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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE**

DAWN BABBE, individually, and on behalf of
other members of the general public similarly
situated and as an aggrieved employee pursuant
to the Private Attorneys General Act (“PAGA”),

Plaintiff,

vs.

MFI RECOVERY CENTER, a California non-
profit corporation; and DOES 1 through 10,
inclusive,

Defendants.

ALMA BUENO, BRANDON OARE, and
HELEN YVONNE FRENCH, individually, and
on behalf of other members of the general
public similarly situated,

Plaintiffs,

vs.

MFI RECOVERY CENTER, a California
corporation; and DOES 1 through 100,
inclusive,

Defendants.

Case No. CVRI2103146
[Consolidated with Case No. CVRI22003939]

Honorable Harold Hopp
Department 1

CLASS ACTION

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

Date: July 13, 2026
Time: 8:30 a.m.
Department: 1

Babbe Complaint Filed: June 18, 2021
Babbe FAC Filed: October 7, 2021
Bueno Complaint Filed: January 28, 2022
Trial Date: None Set

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1 This matter has come before the Honorable Harold W. Hopp in Department 1 of the Superior
2 Court of the State of California, for the County of Riverside, on July 13, 2026 at 8:30 a.m. for
3 Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement. Lawyers *for*
4 Justice, PC appears as counsel for Plaintiffs Alma Bueno, Brandon Oare, and Helen Yvonne French
5 ("Bueno Plaintiffs") and Hillier DiGiacco, LLP, Finkelstein & Krinsk LLP, and Lawyers for
6 Employee and Consumer Rights appear as counsel for Plaintiff Dawn Babbe (collectively with the
7 Bueno Plaintiffs, "Plaintiffs"), individually and on behalf of all others similarly situated and other
8 aggrieved employees, and Jackson Lewis P.C. appears as counsel for Defendant MFI Recovery
9 Center ("Defendant").

10 The Court, having carefully considered the papers, argument of counsel, and all matters
11 presented to the Court, and good cause appearing, hereby GRANTS Plaintiffs' Motion for
12 Preliminary Approval of Class Action and PAGA Settlement.

13 **IT IS HEREBY ORDERED THAT:**

14 1. The Court preliminarily approves Class Action and PAGA Settlement Agreement
15 and Amendment No. 1 to Class Action and PAGA Settlement Agreement (together, the
16 "Settlement," "Agreement," or "Settlement Agreement"), attached as "**EXHIBIT 1**" and
17 "**EXHIBIT 2**," respectively, to the Declaration of Selena Matavosian in Support of Plaintiffs'
18 Motion for Preliminary Approval of Class Action and PAGA Settlement. This is based on the
19 Court's determination that the Settlement falls within the range of possible approval as fair,
20 adequate, and reasonable.

21 2. This Order incorporates by reference the definitions in the Settlement Agreement,
22 and all capitalized terms defined therein shall have the same meaning in this Order as set forth in
23 the Settlement Agreement.

24 3. It appears to the Court on a preliminary basis that the Settlement is fair, adequate,
25 and reasonable. It appears to the Court that extensive investigation and research have been
26 conducted such that counsel for the parties at this time are able to reasonably evaluate their and
27 each other's respective positions. It further appears to the Court that the Settlement, at this time,
28 will avoid substantial additional costs by all parties, as well as avoid the delay and risks that would

1 be presented by the further prosecution of the case. It further appears that the Settlement has been
2 reached as the result of intensive, serious and non-collusive, arms-length negotiations, and was
3 entered into in good faith.

4 4. The Court preliminarily finds that the Settlement, including the allocations for the
5 Class Counsel Fees Payment, Class Counsel Litigation Costs Payment, Class Representative
6 Enhancement Awards, PAGA Penalties, Administration Costs, and payments to the Participating
7 Class Members and PAGA Group Members provided thereby, appear to be within the range of
8 reasonableness of a settlement that could ultimately be given final approval by this Court. Indeed,
9 the Court has reviewed the monetary recovery that is being granted as part of the Settlement and
10 preliminarily finds that the monetary settlement awards made available to the Class Members and
11 PAGA Group Members are fair, adequate, and reasonable when balanced against the probable
12 outcome of further litigation relating to certification, liability, and damages issues.

13 5. The Court concludes that, for settlement purposes only, the proposed Class meets
14 the requirements for certification under section 382 of the California Code of Civil Procedure in
15 that: (a) the Class is ascertainable and so numerous that joinder of all members of the Class is
16 impracticable; (b) common questions of law and fact predominate, and there is a well-defined
17 community of interest amongst the members of the Class with respect to the subject matter of the
18 litigation; (c) Plaintiffs' claims are typical of the claims of the members of the Class; (d) Plaintiffs
19 will fairly and adequately protect the interests of the members of the Class; (e) a class action is
20 superior to other available methods for the efficient adjudication of the controversy; and (f) Class
21 Counsel are qualified to act as counsel for Plaintiffs individually and as the Class Representatives.

22 6. The Court conditionally certifies, for settlement purposes only, the Class, defined as
23 follows:

24 All current and former non-exempt employees employed by Defendant in California
25 at any time during the period from June 18, 2017 through December 15, 2024.

26 7. The Court provisionally appoints Joanna Ghosh, Brian J. St. John, and Erica
27 Stepanian of Lawyers *for* Justice, PC; Francis A. DiGiacco of Hillier DiGiacco, LLP; Jeffrey R.
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1 Krinsk from Finkelstein & Krinsk LLP; and Elan Osterman from Lawyers for Employee and
2 Consumer Rights as Class Counsel.

3 8. The Court provisionally appoints Plaintiffs Dawn Babbe, Alma Bueno, Brandon
4 Oare, and Helen Yvonne French as Class Representatives.

5 9. The Court provisionally appoints Simpluris, Inc. to handle the administration of the
6 Settlement (“Administrator”).

7 10. Within fifteen (15) calendar days after entry of the Preliminary Approval Order,
8 Defendant shall provide the Administrator with the Class Data in conformity with the Settlement
9 Agreement.

10 11. The Court approves, both as to form and content, the Notice of Class Action
11 Settlement (“Class Notice”), Objection Form, and Request for Exclusion Form, attached hereto as
12 “**EXHIBIT A**,” “**EXHIBIT B**,” and “**EXHIBIT C**,” respectively (collectively, the “Notice
13 Packet”). The Notice Packet shall be provided to Class Members in the manner set forth in the
14 Settlement. The Court finds that the Class Notice appears to fully and accurately inform the Class
15 Members of all material elements of the Settlement, of Class Members’ right to be excluded from
16 the Class Settlement by submitting a Request for Exclusion, of Class Members’ and PAGA Group
17 Members’ right to challenge the Workweeks and/or PAGA Pay Periods credited to each of them,
18 and of each Participating Class Member’s right and opportunity to object to the Class Settlement.
19 The Court further finds that distribution of the Notice Packet substantially in the manner and form
20 set forth in the Settlement Agreement and this Order, and that all other dates set forth in the
21 Settlement Agreement and this Order, meet the requirements of due process and shall constitute
22 due and sufficient notice to all persons entitled thereto. The Court further orders the Administrator
23 to mail the Class Notice to all Class Members within fourteen (14) calendar days after receiving
24 the Class Data from Defendant, pursuant to the terms set forth in the Settlement Agreement.

25 12. The Court hereby preliminarily approves the proposed procedure, set forth in the
26 Settlement Agreement, for seeking exclusion from the Class Settlement. Any Class Member may
27 choose to be excluded from the Class Settlement by submitting a timely and valid written Request
28 for Exclusion no later than sixty (60) calendar days after the Administrator mails the Notice Packet

1 (“Response Deadline”), or, in the case of a re-mailed Notice Packet, the Response Deadline shall
2 be the later of sixty (60) calendar days after the initial mailing or fourteen (14) calendar days from
3 the re-mailing. Any Class Member who submits a Request for Exclusion from the Class Settlement
4 is prohibited from making any objections to the Class Settlement. Any Class Member who submits
5 a timely and valid Request for Exclusion will not be a Participating Class Member and will not
6 have any right to object, appeal, or comment on the Class Settlement. Class Members who do not
7 submit a timely and valid Request for Exclusion by the Response Deadline shall be bound by the
8 terms of this Agreement, any Court order approving the terms of the Settlement, and the Final
9 Approval Order and Judgment entered thereon. PAGA Group Members shall be bound to the
10 PAGA Settlement irrespective of whether they exercise their option to opt out of the Class
11 Settlement.

12 13. A Final Approval Hearing shall be held before this Court on
13 _____ at _____ a.m./p.m. in
14 Department 1 of the Superior Court of California for the County of Riverside, located at 4050 Main
15 Street, Riverside, California 92501, to determine all necessary matters concerning the Settlement,
16 including: whether the proposed settlement of the action on the terms and conditions provided for
17 in the Settlement is fair, adequate, and reasonable and should be finally approved by the Court;
18 whether a judgment, as provided in the Settlement, should be entered herein; whether the plan of
19 allocation contained in the Settlement should be approved as fair, adequate, and reasonable to the
20 Class Members and PAGA Group Members; and determine whether to finally approve the requests
21 for the Class Counsel Fees Payment, Class Counsel Litigation Costs Payment, Class Representative
22 Enhancement Awards, PAGA Penalties, and Administration Costs.

23 14. Class Counsel shall file a Motion for Final Approval of the Settlement and for Class
24 Counsel Fees Payment, Class Counsel Litigation Costs Payment, Class Representative
25 Enhancement Awards, PAGA Penalties, and Administration Costs, along with the appropriate
26 declarations and supporting evidence, including the Administrator’s declaration by
27 _____, to be heard at the Final Approval
28 Hearing.

1 15. Only Class Members who do not request exclusion from the Class Settlement may
2 object to the Class Settlement by submitting a Notice of Objection to the Administrator prior to the
3 Response Deadline or by presenting their objection orally at the Final Approval Hearing, regardless
4 of whether they submitted a written objection. The Objection must be signed by the Participating
5 Class Member and contain all information required by this Settlement Agreement. A Participating
6 Class Member who does not object prior to or at the Final Approval Hearing will be deemed to
7 have waived any objections and will be foreclosed from making any objections (whether at the
8 Final Approval Hearing, by appeal or otherwise) to the Settlement.

9 16. The Settlement is not a concession or admission and shall not be used against
10 Defendant as an admission or indication with respect to any claim of any fault or omission by
11 Defendant. Nor shall it or this Order constitute any finding, decision, or determination of fault,
12 wrongdoing, or misconduct by Defendant. Whether or not the Settlement is finally approved,
13 neither the Settlement, nor any document, statement, proceeding or conduct related to the
14 Settlement, nor any reports or accounts thereof, shall in any event be construed as, offered or
15 admitted into evidence as, received as or deemed to be in evidence for any purpose adverse to the
16 Defendant, including, but not limited to, evidence of a presumption, concession, indication or
17 admission by Defendant of any liability, fault, wrongdoing, omission, concession, or damage, or to
18 establish the existence of any condition constituting a violation of, or a non-compliance with state,
19 federal, local or other applicable law. except for legal proceedings concerning the implementation,
20 interpretation, or enforcement of the Settlement.

21 17. In the event the Settlement does not become effective in accordance with the terms
22 of the Settlement Agreement, or the Settlement is not finally approved, or is terminated, cancelled,
23 or fails to become effective for any reason, this Order shall be rendered null and void, shall be
24 vacated, and the Parties shall revert back to their respective positions as of before entering into the
25 Settlement Agreement.

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1 18. The Court reserves the right to adjourn or continue the date of the Final Approval
2 Hearing and any dates provided for in the Settlement Agreement without further notice to the Class
3 Members and retains jurisdiction to consider all further applications arising out of or connected
4 with the Settlement.

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6 **IT IS SO ORDERED.**

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8 Dated: _____

By: _____
The Honorable Harold W. Hopp
Judge of the Superior Court

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EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Dawn Babbe v. MFI Recovery Center,
Riverside County Superior Court Case No. CVRI2103146 (“Babbe Class Action”)

Alma Bueno, Brandon Oare, and Helen Yvonne French v. MFI Recovery Center,
Riverside County Superior Court Case No. CVRI2200393 (“Bueno Class Action”)

PLEASE READ THIS CLASS NOTICE CAREFULLY.

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

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

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

YOU ARE NOTIFIED THAT: A class action settlement has been reached between Plaintiffs Dawn Babbe, Alma Bueno, Brandon Oare, and Helen Yvonne French (“Plaintiffs”) and Defendant MFI Recovery Center (“Defendant”) (Plaintiffs and Defendant are collectively referred to as the “Parties”) in the cases entitled *Dawn Babbe v. MFI Recovery Center*, Riverside County Superior Court, Case No. CVRI2103146 (“Babbe Class Action”) and *Alma Bueno, Brandon Oare, and Helen Yvonne French v. MFI Recovery Center*, Riverside County Superior Court, Case No. CVRI2200393 (“Bueno Class Action”) (together, “Actions”), 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

“**Class**” or “**Class Member(s)**” means all current and former non-exempt employees employed by Defendant in California at any time during the Class Period.

“**Class Period**” means the period from June 18, 2017 through December 15, 2024.

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

“**PAGA Group Members**” means all non-exempt employees employed by Defendant in California at any time during the PAGA Release Period.

“**PAGA Release Period**” means the period from May 25, 2020 through [date of preliminary approval].

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

“**Workweek**” means any week during which a Class Member actually recorded time worked in Defendant’s timekeeping system during the Class Period, and does not include leaves of absences, vacations, or furloughs.

“**PAGA Pay Period**” means any pay period during which a PAGA Group Member actually recorded time worked in Defendant’s timekeeping system during the PAGA Release Period, and does not include leaves of absences, vacations, or furloughs.

II. BACKGROUND OF THE ACTION

On May 25, 2021, Plaintiff Dawn Babbe provided written notice to the Labor and Workforce Development Agency (“LWDA”) and Defendant MFI Recovery Center (“Defendant”) of the specific provisions of the California Labor Code that were alleged to be violated. On June 18, 2021, Plaintiff Babbe filed a Class Action and PAGA Complaint for Damages in the Riverside County Superior Court, Case No. CVRI2103146 (“Babbe Class Action”). On October 7, 2021, Plaintiff Babbe filed a First Amended Class Action Complaint for Damages, separating the Business & Professions Code section 17200 claim into two distinct causes of action for Unlawful Business Practices and Unfair Business Practices.

On January 28, 2022, Plaintiffs Bueno, Oare, and French filed a Class Action Complaint for Damages in the Riverside County Superior Court, Case No. CVRI2200393 (“Bueno Class Action”) (together with the Babbe Class Action, the “Actions”). On December 16, 2022, the Court granted Defendant’s Motion to Consolidate the Actions. On September 6, 2023, Plaintiffs Alma Bueno, Brandon Oare, and Helen Yvonne French provided written notice to the LWDA and Defendant

of the specific provisions of the California Labor Code that were alleged to be violated.

Plaintiffs allege that Defendant failed to properly pay minimum and overtime wages, failed to provide compliant meal periods and associated premium pay, failed to provide compliant rest periods and associated premium pay, failed to timely pay wages during employment and upon termination of employment and associated waiting-time penalties, failed to provide compliant wage statements, failed to keep requisite payroll records, failed to 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 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 denies all of the allegations in the Actions or that it violated any law.

After investigation and analysis of the claims, the Parties engaged in good faith, arms-length negotiations. On December 14, 2023, the Parties participated in a full-day mediation presided over by Phyllis Cheng, Esq., however no resolution was reached. On October 20, 2024, the Parties engaged in a second mediation session presided over by Chad Anderton, Esq., however no resolution was reached. In the following months, and with the help of Mr. Anderton’s mediation efforts, the Parties reached a settlement memorialized on February 10, 2025. The Parties have since entered into the Class Action and PAGA Settlement Agreement (“Agreement,” “Settlement,” or “Settlement Agreement”).

On [date of preliminary approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Simpluris, Inc. as the administrator of the Settlement (“Settlement Administrator”), Plaintiffs Dawn Babbe, Alma Bueno, Brandon Oare, and Helen Yvonne French as representatives of the Class (“Class Representatives”), and the following counsel as counsel for the Class (“Class Counsel”):

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If you are a Class Member, you do not need to take any action to receive an Individual Class Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Class 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 a PAGA Group Member, you do not need to take any action to receive an Individual PAGA 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 Actions have merit or that Defendant has any liability to Plaintiffs, Class Members, or PAGA Group Members. 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 the Class Members and PAGA Group Members. The Court has made no ruling on the merits of the claims asserted in the Actions and has determined only that certification of the Class for settlement purposes is appropriate under California law.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Breakdown of the Settlement

The maximum settlement amount to be paid by Defendant is One Million One Hundred Fifty Thousand Dollars (\$1,150,000.00) (the “Gross Settlement Amount”). The portion of the Gross 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 Gross Settlement Amount less the following payments, which are subject to approval by the Court: (1) Attorneys’ Fees and Costs,

consisting of attorneys' fees in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., not to exceed Four Hundred Two Thousand Five Hundred Dollars [\$402,500.00]) and reimbursement of litigation costs and expenses in an amount not to exceed Eighteen Thousand Dollars (\$18,000.00) to Class Counsel; (2) Class Representative Enhancement Awards in the amount of up to Ten Thousand Dollars (\$10,000.00) each to Plaintiffs Dawn Babbe, Alma Bueno, Brandon Oare, and Helen Yvonne French for their services in the Actions (up to Forty Thousand Dollars [\$40,000.00] total); (3) Administration Costs in an amount estimated not to exceed Sixteen Thousand Dollars (\$16,000.00) to the Settlement Administrator; and (4) payment to the LWDA in the amount of Two Hundred Ten Thousand Dollars (\$210,000.00) for its seventy-five percent (75%) portion of the PAGA Penalties. Note: A total of Two Hundred Eighty Thousand Dollars (\$280,000.00) from the Gross Settlement Amount has been allocated toward civil penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* ("PAGA Penalties"), of which the LWDA will be paid seventy-five percent (75%) and the remaining twenty-five percent (25%) (i.e., Seventy Thousand Dollars [\$70,000.00]) will be distributed to PAGA Group Members ("PAGA Group Members' Payment"). Any portion of the estimated, designated, and/or awarded Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator will be part of the Net Settlement Amount for the benefit of Participating Class Members.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount ("Individual Class Share") based on the number of weeks each Class Member worked for Defendant as a non-exempt employee in California during the Class Period ("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 Class 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 timely and valid Request for Exclusion ("Participating Class Members" or "Settlement Class Members") will be issued payment of their final Individual Class Payment.

Each Individual Class Share will be allocated as fifteen percent (15%) wages, which will be reported on an IRS Form W-2, and eighty-five percent (85%) penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099. Each Individual Class Share will be subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Class Share, resulting in a net payment to the Settlement Class Member ("Individual Class Payment"). The employer's share of taxes and contributions in connection with the wages portion of Individual Class Shares ("Employer Taxes") will be paid by Defendant separately and in addition to the Gross Settlement Amount.

PAGA Group Members are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Group Members' Payment ("Individual PAGA Payment") based on the number of pay periods each PAGA Group Member worked during the PAGA Release Period ("PAGA Pay Periods"). The Settlement Administrator has divided the PAGA Group Members' Payment by the total number of PAGA Pay Periods worked by all PAGA Group Members during the PAGA Release Period to yield the "PAGA Pay Period Rate," and multiplied each PAGA Group Member's individual PAGA Pay Periods by the PAGA Pay Period Rate 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). All PAGA Group Members will be sent their Individual PAGA Payment regardless of whether they request to be excluded from the Class Settlement.

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 Class Payments will be mailed to Participating Class Members and Individual PAGA Payments will be mailed to PAGA Group Members at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must contact the Settlement Administrator as soon as possible and provide your corrected and/or updated mailing address to the Settlement Administrator; this will make it more likely that you will receive any payments or other notices that may be issued to you.**

B. Your Workweeks and PAGA Pay Periods Based on Defendant's Records

According to Defendant's records:

From June 18, 2017 through December 15, 2024 (i.e., Class Period), you are credited with << >> Workweeks.

From May 25, 2020 through [preliminary approval date] (i.e., PAGA Release Period), you are credited with << >> PAGA Pay Periods.

If you wish to dispute the Workweeks or PAGA Pay Periods credited to you, you must submit a written dispute

("Workweeks Dispute") that: (a) contains the case name and number of the Actions (*Dawn Babbe v. MFI Recovery Center*, Riverside County Superior Court Case No. CVRI2103146 or *Alma Bueno, Brandon Oare, and Helen Yvonne French v. MFI Recovery Center*, Riverside County Superior Court Case No. CVRI2200393); (b) contains your full name, address, telephone number, signature, and last four (4) digits of your Social Security number; (c) clearly states that you dispute the number of Workweeks and/or PAGA Pay Periods credited to you and what you contend is the correct number to be credited to you; (d) attaches any documentation that you have to support the dispute; and (e) is submitted to the Settlement Administrator by mail at the specified address listed in Section V.B below, postmarked **no later than [Response Deadline]**.

C. Your Estimated Individual Class Payment and Individual PAGA Payment (if applicable)

As explained above, your estimated Individual Class Payment and/or Individual PAGA Payment is based on the number of Workweeks credited to you. Under the terms of the Settlement:

Your Individual Class Share is estimated to be \$<< >>. The Individual Class Share is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Class Share.

Your Individual PAGA Payment is estimated to be \$<< >>.

Payments under the Settlement will only be distributed if the Court approves the Settlement and after the Settlement goes into effect. The settlement approval process may take multiple months. Your Individual Class Payment and/or Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Class Payment and/or Individual PAGA Payment (if applicable) may be higher or lower.

D. Release of Claims

Upon the Effective Date and full funding of the Gross Settlement Amount and all employer payroll taxes owed on the wages portion of Individual Class Shares, Plaintiffs and all Participating Class Members (i.e., Class Members who do not submit a timely and valid Request for Exclusion) will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties from all Released Class Claims.

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs, the State of California, and all PAGA Group Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties from all Released PAGA Claims.

"Released Class Claims" means all claims that were pled in any of the complaints in the Actions, or which could have been pled in any of the complaints in the Actions based on the factual allegations alleged therein and that arose during the Class Period, including all of the following claims for relief: (a) failure to pay all wages owed, including minimum, overtime, and premium wages; (b) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof; (c) failure to provide proper rest periods, and to properly provide premium pay in lieu thereof; (d) failure to provide complete, accurate, and/or properly formatted wage statements; (e) waiting time penalties; (f) failure to timely pay all wages during employment; (g) failure to reimburse all reasonable and necessary business expenses; (h) failure to keep requisite payroll records; (i) unfair business practices and unlawful business practices that could have been premised on the claims, causes of action, or legal theories of relief described above or on any of the claims, causes of action, or legal theories of relief pleaded in the operative complaints in the Actions; and (j) any other claims under the wage and hour laws pleaded in the operative complaints in the Actions. Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

"Released PAGA Claims" means any and all claims for civil penalties under the Labor Code Private Attorneys General Act ("PAGA") during the PAGA Release Period that were alleged, or reasonably could have been alleged, based on the facts stated in the PAGA Notices and only to the extent that those claims are also alleged in the operative complaints, including but not limited to violations of California Labor Code sections 201, 202, 203, 204, 210, 226, 226(a), 226.7, 510, 512, 512(a), 551, 552, 558, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, 2800, 2802, and 2699, and IWC Wage Orders including inter alia, Wage Orders 4-2001, and 5-2001 arising during the PAGA Release Period as to the PAGA Group Members. The Released PAGA Claims do not include other PAGA claims, underlying wage and hour claims, claims for vested benefits, wrongful termination, discrimination, unemployment insurance, disability and workers' compensation, and claims outside of the PAGA Release Period.

"Released Parties" means Defendant MFI Recovery Center, and its officers, directors, employees and agents.

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 Gross Settlement Amount (i.e., an amount of up to Four Hundred Two Thousand Five Hundred Dollars [\$402,500.00]) and reimbursement of litigation costs and expenses in an amount not to exceed Eighteen Thousand Dollars (\$18,000.00) (collectively, "Attorneys' Fees and Costs"), subject to approval by the Court. All Attorneys' Fees and Costs awarded by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Actions on behalf of Plaintiffs and Class Members on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Awards to Class Representatives

Each of the Class Representatives (Dawn Babbe, Alma Bueno, Brandon Oare, and Helen Yvonne French) will seek the amount of Ten Thousand Dollars (\$10,000.00) each (for a total of up to Forty Thousand Dollars [\$40,000.00]) ("Enhancement Awards"), in recognition of their services as class representatives, time and effort devoted to the Actions, cooperation with counsel, and their broader individual release and waiver of claims. The Enhancement Awards will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, will be paid to each Class Representative in addition to any Individual Class Payment and/or Individual PAGA Payment that each Class Representative may be entitled to under the Settlement.

G. Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Sixteen Thousand Dollars (\$16,000.00) ("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 and PAGA Pay Periods, calculating and distributing payments, preparing and issuing tax forms, maintaining the settlement website and toll-free phone line, and shall be paid from the Gross Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator to undertake the required settlement administration duties will be part of the Net Settlement Amount for the benefit of Participating Class Members.

IV. WHEN WILL SETTLEMENT PAYMENTS BE DISTRIBUTED?

Barring unforeseen circumstances, if the Court grants final approval of the Settlement, Defendant is expected to fund the Gross Settlement Amount and fund the amounts necessary to fully pay Defendant's Employer Taxes within sixty (60) calendar days of the Effective Date. Distributions of Individual Class Payments to Participating Class Members and Individual PAGA Payments to PAGA Group Members are expected to occur within thirty (30) calendar days after Defendant funds the Gross Settlement Amount.

"Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, five (5) business days after the period for filing any appeal, writ, or other appellate proceeding opposing the Court's Final Approval Order and Judgment has elapsed without any appeal, writ, or other appellate proceeding having been filed; or, if any appeal, writ, or other appellate proceeding opposing the Court's Final Approval Order and Judgment has been filed, five (5) business days after any appeal, writ, or other appellate proceedings opposing the Settlement has been finally and conclusively resolved (or withdrawn) in a way that does not alter the terms of the Settlement.

V. 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 your Individual Class 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 any judgment that may be entered by the Court based thereon, and you will release the Released Class Claims described in Section III.D above.

If you are a PAGA Group Member, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims described in Section III.D above. PAGA Group Members will receive their Individual PAGA Payment and will be bound by the PAGA Settlement and PAGA release

regardless of whether they submit a Request for Exclusion from the Class Settlement.

Class Members and PAGA Group Members will not be separately responsible for the payment of attorneys' fees or litigation costs and expenses, unless they retain their own counsel, in which event they will be responsible for their 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 ("Request for Exclusion") to the Settlement Administrator. You may not request exclusion from the PAGA Settlement.

A Request for Exclusion must: (a) contain the case name and number of the Actions (*Dawn Babbe v. MFI Recovery Center*, Riverside County Superior Court Case No. CVRI2103146 or *Alma Bueno, Brandon Oare, and Helen Yvonne French v. MFI Recovery Center*, Riverside County Superior Court Case No. CVRI2200393); (b) contain your full name, address, telephone number, last four (4) digits of your Social Security number, and signature (or signature of your authorized representative); (c) contain a clear statement that you request to be excluded from the Class Settlement; and (d) be sent to the Settlement Administrator by mail, fax, or email, postmarked or faxed/emailed by **no later than [Response Deadline]** at the following address:

[Settlement Administrator]

[Mailing Address]

[Fax Number]

[Email Address]

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be entitled to receive an Individual Class 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 Request for Exclusion will be deemed Participating Class Members or Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of Released Class Claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon.

All PAGA Group Members will be issued their Individual PAGA Payment and will be bound by the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above), regardless of whether they submit a Request for Exclusion from the Class Settlement.

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 (i.e., as long as you are a Participating Class Member), by submitting a written objection ("Notice of Objection") to the Settlement Administrator. Alternatively, or in addition, you can present your objection orally at the Final Approval Hearing. However, the Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at the final hearing.

A Notice of Objection must: (a) contain the case name and number of the Actions (*Dawn Babbe v. MFI Recovery Center*, Riverside County Superior Court Case No. CVRI2103146 or *Alma Bueno, Brandon Oare, and Helen Yvonne French v. MFI Recovery Center*, Riverside County Superior Court Case No. CVRI2200393); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security number; (c) state all grounds for your objection and attach any supporting materials that you wish to rely upon for your objection; (d) state whether you are represented by an attorney and identify the attorney; (e) state whether you or your attorney intend to appear at the Final Approval Hearing; and (f) be mailed to the Settlement Administrator at the address listed in Section V.B above, postmarked or faxed/emailed by **no later than [Response Deadline]**.

Any attorney who will represent an objector must file a notice of appearance with the Court and serve Class Counsel and Defense Counsel no later than **[Response Deadline]**. The Parties may respond to any objections up to five (5) court days prior to the Final Approval Hearing.

You may still appear at the Final Approval Hearing to assert objections to the Class Settlement even if you have not submitted a written Notice of Objection.

D. Dispute Your Workweeks or PAGA Pay Periods

You may dispute the number of Workweeks or PAGA Pay Periods credited to you if you believe Defendant's records are incorrect.

A written dispute must: (a) contain the case name and number of the Actions (*Dawn Babbe v. MFI Recovery Center*, Riverside County Superior Court Case No. CVRI2103146 or *Alma Bueno, Brandon Oare, and Helen Yvonne French v. MFI Recovery Center*, Riverside County Superior Court Case No. CVRI2200393); (b) contain your full name, address, telephone number, signature, and last four (4) digits of your Social Security number; (c) clearly state the number of Workweeks during the Class Period and/or PAGA Pay Periods during the PAGA Release Period that you contend is correct; (d) attach any relevant documentation in support thereof; and (e) be submitted to the Settlement Administrator by mail at the specified address listed in Section V.B above, postmarked by **no later than [Response Deadline]**.

The Settlement Administrator will provide copies of all disputes to Class Counsel and Defense Counsel and will render a determination within ten (10) calendar days of receipt of a dispute. The Settlement Administrator's determination regarding each Class Member's Workweeks and/or PAGA Pay Periods is final and not appealable or otherwise susceptible to challenge.

VI. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 1 of the Riverside County Superior Court, located at Riverside Historic Courthouse, 4050 Main Street, Riverside, California 92501, 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 Awards to Class Representatives, and 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, although you may appear if you wish to.

You may appear for the Final Approval Hearing in person or you may appear remotely. Please visit the Court's website for the most up-to-date information regarding how to appear remotely: <http://riverside.courts.ca.gov/remoteppearance>.

Please visit the Court's website for the most up-to-date information regarding the operations of the Court and any requirements that may apply for accessing Court facilities: <http://riverside.courts.ca.gov>.

VII. 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 Class Action and PAGA Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement and other court records in the Actions by visiting the Office of the Clerk of the Court, located at Riverside Historic Courthouse, 4050 Main Street, Riverside, California 92501, during business hours, or online by visiting the following website: <http://riverside.courts.ca.gov>, and searching for the case using the case numbers CVRI2103146 or CVRI2200393.

If the Court grants final approval of the Settlement, the Settlement Administrator will post the Court's order granting final approval of the settlement and judgment on its website: [Settlement Administrator Website].

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: [Settlement Administrator Toll-Free Number], OR YOU MAY ALSO CONTACT CLASS COUNSEL.

EXHIBIT B

Date: _____

Full Name: _____

Address: _____

Telephone Number: (____ ____ ____) ____ ____ ____ ____ ____ ____

Signature: _____

To ensure that this form is properly processed on your behalf and to avoid confusion in the event that multiple individuals having the same or similar names submit this form, please provide the last 4 digits of your Social Security Number to the administrator so that your identity may be confirmed:

____ _

EXHIBIT C

REQUEST FOR EXCLUSION FORM

Dawn Babbe v. MFI Recovery Center,
Riverside County Superior Court Case No. CVRI2103146 (“Babbe Class Action”)

Alma Bueno, Brandon Oare, and Helen Yvonne French v. MFI Recovery Center,
Riverside County Superior Court Case No. CVRI2200393 (“Bueno Class Action”)

USE AND RETURN THIS FORM ONLY IF YOU WISH TO EXCLUDE (OPT-OUT) YOURSELF FROM THE CLASS SETTLEMENT.

If you wish to exclude yourself from the Class Settlement, you must read and sign the following statement and return this form to the Settlement Administrator, by mail, postmarked on or before **[RESPONSE DEADLINE]**, at the following mailing address:

[INSERT MAILING ADDRESS]

I request to be excluded from the class action settlement in the matter of *Dawn Babbe v. MFI Recovery Center* and *Alma Bueno, Brandon Oare, and Helen Yvonne French v. MFI Recovery Center*. By excluding myself from the class action settlement, I understand that I will not be bound by the settlement and release of the Released Class Claims, and that I will not receive an Individual Class Payment. I understand that, if I am a PAGA Group Member (i.e., if I am a non-exempt employee who worked for Defendant MFI Recovery Center in California at any time from May 25, 2020 through **[date of preliminary approval]**) nevertheless, I will still be bound by the settlement and release of the Released PAGA Claims and will be issued an Individual PAGA Payment.

Full Name: _____

Address: _____

Telephone Number: _____

Signature: _____ Date: _____

To ensure that this form is properly processed on your behalf and to avoid confusion in the event that multiple individuals having the same or similar names submit this form, please provide the last 4 digits of your Social Security Number to the administrator so that your identity may be confirmed: _____

If you do not wish to exclude yourself from the Class Settlement (and you wish to receive payment from the Class Settlement), you should not return this form – you do not need to take any action. For more information, please consult the Notice of Class Action Settlement.

Questions? Call: [Settlement Administrator’s 1-800 number]

REQUEST FOR EXCLUSION FORM