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Attorneys for Plaintiff Brittany Towns

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

ARACELI HERRERA, individually, and on
behalf of other members of the general public
similarly situated; BRITTANY TOWNS,
LORETTA URBINA, individually, and on
behalf of other members of the general public
similarly situated and on behalf of other
aggrieved employees pursuant to the California
Private Attorneys General Act;

Plaintiff,

vs.

BEHAVIORAL SYSTEMS SOUTHWEST,
INC., a California corporation; and DOES 1
through 100, inclusive,

Defendants.

CASE NO.: 30-2022-01243365-CU-OE-CXC

**DECLARATION OF ROMAN
OTKUPMAN IN SUPPORT OF
PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
AND REPRESENTATIVE ACTION
SETTLEMENT AND PROVISIONAL
CERTIFICATION OF CLASS**

Reservation: 74586782

Date: August 29, 2025
Time: 10:00 a.m.
Dept.: CX-103

I, Roman Otkupman, declare as follows:

1. I am an attorney duly admitted to the practice of law in the State of California. I am a principal of Otkupman Law Firm, A Law Corporation, and counsel for Plaintiffs, as well as proposed Class Counsel in this action. I have personal knowledge of the facts set forth herein and if called as a witness to testify to them, I could and would do so competently.

Education and Experience:

2. I obtained my Bachelor's degree from the University of California at Los Angeles in 2003. I majored in Economics at the Anderson School of Business and obtained a Minor in Slavic Languages.

3. Thereafter, I attended the Thomas Jefferson School of Law, where I focused on studies on Employment law and related litigation. After completing my first year of legal studies, I secured an externship at the Equal Employment Opportunity Commission ("EEOC"), where I worked under the Supervisory Administrative Judge, Larry A. Abrams. While at EEOC, I evaluated the merits of federal employment discrimination claims and recommended dispositions. I further reviewed motions, researched case law, prepared summaries of arguments, and assisted in the preparation of court rulings on summary judgments, motions to compel, and motion to strike decisions. Furthermore, I attended numerous conferences, hearings, and trials pertaining to employee complaints.

4. Thereafter, I volunteered at the Employee Rights Center of San Diego where I informed numerous employees about their options and legal avenues in wage and hour and/or employment discrimination disputes.

5. Otkupman Law Firm, ALC prosecutes wage and hour cases on behalf of the employees whose rights have been violated. Otkupman Law Firm, either on its own or with co-counsel is currently serving as Plaintiff's counsel of record in dozens of wage and hour and employment class action cases pending in both state and federal court.

6. Otkupman Law Firm, ALC has successfully litigated and resolved numerous wage and hour class actions involving failure to pay wages, wage statement violations and derivative Labor Code claims and penalties. See, *Barrios v. Freeway*, Superior Court of California County of Sacramento, Case No. 34-2015-00183162-CU-OE-GDS; *Hernandez v. CoWorx*, Superior Court of

1 California, County of San Joaquin, Case No. 39-2015-0032567-CU-OE-STK; *Sigourney Esh v.*
2 *Be.Group*, Superior Court of California, County of San Diego, Case No. 37-2014-00006162-CU-OE-
3 NC; *Pakiza A. Ali v. Rainbow USA Inc.*, Superior Court of California, County of San Joaquin, Case
4 No. 39-2015-00320655-CU-OE-STK; *Rosie Orta v. Walgreen Co.*, Superior Court of California,
5 County of Los Angeles, Case No. BC530605; *Jennifer Underwood v. Payroll Direct, Inc.*, Superior
6 Court of California, County of Merced, Case No. 15CV-03112; *Jeremiah Putnam v. Sagar Diner,*
7 *Inc.*, Superior Court of California, County of Merced, Case No. SCV011040; *Amanda Maniord v.*
8 *Hue & Cry, Inc.*, Superior Court of California, County of Shasta, Case No. 182115; *Andrew Mojica*
9 *v. Dedicated Fleet Systems Inc., and Osterkamp Transportation Group*, Superior Court of California,
10 County of Los Angeles, Central Civil West, Case No. BC621739; *Holly Pinheiro v. Stanton Optical*
11 *Florida LLC, Vision Precision Holdings, LLC*, Superior Court of California, County of San Joaquin,
12 Case No. 39-2015-00323663-CU-OE-STK; *Jared Sewell v. Gary D Nelson Associates Inc.*, Superior
13 Court of California, County of Sonoma, Case No. SCV 254929; *David Jimenez v. Modern Interiors,*
14 *Superior Court of California, County of Los Angeles, Case No. BC549815; Patricia Mosley v. Shields*
15 *for Families*, Superior Court of California, County of Los Angeles, Case No. BC590656; *Teri Parker*
16 *v. Toms Sierra Co, Inc.*, Superior Court of California, County of Placer, Case No. SCV0036376.

17 7. Upon becoming a member of the bar, I worked at a boutique employment firm
18 specializing in defense of multi-plaintiff and single plaintiff defense of Wage and Hour claims as well
19 as other various employment claims. There, I was involved in numerous wage and hour actions as
20 well as employment discrimination lawsuits including but not limited to: violation of Labor Code
21 226, failure to pay overtime, PAGA claims Labor Code 2699 et seq., sexual harassment, gender
22 discrimination, racial discrimination, intentional infliction of emotional distress, breach of contract,
23 conspiracy, breach of good faith and fair dealing, disability discrimination and failure to
24 accommodate, as well as Labor Code Section 132 (a) claims under worker's compensation law.

25 8. I have written numerous articles on various wage and hour and related employment
26 litigation issues, three of which were published in recent years¹.

27 ¹ 1. Employment Equality in the Workplace – Published in the Valley Lawyer Magazine October 2010 issue.

28 (footnote continued)

1 9. Based on my own investigation and evaluation, I am of the opinion that the Settlement,
2 its allocation among Class Members, and the recovery for each Class Member, is fair and reasonable.
3 I believe I have a strong understanding of the trends in both the likelihood of certification of wage
4 and hour cases and the value of settlements of cases such as this one.

5 10. My opinion takes into consideration, the amounts received in other similar class
6 actions, which I have litigated and/or am familiar with, the risks inherent in litigation of this genre,
7 and the reasonable tailoring of each Class Member's claim to the amount received in the settlement.
8 Based on that knowledge, I am of the opinion the settlement is fair, reasonable and adequate and is
9 in the best interests of the Class.

10 **Factual Background and Procedural Posture**

11 11. Defendant is a California Corporation doing business in California. This lawsuit arises
12 from Defendant's alleged unlawful failure to provide meal periods or compensation in lieu thereof,
13 unlawful failure to provide rest periods or compensation in lieu thereof, failure to pay all wages,
14 knowing and intentional failure to comply with itemized employee wage statement provisions, failure
15 to timely pay wages due at termination, failure to timely pay employees, failure to reimburse
16 employees for business expenses, failure to pay for all hours worked, including overtime hours
17 worked, and failure to provide place of employment that is safe and healthful, and violation of
California Business and Professions Code.

18 12. Defendant employed Plaintiffs during the relevant time period. Plaintiffs sent letters
19 to the PAGA Administrator at the Labor and Workforce Development Agency (LWDA) in compliance
20 with the statutory exhaustion requirements of Labor Code § 2699.3 prior to commencing an action
21 pursuant to Labor Code § 2699 et seq. (Attached hereto as **Exhibit "A"** are true and correct copies
22 of Plaintiffs' PAGA letters.)

23 13. On January 28, 2022, Plaintiff Araceli Herrera commenced a putative class action
24 lawsuit against Defendant Behavioral Systems Southwest, Inc. on behalf of all current and former
25 hourly-paid or non-exempt employees who worked for Defendant within the State of California at

26 2. Applying Cat's Paw Theory to Discrimination Cases - Published in the Valley Lawyer Magazine August 2011 issue.

27 3. ADR in the Employment Arena – Published In the Valley Lawyer Magazine issue June 2012 issue.

1 any time since January 28, 2018. On September 27, 2022, Plaintiff Brittany Towns provided written
2 notice by certified mail (“PAGA letter”) to the Labor Workforce Development Agency (“LWDA”)
3 and Defendant of the specific provisions of the California Labor Code that Plaintiff asserted
4 Defendant violated. On June 7, 2023, Plaintiff Brittany Towns commenced a putative class action
5 and Private Attorneys General Act (“PAGA”) lawsuit against Defendant on behalf of all current and
6 former hourly-paid or non-exempt employees who worked for Defendant within the State of
7 California at any time since June 7, 2019. On September 15, 2023, Plaintiff Loretta Urbina provided
8 written notice by certified mail (“PAGA letter”) to the LWDA and Defendant of the specific
9 provisions of the California Labor Code that Plaintiff asserted Defendant violated. On November 22,
10 2023, Plaintiff Loretta Urbina commenced a representative PAGA lawsuit against Defendant on
11 behalf of all current and former hourly-paid or non-exempt employees who worked for Defendant
12 within the State of California at any time since November 21, 2022. On December 13, 2024, Plaintiff
13 Araceli Herrera filed a first amended complaint to consolidate the claims from her lawsuit and the
14 parties and claims asserted by Plaintiffs Brittany Towns and Loretta Urbina in their lawsuits (the
15 “Operative Complaint”).

16 14. Thereafter, the Parties informally exchanged information and documentation.

17 15. As part of the exchange of information, Defendant produced data related to the Class
18 Members and Aggrieved Employees, including statistical data, which was used to calculate a damage
19 model and liability analysis. Specifically, Defendant provided the following:

20 a. Statistical data, including records of its employees, which consisted of wage
21 statements, clock-in and clock-out times, times taken for meal breaks, and their wages
22 earned during the relevant pay periods. This was used to calculate a damage model
23 and liability analysis;

24 b. Written policies and procedures on meal breaks, rest breaks, overtime
25 compensation, and expense reimbursement; and

26 c. The number of workweeks and pay periods in the class, the total number of the
27 Class Members and Aggrieved Employees, and average rate of the pay for class
28 members for each year in question.

1 Based on the written policies, workweeks, pay periods, and class size numbers as well as the
2 time punch and payroll documents for the class members, Plaintiffs analyzed the number of potential
3 violations and potential penalties for the class and the PAGA group and created a damage exposure.
4 The data provided by Defendant was sufficient to calculate the realistic exposure of Defendant's
5 potential liability.

6 **Settlement Negotiations and Due Diligence**

7 16. After engaging in formal discussions about the case, discovery and comprehensive
8 information exchange, the Parties agreed to engage in private mediation.

9 17. On March 22, 2024, Parties participated in a full day mediation session with Todd A.
10 Smith, a mediator with experience in wage and hour class actions. Respective counsel represented
11 each party during the good-faith negotiations facilitated by Mr. Smith.

12 18. The Parties came to an arm's length mutually agreed upon settlement as outlined in
13 the Joint Stipulation of Class Action and PAGA Settlement and Release ("Settlement Agreement"),
14 which is attached hereto as **Exhibit "B"**. The Settlement Agreement includes all terms of the Parties'
15 agreement. The parties have further agreed on a Class Notice, which is Exhibit "A" to the Settlement
16 Agreement and a Request for Exclusion Form, which is attached hereto as **Exhibit "C"**.

17 19. Discussions between counsel for the Parties, discovery, as well as the investigation
18 and evaluation of the claims of Plaintiffs by the Parties, have permitted each side to assess the relative
19 merits of the claims and the defenses to those claims. At all times, the Parties' settlement negotiations
20 have been non-collusive, adversarial and at arm's length. The parties agree that the above-described
21 investigation and evaluation, and the information exchanged during settlement negotiations and
22 mediation, are more than sufficient to assess the merits of the respective Parties' positions and to
23 compromise the issues on a fair and equitable basis. Based on our independent investigation and
24 evaluation, I am of the opinion that the consideration and terms of the Settlement, considering the
25 risk inherent in asserting and prevailing on the representative and the class claims, and the risk of loss
26 on the merits, is fair, reasonable, and adequate in light of all known facts and circumstances, and is
27 in the best interest of the Class. I am also of the opinion that the total consideration and payment

1 outlined in the Settlement Agreement is adequate in light of the uncertainties surrounding the risk of
2 further litigation, and the possible defenses that Defendant has asserted and could assert.

3 **The Nature of Plaintiffs' Claims and Risks of Continued Litigation:**

4 20. Although Plaintiffs are reasonably confident they would have prevailed on their
5 motion for class certification, there was a risk the Court would deny certification and find that
6 individual issues predominate over class members' claims. Thus, the risk that Defendant would defeat
7 certification on some or all of Plaintiffs' claims supports settlement at this juncture, especially
8 because most Class Members' claims are so small that individual litigation of their claims (required
9 in the event certification was denied) is simply not feasible or realistic.

10 21. Prevailing on the merits, in this case, was by no means guaranteed. Plaintiffs assert
11 novel claims. Defendant denies any liability or wrongdoing of any kind associated with the claims
12 alleged in the Operative Complaint. Defendant contends that its employment policies and practices
13 did not violate applicable wage and hour laws. Defendant contends that it has complied at all times
14 with the California Labor Code and the Industrial Welfare Commission Wage Orders. Defendant
15 claims that none of Plaintiffs' claims are suitable for class certification because individual issues
16 predominate over common issues on these claims. Individualized inquiries preclude class
17 certification because a class action cannot be maintained where the existence of damage, the cause of
18 damage and the extent of damage have to be determined on a case-by-case basis, even if there are
19 some common questions. See *Brinker Restaurant Corp. v. Superior Ct.*, 54 Cal.4th 1004, 1021 (2012);
20 (whether common issues predominate turns on whether the theory of recovery advanced by
21 proponents of certification is, as an analytical matter, likely to prove amenable to class treatment).
22 Here, the individualized inquiry could be focused on each individual who was not paid their requisite
wages.

23 22. Defendant is represented by competent and experienced counsel, and would
24 undoubtedly have raised all of the above arguments, and more, in continued litigation. Despite
25 Plaintiffs' confidence in their ability to prove all of their claims on a class-wide basis, any one of the
26 above defenses, if decided in favor of Defendant could reduce or even eliminate any potential damage
27 award.

1 23. Defendant's defenses to liability on Plaintiffs' claims are an important basis for further
2 validating the reasonableness of the settlement amount. Put simply, Plaintiffs face substantial risk in
3 prevailing on their claims. The Settlement compromises this risk.

4 **The Settlement Terms in Light of These Risks:**

5 24. It is our judgment that Defendant's defenses to certification and liability are an
6 important basis for validating the reasonableness of the settlement amount. Defendant has
7 consistently maintained that it has ample legal and factual grounds for defending this action on both
8 class and merits issues. Considering the risks going forward, the present settlement represents an
9 excellent compromise of Plaintiffs and Class Members' claims.

10 25. The settlement for each participating Class Member is fair, reasonable, and adequate,
11 given the inherent risk of litigation, the risk relative to class certification and the costs of pursuing
12 such litigation. The fairness and reasonableness are demonstrated by the uncertainty and risks to the
13 Plaintiffs and the Class both in not prevailing on one or more causes of action or theories alleged in
14 the Complaints and non-certification. Although we are confident that all of the elements necessary
15 for certification are satisfied in this case, the risk of non-certification is always present. Defendant
16 has adamantly disputed that Plaintiffs will be able to certify any class and that the Class Members
17 were entitled to recovery under any of the theories alleged. If the Class was not certified, most Class
18 Members would not be able to pursue their individual claims against Defendant because 1) their
19 individual claims would not be large enough to provide an incentive to litigate individually, and 2)
20 they may not know their claims even exist. The settlement takes these risks into account and is a good
21 compromise for the damages of absent Class Members.

22 26. Prosecution of this case will result in tangible benefits for the Class Members in the
23 following respects: (1) by this settlement, Class Members will receive their recoveries over a
24 reasonably short period of time as opposed to waiting additional years for the same, or a possibly
25 worse, result; and (2) settlement at this juncture will translate into significant savings in our attorney's
26 fees and costs which would have only increased exponentially had the case progressed through trial,
27 appeals, etc.

28 **Suitability of the Action for Class Certification:**

1 27. To date, no class has been certified. The Settlement reached between the Parties
2 contains a provision pursuant to which we stipulate to the Court's provisional certification of the
3 Settlement Class and, but do so for purposes of this Settlement only.

4 28. As proposed Class Counsel, and based on the discovery to date, I am confident that
5 Plaintiffs could successfully prove that this action meets the requirements of class certification. Here,
6 Defendant estimates there are approximately 369 Class Members who collectively worked a total of
7 26,500 workweeks during the Class Period. Therefore, joinder of their individual claims would be
8 impractical, and the numerosity requirement is satisfied for settlement purposes.

9 29. Here, the Settlement Class Members all seek the same remedies under identical laws,
10 all relating to Defendant's alleged uniform policies and practices related to the requirements of wage
11 and hour laws. Plaintiffs submit that the same factual predicates apply to each and every Class
12 Member and the Settlement compensates Class Members for these common claims.

13 30. It is Plaintiffs' position that Plaintiffs' claims are not only typical of those of all Class
14 Members – they are identical. Plaintiffs allege that the same failure to provide meal periods or
15 compensation in lieu thereof, failure to provide rest periods or compensation in lieu thereof, failure
16 to pay all wages, knowing and intentional failure to comply with itemized employee wage statement
17 provisions, failure to timely pay wages due at termination, failure to timely pay employees, failure to
18 reimburse employees for business expenses, failure to pay for all hours worked, including overtime
19 hours worked, and failure to provide place of employment that is safe and healthful, is typical of
20 numerous employees of Defendant.

21 31. Plaintiffs contends that they are adequate Class Representatives and their chosen
22 counsels are qualified to act as Class Counsel in this litigation. Here, Plaintiffs have interests directly
23 aligned with all Class Members and have vigorously prosecuted this case on their behalf. They have
24 no apparent conflicts with Class Members. They have demonstrated their commitment to prosecute
25 this Action on behalf of all Class Members through its conclusion. Under the proposed Settlement,
26 each of the Plaintiffs will request a modest Enhancement Payment up to Twelve Thousand Five
27 Hundred Dollars (\$12,500.00) for their significant time and efforts assisting Class Counsel with
28 factual issues surrounding the case and for their participation in the litigation. Plaintiffs assisted with

1 providing the relevant documents to counsel and assisted with the investigation of the data provided
2 by the Defendant. Furthermore, there is no indication of any actual (or potential) conflicts between
3 the Plaintiffs and the Class.

4 32. With respect to the predominance inquiry, Plaintiffs submit that the proposed
5 Settlement Class is sufficiently cohesive because all Settlement Class Members share a common
6 nucleus of facts and potential legal remedies – the same facts and law govern their claims; this Court
7 could try their claims in representative fashion by common evidence regarding Plaintiffs’ and Class
8 Members’ claims, and identical law applies. Few factual issues are individualized to Class Members
9 – the policies applied by Defendant to all Class Members will drive the resolution of the litigation.
10 All of the Settlement Class Members seek relief based on the same allegations and factual predicates.
11 As a result, common questions of law and fact predominate here.

12 33. Perhaps the most persuasive argument in favor of the superiority of class treatment
13 here is the relative size of the alleged violations by Defendant; were a class not certified, many (if not
14 all) Class Members would not bring claims for the violations alleged, because few (if any) know that
15 Defendant conduct is allegedly unlawful, and few would have the incentive to pursue litigation over
16 these small claims. As a result, class treatment is a superior method for adjudicating these claims, and
17 a class action is the preferred method of resolution.

18 **Class Counsel’s Attorneys’ Fees and Costs:**

19 34. The Parties have agreed that Class Counsel will seek no more than Three Hundred
20 Forty-One Thousand Two Hundred Fifty Dollars (\$341,250.00) (i.e., 35% of the Gross Settlement
21 Amount) in attorneys’ fees, which will be far less than our projected lodestar through the conclusion
22 of this matter. This agreement is fully disclosed in the Settlement Agreement. Any attorneys’ fees
23 awarded are subject to this Court’s approval at the final approval hearing, in advance of which
24 Plaintiffs will file a formal noticed motion.

25 35. This Court can appreciate that litigating a high stakes case against a large Defendant
26 represented by a highly respected law firm in an evolving area of law is not appealing to most lawyers,
27 particularly when the Plaintiffs’ lawyer will have to finance the litigation. This case was taken solely
28

1 on a contingency basis and is not a case undertaken lightly. The risk of advancing substantial costs
2 in this type of litigation can be very high.

3 36. We have expended substantial time to date litigating the case and bringing it to
4 fruition. We expect to expend substantially more time through a comprehensive notice and claims
5 program and final approval process. We have aggressively litigated this case from the start. Plaintiffs'
6 counsel achieved a result whereby each member of the class will receive a payment depending on the
7 number of workweeks that person worked during the relevant time. The class members will not be
8 obliged to submit a claim form or worry about sending it in. Moreover, Plaintiffs' counsel's work is
9 not yet complete, as we will spend a significant amount of time overseeing and participating in the
10 settlement administration process and final approval proceedings.

11 37. Finally, the Settlement Agreement provides that we will seek to recover litigation costs
12 of no more than Twenty Thousand Dollars (\$20,000.00) from the Gross Settlement Amount. At the
13 final approval stage, we will submit an itemized statement of costs incurred to the Court for its
14 approval.

14 **Attorney's Estimate of Total Damages Recoverable**

15 38. In evaluating the allegations, Plaintiffs determined that the estimated maximum
16 potential recovery for a total victory in this case would be **\$1,091,048.74**. The Parties settled for
17 **\$975,000.00**, which equates to approximately **89%** of the maximum potential recovery. To assist the
18 parties in coming to the settlement, the parties relied upon the following exposure calculations:

19 **Overtime Violations:** Plaintiffs maintained that Plaintiffs and Defendant's California
20 employees were not properly compensated for all overtime hours worked. Based on our
21 investigation, which included discussing the merits with our clients and reviewing the informal data
22 provided by Defendant, we concluded that approximately 60 unpaid overtime minutes were worked
23 without adequate compensation per workweek. Defendant denies this allegation. There are a total
24 of approximately 26,500 workweeks in the class and the average overtime rate is \$23.51. If proven,
25 the total amount was calculated to be **\$623,015**. Counsel believed we had a 15% probability of
26 prevailing on this claim based on the sample data provided by Defendant and because Defendant
27

1 had lawful policies. As such, Plaintiff felt the real exposure of this claim was alleged to be
2 **\$93,452.25.**

3 **Rest Break Violations:** Counsel's investigation from speaking with Plaintiffs, reviewing
4 Defendant's policies and addressing the practices with Plaintiff, determined that rest periods were
5 seldom missed. Counsel's investigation revealed that approximately twice per week, Plaintiffs and
6 other Class Member's rest breaks were interrupted. Defendant denies this allegation. Based on
7 Plaintiffs' allegations and the investigation, it was estimated that there were 2 missed rest breaks
8 per workweek with no premium pay during the Class Period. Based on this estimate, Plaintiffs allege
9 that they and other putative Class Members missed a total of 53,000 rest periods at an average hourly
10 rate of \$15.67 for a total of **\$830,510.00** in rest period exposure. We believed we had a 10%
11 probability of prevailing on this claim based on Defendant's legally compliant policy. The law
12 further does not require that Defendant keep the necessary records of the rest breaks taken and
13 considering that Defendant had compliant policies, proving this claim on a class basis would be a
14 challenge. Yet another challenge with this claim is that the failure to take the rest breaks may require
15 an individualized inquiry, something that may have contributed to the class not being certified. This
16 settlement avoided that risk. As such, Plaintiffs felt that the real exposure for this claim was
approximately **\$83,051.00.**

17 **Meal Break Violations:** According to Plaintiffs, approximately three times per week, theirs
18 and other Class Members' meal breaks were interrupted. Based on the sample data provided, which
19 included punch records, and according to Plaintiffs, it was determined that Defendant's employees
20 were not always provided the opportunity to take uninterrupted meal breaks. Therefore, it was
21 estimated that there were 3 missed meal breaks per workweek with no premium pay during the Class
22 Period. Based on this determination, Plaintiffs allege that they and other putative Class Members
23 missed a total of 79,500 meal breaks at an average hourly rate of \$15.67 for a total of **\$1,245,765.00**
24 in meal period exposure. Defendant denies this allegation. We believed we had a 15% probability
25 of prevailing on this claim as several risk factors exist as follows: Defendant had a legally compliant
26 meal period policy in place; Plaintiffs and the rest of the Class would have to prove that their reason
27 for failure to take a compliant meal break was not unique and that a similar practice applied to the

1 rest of the Class. This can be especially difficult considering that Defendant had a compliant meal
2 period policy. As such, the realistic exposure was approximately **\$186,864.75**.

3 **Reimbursement for Business Expenses Claim:** According to Plaintiffs, they and other
4 employees of Defendant were not reimbursed for being required to use their personal cell phones and
5 personal vehicles for work purposes and were also not reimbursed for shoes they were required to
6 purchase to perform work for Defendants. Plaintiffs estimated \$15.00 per workweek in
7 reimbursements owed to Plaintiff and others, for a total of **\$397,500.00**. Defendant denies this
8 allegation.

9 **Derivative Wage Statement Claim:** Based on our investigation and the extrapolation of data,
10 it was calculated that there would have been a 10% violation rate if this case was taken to trial.
11 Defendant issued approximately 13,250 wage statements during the relevant period. Plaintiff used a
12 penalty of \$50 for the initial violation and \$100 for all subsequent violations to determine the potential
13 penalty for wage statement violations if this case was taken to trial. As such the damages are as
14 follows: $50 \times 1 + 100 \times 13,249 \times 0.10 = \mathbf{\$132,495.00}$. Defendant denies this allegation.

15 **Derivative Waiting Time Penalty Claim:** Based on our investigation and the extrapolation
16 of data, it was calculated that there would have been a 10% violation rate if this case was taken to
17 trial. Plaintiff used the approximate number of former employees in the class (184 employees) and
18 calculated their average rate of pay (\$15.67) times 8 hours a day times 30 days to determine that
19 potential penalty for waiting time penalties at a 10% violation rate was **\$69,198.72**. Defendant denies
20 this allegation.

21 **PAGA Claim:** Maximum exposure was based upon an analysis of a 100% violation rate.
22 While this would be unlikely, even for the purposes of the maximum exposure, Plaintiff calculated
23 the PAGA liability at 100%. Plaintiff used the data provided by Defendant and determined that there
24 were 5,711 PAGA pay periods. Since the Labor Code allows for a maximum of \$100 per pay period
25 and there were 5,711 pay periods in the PAGA Period, the maximum exposure was **\$571,100.00**.
26 Defendant denies this allegation. PAGA claims are subject to a one-year statute of limitations, and
27 penalties can be recovered for a period of one year prior to the date notice is sent to the
28 LWDA. *Taylor v. Interstate Grp., LLC*, No. 15-CV-05462-YGR, 2016 WL 335226, at *1 (N.D. Cal.

1 Jan. 28, 2016). Unless a Labor Code provision provides for a specific civil penalty, PAGA imposes
2 a default civil penalty of “one hundred dollars (\$100) for each aggrieved employee per pay period
3 for the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period
4 for each subsequent violation.” Cal. Lab. Code § 2699(f)(2). The court in *Bernstein v. Virgin Am.,*
5 *Inc.* (9th Cir. 2021) 3 F.4th 1127, 1144, held that the defendant was not liable for heightened
6 penalties for any Labor Code violation that occurred before the defendant was notified by the Labor
7 Commissioner or any court that it had violated the Labor Code provisions at issue. The California
8 Court of Appeal in *Gunther v. Alaska Airlines, Inc.* (2021) 72 Cal.App.5th 334, 356 confirmed that
9 “the increased \$200 civil penalty for ‘subsequent violation[s]’ does not apply unless [plaintiff]
10 presents evidence that the Labor Commission or a court notified [defendant] that it was in violation
11 of the Labor Code”). Here, PAGA penalties were discounted by using only initial violation rates,
12 based on Defendant’s argument that heightened penalties would not apply for violations that
13 occurred before Defendant was notified by the Labor Commissioner or any court that it had violated
14 the Labor Code provisions at issue. Counsel believed that since the violations were not willful and
15 Defendant had compliant policies, that the Court would award a smaller portion of the potential
16 PAGA Claim. Plaintiffs believed that it would be difficult to obtain penalties for wage statement
17 violations and waiting time penalties in addition to the PAGA penalties. Plaintiffs believed that the
18 realistic exposure was 10% probability of success. As such, Plaintiff estimated its realistic value if
19 prevailed at trial would be **\$57,110.00**. Defendant denies this allegation.

20 **Interest:** Interest will accrue at a rate of seven percent (7%). As such, the interest was
21 calculated in the amount of **\$71,377.02**.

22 **Notice to LWDA**

23 39. Counsel for Plaintiffs gave notice of the Settlement Agreement to the LWDA.
24 Attached hereto as **Exhibit “D”** is proof of that notice.

25 **Settlement Administration**

26 40. Attached hereto as **Exhibit “E”** is the not-to-exceed bid the Parties received from
27 ILYM Group.

28 I declare under penalty and perjury under the laws of the States of California that the foregoing

1 is true and correct.

2 Executed this 11th day of June 2025 at Westlake Village, California.

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Roman Otkupman

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Exhibit A

OTKUPMAN LAW FIRM, A LAW CORPORATION

**5743 Corsa Ave, Suite 123
Westlake Village, CA 91362
Tel.: 818-293-5623
Fax: 888-850-1310**

September 27, 2022

VIA ELECTRONIC FILING

Labor & Workforce Development Agency

VIA CERTIFIED MAIL

Behavioral Systems Southwest, Inc.
118 Avenida Victoria
San Clemente, CA 92672
Defendant certified mail # 7022 2410 0001 4137 9339

VIA CERTIFIED MAIL

Agent for Service of Process
Christopher Scott Lindholm
118 Avenida Victoria
San Clemente, CA 92672
Agent certified mail # 7022 2410 0001 4137 9346

VIA CERTIFIED MAIL

Behavioral Systems Southwest, Inc.
8141 Orion Ave
Van Nuys, CA 91406
Defendant certified mail # 7022 2410 0001 4137 9353

Re: ***Brittany Towns v. Behavioral Systems Southwest, Inc. – Labor Code Violations of
Behavioral Systems Southwest, Inc. – Compliance Letter of California Labor Code §
2698 – Private Attorneys General Act***

Dear Sir or Madam:

This office represents Brittany Towns (“Plaintiff”), a former California employee of Behavioral Systems Southwest, Inc. (“Defendants”). The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et seq.*

Our client works for Defendant in Southern California. Herein we set forth the facts and theories of California Labor Code violations which we allege Defendant engaged in with respect to our client and other of its California non – exempt employees.

Plaintiff began working for Defendants in or around April of 2022. While working for Defendant as a Security Monitor, Plaintiff was earning (\$19.00) dollars per hour.

Plaintiff and Defendant's California employees were routinely unable, and not authorized to take their 10-minute rest periods and were also unable to take an uninterrupted 30-minute meal break for every shift they worked. Specifically, Plaintiff and Defendant's California employees were forced to continue working through their meal and rest breaks in order to assist Defendant's needs. Because of this, Plaintiff and Defendant's California employees were unable to take their required meal and rest breaks. Moreover, Defendants failed to pay premium wages of one hour's pay for each missed meal and rest break to Plaintiff and Defendant's California employees who were denied timely meal and rest breaks, in violation of Labor Code §§ 226.7, 512, and 558, and IWC Order No. 5-2001, Section 12.

Plaintiff also claims that Defendant has failed to pay all overtime wages due to non-exempt employees. As a result, employees are not properly compensated for work performance in excess of eight (8) hours in a workday and work performed in excess of forty (40) hours in a workweek at a rate of no less than one and one-half times the regular rate of pay. Employees of Defendant regularly work in excess of eight (8) hours in a day or more than forty (40) hours per week and do not receive overtime compensation at a rate of one and one half of their regular rate. Plaintiff and Defendant's California employees were forced to work overtime and were not paid for all hours worked including all straight time wages, and overtime wages. These failures to pay all overtime wages constitute violations of Labor Code §§ 510, 1194, 1194.2.

Defendants have required Plaintiff and Defendant's California employees to work hours in excess of eight hours in a day and forty in a week but had not paid these employees overtime compensation as required by their collective bargaining agreement in violation of Labor Code § 222.

Defendants failed to issue Plaintiff and Defendant's California employees accurately itemized wage statements. As Defendants failed to compensate Plaintiff and Defendants' California employees with all wages due, as detailed above, their wage statements failed to accurately state all gross wages earned, in violation of Labor Code § 226(a)(1), total hours worked, in violation of Labor Code § 226(a)(2), and net wages earned, in violation of Labor Code § 226(a)(5), and all applicable hourly rates during the pay period and the corresponding number of hours worked, in violation of Labor Code § 226(a)(9), as a result of Defendants' failure to pay all overtime wages due. These violations also violate Labor Code §§ 226(e) and 226.3 with respect to Plaintiff and Defendants' California employees.

Defendants knowingly and intentionally failed to provide Plaintiff and Defendant's California employees timely, accurate, itemized wage statements in accordance with Labor Code § 226 and keep accurate records as required by §1174(d). The statements provided to Plaintiff and Defendant's California employees, and the records maintained by Defendants, have not accurately reflected actual gross wages earned, including pay for all hours worked, overtime, and meal/rest premiums, and total hour worked.

Our client further alleges that Defendants paid her and Defendant's California employees their final wages beyond the time frames set forth in Labor Code §§ 201 and 202. As they were not paid all wages due and owing throughout the course of their employment as a result of Defendants' failure to pay all premium wages as detailed above, at the time of their separation, they were not paid all final wages due and owing for the entirety of their employment. This violates Labor Code §§ 201-203.

Defendant pays Plaintiff and its California employees on a bi-weekly basis and has failed to comply with Labor Code § 204(a) which holds that wages earned on a bi-weekly basis must be paid no later than seven calendar days following the close of the payroll period. Due to the violations described above, Plaintiff and Defendant's California employees did not receive all of their wages earned in a timely manner as required by Labor Code § 204(a)(b).

Defendant failed to reimburse Plaintiff and Defendant's California employees for the equipment they purchased to perform work for Defendant such as face masks. Defendant further failed to reimburse its California employees for using their personal cell phones for the benefit of Defendant. Labor Code section 2802 provides that "[a]n 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." As such, Plaintiff and Defendant's California employees have incurred reasonable and necessary expenses in the course of their job duties, which were not reimbursed by Defendant, in violation of Labor Code § 2802.

Defendants failed to continue to take precautions to ensure employee safety after the onset of COVID. Under LC §6409.6(a)(1). "COVID-19" means severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). Plaintiff and Defendant's California employees, directly after the onset of COVID, were required to partake in mandatory temperature and health checks, but these activities were not enforced or practiced quickly after the onset of COVID and when COVID was still a health risk to the employees. Plaintiff and Defendant's California employees were also required to provide their own masks at the workplace. As a result of these practices, Defendants have violated Cal. Labor Code §§ 6400, 6401, 6402, 6403, 6404, and 6407 for failure to provide a safe and healthful environment for their Employees, as outlines above. Defendants are liable for civil penalties pursuant to Cal. Labor Code § 2699 *et seq.*

Defendants failed to pay all wages earned to Plaintiff and Defendant's California employees as a result of the unlawful employment policies and practices herein. As a result of these practices, Plaintiff and Defendant's California employees were underpaid for hours worked, including overtime and penalty wages, and this underpayment resulted in a failure to pay all wages owed twice per month. Due to this failure, Defendants are liable under Labor Code § 210 for failure to pay wages as required by law.

Plaintiff and all other aggrieved employees bring this claim pursuant to *Business & Professions Code* § 17200, *et seq.* The conduct of all Defendants as alleged above has been and continues to be unfair, unlawful, and harmful to Plaintiff and Defendant's California employees.

Labor & Workforce Development Agency

Behavioral Systems Southwest, Inc.

September 27, 2022

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We invite Defendants or its attorney(s) to contact our office to discuss this matter, including whether an early resolution of the claims can be reached.

Our office awaits your response.

Very truly yours,

OTKUPMAN LAW FIRM

A handwritten signature in dark ink, appearing to be 'Roman Otkupman', is written over a horizontal line.

ROMAN OTKUPMAN



September 15, 2023

BY ONLINE SUBMISSION

California Labor & Workforce Development Agency
PAGAFilings@dir.ca.gov

Re: BEHAVIORAL SYSTEMS SOUTHWEST, INC.

Dear Representative:

We have been retained to represent Loretta Urbina against Behavioral Systems Southwest, Inc. (including any and all affiliates, subsidiaries, parents, directors, officers, agents, and executive employees) (collectively referred to as “Behavioral Systems”) for violations of California wage-and-hour laws. Ms. Urbina seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 (“PAGA”) and all other remedies available under PAGA.

Ms. Urbina seeks these remedies on behalf of the State of California and “aggrieved employees,” as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

Behavioral Systems employed Ms. Urbina as an hourly-paid, non-exempt employee from approximately August 2021 to approximately July 2023, in the State of California.

The “aggrieved employees” that Ms. Urbina may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California.

Based on the following facts and theories, Behavioral Systems has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 4-2001, and 17-2001.

Behavioral Systems required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time. Such work included, but was not limited to, responding to work-related inquiries. Behavioral Systems rounded the work time recorded by aggrieved employees in a manner that was not fair and neutral on its face and/or that favored Behavioral Systems over time, resulting in aggrieved employees being underpaid for their time worked.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During the relevant time period, Ms. Urbina and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Ms. Urbina and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, Behavioral Systems required Ms. Urbina and other aggrieved employees to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods.

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' 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. During the relevant time period, Behavioral Systems failed to pay Ms. Urbina and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Behavioral Systems failed to pay Ms. Urbina and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, Behavioral Systems did not provide Ms. Urbina and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from Behavioral Systems were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Ms. Urbina and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars (\$50) for each aggrieved employee per pay period for the initial violation and one hundred dollars (\$100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Ms. Urbina and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Ms. Urbina and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Ms. Urbina and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Ms. Urbina and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, Behavioral Systems failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Ms. Urbina and other aggrieved employees, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code sections 1194, 1197, and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, Behavioral Systems did not provide Ms. Urbina and other aggrieved employees with the minimum wages to which they were entitled for work performed "off-the-clock."

California Labor Code section 1198 provides that "The employment of any employee ... under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful." The applicable Industrial Wage Orders, including *inter alia*, Wage Orders 4-2001, and 17-2001, require that for each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee's regular rate of pay. During the relevant time period, Behavioral Systems failed to pay Ms. Urbina and other aggrieved employees half the usual or scheduled day's work in an amount no less than two (2) hours nor more than four (4) hours at the employee's regular rate of pay for workdays in which Ms. Urbina and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day's work. During the relevant time period, Behavioral Systems failed to pay Ms. Urbina and other aggrieved employees for two (2) hours at the employee's regular

rate of pay on days in which Ms. Urbina and the other aggrieved employees were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Ms. Urbina and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by Behavioral Systems. These costs include, but are not limited to, the use of a personal phone for work-related tasks, and the use of mileage on a personal vehicle for work-related tasks.

Therefore, on behalf of all aggrieved employees, Ms. Urbina seeks all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, or which could be assessed and collected by the Labor and Workforce Development Agency, for violation of the California Labor Code pursuant to PAGA, including civil penalties pursuant to Labor Code section 558.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards,



Gabriella Sole, Esq.

Cc: (By U.S. Certified Mail / Return Receipt Requested)

Behavioral Systems Southwest, Inc.
c/o Christopher Scott Lindholm
Agent for Service of Process
118 Avenida Victoria
San Clemente, CA 92672

Exhibit B

JOINT STIPULATION OF CLASS ACTION AND
PAGA SETTLEMENT AND RELEASE

This Joint Stipulation of Class Action and PAGA Settlement and Release (“Agreement” or “Settlement Agreement”) is made and entered into by and between Plaintiff Araceli Herrera, Plaintiff Loretta Urbina, Plaintiff Brittany Towns (collectively, “Plaintiffs”) and Defendant Behavioral Systems Southwest, Inc. (“Defendant”) (collectively, Plaintiffs and Defendant are referred to as the “Parties”).

This Settlement Agreement shall be binding on Plaintiffs, Settlement Class Members (as defined herein), the State of California as private attorneys general under the Private Attorneys General Act, California Labor Code section 2698 (as provided herein), Aggrieved Employees (as defined herein), and on Defendant, subject to the terms and conditions hereof and the approval of the Court.

RECITALS

1. On January 28, 2022, Plaintiff Araceli Herrera commenced a putative class action lawsuit against Defendant Behavioral Systems Southwest, Inc. on behalf of all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California at any time since January 28, 2018.
2. On September 27, 2022, Plaintiff Brittany Towns provided written notice by certified mail (“PAGA Letter”) to the Labor Workforce Development Agency and Defendant of the specific provisions of the California Labor Code that Plaintiff asserted Defendant violated.
3. On June 7, 2023, Plaintiff Brittany Towns commenced a putative class action and Private Attorneys General Act (“PAGA”) lawsuit against Defendant Behavioral Systems Southwest, Inc. on behalf of all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California at any time since June 7, 2019.
4. On September 15, 2023, Plaintiff Loretta Urbina provided written notice by certified mail (“PAGA Letter”) to the Labor Workforce Development Agency and Defendant of the specific provisions of the California Labor Code that Plaintiff asserted Defendant violated.
5. On November 22, 2023, Plaintiff Loretta Urbina commenced a representative Private Attorneys General Act (“PAGA”) lawsuit against Defendant Behavioral Systems

Southwest, Inc. on behalf of all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California at any time since November 21, 2022.

6. On December 13, 2024, Plaintiff Araceli Herrera filed an amended complaint to consolidate the claims from her case and the parties and claims asserted by Plaintiff Loretta Urbina in her case *Loretta Urbina v. Behavioral Systems Southwest, Inc.*, filed in Orange County Superior Court as Case No. 30-2023-01363041-CU-OE-CXC and Plaintiff Brittany Towns in her case *Brittany Towns v. Behavioral Systems Southwest, Inc.*, filed in Los Angeles Superior Court as Case No. 23STCV13079.
7. The Parties exchanged documents and information before mediating this action. After reviewing documents regarding Defendant's wage-and-hour policies and practices, and analyzing Defendant's time and pay records, Class Counsel was able to evaluate the risks of continued litigation and prepared damages models/analysis prior to mediation. Class Counsel also investigated the applicable law regarding the claims and defenses asserted in the litigation.
8. On March 22, 2024, the Parties participated in a private mediation with Todd A. Smith. With the aid of the mediator's evaluations, Parties ultimately agreed to a settlement, the material terms of which are encompassed within this Settlement Agreement.
9. Plaintiffs and their counsel believe this Litigation is meritorious based on applicable law or an extension thereof. Based on investigation and evaluation, Class Counsel believes the Settlement is fair, reasonable, and adequate and is in the best interests of the Settlement Class Members in light of all known facts and circumstances, including the risk of significant delay, the defenses that could be asserted by Defendant both to certification and on the merits, trial risk, and appellate risk.
10. Defendant has also actively investigated the facts surrounding the claims brought by Plaintiffs on behalf of the putative class, and actively and aggressively defended themselves from said claims. Defendant denies any liability or wrongdoing of any kind associated with the claims alleged. Defendant further asserts that it has complied with all applicable provisions of California statutory and common law and has a good faith belief based on existing law that its practices were, and are, in compliance.
11. The entry of Final Approval Order and Judgment in this Litigation shall, as more

specifically discussed herein, resolve all claims which were or reasonably could have been alleged in each of the Operative Complaints filed in the Litigation, with the exception of any claims which might be retained by the respective Settlement Class Members who exclude themselves from the Settlement. The Parties agree to cooperate and take all steps necessary and appropriate to obtain preliminary and final approval of this Settlement, and to effectuate its terms.

12. Each of the forgoing Recitals is incorporated into this Agreement as if fully set forth in the body of the Agreement.

DEFINITIONS

1. "Aggrieved Employees" means Plaintiffs and all Settlement Class Members who were employed by Defendant Behavioral Systems Southwest, Inc. in California as a non-exempt employee at any time during the PAGA Period.
2. "Agreement" means this Settlement Agreement.
3. "Attorneys' Fees and Costs" means the amount of attorneys' fees and reimbursement of litigation costs and expenses to be requested by Class Counsel subject to Court approval in accordance with Subsection 5.1.3 of this agreement.
4. "Class" or "Settlement Class" or "Settlement Class Members" means all persons currently or formerly employed by Defendant at any time during the Settlement Class Release Period as an hourly-paid or non-exempt employee in California.
5. "Class Counsel" means Arby Aiwazian, Edwin Aiwazian, Joana Ghosh, and Travis J. Maher of Lawyers *for* Justice, PC and Roman Otkupman and Nidah Farishta of Otkupman Law Firm, who, subject to Court approval, shall act as counsel for the Settlement Class.
6. "Class Representatives" means Plaintiffs Araceli Herrera, Loretta Urbina, and Brittany Towns, who shall be the representatives of the Settlement Class.
7. "Court" means Orange County Superior Court and any appellate court which may review any orders entered into by the trial court related to this Settlement.
8. "Defendant" means Behavioral Systems Southwest, Inc.
9. "Effective Date" or "Settlement Effective Date" as used herein means the first day following the last of the following occurrences:

- a. If there is no objection to the Settlement by a Settlement Class Member, 30 days after the date of entry of Final Order and Judgment approving the Settlement;
 - b. If a Settlement Class Member files an objection to the Settlement, the date and time to appeal or seek permission to appeal or seek other judicial review of the entry of a Final Approval Order and Judgment approving the Settlement has expired with no appeal or other judicial review having been taken or sought; or
 - c. If a Settlement Class Member (other than Plaintiffs) files an appeal or requests other judicial review:
 - i. the date the Final Approval Order and Judgment is finally affirmed by an appellate court with no possibility of subsequent appeal or other judicial review therefrom; or
 - ii. the date the appeal(s) or other judicial review therefrom are finally dismissed with no possibility of subsequent appeal or other judicial review; or
 - iii. if remanded to the Court or to a lower appellate court following appeal or other review, the date the Final Approval Order and Judgment is entered by the Court after remand and the time to appeal or seek permission to appeal or seek other judicial review of the entry of that Final Approval Order and Judgment has expired with no further appeal or other judicial review having been taken or sought. If further appeal is sought after a remand, the time periods in this Subsection shall apply.
10. "Final Approval Order and Judgment" refers to the Final Approval Order and Judgment entered by the Court.
11. "Total Settlement Amount" or "TSA" means the Nine Hundred Seventy-Five Thousand Dollars (\$975,000) Defendant agrees to pay in consideration for and in relation to the terms, conditions, and releases set forth herein, which is inclusive of all amounts to be paid to Settlement Class Members, the PAGA Penalty Amount, attorney's fees, costs, enhancement awards, and settlement administration costs. Defendant's share of employer payroll taxes shall be paid in addition to the TSA.

12. "Individual PAGA Share" means the *pro rata* share of the PAGA Employee Amount that an Aggrieved Employee may be eligible to receive under the Settlement, which will be allocated as 100% interest and penalties.
13. "Individual Settlement Share" means the *pro rata* share of the Net Settlement Amount that a Settlement Class Member may be eligible to receive under the Settlement, which will be allocated as twenty percent (20%) wages and eighty percent (80%) penalties and interest.
14. "Litigation" means the matter of *Herrera v. Behavioral Systems Southwest, Inc.* originally filed in Orange County Superior Court Case No. 30-2022-01243365-CU-OE-CXC; the matter of *Urbina v. Behavioral Systems Southwest, Inc.* originally filed in Orange County Superior Court Case No. 30-2023-01363041-CU-OE-CXC.; and the matter of *Towns v. Behavioral Systems Southwest, Inc.* originally filed in Los Angeles County Superior Court Case No. 23STCV13079.
15. "LWDA Payment" means the seventy-five percent (75%) portion of the PAGA Amount to the Labor and Workforce Development Agency ("LWDA").
16. "Mediator" means Todd Smith, esq. Any post-mediation disputes will be submitted exclusively to the Mediator for resolution.
17. "Net Settlement Amount" means the amount calculated after deducting all court-awarded attorneys' fees, costs, enhancement awards, PAGA Penalty Amount, and settlement administration costs from the Total Settlement Amount.
18. "Notice" means a document substantially in the form of the Notice of Class Action Settlement attached hereto as Exhibit 1 which has been agreed to by the Parties and subject to Court approval and which the Settlement Administrator will mail to each Settlement Class Member.
19. "Operative Complaints" means each of the operative complaints filed in each of the three actions making up the Litigation.
20. "PAGA Employee Amount" means the twenty-five (25%) portion of the PAGA Amount to be distributed to Aggrieved Employees on a *pro rata* basis.
21. "PAGA Group" or "PAGA Group Members" means all persons currently or formerly employed by Defendant at any time during the PAGA Group Release Period as an hourly-paid or non-exempt employee in California.

22. "PAGA Group Release Period" means the period from September 27, 2021 through June 20, 2024.
23. "PAGA Penalty Amount" means the One Hundred Thousand Dollars (\$100,000) allocated to resolve the PAGA claims of Plaintiffs and the PAGA Group. Seventy-Five Percent (75%) of the PAGA Penalty Amount will be payable to the LWDA and the remaining Twenty-Five Percent (25%) will be payable to the PAGA Group Members.
24. "Participating Class Member" means any Settlement Class Member who does not opt out of the Settlement.
25. "Parties" means Plaintiffs and Defendant.
26. "Plaintiffs" mean Plaintiff Araceli Herrera, Plaintiff Loretta Urbina, and Plaintiff Brittany Towns. Plaintiffs will seek to be designated as Class Representatives of the Settlement Class.
27. "Released Class Claims" means all claims, including without limitation those under the California Labor Code, Wage Orders, regulations, and/or other provisions of law, that arose during the period from January 28, 2018 to June 20, 2024, and that (a) were expressly pleaded in the Litigation; or (b) are for violation of California Labor Code Sections 201, 202, 203, 204, 204(a)(b), 210, 218, 226, 226(a), 226(e), 226.7, 510, 512, 512(a), 558, 1174(d), 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, 6400, 6401, 6403, 6404, 6407, for violation of 8 CCR 3202, for violation of IWC Wage Orders including inter alia Wage Orders 4-2001, and 17-2001, and for violation of California's unfair competition law under Business and Professions Code Sec. 17200; or (c) were or could have been asserted based on any of the facts pleaded in any of the complaints in the Litigation and/or that were ascertained in the course of the Litigation, including, without limitation, claims for failure to pay overtime wages, failure to provide meal periods and/or pay meal period premiums, failure to provide rest periods and/or pay rest period premiums, failure to pay minimum wages, failure to timely pay wages upon termination, failure to timely pay wages during employment, failure to provide accurate and itemized wage statements, failure to keep requisite payroll records, failure to reimburse business expenses, and failure to provide a place of employment that is safe and healthful.
28. "Released PAGA Claims" means all claims for civil penalties under the Labor Code Private Attorneys General Act ("PAGA") that arose during the period from September

27, 2021 through June 20, 2024, and that arose out of (a) the claims expressly pleaded in the Action; or (b) any violation of California Labor Code Sections 201, 202, 203, 204, 204(a)(b), 210, 218, 226, 226(a), 226(e), 226.7, 510, 512, 512(a), 551, 552, 558, 1174(d), 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, 6400, 6401, 6403, 6404, 6407, for violation of 8 CCR 3202, of IWC Wage Orders including inter alia Wage Orders 4-2001, and 17-2001, and of California's unfair competition law under Business and Professions Code Sec. 17200; or (c) that were or that could have been asserted based on any of the facts pleaded in any of the complaints in the Litigation and/or that were ascertained in the course of the Litigation, including, without limitation, claims for failure to pay overtime wages, failure to provide meal periods and/or pay meal period premiums, failure to provide rest periods and/or pay rest period premiums, failure to pay minimum wages, failure to timely pay wages upon termination, failure to timely pay wages during employment, failure to provide accurate and itemized wage statements, failure to keep requisite payroll records, failure to reimburse business expenses, and failure to provide a place of employment that is safe and healthful.

29. "Released Parties" means Defendant Behavioral Systems Southwest, Inc. and any of its former and/or current parents, subsidiaries, affiliates, and any other entities that could be considered to have jointly employed the Settlement Class Members or PAGA Group Members as well as each of the foregoing entities' officers, directors, managers, owners, executives, partners, executive-level employees, shareholders, agents, attorneys, and any other predecessors, successors, assigns, or legal representatives.
30. "Response Deadline" means the sixty (60) calendar days after the Settlement Administrator initially mails the Notice Packets to Settlement Class Members and the last date on which Settlement Class Members may dispute the Class Settlement. Settlement Class Members who receive re-mailed Notice packets will have fifteen (15) additional days to dispute (i.e., seventy-five (75) calendar days from first mailing) irrespective of when the first mailing was returned as undeliverable as long as the return mailing is received within the initial sixty (60) day Response.
31. "Settlement" means the compromise and settlement of the Litigation pursuant to the terms set forth in this Agreement.

32. "Settlement Administration Costs" means the reasonable costs and expenses of administration of the Settlement to be paid from the Gross Settlement Amount.
33. "Settlement Administrator" means ILYM Group, Inc., the company mutually agreed to by the Parties. The Settlement Administrator will calculate the Workweeks worked by the Settlement Class Members during the Settlement Class Period in California, the amount to be paid *pro rata* per Workweek, and the individual settlement awards to eligible Class Members. The Settlement Administrator will use a similar formula for the calculation of payments to PAGA Members based on the number of pay periods worked.
34. "Settlement Class Release Period" means the period from January 28, 2018 through June 20, 2024.
35. "Workweeks" means the number of workweeks a Settlement Class Member worked while actively employed by Defendant during the Settlement Class Period. Workweeks will be calculated by the Settlement Administrator by determining the number of weeks between each Participating Class Member's start and end dates of employment during the Settlement Class Period (less any workweeks that the employee did not work) and dividing by 7. Each Settlement Class Member shall be credited with at least one (1) Workweek.

CLASS CERTIFICATION

1. For the purposes of this Settlement only, the Parties stipulate to the certification of the Class.
2. The Parties agree that certification of the Class for the purpose of the Settlement is not an admission that certification is proper under Section 382 of the California Code of Civil Procedure, or for any other purpose. Should, for whatever reason, the Court not grant Final Approval, the Parties' stipulation to certification of the Class as part of the Settlement shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible in connection with, the issue of whether or not certification would be appropriate in the Action in a non-settlement context.

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

3. Funding and Disbursement of the Total Settlement Amount.

a. Within fifteen (15) calendar days after the Effective Date, the Settlement Administrator will provide the Parties with an accounting of the amounts to be paid by Defendant pursuant to the terms of the Settlement.

b. Within thirty (30) calendar days of the Effective Date, Defendant will make a one-time deposit of the Total Settlement Amount into a settlement account to be established by the Settlement Administrator. Within seven (7) calendar days of the funding of the Total Settlement Amount, the Settlement Administrator will issue payments due under the Settlement and approved by the Court, as follows: (a) Individual Settlement Payments to Settlement Class Members; (b) Individual PAGA Payments to Aggrieved Employees; (c) LWDA Payment to the Labor and Workforce Development Agency; (d) Enhancement Payment to Plaintiffs; (e) Attorneys' Fees and Costs to Class Counsel; and (f) Settlement Administration Costs to the Settlement Administrator.

4. Attorneys' Fees and Costs. Plaintiffs will request and Defendant will not oppose attorneys' fees of up to thirty-five percent (35%) of the Total Settlement Amount (i.e., up to \$341,250.00) ("Attorneys' Fees") and reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement of the Action in an amount not to exceed Twenty Thousand Dollars (\$20,000.00) ("Attorneys' Costs"), both of which will be paid from the Total Settlement Amount subject to Court approval. These amounts will cover any and all work performed and any and all costs incurred by Class Counsel in connection with the litigation of the Action, including without limitation all work performed and costs incurred to date, and all work to be performed and all costs to be incurred in connection with obtaining the Court's approval of the Settlement, as well as any objections raised and any appeals necessitated by those objections. Class Counsel shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. Should the Court approve the Attorneys' Fees to Class Counsel in an amount that is less than that set forth above, the difference between the lesser amount approved by the Court and the amount allocated toward the Attorneys' Fees will not be paid by Defendant.

5. Enhancement Payment. In recognition of their efforts and work in prosecuting the Action, Defendant agrees not to oppose or impede any application or motion for Enhancement Payment in the amount of up to Twelve-Thousand Five Hundred Dollars (\$12,500.00) to each Class Representative. The Enhancement Payments, which will be paid to the Class

Representatives from the Total Settlement Amount, subject to Court approval, will be in addition to their Individual Settlement Payments and Individual PAGA Payments (if applicable) that are to be paid pursuant to the Settlement. The Settlement Administrator will issue an IRS Form 1099 to Plaintiffs for the Enhancement Payments, and Plaintiffs shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. Should the Court approve the Enhancement Payment to Plaintiffs in amount(s) that are less than that set forth above, the difference between the lesser amount approved by the Court and the amount(s) allocated toward the Enhancement Payments will not be paid by Defendant.

6. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments under the Settlement, which is currently estimated not to exceed Twenty Thousand Dollars and Zero Cents (\$20,000.00). These costs, which will be paid from the Total Settlement Amount, subject to Court approval, will include, *inter alia*, translating the Notice Packets from English to Spanish, printing, distributing, and tracking Notice Packets and other documents for the Settlement, calculating and distributing payments due under the Settlement, issuing 1099 and W-2 IRS Forms and undertaking all required tax reporting, filings, withholdings, and remittances, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process the Settlement, and as requested by the Parties. To the extent actual Settlement Administration Costs are greater than the estimated amount stated herein, such excess amount will be disclosed to the Court and deducted from the Total Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator to undertake the required settlement administration duties will become part of the Net Settlement Amount to be distributed to Settlement Class Members.

7. PAGA Allocation. Subject to approval by the Court, the Parties agree that the amount of One Hundred Thousand Dollars and Zero Cents (\$100,000.00) from the Total Settlement Amount will be allocated toward penalties under the Private Attorneys General Act, California Labor Code Section 2698, *et seq.* (i.e., the PAGA Allocation), of which seventy-five percent (75%), or \$75,000.00, will be paid to the Labor and Workforce Development Agency (i.e., the LWDA Payment) and twenty-five percent (25%) or, \$25,000.00, will be distributed to

Aggrieved Employees (i.e., the Employee PAGA Amount) on a *pro rata* basis based on their Workweeks during the PAGA Period (i.e., the Individual PAGA Payments).

8. Individual Settlement Share Calculations. Individual Settlement Shares will be calculated and apportioned from the Net Settlement Amount based on the Class Members' Workweeks as follows:

a. After Preliminary Approval of the Settlement, the Settlement Administrator will divide the Net Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Workweek Value," and multiply each Class Member's individual Workweeks by the Estimated Workweek Value to yield his or her estimated Individual Settlement Share that he or she may be eligible to receive under the Class Settlement.

b. After Final Approval of the Settlement, the Settlement Administrator will divide the final Net Settlement Amount by the Workweeks of all Settlement Class Members to yield the "Final Workweek Value," and multiply each Settlement Class Member's individual Workweeks by the Final Workweek Value to yield his or her Individual Settlement Share.

9. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated and apportioned from the Employee PAGA Amount based on the Aggrieved Employees' Workweeks during the PAGA Period, as follows: the Settlement Administrator will divide the Employee PAGA Amount by all Aggrieved Employees' Workweeks during the PAGA Period to yield the "PAGA Workweek Value," and multiply each Aggrieved Employee's individual Workweeks during the PAGA Period by the PAGA Workweek Value to yield his or her estimated Individual PAGA Payment that he or she will receive under the PAGA Settlement.

10. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually are issued to the payee. It is expressly understood and agreed that payments made under the Settlement shall not in any way entitle Plaintiff, Settlement Class Members, or Aggrieved Employees to additional compensation or benefits under any new or additional compensation or benefits, or any bonus, contest or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle them to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the Class Period).

11. Delivery of the Class Data and List. Within fourteen (14) calendar days of Preliminary Approval, Defendant will provide the Class Data and List to the Settlement Administrator.

12. Notice by First-Class U.S. Mail.

a. Within fourteen (14) calendar days after receiving the Class Data and List from Defendant, the Settlement Administrator will perform a search based on the National Change of Address Database or any other similar services available, such as provided by Experian, for information to update and correct for any known or identifiable address changes, and will mail a Notice Packet in English and Spanish (in the forms attached hereto as **Exhibit A**.) to all Class Members via First-Class U.S. Mail, using the most current, known mailing addresses identified by the Settlement Administrator.

b. With respect to Notice Packets that are returned as undeliverable and received by the Settlement Administrator on or before the Response Deadline, the Settlement Administrator will search for an alternate address by way of skip-trace and re-mail the Notice Packet within five (5) calendar days.

13. Dispute Regarding Workweeks. Class Members will have an opportunity to dispute the number of Workweeks to which they have been credited, as reflected in their respective Class Notices. In order to dispute Workweeks, Class Members must submit a Dispute Form or written letter to the Settlement Administrator (“Credited Workweeks Dispute”) that: (a) states the case name and number of the Action; (b) is signed by the Class Member; (c) states the full name, address, telephone number, and the last four digits of the Social Security Number of the disputing Class Member; (d) states that the Class Member disputes the number of Workweeks that has been credited to him or her and what he or she contends is the correct number that should be credited to him or her; (e) includes information and/or attaches documentation demonstrating that the number of Workweeks that he or she contends should be credited to him or her is correct; and (f) is returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope on the submission will be the exclusive means to determine whether a dispute has been timely submitted. Absent evidence rebutting the accuracy of Defendant’s records and data as they pertain to the number of Workweeks to be credited to a disputing Class Member, Defendant’s records will be presumed correct and determinative of the dispute. However, if a Class Member produces information and/or

documents to the contrary, the Settlement Administrator will evaluate the materials submitted by the Class Member and the Settlement Administrator will resolve and determine the number of eligible Workweeks that the disputing Class Member should be credited with under the Settlement. The Settlement Administrator shall notify Class Counsel and Defendant's Counsel of the fact that a Class Member has made a dispute and advise them of the outcome.

14. Settlement Checks. The Settlement Administrator will be responsible for undertaking appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the Aggrieved Employees in accordance with this Settlement Agreement. The Settlement Administrator may, at its discretion, distribute the Individual Settlement Payment and Individual PAGA Payment by way of a single check that combines both payments (if applicable). Each Individual Settlement Payment and Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180) calendar days from the date the checks are issued, and thereafter, shall be cancelled. All funds associated with such cancelled checks will be distributed by the Settlement Administrator to the California State Controller's Office Unclaimed Property Division, in the name of the Settlement Class Member and/or Aggrieved Employee and in the amount of his or her respective Individual Settlement Payment and/or Individual PAGA Payment. The Settlement Administrator shall undertake amended and/or supplemental tax filings and reporting, required under applicable local, state, and federal tax laws, which are necessitated due to the cancellation of any Individual Settlement Payment and/or Individual PAGA Payment checks. Settlement Class Members whose Individual Settlement Payment checks are cancelled shall, nevertheless, be bound by the Class Settlement. Aggrieved Employees whose Individual PAGA Payment checks are cancelled shall, nevertheless, be bound by the PAGA Settlement.

15. Procedure for Requesting Exclusion from the Class Settlement. Any Class Member wishing to be excluded from the Class Settlement must submit a written Request for Exclusion to the Settlement Administrator, by mail, within the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel the Requests for Exclusion that were timely submitted, and also identify the individuals who have submitted a timely and valid Request for Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing. Any Class

Member who submits a Request for Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will not be issued an Individual Settlement Payment. However, all Aggrieved Employees will be bound to the PAGA Settlement and will still be issued an Individual PAGA Payment, regardless of whether they submit a Request for Exclusion.

16. Class Settlement Terms Bind All Class Members Who Do Not Request Exclusion. Any Class Member who does not affirmatively request exclusion from the Class Settlement by submitting a timely and valid Request for Exclusion will be bound by all of the terms of the Class Settlement, including and not limited to those pertaining to the release of Released Class Claims, as well as the Final Approval Order and Judgment that may be entered by the Court if it grants Final Approval to the Settlement.

17. Procedures for Objecting to the Class Settlement. To object to the Class Settlement, Class Members who have not opted out of the Class Settlement (i.e., Settlement Class Members) must submit a timely and complete Notice of Objection to the Settlement Administrator, by mail, on or before the Response Deadline. The Notice of Objection must be signed by the Settlement Class Member and contain all information required by this Settlement Agreement. The postmark date will be deemed the exclusive means for determining that the Notice of Objection is timely. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class Members to object to the Settlement Agreement or appeal from the Final Approval Order and Judgment. Settlement Class Members may also present their objection to the Class Settlement, orally at the Final Approval Hearing.

18. Reports by the Settlement Administrator Regarding Settlement Administration. The Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report which certifies: (a) the number of Class Members who have submitted a Credited Workweeks Dispute; (b) the number of Class Members who have submitted Requests for Exclusion or Notices of Objection; and (c) the number of undeliverable and re-mailed Notice Packets. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement as needed or requested, and immediately notify Class Counsel and Defendant's Counsel when it receives a request from an individual or any other entity requesting to be included in the Class and/or Settlement.

19. Certification of Completion. Upon completion of administration of the Settlement,

the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

20. Treatment of Individual Settlement Payments. Each Individual Settlement Share will be allocated as follows: twenty percent (20%) wages and eighty percent (80%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to interest, penalties, and non-wage damages will be reported on an IRS Form-1099 (if applicable) by the Settlement Administrator. The Settlement Administrator will withhold the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their Individual Settlement Payment (i.e., payment of their Individual Settlement Share net of these taxes and withholdings). Defendant's employer share of taxes and contributions on the wages portion of Individual Settlement Shares will be paid by Defendant separately and in addition to the Total Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form-1099 (if applicable) by the Settlement Administrator.

21. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiffs, Settlement Class Members, Aggrieved Employees, and Class Counsel any IRS Form W-2, IRS Form 1099, or other tax forms as may be required by this Settlement Agreement and by law for all amounts paid pursuant to the Settlement. The Settlement Administrator will also be responsible for forwarding all taxes, contributions, and withholdings with respect to the wages portion of Individual Settlement Shares to the appropriate government authorities.

22. Tax Liability. Plaintiffs, Class Counsel, Defendant, and Defendant's Counsel make no representations or warranties as to the tax consequences, treatment, or legal effect of any payments made under this Settlement, do not intend anything contained in this Settlement Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiffs, Settlement Class Members, and Aggrieved Employees understand and agree that Plaintiffs, Settlement Class Members, and Aggrieved Employees will be solely responsible for correctly characterizing any compensation received under the Settlement on his/her personal income tax returns and paying any and all taxes due for any and all amounts paid to them under the Settlement.

23. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY (AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (a) NO PROVISION OF THIS SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (b) THE ACKNOWLEDGING PARTY (i) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (ii) HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (iii) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (c) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

24. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right herein released and discharged.

25. Release of Claims by Settlement Class Members, the State of California, and Aggrieved Employees.

a. Class Settlement Release. Upon the Effective Date and full funding of the Total Settlement Amount, Plaintiffs and all Class Members who do not submit a valid and timely Request for Exclusion (i.e., Settlement Class Members) will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims he or she may have or had.

b. PAGA Settlement Release. Upon the Effective Date and full funding of the Total Settlement Amount, Plaintiffs, the State of California with respect to all Aggrieved Employees, and all Aggrieved Employees, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

26. General Release of Claims by Plaintiffs. In addition, upon the Effective Date and full funding of the Total Settlement Amount, Plaintiffs, as a condition of receiving any portion of the Enhancement Payment, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of and from all Released Class Claims, all Released PAGA Claims, and all claims arising from their employment with Defendant, separation of employment from Defendant, all claims alleged in the Action, and any acts that have or could have been asserted in any legal action or proceeding against Defendant, whether known or unknown, arising under any federal, state, or local law, or statute, including, *inter alia*, those arising under the California Labor Code, Fair Labor Standards Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, Employee Retirement Income Security Act, National Labor Relations Act, California Corporations Code, California Business and Professions Code, California Fair Employment and Housing Act, California Constitution (all as amended), and law of contract and tort, as well as for discrimination, harassment, retaliation, wrongful termination, lost wages, benefits, other employment compensation, emotional distress, medical expenses, other economic and non-economic damages, attorney fees, and costs, arising on or before the date on which the Settlement is executed. With respect to those claims released by Plaintiffs in an individual capacity, Plaintiffs acknowledge and waive any and all rights and benefits available under California Civil Code Section 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO

EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Plaintiffs understand and agree that claims or facts in addition to or different from those which are now known or believed by him to exist may hereafter be discovered. It is Plaintiffs' intentions to settle fully and release all claims he now has against the Released Parties, whether known or unknown, suspected or unsuspected. Notwithstanding the above, the general release by Plaintiffs shall not extend to claims for workers' compensation benefits, claims for unemployment benefits, or other claims that may not be released by law.

27. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement. Upon execution of this Settlement Agreement, Plaintiffs shall promptly obtain a hearing date for Plaintiffs' Motion for Preliminary Approval of the Settlement, which Plaintiffs and Class Counsel will be responsible for drafting, and submit this Settlement Agreement to the Court in support of said motion and also submit this Settlement Agreement to the Labor and Workforce Development Agency. Class Counsel will provide Defendant's Counsel a draft of the motion at least three (3) calendar days before filing the motion. Defendant agrees not to oppose the motion consistent with this Settlement Agreement. Said motion shall apply to the Court for the entry of an order ("Preliminary Approval Order"), which shall be mutually agreed upon by the Parties, seeking the following:

- a. Conditionally certifying the Class for settlement purposes only;
- b. Granting Preliminary Approval of the Settlement;
- c. Preliminarily appointing Plaintiffs Araceli Herrera, Loretta Urbina, and Brittany Towns as representatives of the Class;
- d. Preliminarily appointing Lawyers for Justice, PC and Otkupman Law Firm, A Law Corporation as counsel for the Class;
- e. Approving, as to form and content, the mutually agreed upon and proposed Notice Packet, and directing its mailing to the Class by First Class U.S. mail;
- f. Approving the manner and method for Class Members to request exclusion from the Class Settlement or object to the Class Settlement as contained herein and within the Class Notice; and

g. Scheduling a Final Approval Hearing at which the Court will determine whether the Settlement should be finally approved as fair, reasonable, and adequate.

28. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After the Response Deadline, and with the Court's permission, a Final Approval Hearing will be conducted to determine whether Final Approval of the Settlement should be granted, along with the amounts properly payable for (a) Individual Settlement Payments; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys' Fees and Costs; (e) Enhancement Payment; and (f) Settlement Administration Costs. The Final Approval Hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Plaintiffs and Class Counsel will be responsible for drafting the motion seeking Final Approval of the Settlement. Class Counsel will provide Defendant's Counsel a draft of the motion at least three (3) calendar days before filing the motion. By way of said motion, Plaintiffs will apply for the entry of the mutually agreed upon proposed order and judgment ("Final Approval Order and Judgment"), which will provide for, in substantial part, the following:

- a. Approval of the Settlement as fair, reasonable, and adequate, and directing consummation of its terms and provisions;
- b. Certifying the Class for settlement purposes;
- c. Awarding Attorneys' Fees and Costs to Class Counsel;
- d. Awarding Enhancement Payments to Plaintiffs;
- e. Directing Defendant to fund all amounts due under the Settlement Agreement and ordered by the Court; and
- f. Entering judgment in the Action, while maintaining continuing jurisdiction, in conformity with California Rules of Court 3.769 and the Settlement Agreement.

29. Escalator Provision. Defendant represented that there are 26,500 workweeks during the period from January 28, 2018 to March 22, 2024. Should the qualifying workweeks worked by the Class Members during the Class Release Period be more than 10% greater than 26,500, then Defendant shall increase the Total Settlement Amount on a pro-rata basis equal to the percentage increase in the number of workweeks worked by the Class Members above 10% (e.g., if the number of workweeks increases by 11% to 29,415 workweeks, the Total Settlement Amount will increase by 1%). For ease of calculation, and to avoid the need to review every time record for every Class Member for the entire Class Release Period, the party making the determination as

to whether the percentage increase exceeds 10% shall calculate workweeks by simply counting the number of weeks between the first date worked by each Class Member during the Class Release Period and the last date worked during that period, i.e., the party making the determination may ignore vacations, leaves of absence, and so on.

30. Continued Jurisdiction. After entry of judgment pursuant to the Settlement, the Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters, and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

31. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the terms set forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Settlement Agreement are an integral part of the Settlement.

32. Limitation on Publicity. Plaintiffs and Class Counsel will not make any public disclosure of the Settlement or discuss the Settlement with anyone other than those necessary to effectuate the filing of the Motion for Preliminary Approval. Class Counsel will take all steps necessary to ensure Plaintiffs are aware of, and will encourage him to adhere to, the restriction against any public disclosure of the Settlement until after the Motion for Preliminary Approval is filed. Prior to and following Preliminary Approval of the Settlement, Plaintiffs and Class Counsel will not have any communications with any media other than to direct any media inquiries to the public records of the Action on file with the Court and will not publicize the Settlement, including on social media, through a press release, or publishing information on any website. Nothing herein will restrict Class Counsel from including publicly available information regarding the Settlement in future judicial submissions regarding Class Counsel's qualifications and experience, nor are the Parties restricted from causing publicly available court documents to be made available online should the Court require it as a part of the notice and approval process for the Settlement. Furthermore, Plaintiffs and Class Counsel will undertake any and all disclosures required to be made to the Labor and Workforce Development Agency in conformity with PAGA. Neither Plaintiffs nor Class Counsel shall engage in any disparagement of any type related to the Settlement, however, this shall not prohibit Plaintiffs and/or Class Counsel from submitting

information to the Court about assessment of the claims and allegations to support a finding that the Settlement is fair, reasonable, and adequate and should be approved by the Court.

33. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the Action (including with respect to California Code of Civil Procedure section 583.310), except such proceedings necessary to complete and implement the Settlement, pending the Final Approval Hearing to be conducted by the Court.

34. Waiver and Amendment. The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by written agreement signed by counsel for all Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

35. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under state or federal law.

36. Signatories. It is agreed that because the members of the Class are so numerous, it is impossible or impractical to have each Class Member execute this Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the Class Settlement as to the Settlement Class Members and the binding nature of the PAGA Settlement as to the Aggrieved Employees, and the release shall have the same force and effect as if this Settlement Agreement were executed by each Class Member.

37. Binding on Successors and Assigns. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

38. California Law Governs. All terms of this Settlement Agreement and attached exhibits hereto will be governed by and interpreted according to the laws of the State of California.

39. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned copies of the signature page, will be deemed to be one and the same instrument.

40. Acknowledgment that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement Agreement. In addition, the Mediator may execute a declaration supporting the Settlement and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

41. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid and enforceable to the fullest extent possible consistent with applicable precedents.

42. Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and specifically denies, that they have violated any state, federal, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendant or Plaintiffs regarding suitability of class certification or representative adjudication or any alleged violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of the Settlement Agreement, the Settlement Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition

constituting a violation of, or a non-compliance with state, federal, local, or other applicable law.

43. Captions. The captions and paragraph numbers in this Settlement Agreement are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Settlement Agreement.

44. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all Parties have contributed equally to the preparation of this Settlement Agreement.

45. Representation by Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel and reviewed in full. Further, Plaintiffs and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

46. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.

47. Notices. All notices, demands, and other communications to be provided to counsel for the Parties concerning this Settlement Agreement shall be in writing and delivered by overnight mail at the addresses set for below, or such other addresses as either Party may designate in writing from time to time:

To Plaintiffs and Class Counsel:

Edwin Aiwarzian, Esq.

Joanna Ghosh, Esq.

LAWYERS for JUSTICE, PC

450 N Brand Blvd, Suite 900

Glendale, California 91203

To Defendant:

Renee N. Noy, Esq.

George P. Albutt, Esq.

WORKWISE LAW, PC

23945 Calabasas Rd., Suite 200

Calabasas, CA 91302

Roman Otkupman, Esq.

Nidah Farishta, Esq.

OTKUPMAN LAW FIRM

5743 Corsa Ave Suite 123,
Westlake Village, California 91362

48. Posting of Final Approval Order and Judgment. The Parties shall provide the Settlement Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court, and the Settlement Administrator shall post the Final Approval Order and Judgment online, on its website, within three (3) business days of receipt. No individualized notice to the Class Members will be required.

49. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

50. Integration Clause. This Settlement Agreement contains the entire agreement between the Parties relating to the Settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiffs and Defendant:

IT IS SO AGREED.

PLAINTIFF ARACELI HERRERA

Dated: 01/21/25, 2025

Electronically Signed 2025-01-22 05:01:03 UTC - 172.58.113.103
Nintex AssureSign® 38905a0f-2bd7-4db8-8110-b26cd1404163

Araceli Herrera, Plaintiff

PLAINTIFF LORETTA URBINA

Dated: 01/21/2025, 2025

Electronically Signed 2025-01-21 19:37:23 UTC - 172.56.120.200
Loretta Urbina
/nintex AssureSign® 34a77849-bba1-4a16-9476-b26cd13fcb80

Loretta Urbina, Plaintiff

PLAINTIFF BRITTANY TOWNS

Dated: _____, 2025

Brittany Towns, Plaintiff

**DEFENDANT BEHAVIORAL SYSTEMS
SOUTHWEST, INC.**

Dated: _____, 2025

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APPROVED AS TO FORM:

LAWYERS *for* JUSTICE, PC



Dated: January 22, 2025

Edwin Aiwarzian

Joanna Ghosh

Travis J. Maher

Attorneys for Plaintiffs

Araceli Herrera and Loretta Urbina

OTKUPMAN LAW FIRM

Dated: _____, 2025

Roman Otkupman

Nidah Farishta

Attorneys for Plaintiff Brittany Towns

WORKWISE LAW, PC

Dated: _____, 2025

Renee N. Noy

George P. Albutt

Attorneys for Defendant

Behavioral Systems Southwest, Inc.

PLAINTIFF LORETTA URBINA

Dated: _____, 2025

Loretta Urbina, Plaintiff

PLAINTIFF BRITTANY TOWNS

01 / 21 / 2025
Dated: _____, 2025



Brittany Towns, Plaintiff

**DEFENDANT BEHAVIORAL SYSTEMS
SOUTHWEST, INC.**

Dated: _____, 2025

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APPROVED AS TO FORM:

LAWYERS *for* JUSTICE, PC

Dated: _____, 2025

Edwin Aiwarzian

Joanna Ghosh

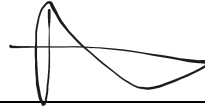
Travis J. Maher

Attorneys for Plaintiffs

Araceli Herrera and Loretta Urbina

OTKUPMAN LAW FIRM

Dated: ^{01 / 21 / 2025}_____, 2025



Roman Otkupman

Nidah Farishta

Attorneys for Plaintiff Brittany Towns

WORKWISE LAW, PC

Dated: _____, 2025

Renee N. Noy

George P. Albutt

Attorneys for Defendant

Behavioral Systems Southwest, Inc.

PLAINTIFF LORETTA URBINA

Dated: _____, 2025

Loretta Urbina, Plaintiff

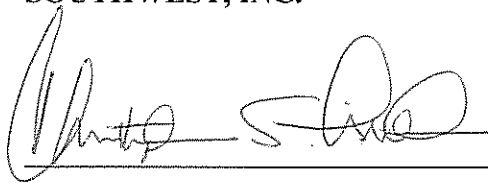
PLAINTIFF BRITTANY TOWNS

Dated: _____, 2025

Brittany Towns, Plaintiff

**DEFENDANT BEHAVIORAL SYSTEMS
SOUTHWEST, INC.**

Dated: January 22nd, 2025

, President

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APPROVED AS TO FORM:

LAWYERS *for* JUSTICE, PC

Dated: _____, 2025

Edwin Aiwarzian

Joanna Ghosh

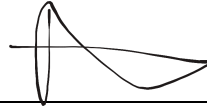
Travis J. Maher

Attorneys for Plaintiffs

Araceli Herrera and Loretta Urbina

OTKUPMAN LAW FIRM

Dated: ^{01 / 21 / 2025}_____, 2025



Roman Otkupman

Nidah Farishta

Attorneys for Plaintiff Brittany Towns

WORKWISE LAW, PC

Dated: ^{2/10/25}_____, 2025



Renee N. Noy

George P. Albutt

Attorneys for Defendant

Behavioral Systems Southwest, Inc.

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Araceli Herrera et al. v. Behavioral Systems Southwest, Inc.
Orange County Superior Court, Case No. 30-2022-01243365-CU-OE-CXC

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Araceli Herrera, Plaintiff Loretta Urbina, and Plaintiff Brittany Towns (collectively, "Plaintiffs") and Defendant Behavioral Systems Southwest, Inc. (Plaintiffs and Defendant are collectively referred to as the "Parties") in the case entitled *Araceli Herrera et al. v. Behavioral Systems Southwest, Inc.*, Orange County Superior Court, Case No. 30-2022-01243365-CU-OE-CXC ("Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Aggrieved Employees" means all current and former hourly-paid or non-exempt employees who worked for Defendant in California at any time from September 27, 2021 through June 20, 2024.

"Class" means all current and former hourly-paid or non-exempt employees who worked for Defendant in California at any time from January 28, 2018 to June 20, 2024.

"Class Member" means a member of the Class.

"Class Period" means the time period from January 28, 2018 to June 20, 2024.

"Class Settlement" means the settlement and resolution of the Released Class Claims (described in Section III.D below).

"PAGA Period" means the time period from September 27, 2021 through June 20, 2024 (90 days after the date of mediation).

“**PAGA Settlement**” means the settlement and resolution of the Released PAGA Claims (described in Section III.D below).

II. BACKGROUND OF THE LAWSUIT

On January 28, 2022, Plaintiff Araceli Herrera commenced the Action. On December 13, 2024, Plaintiff Araceli Herrera filed an amended complaint to consolidate the claims from her case and the parties and claims asserted by Plaintiff Loretta Urbina in her case *Loretta Urbina v. Behavioral Systems Southwest, Inc.*, filed in Orange County Superior Court as Case No. 30-2023-01363041-CU-OE-CXC and Plaintiff Brittany Towns in her case *Brittany Towns v. Behavioral Systems Southwest, Inc.*, filed in Los Angeles Superior Court as Case No. 23STCV13079. By way of the Action, Plaintiffs allege that Defendant has violated the California Labor Code and Industrial Welfare Commission Wage Orders by failing to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages upon termination of employment and associated waiting-time penalties, timely pay wages during employment, provide accurate wage statements, keep requisite payroll records, and reimburse business expenses, and thereby engaged in unfair business practices in violation of California Business & Professions Code section 17200, et seq. and conduct that gives rise to civil penalties under California Labor Code section 2698, et seq. (“PAGA”). Plaintiffs seek, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys’ fees and costs.

Defendant strongly denies all of the allegations in the Action or that they violated any law or failed to pay any wages, contend that they complied with all applicable laws, and have entered the Settlement solely for purposes of resolving this dispute. Defendant further denies the Action is appropriate for class treatment for any purpose other than this settlement. Nothing in this Notice of Class Action Settlement, or the settlement itself, or any actions to carry out the terms of the settlement, means Defendant admits any fault, guilt, negligence, wrongdoing, or liability whatsoever.

The Parties participated in a full-day mediation session with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into the Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement” or “Settlement Agreement”).

On [date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed [redacted] as the administrator of the Settlement (“Settlement Administrator”), Plaintiffs as representatives of the Class (“Class Representative”), and the following Plaintiffs attorneys as counsel for the Class (“Class Counsel”):

Edwin Aiwazian
Arby Aiwazian
Joanna Ghosh
Lawyers for Justice, PC
450 N Brand Blvd, Suite 900
Glendale, California 91203

Roman Otkupman
Nidah Farishta
OTKUPMAN LAW FIRM
5743 Corsa Ave Suite 123,
Westlake Village, California 91362
Telephone: (818) 293-5623

If you are a Class Member, you do not need to take any action in order to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Sections III and IV below.

If you are an Aggrieved Employee, you do not need to take any action in order to receive an Individual PAGA Payment; you will be bound to the PAGA Settlement and issued an Individual Settlement Payment.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant has any liability to Plaintiffs, Class Members, or Aggrieved Employees. Plaintiffs and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of Class Members, the State of California, and Aggrieved Employees. The Court has made no ruling on the merits of the claims asserted in the Action and has determined only that certification of the Class for settlement purposes is appropriate under California law.

You will not be penalized or retaliated against by Defendant for participating in the settlement. If you are currently employed by any of the Defendant, your employment will not be affected in any way.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is Nine Hundred Seventy-Five Thousand Dollars and Zero Cents (\$975,000.00) (the “Total Settlement Amount”). The portion of the Total Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Total Settlement Amount less the maximum amount allocated under the Settlement for Enhancement Payments, maximum amount allocated under the Settlement for Attorneys’ Fees, Court-approved amount of Attorneys’ Costs, Court-approved amount of Settlement Administration Costs, and Court-approved amount of the PAGA Allocation.

The PAGA Allocation will be distributed 75% (i.e., Seventy-Five Thousand Dollars (\$75,000.00)) to the LWDA (“LWDA Payment”) and the remaining 25% (i.e., Twenty-Five Thousand Dollars (\$25,000.00)) will be distributed to Aggrieved Employees on a *pro rata* basis based on their Workweeks during the PAGA Period (“Employee PAGA Amount”).

The Total Settlement Amount may increase if it is determined that the Workweeks for the Class Period exceed 26,500 Workweeks.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of weeks that each Class Member was credited to have worked as an hourly-paid or non-exempt employee of Defendant in California during the Class Period, which was calculated by calculating the number of days each Class Member worked at Defendant during the Class Period and dividing by seven (7) (“Workweeks”).

The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to yield his or her estimated Individual Settlement Share that he or she may be eligible to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a valid and timely Request for Exclusion (“Settlement Class Members”) will be issued payment of their final Individual Settlement Payment.

Each Individual Settlement Share will be allocated as twenty percent (20%) wages which will be reported on an IRS Form W2 and eighty percent (80%) penalties, interest, and non-wage damages which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of Individual Settlement Shares, resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”).

All Aggrieved Employees, regardless of whether they submit a Request for Exclusion, will also be issued payment under the PAGA Settlement of their *pro rata* share of the Employee PAGA Amount (“Individual PAGA Payment”).

The Settlement Administrator has divided the Employee PAGA Amount by the Aggrieved Employees’ Workweeks during the PAGA Period to yield the “PAGA Workweek Value,” and multiplied each Aggrieved Employee’s individual Workweeks during the PAGA Period by the PAGA Workweek Value to yield his or her estimated Individual PAGA Payment that he or she may be eligible to receive under the PAGA Settlement (which is listed in Section III.C below).

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, which will be reported on an IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to Aggrieved Employees at the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Workweeks Based on Defendant’s Records

According to Defendant's records: You have been credited with [REDACTED] Workweeks during the entire Class Period and [REDACTED] Workweeks during the PAGA Period.

If you wish to dispute the Workweeks credited to you, you must submit your dispute by way of written letter, as described below, to the Settlement Administrator. The written letter must: (a) contain the case name and number of the Action (*Herrera v. Behavioral Systems Southwest, Inc.* Case No. 30-2022-01243365-CU-OE-CXC); (b) be signed by you; (c) contain your full name, address, telephone number, and the last four digits of your Social Security Number; (d) state that you dispute the number of Workweeks credited to you and what you contend is the correct number that should be credited to you; (e) include information and/or attach documentation demonstrating that the number of Workweeks that you contend should be credited to you is correct; and (f) be returned by mail to the Settlement Administrator at the address specified in Section IV.B below, postmarked **no later than [the Response Deadline]**.

C. Your Estimated Individual Settlement Share and Individual PAGA Payment

As explained above, your estimated Individual Settlement Share and Individual PAGA Payment is based on the number of Workweeks credited to you.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED]. The Individual Settlement Share is subject to reduction for the employee's share of taxes and withholding with respect to the wages portion of the Individual Settlement Share. Your Individual Settlement Share reflected in this Notice is only an estimate. Your actual Individual Settlement Payment may be higher or lower.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED].

The settlement approval process may take multiple months. Payments will be distributed only after the Court grants final approval of the Settlement, and after the Settlement goes into effect.

D. Release of Claims

Upon the Effective Date and full funding of the Total Settlement Amount, Plaintiffs and all Settlement Class Members who do not submit a valid and timely Request for Exclusion will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims he or she may have or had.

Upon the Effective Date and full funding of the Total Settlement Amount, Plaintiffs, the State of California with respect to all Aggrieved Employees, and all Aggrieved Employees, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

“Released Class Claims” means all claims, including without limitation those under the California Labor Code, Wage Orders, regulations, and/or other provisions of law, that arose during the period from January 28, 2018 to June 20, 2024, and that (a) were expressly pleaded in the Litigation; or (b) are for violation of California Labor Code Sections 201, 202, 203, 204, 204(a)(b), 210, 218, 226, 226(a), 226(e), 226.7, 510, 512, 512(a), 558, 1174(d), 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, 6400, 6401, 6403, 6404, 6407, for violation of 8 CCR 3202, for violation of IWC Wage Orders including inter alia Wage Orders 4-2001, and 17-2001, and for violation of California’s unfair competition law under Business and Professions Code Sec. 17200; or (c) were or could have been asserted based on any of the facts pleaded in any of the complaints in the Litigation, including, without limitation, claims for failure to pay overtime wages, failure to provide meal periods and/or pay meal period premiums, failure to provide rest periods and/or pay rest period premiums, failure to pay minimum wages, failure to timely pay wages upon termination, failure to timely pay wages during employment, failure to provide accurate and itemized wage statements, failure to keep requisite payroll records, failure to reimburse business expenses, and failure to provide a place of employment that is safe and healthful.

"Released PAGA Claims" means all claims for civil penalties under the Labor Code Private Attorneys General Act (“PAGA”) that arose during the period from September 27, 2021 through June 20, 2024, and that arose out of (a) the claims expressly pleaded in the Action; or (b) any violation of California Labor Code Sections 201, 202, 203, 204, 204(a)(b), 210, 218, 226, 226(a), 226(e), 226.7, 510, 512, 512(a), 551, 552, 558, 1174(d), 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, 6400, 6401, 6403, 6404, 6407, for violation of 8 CCR 3202, of IWC Wage Orders including inter alia Wage Orders 4-2001, and 17-2001, and of California’s unfair competition law under Business and Professions Code Sec. 17200; or (c) that were or that could have been asserted based on any of the facts pleaded in any of the complaints in the Litigation and/or that were ascertained in the course of the Litigation, including, without limitation, claims for failure to pay overtime wages, failure to provide meal periods and/or pay meal period premiums, failure to provide rest periods and/or pay rest period premiums, failure to pay minimum wages, failure to timely pay wages upon termination, failure to timely pay wages during employment, failure to provide accurate and itemized wage statements, failure to keep requisite payroll records, failure to reimburse business expenses, and failure to provide a place of employment that is safe and healthful.

“Released Parties” means Defendant Behavioral Systems Southwest, Inc. and any of its former and/or current parents, subsidiaries, affiliates, and any other entities that could be considered to have jointly employed the Class Members or PAGA Members as well as each of the foregoing entities' officers, directors, managers, owners, executives, partners, executive-level employees, shareholders, agents, attorneys, and any other predecessors, successors, assigns, or legal representatives.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount of up to thirty-five percent (35%) of the Total Settlement Amount (i.e., an amount of up to \$341,250.00 if the Total Settlement Amount remains to be \$975,000.00) (“Attorneys’ Fees”) and reimbursement of litigation costs and expenses in an amount not to exceed Twenty Thousand Dollars and Zero Cents (\$20,000.00) (“Attorneys’ Costs”), subject to approval by the Court. All Attorneys’ Fees and Attorneys’ Costs awarded by the Court will be paid from the Total Settlement Amount. Should the Court award Attorneys’ Fees to Class Counsel in an amount that is less than that set forth above, the difference between the lesser amount awarded by the Court and the amount allocated toward Attorneys’ Fees will not

be paid by Defendant. Class Counsel has been prosecuting the Action on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses to date.

F. Enhancement Payment to Plaintiffs

Plaintiffs will seek payments in the amount of up to Twelve Thousand Five Hundred Dollars and Zero Cents (\$12,500.00) each (this payment is referred to as the “Enhancement Payment”), in recognition of their services in connection with the Action. The Enhancement Payments will be paid from the Total Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiffs in addition to their Individual Settlement Payments and Individual PAGA Payments (if applicable) that are to be paid to them under the Settlement. Should the Court award the Enhancement Payments to Plaintiffs in amount(s) that are less than that set forth above, the difference between the lesser amount awarded by the Court and the amount(s) allocated toward the Enhancement Payments will not be paid by Defendant.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed **Twenty Thousand Dollars and Zero Cents (\$20,000.00)** (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Notices of Objection, and disputes regarding Workweeks, calculating Individual Settlement Payments and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Total Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Settlement and receive money from the Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued an Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement, you will be bound by the terms of the Class Settlement and the contemplated judgment to be entered by the Court based thereon if the Court grants final approval of the Settlement, and you will release the Released Class Claims described in Section III.D above.

If you are an Aggrieved Employee, you will automatically be included in the PAGA Settlement and issued an Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and the contemplated judgment to be entered by the Court based thereon if the Court grants final approval of the Settlement, and you will release the Released PAGA Claims

described in Section III.D above.

You will not be separately responsible for the payment of attorneys' fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Request Exclusion from the Class Settlement

If you do not wish to participate in the Class Settlement, you must seek exclusion from the Class Settlement by submitting a written request, as described below, or by completing and submitting the enclosed Request for Exclusion Form (both of which are referred to as a "Request for Exclusion") to the Settlement Administrator.

A Request for Exclusion must: (a) contain the case name and number of the Action (*Herrera v. Behavioral Systems Southwest, Inc.* Case No. 30-2022-01243365-CU-OE-CXC); (b) be signed by you; (c) state your full name, address, telephone number, and last four digits of your Social Security Number; (d) contain a statement indicating that you do not wish to be included in the Class Settlement; and (e) be returned by mail to the Settlement Administrator, postmarked **no later than [Response Deadline]**, at the following mailing address:

[Settlement Administrator]

[Mailing Address]

If the Court grants final approval of the Settlement, any Class Member who submits a valid and timely Request for Exclusion will not be entitled to receive an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a valid and timely Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement (and the release of Released Class Claims described in Section III.D above) and the contemplated judgment to be entered by the Court based thereon if the Court grants final approval of the Settlement.

All Aggrieved Employees will be bound by the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and the contemplated judgment to be entered by the Court based thereon if the Court grants final approval of the Settlement, regardless of whether they submit a Request for Exclusion. All Aggrieved Employees will be issued an Individual PAGA Payment.

C. Object to the Class Settlement

You can object to the terms of the Class Settlement as long as you have not submitted a Request for Exclusion, by submitting a written objection ("Notice of Objection") to the Settlement Administrator or presenting your objection at the Final Approval Hearing.

A Notice of Objection must: (a) state the case name and number of the Action (*Herrera v. Behavioral Systems Southwest, Inc.* Case No. 30-2022-01243365-CU-OE-CXC); (b) state your full name, signature, address, and telephone number, and last four digits of your Social Security number; (c) state all grounds for the objection accompanied by any legal or factual support for such objection; (d) state the full name, address, and telephone number of any legal representative representing you with respect to the objection; (e) contain copies of any papers, briefs, or other documents upon which the objection is based; and (f) be returned by mail to the Settlement Administrator at the address listed in Section IV.B above, postmarked **no later than [Response Deadline]**.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in **Department CX105 of the Orange County Superior Court, located at 751 West Santa Ana Boulevard, Santa Ana, California 92701**, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and award Attorneys' Fees and Costs to Class Counsel, Enhancement Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

The hearing may be continued without further notice to Class Members. It is not necessary for you to appear at the Final Approval Hearing. Please note, due to COVID-19, there may be limitations on personal appearances and telephonic appearances are an option. You can find the Court's most current COVID-19 guidelines online at: <https://www.occourts.org/>

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement and other court records in the Action for a fee by visiting the Court, at 751 West Santa Ana Boulevard, Santa Ana, California 92701 or 700 Civic Center Drive West, Santa Ana, California 92701, during business hours.

Please note, due to COVID-19, there may be limitations on physical access to Court facilities and records. You can find the Court's most current COVID-19 guidelines online at: <https://www.occourts.org/>

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.

Exhibit C

REQUEST FOR EXCLUSION FORM/OPT-OUT FORM

Araceli Herrera, et al. v. Behavioral Systems Southwest, Inc., et al.

Case No. 30-2022-01243365-CU-OE- CXC

If you want to remain a member of the class, you should not fill-in this form and are not required to do anything at this time. This form is only used if you want to exclude yourself from this case.

If you want to opt-out of the class, you must fill-in this Exclusion Request form and return it to ILYM GROUP, INC. (Settlement Administrator), [street address, city, state, zip] by mail postmarked no later than [redacted].

If you have any questions regarding this case, please call the Settlement Administrator ILYM GROUP, INC. at [redacted] or write to ILYM GROUP, INC. for more information to be provided to you. ILYM GROUP, INC.'s address is [redacted]. DO NOT CALL THE CLERK OF COURT FOR INFORMATION.

I hereby certify that I believe myself to be a member of the class.

Further, I want to exclude myself from this lawsuit.

Please print legibly:

Name _____ Date _____

Address _____

City _____ State _____ Zip Code _____

Phone _____ Last 4 Digits of SSN: _____

Case Name: *Araceli Herrera, et al. v. Behavioral Systems Southwest, Inc., et al.*

Case No. 30-2022-01243365-CU-OE- CXC

Signature of Class Member _____

Exhibit D



Thank you for your Proposed Settlement Submission

From DIR PAGA Unit <no-reply@formassembly.com>

Date Thu 6/12/2025 9:27 AM

To Gabriela Zaragoza <gabriela@olfla.com>

06/12/2025 09:27:29 AM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: [http://labor.ca.gov/Private Attorneys General Act.htm](http://labor.ca.gov/Private_Attorneys_General_Act.htm)

IMPORTANT NOTICE OF REDACTION RESPONSIBILITY: All filers must redact: Social Security or taxpayer identification numbers; personal addresses, personal telephone numbers, personal email addresses, dates of birth; names of minor children; & financial account numbers. This requirement applies to all documents, including attachments.



Private Attorneys General Act (PAGA) – Filing

Proposed Settlement of PAGA case

PAGA Number (LWDA-CM-) : *

Please enter only the numbers after "LWDA-CM-" in the following format, "XXXXXXXX-XX".

[Search for PAGA Case number](#)

The timing of the deposit of settlement checks is governed by the provisions of the State Administrative Manual. This ministerial, administrative act of depositing a settlement check mandated by state procedures should not be construed as nor does it constitute an unconditional, voluntary and/or absolute acceptance of settlement proceeds or approval of the terms of any settlement agreement or judgment related to that check.

Your Information (Person Who is Filing)

Your First Name *

Your Last Name *

Your Email Address *

Your Street Name, Number and Suite/Apt *

Your Mobile Phone Number

Your City *

Your Work Phone Number

Your State *

Your Zip/Postal Code *

Court and Hearing Information

Court *

Superior Court of the State

Court Case Number *

23STCV13079

Hearing Date (if any)

Hearing Time

Hearing Location

Number of aggrieved employees *

219

Gross settlement amount *

975,000

Gross penalty amount *

100,000

Penalties to LWDA *

75,000

Date of proposed settlement *

02/10/2025

Other PAGA Notices

[Search for PAGA Case number](#)

- ☒ I have searched LWDA's database for other PAGA claims filed against the employer(s) named in my NEW PAGA Claim Notice.
- ☒ There are no other PAGA claims which may be affected by this proposed settlement.
- ☐ The proposed settlement may affect other PAGA claims.
- ☐ A Notice of Related Cases has been filed in all related actions.
- ☐ Plaintiff has provided copies of proposed settlement and moving papers to plaintiffs with claims that are affected by this proposed settlement agreement.
- ☒ Plaintiff has submitted to LWDA the court complaint(s) on which this settlement is based.

Proposed Settlement and Other Documents

Proposed Settlement (must be .pdf) *

 2025.01.22 _... Executed].pdf

Other Attachment (if any, must be .pdf)

 No file chosen[Add Another Attachment](#)

LWDA requests that settling parties provide copies of supporting documents, including memorandum of points and authorities and declaration of counsel filed with the court, to assist LWDA in evaluating proposed settlement agreements.

IMPORTANT NOTICE OF REDACTION RESPONSIBILITY: All filers must redact: Social Security or taxpayer identification numbers; personal addresses, personal telephone numbers, personal email addresses, dates of birth; names of minor children; & financial account numbers. This requirement applies to all documents, including attachments.

☒ **I understand that, if I file, I must comply with the redaction rules consistent with this notice.**

Should you have questions regarding this online form, please contact PAGAInfo@dir.ca.gov

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Exhibit E

Case Name: Behavioral Systems Southwest

Thursday, October 17, 2024

Requesting Attorneys Name:	Travis Maher
E-Mail:	travis@calljustice.com
ILYM Contact:	Lisa Mullins
E-Mail:	Lisa@ilymgroup.com
Contact Number:	714.878.8836

Estimate For Administrative Solutions: Class & PAGA

KEY ASSUMPTIONS	
Total Number of Class Members	370
Estimated Percentage of Remails	15%
Certified Spanish Translation	Yes
ILYM Group Static Website	Yes
Case Duration (Years)	1

Summary Estimate: ILYM Group Fees & Expenses

Case Startup:	\$325.00
Project Management & Noticing:	\$2,678.00
Notification & Mailing:	\$1,005.60
Distribution (Includes EIN, Bank Acct * /QSF Setup):	\$3,046.40
Case Conclusion:	\$895.00

All-In/Capped Fees & Expenses: \$7,950.00

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

Case Name: Behavioral Systems Southwest

Thursday, October 17, 2024

Requesting Attorneys Name: Travis Maher

Activity	Rate Type	Unit Cost	Volume	Amount
CASE STARTUP				
Initial Setup - Import and Formatting of Data*	Hourly	\$150.00	1	\$150.00
Programming of Class Database	Hourly	\$175.00	1	\$175.00

**ILYM assumes that data will be in a standard format. Client will be notified immediately if not in standard format to correct data or ILYM can convert to standard format @ \$150.00 per hour.*

Subtotal \$325.00

PROJECT MANAGEMENT & NOTICING				
Project Manager (Case notification and maintenance)	Hourly	\$120.00	2	\$240.00
Staff Hours for Processing Returned Mail	Hourly	\$70.00	1	\$70.00
Staff Hours for Processing Opt-Outs, Disputes & Objection(s)	Hourly	\$70.00	1	\$70.00
Report Processing	Hourly	\$70.00	1	\$70.00
Certified Spanish Translation	Flat Fee	\$1,250.00	1	\$1,250.00
ILYM Group Static Website	Flat Fee	\$750.00	1	\$750.00
NCOA	Flat Rate	\$100.00	1	\$100.00
Toll-Free Telephone Support	Flat Fee	\$128.00	1	\$128.00
Weekly Reports	Flat Rate	\$750.00	1	Waived

Subtotal \$2,678.00

NOTIFICATION/MAILING				
Fulfillment of Notice, English & Spanish	Per Piece	\$1.50	370	\$555.00
USPS First Class Postage	Per Piece	\$0.70	370	\$259.00
Re-Mails (Forward/Skip trace Undeliverables)	Per Piece	\$2.00	37	\$74.00
Storage, Photocopies, Deliveries	Flat Fee	\$117.60	1	\$117.60

Subtotal \$1,005.60

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

Case Name: Behavioral Systems Southwest

Thursday, October 17, 2024

Requesting Attorneys Name: Arman Marukyan, Esq.

Activity	Rate Type	Unit Cost	Volume	Amount
DISTRIBUTION (Includes EIN, Bank Acct * /QSF Setup)				
Distribution Setup & Management	Hourly	\$150.00	2	\$300.00
Account Reconciliation & Distribution Reporting	Hourly	\$125.00	2	\$250.00
Check, Stub & Release - Print & Mail (W-2/1099)	Per Check	\$1.00	370	\$370.00
USPS First Class Postage	Per Piece	\$0.60	370	\$222.00
Re-Mails (Forward/Skip trace Undeliverables up to 10%)	Per Piece	\$1.50	30	\$44.40
Preparation of Taxes	Hourly	\$120.00	3	\$360.00
Annual Filing of Tax Return	Per Year	\$1,500.00	1	\$1,500.00

**Additional Bank fees may apply*

Subtotal \$3,046.40

CASE CONCLUSION				
Data Manager Final Reporting	Hourly	\$100.00	1	\$100.00
Project Manager Final Reporting	Hourly	\$120.00	1	\$120.00
Process Unclaimed Funds	Flat Fee	\$550.00	1	\$550.00
Declaration	Hourly	\$125.00	1	\$125.00

Subtotal \$895.00

All-In/Capped Fees & Expenses: \$7,950.00

Terms and Conditions

All services to be provided by ILYM Group, Inc. (hereinafter, "ILYM") to Client shall be subject to the following terms and conditions:

Services: Subject to the terms hereof, ILYM agrees to provide the Client with Administration Services (hereinafter, "services") as specified in the Proposal provided to Client to which these Terms and Conditions are attached. The estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make provision for any services or class members/size not delineated in the request for proposal or stipulations. Such services do not in any way constitute legal services or advice. ILYM is performing its services as an Independent Contractor and neither it nor its employees shall be deemed to be employees of the Client.

Mailing and Data Conversion: ILYM's database administration assumes the Client will provide complete data that includes all information required to send notifications and complete the administration process. Data must be provided in a complete, consistent, standardized electronic format. ILYM's standard format is Microsoft Excel, however, ILYM may accept other formats at its discretion. Further developments or enhancements to non-standardized data will be billed to Client by ILYM on a time and materials basis, according to ILYM's Standard Rates.

Charges for Services: Charges to the Client for services shall be on a time and materials basis at our prevailing rates, as the same may change from time to time. Any fee estimates set forth in the proposal are estimates only, based on information provided by Client to ILYM. Actual fees charged by ILYM to Client may be greater or less than such estimate, and Client shall be responsible for the payment of all such charges and expenses in accordance with Section 5 hereof. Charges incurred related to resolving post distribution withholdings and related corrective files due to voids and re-issues of payments and related correspondence with state and federal taxing authorities will not be charged to the Client to the extent that funds are received from the taxing authorities offset these charges. ILYM may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

Indemnification: Client will indemnify and hold ILYM (and the officers, employees, affiliates and agents harmless against any Losses incurred by ILYM, arising out of, in connection with, or related to (i) any breach of the terms by Client; (ii) the processing and handling of any payment by ILYM in accordance with Client's instructions, including without limitation, the imposition of any stop payment or void payment on any check or the wrongful dishonor of a check by ILYM pursuant to Client's instructions.

Payment of Charges: ILYM reserves the right to request payment of postage charges and 50% of the final administration charges at the start of the case. ILYM bills are due upon receipt unless otherwise negotiated and agreed to with the Client. In the event settlement terms provide that ILYM is to be paid out of the Settlement Fund, ILYM will request that Counsel endeavor to make alternate payment arrangements for ILYM 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, or no later than the time of disbursement. Decisions of the court and actions of the parties, including disapproval or withdrawal of a settlement, do not affect the Client's liability to ILYM for payment of services. Services are not provided on a contingency fee basis.

Confidentiality: ILYM maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of Client data provided to ILYM by Client in connection herewith. Should ILYM ever be notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Client, ILYM will promptly notify the Client, unless prohibited by applicable law. The Client shall have the option to (1) provide legal representation at the Client's expense to avoid such access or (2) promptly reimburse ILYM for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If ILYM is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, ILYM will not be liable for breach of said obligation.

Data Rights: ILYM does not convey nor does the Client obtain any right in the programs, system data, or materials utilized or provided by ILYM in the ordinary course of business in the performance of this Agreement.

Document Retention: Unless directed otherwise in writing by Client, ILYM will destroy undeliverable mail on the effective date of the settlement or the date that the disposition of the case is no longer subject to appeal or review, whichever is later. ILYM will maintain claim forms and other correspondence for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later.

Limitation of damages: ILYM is not responsible to the Client for any special, consequential or incidental damages incurred by Client. Any liability of ILYM to the Client shall not exceed the total amount billed to the Client for the particular services that give rise to any loss.

Termination: The services to be provided under this Agreement may be terminated, at will by the Client upon at least 30 calendar days' prior written notice to ILYM. The Client's obligation to pay for services or projects in progress at the time of notice of withdrawal shall continue throughout that 30 day period. ILYM may terminate this Agreement (i) with 10 calendar days' prior written notice, if the Client is not current in payment of charges or (ii) in any event, upon at least 3 months' prior written notice to the Client.

Notice: Any notice required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid, or overnight courier service to the responsible officer or principal of ILYM or the Client, as applicable, and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service.

Force Majeure: To the extent performance by ILYM of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond ILYM's reasonable control, then such performance shall be excused and this Agreement, at ILYM's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.

Waiver of Rights: No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in a signed writing.

Jurisdiction: The parties hereto submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby waive any objection to the laying of venue of any such suit, action or proceeding in the Court.

Entire Agreement: These terms and conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.