telephone number, approximate dates of employment, and last four digits of social security number or your date of birth for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **Send your request to be excluded to the Administrator by [REDACTED], 2026 (the “Response Deadline”), or it will be invalid.** Section 9 of the Notice has the Administrator’s contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. A Participating Class Member who disagrees with any aspect of the Settlement may wish to object. **The deadline for sending written objections to the Administrator is [REDACTED], 2026 (the “Response Deadline”).**

If you wish to object to the proposed Settlement, you or your own attorney must submit a written objection, and the objection must include your full name, address, telephone number, last four digits of the social security number or date of birth, signature, and dates of employment with Defendant, in addition to the case name and number (Grizzelle v. Lutheran Social Services of Southern California, Case No. CIVSB2520891), the basis for the objection, including any legal support and each specific reason in support of the objection, as well as any documentation or evidence in support thereof. Additionally, if you are represented by an attorney, the objection must include the name and address of your attorney. This objection and all supporting information must be sent to the Administrator at the address listed in Section 9, **postmarked on or before [REDACTED], 2026.**

If you do not comply with these procedures and the deadline for objections, the Court may not consider your objection at the Final Approval Hearing, and you may lose the right to contest the approval of the Settlement. You are still eligible to receive a settlement payment should the settlement become Final even if you object to the settlement. Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment before entry of judgment.

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 facts that support your objection. See Section 8 of this Notice for specifics regarding the Final Approval Hearing.

8. WHEN IS THE FINAL APPROVAL HEARING?

On [REDACTED], 2026, the Court will hold a public hearing in Department S37 of the Superior Court for the State of California, County of San Bernardino, 247 West 3rd Street, San Bernardino, CA 92415, for the purposes of determining whether the proposed Settlement is fair, adequate and reasonable and should be approved, whether to approve Class Counsel’s applications for attorneys’ fees and costs, whether to approve the payments to the LWDA, and whether to approve Plaintiffs’ request for the service awards. This hearing may be continued or rescheduled by the Court. Objectors to the proposed settlement will be provided notice in the event that the Final Approval Hearing is continued to a later date. Class Members who support the proposed Settlement do not need to appear at the hearing and do not need to take any other action to indicate their approval. Class Members who object to the proposed Settlement are not required to

attend the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

If you have questions about this Notice, the process to Opt-Out or Object, or the Settlement, or if you did not receive this Notice in the mail and you believe that you are or may be a member of the Class, you may contact the Administrator for more information or to request that a copy of this Notice be sent to you in the mail. And you may also contact Class Counsel. Contact information for both the Administrator and Class Counsel is provided here:

Settlement Administrator	Class Counsel
Name Mailing Address Telephone Number	Brian Mankin, Esq. <i>brian@LMLfirm.com</i> Peter Carlson, Esq. <i>peter@LMLfirm.com</i> Lauby Mankin Lauby LLP 5198 Arlington Ave, PMB 513 Riverside, CA 92504 Tel: (951) 320-1444

You may also seek advice and guidance from your own private attorney at your own expense, if you so desire.

This Notice is only a summary. For more detailed information, you may review the Settlement Agreement, containing the complete terms of the proposed Settlement, which is on file with the Court and attached to the Declaration of Brian Mankin in Support of Motion for Preliminary Approval of Class Action Settlement filed on DATE, 2026 and available to be inspected at any time during regular business hours at the Office of the Clerk, San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, CA 92415.

DO NOT TELEPHONE THE COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

EXHIBIT “C”



LAUBY, MANKIN & LAUBY LLP

July 18, 2025

Submitted Via Online Filing to the LWDA

Sent Via U.S. Mail and Certified Mail

California LWDA
Attn: PAGA Administrator
455 Golden Gate Ave., 9th Fl.
San Francisco, CA 94102

Please see attached Service List

Re: PAGA Civil Penalty Claim
Sherrie Grizzelle v. Lutheran Social Services of Southern California, et al.

To the Labor and Workforce Development Agency, Lutheran Social Services of Southern California, and Its Owners:

Pursuant to the Private Attorneys General Act of 2004 (“PAGA”), Labor Code §§ 2699, *et seq.*, this letter shall serve as notification of the PAGA civil penalty claim of aggrieved employee Sherrie Grizzelle (“Claimant”), on behalf of the State of California and all Aggrieved Employees, against her former employers, Lutheran Social Services of Southern California, and any other affiliated entities, as well as the companies’ respective owners/officers, including LaSharnda Beckwith, Laura Gutierrez, Sharon M Ruff Richter, Sergio Hernandez, Maria Dillon-Owens, Christopher Doyle, and Janice Tsao (the “Owners”) (collectively, the “Company”) for violations of Labor Code §§ 200, 201, 202, 203, 204, 208, 210, 218.6, 226, 226.3, 226.7, 227.3, 246, 510, 512, 558, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and 2802, among possibly other sections inadvertently omitted, and/or sections of the applicable Industrial Welfare Commission Wage Order(s).

FACTUAL BACKGROUND

Claimant Sherrie Grizzelle was employed by the Company as a nonexempt employee from approximately February 2021 through June 2025. Claimant alleges that she and all other nonexempt employees employed by the Company (the “Aggrieved Employees”) were subjected to the same policies, working conditions, and corresponding wage and hour violations which Claimant was subjected to during her employment.

At all relevant times, Claimant and the Aggrieved Employees often worked more than 8 hours per day and/or 40 hours per week but did not receive all required overtime compensation on such occasions. Claimant and the Aggrieved Employees were also not provided proper minimum and overtime wages due to the Company’s failure to accurately record and compensate for all hours worked, which led to frequent and reoccurring unpaid compensable time. For example, the Company frequently required Claimant and the Aggrieved Employees to perform pre- and post-shift work without recording such time – leading to unpaid wages – such as when being required by the Company to set up meeting rooms, send emails, make calls, and

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stay with the children longer than expected. These practices violate California law. *Troester v. Starbucks Corporation* (2018) 5 Cal.5th 829 (California law “do[es] not allow employers to require employees to routinely work for minutes off the clock without compensation”); *Frlekin v. Apple Inc.* (2020) 8 Cal.5th 1038 (tasks are compensable when employee is under company’s control and where the tasks served the employer’s interests).

The Company also utilized a rounding policy and practice that routinely undercompensated Claimant and resulted in a net benefit to the Company and a net loss for Claimant. In other words, the Company’s rounding policy is not neutral and results in systematic undercompensation for the Aggrieved Employees, in violation of California law. *See’s Candy Shops, Inc. v. Superior Court* (2012) 210 Cal.App.4th 889, 903 (rounding policy is illegal where it is not “neutral, both facially and as applied”). Moreover, all underpayments caused by this rounding policy violate California law and lead to minimum, regular, and overtime wage violations under *Camp v. Home Depot U.S.A. Inc.*, (2022) 84 Cal. App. 5th 638, 660 (if an employer “can capture and has captured the exact time an employee has worked during a shift, the employer must pay the employee for ‘all the time’ worked”).

Claimant was also not provided compliant 30-minute off-duty meal periods, as mandated by California law, during her employment with the Company. As a result of the Company’s policies and practices, Claimant was subjected to meal period violations when she was: (1) unable to take a meal period due to workload, (2) forced to take an on-duty meal period while under the control of the Company, (3) forced to take a shortened meal period, (4) forced to take a meal period after the 5th hour of work, and (5) not provided a second meal period for shifts in excess of 10 hours. As such, Claimant and other similarly situated employees were regularly not provided with uninterrupted meal periods of at least 30 minutes, as required by California law.

Moreover, the Company failed to record or keep accurate information regarding when Claimant and the Aggrieved Employees took their meal periods, in violation of the applicable IWC Wage Order § 7(A)(3). Claimant and the Aggrieved Employees scheduled their meal periods in an Outlook Calendar accessible by management, but the Company would not record the frequent occurrences of management interrupting Claimant and the Aggrieved Employees during their scheduled meal periods. Claimant and the Aggrieved Employees still entered 30-minute meal periods due to the impression that acting otherwise would result in negative consequences such as termination.

The Company also failed to provide Claimant with 10 minutes of net rest break time for every 4 hours worked, or major fraction thereof, as mandated by California law. The Company did not schedule Claimant’s rest breaks and Claimant was often not authorized and/or permitted to take mandated rest breaks due to being overwhelmed by her hectic workload. Furthermore, on occasions when Claimant worked in excess of 10 hours in a shift, the Company failed to authorize and/or permit a third mandated rest break.

The Company also failed to comply with the mandates of Labor Code §§ 204 and 210 regarding the timing of the payment of wages to its employees each period, including minimum and overtime wages, as well as meal and rest period premiums. Also, the Company failed to comply with the mandates of Labor Code §§ 201–203 regarding timing of payment of final wages and failed to pay all wages due and owing upon separation of employment including minimum wages, overtime, meal and rest break premiums, and the Company further failed to pay the Aggrieved Employees for mandated sick time at a rate “calculated in the same manner as the regular rate of pay.”

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Also, the Company required Claimant and the Aggrieved Employees to incur necessary business-related expenses and costs without reimbursement, including, but not limited to, classroom supplies such as composition books, pens, pencils, and gift cards used as motivations and prizes for the children.

Also, at all relevant times, the Company utilized a policy and practice through which Claimant and the Aggrieved Employees accrued vacation and/or paid time off hours (collectively, “vacation hours”). California law, specifically Labor Code § 227.3, requires the Company to pay all accrued and unused vacation hours upon separation of employment at the final rate of pay. However, the Company’s policy and practice violated Labor Code § 227.3, as detailed below.

Finally, at all relevant times, the Company provided Claimant and the Aggrieved Employees with inaccurate and incomplete wage statements that failed to accurately state all necessary items required under Labor Code § 226(a).

Claimant alleges that she worked under the joint direction and control of the Company and the Owners and is informed and believes that each of them acted in all respects pertinent to this action as the agent of the others, carried out a joint scheme, business plan or policy in all respects pertinent hereto, and the acts of each are legally attributable to the others. On information and belief, a unity of interest and ownership between each exists such that the Company and the Owners acted as a single employer of Claimant and the Aggrieved Employees. Furthermore, on information and belief, the Company and the Owners are an integrated enterprise and should be treated as a single employer because the Company and the Owners share an interrelation of operations, with common human resources and personnel policies and shared common offices and facilities. Upon information and belief, the Company and the Owners share common management, a centralized control of labor operations, and common ownership or financial control.

Furthermore, Claimant alleges that the Owners are now and at all material times herein mentioned were the owners/officers of the Company, and Claimant’s and the Aggrieved Employees’ actual employer or, in the alternative, were individuals employed by the Company as a managerial and/or supervisory employee and/or agent. In addition, Claimant alleges that at all relevant times herein the Owners had the authority, in the interest of the Company to exercise independent judgment to hire, transfer, promote, discharge, assign, discipline, or take other similar actions against Claimant and the Aggrieved Employees, and were in Claimant’s chain of command at the time of and direct participants in the wrongful conduct which constitutes the basis of Claimant’s complaint herein. Claimant also alleges that the Company and the Owners are the agents, servants, employees, partners, affiliates, and/or representatives of each other, and were, at all times herein mentioned, acting within the course, scope, and purpose of such relationship(s) and with the knowledge, consent and/or ratification of each other. Furthermore, in conducting themselves in the manner described herein, the Company and the Owners were acting in active concert with one another such that the acts of each were fully attributable to the other in all material respects.

Claimant also alleges that the Company was merely the alter ego of the Owners in that there existed a unity of interest and ownership such that any separateness between them ceased to exist and the Owners exercised undue dominance, control, influence, and management over the Company. Claimant further alleges that, at all relevant times, the Company has been inadequately capitalized to conduct its business, has failed to follow appropriate corporate formalities, and has simply been a shell and instrumentality through which the Owners have conducted their personal affairs. Accordingly, the corporate veil should be pierced, and any liability attached to the Company should be imposed jointly and severally against the Owners. Adherence to

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the fiction of the separate existence of the corporate entity of the Company would permit abuse of the corporate privilege, thereby sanctioning fraud and promoting injustice.

Also, in a separate, but not necessarily mutually exclusive, alternative theory of liability, the Owners are liable for PAGA civil penalties under Labor Code § 558 as “other person(s)” who caused the violations regarding minimum wage among other claims. *See Atempa v. Pedrazzani* (2018) 27 Cal.App.5th 809, 820 (“if there is evidence and a finding that a party other than the employer ‘violates, or causes to be violated’ the overtime laws (§ 558(a)) or ‘pays or causes to be paid to any employee’ less than minimum wage (§ 1197.1(a)), then that party is liable for certain civil penalties regardless of the identity or business structure of the employer”); *Moua v. IBM* (N.D. Cal. 2019) 2019 U.S.Dist.LEXIS 40851 (holding the same)

Based on Claimant’s own personal observations, all Aggrieved Employees employed or formerly employed by the Company are entitled to similar wage and hour claims, as further set forth below.

**PAGA ASSESSMENT FOR FAILURE TO
PAY ALL MINIMUM, REGULAR, AND OVERTIME WAGES**

(Labor Code §§ 204, 221-223, 510, 558, 1194, 1194.2, 1197, 1197.1, 1198; IWC Wage Order §§ 3, 4(B))

As discussed above, the Company failed to pay all required minimum, regular, and overtime wages to Claimant and the Aggrieved Employees. This resulted in earned, but unpaid, wages due and owing to Claimant and the Aggrieved Employees. Therefore, Claimant and the Aggrieved Employees performed work for the Company without receiving proper payment of the requisite minimum, regular, overtime, and/or doubletime wages. Accordingly, Labor Code §§ 210, 558, 1194.2, 1197.1, and 2699, among possibly others, impose various penalties upon the Company for each employee and each pay period in which it failed to pay all wages including, but not limited to, minimum, regular, and overtime wages in violation of the Labor Code and/or the IWC Wage Orders.

**PAGA ASSESSMENT FOR DENIAL OF MEAL PERIODS,
REST BREAKS, AND WAGE PREMIUMS**

(Labor Code §§ 226.7(b) & (c), 512, 558; Cal. Admin. Code, Title 8, § 11090)

Labor Code § 226.7(b) states that “[a]n employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission ...” Labor Code § 512(a) states in pertinent part: “[A]n employer may not employ an employee for a work period of more than 5 hours per day without providing the employee with an uninterrupted meal period of not less than 30 minutes [...] [a]n employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes.” Section 12 of applicable IWC Wage Order states in pertinent part: “Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof.”

Here, Claimant and other Aggrieved Employees were regularly not provided compliant mandatory meal periods and paid rest breaks due to the Company’s policies described above. Although the Company was required to pay Claimant and all Aggrieved Employees premium wages equal to an additional hour of pay at the employee’s regular rate of pay for each violation under Labor Code § 226.7(c), the Company did not pay the mandatory one-hour wage premiums and did not do so at the proper rate. Labor Code § 558

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imposes a penalty for each violation, plus an amount sufficient to recover the underpaid wages. Additionally, the civil assessment set forth in Labor Code § 2699 applies to these violations.

PAGA ASSESSMENT FOR FAILURE TO REIMBURSE BUSINESS EXPENSES

(Labor Code § 2802; IWC Wage Order § 9(b))

Labor Code § 2802(a) states “An employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties.” Here, the Company required Claimant and the Aggrieved Employees to incur expenses in direct consequence of the discharge of their duties. Accordingly, Labor Code § 2699 imposes a penalty upon the Company for each such violation of Labor Code § 2802.

**PAGA ASSESSMENT FOR FAILURE TO PAY VESTED VACATION / PAID TIME OFF UPON
AN EMPLOYEE’S SEPARATION FROM EMPLOYMENT**

(Labor Code § 227.3)

Pursuant to Labor Code § 227.3, an employer that has implemented a paid vacation, paid time off, or compensated time off policy must, upon termination, pay to the employee all vested, but unused, vacation and/or paid time off at his or her *final rate of pay*.

Here, upon separation of employment, the Company paid Claimant and the Aggrieved Employees for vested but unused vacation at a rate lower than their final rate of pay, in direct violation of Labor Code § 227.3. Labor Code § 2699 imposes civil penalties for such violations and the penalties specific in Labor Code §§ 203 and 256 also apply for the failure to pay all wages due and owing upon separation of employment.

PAGA ASSESSMENT FOR FAILURE TO PAY SICK TIME AT PROPER RATE OF PAY

(Labor Code § 246)

Labor Code § 246(l)(1) provides that paid sick time for non-exempt employees must be “calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek.” Additionally, Labor Code § 246(l)(2) states that the paid sick time must be “calculated by dividing the employee’s total wages, not including overtime premium pay, by the employee’s total hours worked in the full pay periods of the prior 90 days of employment.”

Here, Claimant and the Aggrieved Employees were compensated on an hourly basis plus additional compensation. However, when Aggrieved Employees took sick time and received paid sick leave, the Company only paid sick time at the base rate of pay, not factoring in the additional compensation as required by Labor Code §§ 246(l)(1-2). As such, penalties may be assessed pursuant to Labor Code § 2699.

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**PAGA ASSESSMENT FOR FAILURE TO PAY ALL WAGES DUE AND OWING
EACH PAYROLL PERIOD WITHIN THE TIME REQUIRED BY LAW**

(Labor Code §§ 204, 204.1, 208, 256 and 2699)

Under Labor Code § 204(a), wages are due and payable twice during each calendar month, and further states that wages earned during the first through fifteenth days of the month must be paid no later than the twenty-sixth day of the month, and that wages earned between the sixteenth and last day of the month must be paid by the tenth day of the following month. Labor Code § 204(d) states “[t]he requirements of this section shall be deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven calendar days following the close of the payroll period.” As a result of the Company’s failure to pay Claimant and the Aggrieved Employees all compensation to which they were entitled, the Company had a pattern and practice of failing to pay all wages due and owing to Claimant and the Aggrieved Employees within the time mandated by Labor Code § 204. As a result of these violations, penalties may be assessed pursuant to Labor Code §§ 210 and/or 2699.

PAGA ASSESSMENT FOR FAILURE TO TIMELY PAY FINAL WAGES

(Labor Code §§ 201, 202, 203, and 2699)

Labor Code § 201(a) provides in pertinent part: “If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately.” Labor Code § 202(a) states in pertinent part “If an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours’ previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.” Labor Code § 203(a) states “If an employer willfully fails to pay, without abatement or reduction, in accordance with Sections 201, 201.3, 201.5, 201.9, 202, and 205.5, any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days.”

The Company did not pay the Aggrieved Employees all wages that were due and owing within the required time following the end of their employment in accordance with Labor Code §§ 201-202. As a result, all such Aggrieved Employees are entitled to 30 days of wages as a “waiting time penalty.” (Labor Code §§ 203, 256.) Labor Code § 2699 also imposes a penalty.

**PAGA ASSESSMENT FOR FAILURE TO PROVIDE ACCURATE,
ITEMIZED WAGE STATEMENTS**

(Labor Code §§ 226, 226.3, and 1174)

Labor Code § 226(a) requires an employer to provide its employees with itemized wage statements accurately stating gross wages earned, total hours worked, all deductions, net wages earned, the inclusive dates of the pay period, the employee’s name and the last four digits of his or her Social Security number (or employee identification number), the name and address of the legal entity that is the employer, and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

The Company failed to provide accurate itemized wage statements to Claimant and all Aggrieved Employees due to violations including: failure to accurately state gross wages earned; failure to accurately

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state total hours worked; failure to accurately state all deductions; failure to accurately state net wages earned; failure to state the applicable hourly rates; failure to state the name and address of the legal entity that is the employer; and failure to accurately state the corresponding number of hours worked at each hourly rate. Additionally, the Company's wage statements directly violated Labor Code § 226(a) each period due to the underpayments alleged above and the failure to pay and report premium wages for denied meal/rest breaks under § 226.7. Accordingly, Labor Code §§ 226.3 and 2699 impose civil penalties for these violations.

PAGA ASSESSMENT FOR VIOLATION OF IWC WAGE ORDERS

(Labor Code § 1174; IWC Wage Order § 6(A); IWC Wage Order § 7(A))

Labor Code § 1174 and the relevant IWC Wage Order required the Company to accurately record and maintain each employee's "[t]ime records showing when the employee begins and ends each work period," the time that each meal period began and ended, daily hours worked, and total hours worked in the payroll period. The Company failed to comply with these requirements, triggering civil penalties under §§ 1174.5 and/or 2699 each period.

PAGA ASSESSMENT FOR VIOLATIONS OF LABOR CODE § 1199

(Labor Code § 1199)

An employer violates Labor Code § 1199 if said employer: (a) requires or causes an employee to work for longer hours than those fixed, or under conditions of labor prohibited by an order of the commission; (b) pays or causes to be paid to any employee a wage less than the minimum fixed by an order of the commission; or, (c) violates or refuses or neglects to comply with any provision of this chapter or any order or ruling of the commission. Labor Code § 2699.5 specifically enumerates Labor Code § 1199 as a section to which the civil penalties under the PAGA apply. Therefore, as a result of the Company's violations described herein, the Company is subject to the civil penalties in accordance with Labor Code § 2699.

ATTORNEYS' FEES, INTEREST, AND PENALTIES

(Labor Code §§ 2699(f)(2), 2699(g)(1), 2699.5)

Labor Code § 2699(g)(1) gives employees the right to recover in a civil action the unpaid balance of the full amount of wages, including interest thereon, penalties and other damages, as applicable, reasonable attorneys' fees, and costs of suit. Additionally, Claimant seeks the assessment of penalties, including civil penalties, under Labor Code §§ 203, 210, 225.5, 226.3, 1174.5, 1197.1, 2699, and/or § 20 of the IWC Wage Orders, among possibly other provisions inadvertently omitted herein. Furthermore, Claimant is entitled to bring a wage/hour claim on behalf of all current and former similarly situated employees of the Company. Thus, the Company is exposed to these same penalties for violations involving all Aggrieved Employees. Additionally, Claimant seeks attorney's fees pursuant to Labor Code § 218.5 and C.C.P. § 1021.5. Please construe this correspondence as Claimants' notification of alleged wrongdoing and attempted resolution in accordance with C.C.P. § 1021.5 and *Graham v. DaimlerChrysler Corp.* (2004) 34 Cal.4th 553.

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Mailing Address

5198 Arlington Avenue, PMB 513, Riverside, CA 92504



Toll Free
888.959.8508

Physical Address

11801 Pierce Street, Suite 200, Riverside, CA 92505

CONCLUSION

Based on the foregoing, the Company may be liable for civil penalties related to the foregoing claims and remedies. If Claimant becomes aware of any additional claims for Labor Code violations related to her employment or other employees of the Company, she reserves the right to supplement this notice letter.

Should you have any questions, please feel free to give me a call. In the meantime, I look forward to your response.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'LW', with a long horizontal line extending to the right.

By: Luke Wagner, Esq.

E-mail: Luke@LMLfirm.com

Mailing Address

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888.959.8508

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11801 Pierce Street, Suite 200, Riverside, CA 92505

Service List

Lutheran Social Services of Southern California
999 Town and Country Road, Suite 100
Orange, CA 92868

LaSharnda Beckwith
999 Town and Country Road, Suite 100
Orange, CA 92868

Laura Gutierrez
999 Town and Country Road, Suite 100
Orange, CA 92868

Sharon Ruff Richter
999 Town and Country Road, Suite 100
Orange, CA 92868

Sergio Hernandez
999 Town and Country Road, Suite 100
Orange, CA 92868

Maria Dillon-Owens
999 Town and Country Road, Suite 100
Orange, CA 92868

Christopher Doyle
999 Town and Country Road, Suite 100
Orange, CA 92868

Janice Tsao
999 Town and Country Road, Suite 100
Orange, CA 92868

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EXHIBIT “D”



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

March 19, 2026

CASE ASSUMPTIONS

Class Members	500
Opt Out Rate	1%
Opt Outs Received	10
Total Class Claimants	490
Subtotal Admin Only	\$10,867.60

Flat Fee Total \$10,500.00

For 500 Class Members

Pricing Good for Scope of Estimate Only

All Aspects of Escheating to the State of CA Included

Language Translation, Printing & Mailing Included

Two Disbursements & Two Tax Years

Case: Grizzelle v. LSSSC, Opt-Out & PAGA Administration

Phoenix Contact: Michael E. Moore

Contact Number: 949.331.0131

Email: mike@phoenixclassaction.com

Requesting Attorney: Brian J. Mankin

Firm: Lauby, Mankin & Lauby, LLP

Contact Number: (951) 320-1444

Email: brian@lmlfirm.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly.

Estimate is based on **500** Class Members. Class data **Must** be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of \$150 per hour will be charged for any additional analysis or programming. Pricing good for 90 day

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)

Administrative Tasks:	Rate	Hours/Units	Line Item	Estimate
Programming Manager	\$100.00	2		\$200.00
Programming Database & Setup	\$100.00	2		\$200.00
Toll Free Setup*	\$100.00	1		\$100.00
Call Center & Long Distance	\$2.00	60		\$120.00
NCOA (USPS)	\$90.00	1		\$90.00
Total				\$710.00

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Opt-Out Form & Postage / Language Translation / Website

Project Action	Rate	Hours/Units	Line Item	Estimate
Notice Packet Formatting	\$100.00	2		\$200.00
Language Translation	\$900.00	1		\$900.00
Data Merge & Duplication Scrub	\$0.10	500		\$50.00
Notice Packet & Opt-Out Form	\$1.35	500		\$675.00
Estimated Postage (up to 2 oz.)*	\$0.90	500		\$450.00
Static Website	\$200.00	1		\$200.00
Total				\$2,475.00

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables				
Project Action:	Rate	Hours/Units	Line Item	Estimate
Case Associate	\$85.00	1		\$85.00
Skip Tracing Undeliverables	\$1.00	75		\$75.00
Remail Notice Packets	\$1.00	72		\$72.00
Estimated Postage	\$0.90	72		\$64.80
Programming Undeliverables	\$50.00	2		\$100.00
Total				\$396.80

Database Programming / Processing Opt-Outs, Deficiencies or Disputes				
Project Action:	Rate	Hours/Units	Line Item	Estimate
Programming Database	\$150.00	1		\$150.00
Non Opt-Out Processing	\$200.00	1		\$200.00
Case Associate	\$55.00	5		\$275.00
Deficiency & Dispute Letters	\$10.00	2		\$20.00
Case Manager	\$85.00	3		\$255.00
Total				\$900.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks				
Project Action:	Rate	Hours/Units	Line Item	Estimate
Programming Calculations	\$135.00	1		\$135.00
Disbursement Review	\$135.00	1		\$135.00
Programming Manager	\$95.00	2		\$190.00
QSF Bank Account & EIN	\$135.00	1		\$135.00
Check Run Setup & Printing	\$135.00	8		\$1,080.00
Mail Class Checks * (x 2)	\$0.80	490		\$784.00
Estimated Postage	\$0.70	490		\$686.00
Total				\$3,145.00

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing & Instructions for downloading tax forms from PHX secure portal



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations				
Project Action:	Rate	Hours/Units	Line Item	Estimate
Case Supervisor	\$115.00	1		\$115.00
Remail Checks (Postage Included)	\$2.00	103		\$205.80
Case Associate	\$55.00	3		\$165.00
Reconcile Uncashed Checks	\$85.00	5		\$425.00
Conclusion Reports	\$115.00	2		\$230.00
Case Manager Conclusion	\$85.00	3		\$255.00
Final Reporting & Declarations	\$115.00	3		\$345.00
IRS & QSF Annual Tax Reporting * (1 State Tax Reporting & Escheating to the State of CA Included)	\$750.00	2		\$1,500.00
Total				\$3,240.80

* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibility.

Estimate Total: \$10,867.60



TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality. Additional class members are \$10.00 per opt-out.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.
2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.
3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.
4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.
5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.

EXHIBIT “E”