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[Additional Counsel on Next Page]

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.: CVRI2200393]

Honorable Harold W. Hopp
Department 1

CLASS ACTION

**DECLARATION OF SELENA
MATAVOSIAN IN SUPPORT OF
PLAINTIFFS’ MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

[Plaintiffs’ Notice of Motion and Motion for
Preliminary Approval of Class Action and
PAGA Settlement; Declaration of Proposed
Class Counsel (Francis A. DiGiacco);
Declarations of Proposed Class Representatives
(Dawn Babbe, Alma Bueno, Brandon Oare, and
Helen Yvonne French); Declaration of
Administrator (Michael Bui); Declaration of
Estella M. Cisneros; and [Proposed] Order filed
concurrently herewith]

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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DECLARATION OF SELENA MATAVOSIAN

I, Selena Matavosian, hereby declare as follows:

1. I am an attorney licensed to practice law in the State of California. I am a member of Lawyers *for* Justice, PC, attorneys of record for Plaintiffs Alma Bueno, Brandon Oare, and Helen Yvonne French (collectively, “Bueno Plaintiffs”). The facts set forth in this declaration are within my personal knowledge or based on information and belief, and if called as a witness, I could and would competently testify thereto.

PROCEDURAL HISTORY

2. On May 25, 2021, Plaintiff Dawn Babbe (“Plaintiff Babbe”) (together with the Bueno Plaintiffs, “Plaintiffs”) provided written notice by certified mail to the California 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, thereby initiating LWDA Case No. LWDA-CM-833185-21 (“Babbe PAGA Notice”).

3. On June 18, 2021, Plaintiff Babbe filed a Class Action Complaint & Enforcement Action Under the Private Attorneys General Act, California Labor Code § 2698, *Et Seq.* (“Babbe Complaint”) against Defendant, thereby commencing the action entitled *Dawn Babbe v. MFI Recovery Center*, Superior Court of California for the County of Riverside, Case No. CVRI2103146 (“Babbe Action”).

4. On September 9, 2021, Defendant filed its Answer to the Babbe Complaint.

5. On October 7, 2021, Plaintiff Babbe filed a First Amended Class Action Complaint & Enforcement Action Under the Private Attorneys General Act, California Labor Code § 2698, *Et Seq.* in the Babbe Action, thereby separating the Business & Professions Code section 17200 claim into two distinct causes of action for Unlawful Business Practices and Unfair Business Practices (“Babbe Amended Complaint”).

6. On January 28, 2022, the Bueno Plaintiffs filed a Class Action Complaint for Damages (“Bueno Complaint”) against Defendant, thereby commencing the action entitled *Alma Bueno, et al. v. MFI Recovery Center*, Superior Court of California for the County of Riverside, Case No. CVRI2200393 (“Bueno Action”) (together with the Babbe Action, the “Actions”).

1 Agreement have been revised is attached hereto as “**EXHIBIT 3.**” The Parties and their counsel
2 have approved the proposed Notice of Class Action Settlement (“Class Notice”), Objection Form,
3 and Request for Exclusion Form (collectively, “Notice Packet”), which are attached to the
4 Settlement Agreement as “Exhibit A,” “Exhibit B,” and “Exhibit C,” respectively, and respectfully
5 request that the Court approve it as well.

6 15. **CMO Section G(3)(a)(i):** Based on information provided by Defendant, the Class
7 is estimated to consist of approximately eight hundred eighty one (881) individuals, the
8 Workweeks are estimated to be sixty four thousand five hundred (64,500) during the Class Period,
9 the PAGA Group Members are estimated to consist of seven hundred fifty nine (759) individuals,
10 and the PAGA Pay Periods are estimated to be twenty eight thousand two hundred forty seven
11 (28,247) during the PAGA Release Period.

12 16. The Settlement provides for a Gross Settlement Amount of \$1,150,000.00 to be paid
13 in a single payment. Defendant shall fully fund the Gross Settlement Amount, and also fund the
14 amounts necessary to fully pay Defendant’s share of payroll taxes by transmitting the funds to the
15 Administrator no later than sixty (60) days after the Effective Date. The Net Settlement Amount
16 is the Gross Settlement Amount less the following amounts, subject to approval by the Court:
17 attorneys’ fees of up to \$402,500.00 (if the Gross Settlement Amount remains \$1,150,000.00)
18 (“Class Counsel Fees Payment”) and reimbursement of litigation costs and expenses not to exceed
19 \$18,000.00 (“Class Counsel Litigation Costs Payment”) to Lawyers *for* Justice, PC, Hillier
20 DiGiacco LLP, Finkelstein & Krinsk LLP, and Lawyers for Employee and Consumer Rights
21 (collectively, “Class Counsel”), Class Representative Enhancement Awards to Plaintiffs of
22 \$10,000.00 each (for a total of \$40,000.00), Administration Costs to the Administrator not to
23 exceed \$16,000.00, and the PAGA Penalties of \$280,000.00. Assuming that the amounts allocated
24 under the Settlement toward these payments are awarded by the Court, the Net Settlement Amount
25 that will be available for distribution to Participating Class Members is currently \$393,500.00.
26 Additionally, 25% of the PAGA Penalties (“PAGA Group Members’ Payment”), which is
27 \$70,000.00 out of \$280,000.00, will be distributed to the PAGA Group Members, for their
28 respective portion of the PAGA Group Members’ Payment. The Gross Settlement Amount will be

1 fully distributed in accordance with the terms of the Settlement and there is no reversion to
2 Defendant.

3 17. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees
4 in an amount of up to 35% of the Gross Settlement Amount (i.e., \$402,500.00, if the Gross
5 Settlement Amount remains \$1,150,000.00) and expenses and costs of not more than \$18,000.00,
6 which will be paid out of the Gross Settlement Amount, subject to approval by the Court. Pursuant
7 to a joint prosecution and fee-sharing agreement between Lawyers for Justice, PC and Hillier
8 DiGiacco, LLP, fifty percent (50%) of the attorneys' fees shall be awarded to Lawyers for Justice,
9 PC and fifty percent (50%) shall be awarded to Hillier DiGiacco, LLP. Plaintiffs were given
10 written notice of the joint prosecution and fee-sharing agreement. It should be noted that Class
11 Counsel have borne all of the risks and costs of litigation and will not receive any compensation
12 until recovery is obtained. A description of the qualifications of Lawyers for Justice, PC, the work
13 performed by Lawyers for Justice, PC, and the results achieved by Lawyers for Justice, PC in this
14 matter can be found in paragraphs 21 through 26, *infra*.

15 18. The Settlement Agreement provides for payment of up to \$10,000.00 each to
16 Plaintiffs, in the combined amount of \$40,000.00, as a Class Representative Enhancement Award,
17 to be paid out of the Gross Settlement Amount subject to approval by the Court. Plaintiffs spent
18 considerable time and effort to produce relevant documents and past employment records and to
19 provide the facts and evidence necessary to attempt to prove the allegations. Plaintiffs were
20 available whenever Class Counsel needed them and actively tried to obtain information that would
21 benefit the Class. Accordingly, and taking into account the broader general release of claims and
22 California Civil Code section 1542 waiver Plaintiffs are providing pursuant to the Settlement, it is
23 appropriate and just for Plaintiffs to each receive a Class Representative Enhancement Award, in
24 addition to their individual settlement payment, for their services on behalf of the Class, PAGA
25 Group Members, and the State of California.

26 19. **CMO Section H(3)(d)(i):** The Parties have agreed to retain Simpluris, Inc.
27 ("Administrator" or "Simpluris"), to handle the notice and settlement administration process.
28 Class Counsel requested and received three (3) quotes from various potential settlement

1 administrators. Class Counsel shared these quotes with Defendant’s counsel and proposed using
2 Simpluris because Class Counsel has had positive experiences in other cases where Simpluris was
3 the settlement administrator. Defendant’s counsel agreed. The Parties respectfully request that the
4 Court appoint Simpluris to handle these procedures and serve as the Administrator. Defendant will
5 provide the Administrator with the Class Data, and the Administrator will calculate each Class
6 Member’s estimated *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”)
7 and each PAGA Group Member’s estimated *pro rata* share of the PAGA Group Members’
8 Payment (“Individual PAGA Payment”). The Administrator will be responsible for translating the
9 Notice Packet into Spanish, printing, distributing, and tracking Notice Packets and other
10 documents for the Settlement, calculating and distributing payments due under the Settlement,
11 issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and
12 remittances, providing necessary reports and declarations, transmitting funds representing
13 uncashed checks after the void date to California Rural Legal Assistance, Inc., and other duties
14 and responsibilities set forth to process the Settlement, and as requested by the Parties.
15 Administration Costs are currently estimated not to exceed \$16,000.00 and will be paid out of the
16 Gross Settlement Amount, subject to approval of the Court.

17 20. Under the Settlement Agreement, Defendant is responsible for any employer-side
18 tax obligations associated with the Gross Settlement Amount and will deposit that amount into the
19 settlement fund in addition to the Gross Settlement Amount. Each Participating Class Member’s
20 Individual Class Share will be allocated 15% to wages and 85% to penalties and interest. The
21 Administrator will withhold the employee’s share of taxes and withholdings with respect to the
22 wages portion of the Individual Class Shares, and issue checks to Participating Class Members for
23 their Individual Class Payments (i.e., payment of their Individual Class Shares net of these taxes
24 and withholdings).

25 **EXPERIENCE AND ADEQUACY OF LAWYERS for JUSTICE, PC**

26 21. For over a decade, Lawyers for Justice, PC has almost exclusively focused on the
27 prosecution of consumer and employment class actions, involving wage-and-hour claims, race
28 discrimination, unfair business practices, or consumer fraud. Currently, Lawyers for Justice, PC

1 is the attorney of record in well over a dozen employment-related putative class actions in both
2 state and federal courts in the State of California. Lawyers *for* Justice, PC is comprised of
3 attorneys who focus on litigating complex wage-and-hour class and Private Attorneys General Act
4 (“PAGA”) representative actions. Lawyers *for* Justice, PC has successfully litigated cases
5 involving the executive, administrative, and other overtime exemptions to the State of California
6 and federal overtime compensation requirements. During a relatively short time, in association
7 with other law firms, Lawyers *for* Justice, PC has recovered millions of dollars on behalf of
8 thousands of individuals in California.

9 22. Edwin Aiwarzian is the Chief Executive Officer of Lawyers *for* Justice, PC. He
10 received his Bachelor of Arts degree from Pepperdine University in April of 1999 and earned a
11 Juris Doctor degree from Pepperdine University School of Law in May of 2004. He has extensive
12 formal training in dispute resolution and negotiation from the Straus Institute for Dispute
13 Resolution as part of its Masters in Dispute Resolution degree program. In addition, he has
14 previously served as a pro bono mediator for the Los Angeles County Superior Court. In October
15 of 2000, he obtained a Litigation Paralegal Certificate from the UCLA Extension Program. During
16 the summer of 2000, he studied Legal Writing at Harvard University. From approximately
17 September 2002 to approximately December 2002, he served as a Judicial Extern to the Honorable
18 Kim McLane Wardlaw of the United States Court of Appeals for the Ninth Circuit. From
19 approximately June 2002 to approximately August 2002, he served as a Judicial Extern to the
20 Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District.
21 In December of 2004, he obtained a license to practice law from the California State Bar. Since
22 in or around October of 2008, through his work at Lawyers *for* Justice, PC, he has almost
23 exclusively focused on the prosecution of consumer and employment class actions, involving
24 wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. While
25 employed by Lawyers *for* Justice PC, he has argued over one hundred (100) motions, taken or
26 defended over one hundred fifty (150) depositions, prepared dozens of expert witnesses for
27 deposition or trial, and attended over one hundred seventy-five (175) mediations. Together with
28 other attorneys at the firm, and in many cases in conjunction with co-counsel, he has successfully

1 litigated cases involving the executive, administrative, and other overtime exemptions to the State
2 of California and federal overtime compensation requirements. Under his supervision, Lawyers
3 *for Justice*, PC has successfully obtained class certification by contested motion practice in
4 approximately sixteen (16) cases in the last decade, and litigated over 1,000 class action or
5 representative action cases.

6 23. Arby Aiwarzian is a Senior Partner of Lawyers *for Justice*, PC. He received his
7 Bachelor of Arts degree from University of California, Los Angeles and graduated magna cum
8 laude. He earned a Juris Doctor degree, cum laude, from Southwestern Law School. From
9 approximately May 2007 to approximately July 2007, he served as a Judicial Extern to the
10 Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District.
11 From approximately August 2008 to approximately December 2008, he served as a Judicial Extern
12 to the Honorable Kim McLane Wardlaw of the United State Court of Appeals for the Ninth Circuit.
13 He was admitted to practice law in California in 2010. He is admitted to practice before all courts
14 of the State of California and all United States District Courts in the State of California. He has
15 worked on many wage-and-hour class action and representative action cases, taking the lead in
16 taking and defending depositions, arguing motions, and attending mediations. He has played an
17 integral role in preparing matters for class certification, including and not limited to, successful
18 certification of a class in *Upson v. Sur La Table* (Los Angeles County Superior Court Case No.
19 BC424012), *Montazemi v. Regus Management* (Los Angeles County Superior Court Case No.
20 BC478769), and *Abdulhaqq v. Urban Outfitters* (Alameda County Superior Court Case No.
21 RG13680477). Under his supervision, dozens of class action or representative action cases have
22 resulted in settlements that have been granted court approval. He has handled over one hundred
23 and fifty (150) mediations and has worked on over two hundred and fifty (250) class action or
24 representative action cases which have resulted in settlement.

25 24. Joanna Ghosh is a Senior Partner of Lawyers *for Justice*, PC. She received a
26 Bachelor of Arts degree from California State University, Los Angeles in 2006, a Master of
27 Science degree from the London School of Economics in 2007, and a Juris Doctor degree from
28 Georgetown University Law Center in 2010. She is admitted to practice in California (since 2010),

1 in New York (since 2013), and in Washington (since 2026), and she is also admitted to practice in
2 all U.S. District Courts in California, the U.S. Bankruptcy Court for the Central District of
3 California, U.S. District Court for the Western District of Washington, and the U.S. Supreme
4 Court. She has taken and defended dozens of depositions and successfully handled motion practice
5 in class action cases regarding discovery (including and not limited to, regarding class contact
6 information), class certification (both contested class certification and stipulated class
7 certification), arbitration agreements, coordination, and intervention. She has successfully
8 handled briefing and oral arguments on appeal, and obtained notable decisions regarding, Private
9 Attorneys General Act claims and employer efforts to compel arbitration of such claims, e.g.,
10 *Roberto Betancourt v. Prudential Overall Supply* (Cal. Ct. App., Mar. 7, 2017) 9 Cal.App.5th 439,
11 cert. denied (Cal., May 24, 2017), cert. denied (U.S., Dec. 11, 2017) and *ZB, N.A. v. Superior*
12 *Court* (2019) 8 Cal.5th175. She has significant experience with class actions, including and not
13 limited to working on cases to obtain class certification through contested motion practice and
14 working on cases in the post-certification stage (e.g., post-certification discovery, appeal,
15 statistical sampling and pilot study, and trial preparation in conjunction with co-counsel in a case
16 involving a certified class consisting of approximately 2,600 individuals). She has extensive
17 experience with class action and/or representative action settlements, and has handled this process
18 in over five hundred (500) cases. Under her, Edwin Aiwasian, and Arby Aiwasian's supervision,
19 Lawyers for Justice, PC has handled the class certification and court approval process for hundreds
20 of class action and/or representative action matters that have successfully resolved. Joanna Ghosh
21 is a member of the California Employment Lawyers Association and, on several occasions, has
22 been a speaker regarding topics in wage and hour law at the organization's continuing legal
23 education events.

24 25. Yasmin Hosseini is a Member of Lawyers for Justice, PC. She received her Bachelor
25 of Arts degree from University of California, Santa Barbara in 2013 and earned her Juris Doctor
26 degree from Pepperdine University School of Law in 2017. She was admitted to practice law in
27 California in 2019. She is admitted to practice before all courts of the State of California and all
28 federal district courts in the State of California. She has worked on many wage and hour class

1 action and PAGA representative matters, and her work has included, *inter alia*, researching and
2 drafting pleadings, administrative notice exhaustion, drafting, negotiating, and finalizing
3 stipulations and settlement agreements, engaging in motion practice, claims evaluation and
4 analysis, and making court appearances. Prior to working at Lawyers for Justice, PC, she
5 represented filmmakers and talent, negotiating and structuring various types of agreements on their
6 behalf. She is a member of the California Employment Lawyers Association, Beverly Hills Bar
7 Association, and Iranian American Bar Association.

8 26. I am a Member of Lawyers for Justice, PC. I received my Bachelor of Science
9 degree from California State University, Northridge in 2019, and was the recipient of the Wildman
10 Schumacher Scholarship. I earned a Juris Doctor degree from Southwestern Law School in 2022,
11 and I was the recipient of the Witkin Award for Academic Excellence. I was admitted to practice
12 law in California in 2022. I am admitted to practice before all courts of the State of California and
13 all U.S. Federal District Courts in the State of California. I have worked on many wage-and-hour
14 class action and PAGA representative cases, and my work on these cases has included, *inter alia*,
15 researching and drafting pleadings and motion-related papers, administrative notice exhaustion,
16 drafting, negotiating, and finalizing stipulations and settlement agreements, performing claims
17 evaluation and analysis, and making court appearances.

18 **THE SETTLEMENT AND SUMMARY OF WORK PERFORMED**

19 **[CMO Section G(3)(a)(vi)]**

20 27. The effectiveness of Class Counsel in prosecuting these matters has translated into
21 tangible monetary benefits for the Class Members in the following respects: (1) Class Members
22 recover over a reasonably short period of time as opposed to waiting additional years for the same,
23 or possibly worse, result; (2) a guaranteed result that compares favorably with other similar class
24 action settlements of this type given the strengths and weaknesses of the cases; and (3) significant
25 savings in Class Counsel's fees and/or costs that would have only increased significantly had the
26 cases progressed through certification, trial, and/or appeals.

27 28. Class Counsel have litigated the matter for over four (4) years and were actively
28 preparing the matter for class certification and trial. The Parties have engaged in extensive

1 settlement negotiations and participated in a full-day mediation on December 14, 2023 conducted
2 by Phyllis Cheng, Esq., a well-respected mediator experienced in mediating complex labor and
3 employment matters, and a second full-day mediation on October 20, 2024 conducted by Chad
4 Anderton, Esq., also a well-respected mediator experienced in mediating complex labor and
5 employment matters. In the course of the litigation and in connection with the mediations and
6 settlement discussions, the Parties exchanged extensive information and engaged in discussions
7 regarding their evaluations of the cases and various aspects of the cases, including but not limited
8 to, the risks and delays of further litigation, the risks to the Parties of proceeding with class
9 certification and/or representative adjudication, the law relating to off-the-clock theory, meal and
10 rest periods, PAGA representative actions, and state wage-and-hour law and enforcement, as well
11 as the evidence produced and analyzed, and the possibility of appeals, among other things. During
12 all settlement discussions, the Parties conducted their negotiations at arm's length in an adversarial
13 position. Arriving at a settlement that was acceptable to all Parties was not easy. Defendant and
14 its counsel felt strongly about their ability to prevail on the merits and at certification, and Plaintiffs
15 and Class Counsel believed that they would be able to obtain class certification and prevail at trial.
16 After conducting investigations and informal discovery and exchange of information, extensive
17 settlement negotiations, and with the aid of the mediators' evaluation, the Parties have agreed that
18 the matter is well-suited for settlement given the legal issues relating to Plaintiffs' principal claims,
19 as well as the costs and risks to both sides that would attend further litigation. The Settlement is a
20 fair, reasonable, and adequate resolution of the Released Class Claims of Plaintiffs and
21 Participating Class Members, and of the Released PAGA Claims of Plaintiffs, the State of
22 California, and the PAGA Group Members, against the Released Parties.

23 29. Prior to reaching the Settlement, Class Counsel investigated the veracity, strength,
24 and scope of the claims, and were preparing the Actions for class certification and trial. Plaintiffs
25 conducted significant investigation and formal and informal discovery regarding the facts of the
26 cases, including and not limited to, the exchange, review, and analysis of a large volume of
27 documents and data obtained from Defendant, Plaintiffs, and other sources. Class Counsel
28 propounded multiple sets of formal written discovery requests onto Defendant (specifically, Form

1 Interrogatories - General (Set One), Special Interrogatories (Sets One and Two), and Requests for
2 Production of Documents (Set One)), and served notices, and amended notices, of deposition of
3 Defendants' Persons Most Knowledgeable designees regarding job duties organizational structure,
4 along with a request for production of documents. Class Counsel also reviewed and analyzed
5 Defendant's responses, further responses, and objections to written discovery requests, as well as
6 documents produced by Defendant in discovery. The volume of data and documents that Class
7 Counsel reviewed and analyzed included and was not limited to: Plaintiffs' employment records,
8 a sampling of Class Members' time and payroll data, Defendants' Employee Handbook, company
9 policy acknowledgements (including but not limited to Employee Handbook Acknowledgment,
10 Acknowledgment of Receipt of Employment Policies, including Harassment, Discrimination and
11 Retaliation Policies, internal memoranda, job descriptions, new employee guides to workers
12 compensation, state disability, and paid family leave benefits, New Hire Information Packet,
13 Health and Safety Orientation Checklist, Defendant's operations and employment practices, forms
14 (including but not limited to Employee Status Change Form, Performance Evaluation Forms, and
15 Employee Code of Conduct Forms), procedures (including but not limited to Requirements to
16 Report Child Abuse, Requirement to Report Suspected Abuse of Dependent Adults and Elders,
17 General Safety Policy, and Workplace Search Policy), and policies (including but not limited to
18 General Safety Policy, and Workplace Search Policy, Meal Periods and Rest Breaks, Overtime
19 Policy, Anti-Harassment, Discrimination and Retaliation Policies Confidentiality and Non-
20 Disclosure of Trade Secrets, and Employee Benefits Programs), among other information and
21 documents. Class Counsel had the opportunity to interview Plaintiffs and other Class Members
22 to gather facts and to identify potential witnesses. Counsel for the Parties met and conferred on
23 numerous occasions, e.g., to discuss issues relating to the pleadings, discovery, and the production
24 of documents and data prior to the mediations. Class Counsel also drafted Plaintiffs' pleadings
25 and the mediation brief and prepared for and attended court proceedings, settlement negotiations,
26 and two (2) mediation sessions, among other tasks.

27 30. Counsel for the Parties have also invested time researching and investigating the
28 applicable law, which is constantly evolving as it relates to certification, representative PAGA

1 claims, off-the-clock theory, meal and rest periods, state wage-and-hour law and enforcement,
2 Plaintiffs' claims and damages, and Defendant's defenses thereto, as well as facts discovered.
3 Based on our analysis, I submit that the result achieved in this litigation is fair, adequate, and
4 reasonable.

5 31. Class Counsel are aware of the defenses and position of Defendant but believe that
6 Plaintiffs could potentially obtain class certification despite many obstacles. Plaintiffs and Class
7 Counsel have also taken into account the uncertainty and risk of the outcome of further litigation,
8 and the difficulties and delays inherent in such litigation, including those involved in class
9 certification and/or representative adjudication. Plaintiffs further recognize the burdens of proof
10 necessary to establish liability for the claims asserted in the lawsuits, Defendant's defenses, and
11 the difficulties in establishing entitlement to monetary recovery. Plaintiffs and Class Counsel have
12 also considered the Parties' settlement discussions, as well as the evaluations of the mediators,
13 who are experienced and well-regarded in complex labor and employment matters.

14 ///

15 32. Defendant, on the other hand, denied and continues to deny any liability and
16 wrongdoing of any kind associated with the claims alleged in the lawsuits, and further denies that
17 the lawsuits are appropriate for class treatment or representative adjudication for any purpose other
18 than this Settlement. Defendant believes that it would ultimately succeed in the matter. Both sides
19 have also had the opportunity to interview witnesses and review documents and information
20 relating to Plaintiffs', Class Members', and PAGA Group Members' employment with Defendant,
21 and Defendant's operations and employment policies, practices, and procedures. The Parties also
22 reviewed and analyzed a volume of documents and data to determine the potential value and
23 strength of the claims. The available information enabled Class Counsel to assess and value the
24 class and PAGA claims and prepare violation, damages, and penalties analyses models.
25 Accordingly, counsel for the Parties have conducted adequate investigation and discovery to be
26 sufficiently informed of the nature and extent of the Class Members' claims, and to enable both
27 sides to fully evaluate the Settlement for its fairness, adequacy, and reasonableness. The
28 Settlement takes into account the strengths and weaknesses of each side's position and the

1 uncertainty of how the cases might have concluded at certification, trial, and/or appeals.

2 **ESTIMATE OF THE VALUE OF THE CLAIMS**

3 **[CMO Sections G(3)(a)(ii)-(iii)]**

4 33. Plaintiffs' allege that Defendant has violated the California Labor Code and
5 Industrial Welfare Commission Wage Orders by engaging in a uniform policy and systematic
6 scheme of wage abuse against Plaintiffs and the putative class members, including, *inter alia*,
7 failing to properly compensate overtime and minimum wages, failing to provide compliant meal
8 and rest periods and associated premium pay, failing to timely pay wages during employment,
9 failing to timely pay wages upon termination and associated waiting-time penalties, failing to
10 provide compliant wage statements, failing to maintain requisite payroll records, and failing to
11 reimburse necessary business expenses.

12 34. Based on data provided by Defendant on or around November 4, 2024, the total
13 number of putative class members during the period from June 18, 2017 through October 11, 2024
14 ("relevant time period") was estimated to be eight hundred sixty-eight (868) individuals who were
15 credited with an estimated total of sixty four thousand five hundred (64,500) Workweeks with an
16 average hourly rate of pay of \$18.00.

17 35. Plaintiffs contended that Defendant required putative class members to perform
18 work before and after their scheduled shifts and during meal and rest periods. Plaintiffs contended
19 that Defendant discouraged the recordation of overtime hours and required putative class members
20 to perform work off-the-clock. Plaintiffs contended that Defendant failed to include non-
21 discretionary bonuses and incentives in the calculation of the regular rate when paying overtime
22 wages. Plaintiffs also contended that meal and rest periods were regularly missed, later, shortened,
23 and/or interrupted, that putative class members were required to remain on premises during rest
24 breaks, readily available to assist with work tasks, and that Defendant failed to properly pay
25 premiums for all non-compliant meal and rest periods. Additionally, Plaintiffs alleged that
26 Defendant intentionally and willfully failed to pay Plaintiffs and putative class members all wages
27 due to them while they were employed by Defendant, within the time period permissible under
28 California law, and that Defendant failed to pay all wages due upon termination, within the time

1 period permissible under California law, thereby triggering waiting-time penalties under
2 California Labor Code section 203. Plaintiffs contended that, based on the violations described
3 herein, the wage statements provided by Defendant and the payroll records kept by Defendant
4 were inaccurate. Finally, Plaintiffs contended that Defendant failed to reimburse Plaintiffs and the
5 other putative class members for necessary business expenses, including, but not limited to, the
6 costs associated with the use of personal cell phones for work duties, the use of personal vehicles
7 for work-related purposes, and complying with Defendant's dress code

8 36. Class Counsel considered defense arguments, e.g., that the employer's practices,
9 policies, and procedures complied with the law, that Defendant correctly paid overtime for all
10 regular and overtime hours worked, that employees were not permitted to work off-the-clock, that
11 no waiting-time penalties were due because waiting-time penalties only arise from "willful" failure
12 to pay wages due and owing at the time of termination or resignation, that Plaintiffs and putative
13 class members suffered no actual injury from the alleged wage statement violations and that this
14 alleged violation and the alleged recordkeeping violation are entirely derivative of the other causes
15 of action, and that a policy and practice of reimbursing employees for necessary business-related
16 expenses exists. Class Counsel also considered the likelihood of Plaintiffs' success in establishing
17 that any of provisions of the California Labor Code, on which the civil penalties under the PAGA
18 claim are predicated, were violated and that such violations were injurious and/or warranted
19 imposition of civil penalties. Class Counsel also considered that trial courts have wide discretion
20 when assessing penalties under PAGA (including discretion to reduce penalties), and that it could
21 be determined that individual liability issues predominate (e.g., due to purported variation in shifts,
22 locations, job duties, and other circumstances which could raise individualized questions of fact)
23 and could pose challenges to certification, manageability, and the merits of Plaintiff's claims.

24 37. Class Counsel considered information, data, and documents obtained from
25 Plaintiffs, Defendant, and other sources, and created violation, damages, and penalties valuations
26 and models prior to reaching the Settlement. Based thereon, Plaintiffs calculated the potential
27 value of the claims. However, the potential value of each claim assumed an exposure based on the
28 Actions having been certified and Plaintiffs having proven all elements of the claims and

entitlement to monetary recovery (on a class-wide and a representative basis), despite risks associated with obtaining and maintaining certification and demonstrating manageability, risks to establishing liability and any underlying California Labor Code and IWC Wage Order violations and damages, and significant additional costs that would have to be incurred in order to certify the Actions and establish liability, damages, and penalties amounts in the cases. Plaintiffs faced the risk of the Court finding that individualized issues predominate, such that the cases are not suitable for class treatment. While Class Counsel disagreed with Defendant's arguments and factual contentions, Class Counsel recognized the circumstances and realities of the cases, applicable case law and regulations, the extensive time and pay records produced by Defendant, the costs and expenses of further litigation and certification, and risks to recovery, and applied appropriate discounts for them. Class Counsel calculated the potential and realistic values of each claim as follows:

a. Failure to Pay Overtime and Minimum Wages

i. Plaintiffs alleged that Defendant failed to pay overtime and minimum wages to them and other putative class members. Plaintiffs contended that that Defendant's uniform policies, practices, and procedures required putative class members to perform work during meal periods and before and after scheduled shifts. Plaintiffs contended that Defendant also exerted class-wide pressure on putative class members to reduce the amount of recorded overtime, requiring them to complete unreasonable workloads within scheduled hours only, obtain pre-approval prior to working overtime or in excess of their scheduled work hours, and subjecting those who recorded overtime without preapproval to discipline. Plaintiffs also contended that Defendant incorrectly calculated the regular rate of pay for purposes of calculating overtime compensation by failing to include nondiscretionary forms of pay including bonuses and incentives in its regular rate calculations. Plaintiffs contended that, as a result of the aforementioned, Defendant failed to properly compensate Plaintiffs and putative class members at their applicable minimum, regular, or overtime rates for all of the hours that they worked.

ii. Based on Class Counsel's investigations and analysis, the claims for unpaid wages centered on off-the-clock work prior to clocking-in and after clocking-out for their shifts,

1 and during meal periods, and the improper calculation of the regular rate for purposes of paying
2 overtime.

3 iii. Defendant denied Plaintiffs' allegations and asserted numerous defenses to
4 Plaintiffs' claims and allegations, and maintained that its policies and practices were at all times
5 compliant with California law.

6 iv. Taking into account these facts, the potential value of the overtime claim was
7 estimated to be \$3,483,000.00 (based on a violation rate of two (2) hours of unpaid overtime wages
8 every workweek) and the risk-adjusted discounted value of this claim was estimated to be
9 \$106,666.68. Taking into account these facts, the potential value of the minimum wage claim was
10 estimated to be \$1,161,000.00 (based on a violation rate of one (1) hour of unpaid minimum wages
11 every workweek) and the risk-adjusted discounted value of this claim was estimated to be
12 \$26,122.50.

13 **b. Failure to Provide Compliant Meal Periods and Associated Premiums**

14 i. Plaintiffs' theory of liability was based on Defendant's failure to provide
15 timely, full, and/or uninterrupted meal periods. Plaintiffs contended, *inter alia*, that Defendant's
16 policies, practices, and procedures required employees to perform job duties during their meal
17 periods and prevented them from regularly receiving compliant meal periods. Plaintiffs further
18 contended that Defendant failed to pay a meal premium for missed, late, short, or interrupted meal
19 periods.

20 ii. Based on Class Counsel's investigations and analysis, the meal period claim
21 centered on the following issues: Plaintiffs and putative class members regularly suffered short,
22 late, or missed meal periods due to severe understaffing, heavy workloads, and Defendant's
23 "customer first" policy. Investigations show that Plaintiffs and putative class members were
24 regularly pressured to suffer non-compliant meal periods in order to complete job duties such as
25 assisting clients or Defendant's supervisors, completing treatment plans, and storing records, so
26 much so that meal periods were regularly missed entirely.

27 iii. Defendant contended that it had practices, policies, and procedures to
28 provide meals periods every workday to its employees that fully complied with California law.

1 To the extent that Plaintiffs and putative class members failed to take their meal periods or took a
2 short or late meal, Defendant contended that they did so voluntarily and that all applicable meal
3 periods were still permitted and provided to them. Thus, Defendant argued that it did not act
4 unlawfully to deprive putative class members of meal periods.

5 iv. Taking into account these facts, the potential value of the meal period claim
6 was estimated to be \$2,322,000.00 (based on a violation rate of two (2) meal period premiums
7 every workweek) and the risk-adjusted discounted value of this claim was determined to be
8 \$52,245.00.

9 **c. Failure to Provide Compliant Rest Periods and Associated Premiums**

10 i. Plaintiffs' theory of liability was based on Defendant's failure to provide
11 Plaintiffs and other putative class members with timely, full, and/or uninterrupted rest periods.
12 Plaintiffs contended that Defendant's employment policies, practices, and procedures required
13 employees to perform job duties during their rest periods and prevented them from regularly
14 receiving compliant rest periods. Plaintiffs contended that they and other putative class members
15 were required to remain on premises during rest periods and that Defendant failed to pay them rest
16 period premiums.

17 ii. Based on Class Counsel's investigations, the rest period claims centered on
18 the following: Plaintiffs and other putative class members were expected to skip their rest periods
19 or remain on premises during rest periods, in order to remain readily available to complete their
20 daily tasks.

21 iii. Defendant contended that to the extent Plaintiffs and putative class members
22 failed to take their rest periods, they did so voluntarily.

23 iv. Taking this into account, the potential value of this claim was estimated to
24 be \$2,322,000.00 (based on a violation rate of two (2) rest period premium every workweek) and
25 the risk-adjusted discounted value of this claim was estimated to be \$52,245.00.

26 **d. Wages Not Timely Paid During Employment**

27 i. Plaintiffs contended that Defendant intentionally and willfully failed to
28 timely pay Plaintiffs and putative class members all wages due to them during employment, under

1 California Labor Code sections 204 and 210. Under California Labor Code section 210, either a
2 statutory penalty or a civil penalty through PAGA may be recovered for a violation of California
3 Labor Code section 204, but not both. Therefore, the value of this claim is considered as a part of
4 the valuation of the PAGA claim contained *infra*.

5 e. **Wages Not Timely Paid After Termination (and Waiting-Time Penalties)**

6 i. Plaintiffs contended that Defendant intentionally and willfully failed to pay
7 Plaintiffs and putative class members all wages due to them upon termination, within the time
8 period permissible under California law, thereby triggering waiting-time penalties under
9 California Labor Code sections 203. For example, Plaintiffs alleged that they and putative class
10 members are entitled to unpaid wages arising from, *inter alia*, off-the-clock work, as well as meal
11 and rest period premiums.

12 ii. Defendant was adamant that no waiting-time penalties should be awarded.
13 Defendant pointed out that waiting-time penalties are derivative of each and every other
14 underlying alleged California Labor Code violation and contended that it paid the terminated
15 employees all wages due and owing, and that even if Plaintiffs and putative class members are due
16 some amount, there is a good faith dispute as to the amount of such further compensation.
17 Additionally, Defendant argued that waiting-time penalties are barred because the premium
18 payments called for by Labor Code section 226.7 do not constitute wages. Moreover, Defendant
19 emphasized that, under California Labor Code section 203, employees are only obligated to pay
20 waiting-time penalties if the failure to pay wages is “willful” and that there was no willful failure
21 to pay wages in the cases.

22 iii. The value of this claim was calculated based on the fact that approximately
23 five hundred sixty-five (565) putative class members had been terminated during the three-year
24 statute of limitations (i.e., from June 18, 2018). Based on Class Counsel’s investigations and
25 analysis, if all of these individuals were not timely paid all wages due to them upon termination,
26 the potential value of waiting-time penalties was estimated to be \$2,440,800.00 collectively (565
27 individuals x [30 days x hourly rate of \$18.00 x 8 hours]), or approximately \$4,320.00 per
28 individual, and the risk-adjusted discounted value of this claim was estimated to be \$54,918.00.

1 **f. Failure to Provide Compliant Wage Statements**

2 i. Plaintiffs alleged that Defendant failed to provide accurate and itemized
3 wage statements to Plaintiffs and putative class members. Plaintiffs' wage statement claim is
4 derivative of the allegations that Defendant failed to accurately account for all hours worked by,
5 and pay all compensation due to, putative class members, i.e., the claims for unpaid wages, meal
6 violations, and rest violations, discussed above.

7 ii. Defendant contended that Plaintiffs and putative class members suffered no
8 actual injury from the alleged wage statement violations, and that to the extent any wage
9 statements were inaccurate, they were not inaccurate due to a knowing and intentional violation.
10 Defendant also contended that this alleged violation is entirely derivative of the foregoing
11 allegations.

12 iii. The value of this claim was calculated based on the fact that approximately
13 seven hundred thirty-four (734) putative class members worked during the one-year statutory
14 limitations period (i.e., from June 18, 2020 to December 15, 2024), and that these putative class
15 members worked a total of twenty seven thousand two hundred ninety (27,290) pay periods. Based
16 on Class Counsel's investigations and analysis, it was determined that the estimated potential value
17 of this claim is \$2,936,000.00 ([734 individuals x \$50 statutory penalty] + [26,556 subsequent
18 violations x \$100 statutory penalty]) and the risk-adjusted discounted value of this claim was
19 estimated to be \$77,070.00.

20 **g. Failure to Maintain Requisite Payroll Records**

21 i. Plaintiffs alleged that Defendant had intentionally and willfully failed to
22 keep accurate and complete payroll records showing the hours worked daily by, and the wages
23 paid to, Plaintiffs and the putative class members, by failing to account for all time worked by and
24 pay all wages due to Plaintiffs and putative class members. Plaintiffs' payroll records claim is
25 derivative of the allegations that Defendant failed to accurately record all hours worked by, and
26 pay all compensation due to, putative class members, i.e., the claims for unpaid wages, meal
27 violations, and rest violations, discussed above. Plaintiffs also alleged that Defendant's intentional
28 and willful failure to keep accurate time records, making payroll records violative of the

1 statutorily-protected right to accurate and complete payrolls records, and that Plaintiff and the
2 putative class members have suffered injury and damage as a result.

3 ii. Under California Labor Code section 1174.5, a willful violation of the
4 employer's recordkeeping obligations set forth in Labor Code 1174(d) is subject to a civil penalty
5 of \$500. Arguably, however, this civil penalty would only be recoverable by the Labor
6 Commissioner. Therefore, the value of this claim is considered as a part of the valuation of the
7 PAGA claim contained *infra*.

8 **h. Failure to Reimburse Necessary Business Expenses**

9 i. Plaintiffs contended he and other putative class members were required to
10 incur expenses in the course of their work, and that Defendant failed to reimburse them for these
11 expenses.

12 ii. Defendant contended that its policies and practices complied with California
13 law in that they required reimbursement of all necessary business expenses.

14 iii. Based on Class Counsel's investigations and analysis, the expense
15 reimbursement claim centered on the following: the costs associated with the use of personal cell
16 phones for work duties, use of personal vehicles for work-related purposes, and the costs of
17 complying with Defendant's dress code. These alleged unreimbursed expenses totaled, on average,
18 approximately \$450 annually for each person.

19 iv. Taking into account these facts, the potential value of this claim was
20 estimated to be \$451,500.00 (using a violation rate of \$7 unreimbursed expenses per workweek)
21 and the risk-adjusted discounted value of this claim was estimated to be \$18,963.00.

22 **i. PAGA Penalties**

23 i. Plaintiffs contended that Defendant's above-discussed conduct, namely,
24 failure to pay for all hours worked, provide compliant meal and rest periods, timely pay wages,
25 provide compliant wage statements, maintain payroll records, reimburse expenses, etc., gave rise
26 to civil penalties recoverable under the Private Attorneys General Act, California Labor Code
27 sections 2698, *et seq.* A PAGA recovery at trial would represent a recovery of civil penalties (as
28 opposed to compensation for individual damages), normally only recoverable by the State of

1 California, and would be distributed 75% to the State of California and 25% to the aggrieved
2 employees. Cal. Lab. Code § 2699(i)

3 ii. Defendant contended that violations of multiple provisions of the California
4 Labor Code do not give rise to cumulative penalties for each separate California Labor Code
5 provision that is, arguably, violated during a pay period. Defendant also contended that the trial
6 court exercises discretion and may reduce the penalties to be assessed against the employer and
7 that the trial court was unlikely to assess cumulative penalties for the maximum number of
8 possible, separate California Labor Code violations. Cal. Lab. Code § 2699(e)(1); Cal. Lab. Code
9 § 2699(e)(2)("[A] court may award a lesser amount than the maximum civil penalty amount
10 specified by this part if, based on the facts and circumstances of the particular case, to do otherwise
11 would result in an award that is unjust, arbitrary and oppressive, or confiscatory); *Thurman v.*
12 *Bayshore Transit Management, Inc.* (2012) 203 Cal.App.4th 1112, 1136 (holding that a court may
13 reduce the amount of PAGA penalties awarded to an employee based upon discretionary factors
14 other than the employer's ability to pay.). Defendant also maintained and continues to maintain
15 that it had legally-compliant employment policies and practices throughout the statutory period.
16 Defendant denied and continues to deny that it ever violated any provision of the California Labor
17 Code and argued, that, even if, arguendo, such violations occurred, Defendant will not be treated
18 as having engaged in subsequent violations giving rise to heightened penalties unless it could be
19 shown to have notice that it was violating the law. See, e.g., *Amaral v. Cintas Corp. No. 2* (2008)
20 163 Cal.4th 1157, 1209. Defendant argued that it would be able to show a lack of willfulness in
21 the violations, such that the alleged California Labor Code violations would not be considered
22 "willful."

23 iii. Importantly, Class Counsel took into consideration that, to prevail on the
24 PAGA claim, some courts have required plaintiffs to show at the outset that they have suffered
25 injury, in order to establish standing, and that Plaintiffs would also have to prove all requisite
26 elements to prove violations of the underlying California Labor Code provisions, in order to show
27 that Defendant's conduct gives rise to penalties. There was the risk of possible bifurcation of
28 discovery and/or trial of the PAGA claim—multiple courts have taken such an approach. See

1 *Amalgamated Transit Union, Local 1756 v. Superior Court* (2009) 46 Cal.4th 993, 1001 (Noting
2 that PAGA “require[s] a plaintiff to have suffered an injury resulting from an unlawful action”);
3 *Stafford v. Dollar Tree Stores, Inc.* (E.D. Cal. Nov. 21, 2014) 2014 WL 6633396, *4 (Court found
4 that judicial economy supported bifurcation because of the difficulties and inherent uncertainties
5 of being able to establish liability with respect to a large number of potentially aggrieved
6 employees and noted that “PAGA’s public purpose would be ill-served if the court finds [the
7 plaintiff] has not been aggrieved by a Labor Code violation”); *Grappo v. Coventry Fin. Corp.*
8 (1991) 235 Cal.App.3d 496, 504 (Trial courts have “broad discretion to determine the order of
9 proof in the interest of judicial economy”); see also Cal. Code Civ. Proc. § 598 (The court may
10 “when the convenience of witnesses, the ends of justice, or the economy and efficiency of handling
11 the litigation would be promoted thereby, on motion of a party, after notice and hearing, make an
12 order. . . that the trial of any issue or any part thereof shall precede the trial of any other issue or
13 any part thereof in the case[.]”); Cal. Code Civ. Proc. § 1048(b) (Court can separate trial of any
14 cause of action or of any separate issue in the interest of convenience or to avoid prejudice); Cal.
15 Code Civ. Proc. § 2019.020(b) (Courts have the power to “establish the sequence and timing of
16 discovery for the convenience of parties and witnesses and in the interests of justice”); see *Horton*
17 *v. Jones* (1972) 26 Cal.App.3d 952, 955 (Bifurcation and sequencing of litigation is allowed to
18 avoid waste of time and money on trial and litigation of issues could be rendered made moot.)

19 iv. Defendant contended that Plaintiffs did not meet legal requirements to be
20 able to pursue civil penalties under PAGA. Defendant argued that Plaintiffs would not be able to
21 establish violations of the underlying California Labor Code provisions and the fundamental
22 allegations regarding overtime and meal and rest periods. For the reasons discussed above, there
23 were substantial challenges to showing liability and exposure for these claims. Defendant pointed
24 to case law that held that, given the derivative nature of a PAGA claim, it would stand or fall based
25 on the claims from which it derives, and the success of showing, inter alia, off-the-clock work,
26 failure to properly pay wages, failure to reimburse for expenses, etc.

27 v. Class Counsel was also aware of case law indicating that courts have
28 attributed little separate value to PAGA claims, for example, allowing them to be resolved for \$0

1 where the other underlying California Labor Code claims are being resolved, or, assessing much
2 lower amounts of civil penalties against employers than are sought. *See e.g., Magadia v. Wal-Mart*
3 *Assocs.* (N.D. Cal. 2019) 384 F. Supp. 3d 1058, 1100-1101, 1103-1104, 1111 (finding that, under
4 Labor Code § 2699(e)(2), “the Court has broad discretion to award PAGA penalties as the Court
5 sees fit” and reducing the PAGA penalty award significantly from the maximum penalties
6 possible; *Morales v Bridgestone Retail Operations LLC*, Orange County Superior Court No. 30-
7 2017-00900244 (Aug. 2, 2018) (of \$7 million PAGA penalties requested, the court awarded
8 \$425,000); *Carrington v Starbucks Corp.* (2018) 30 Cal.App.5th 504, 517, 529 (of \$75 million in
9 penalties sought, the court affirmed the trial court’s \$150,000 PAGA penalty award based on
10 30,000 violations, which reduced the penalty rate to \$5 per violation); *Arnold v San Diego Second*
11 *Chance Program*, San Diego County Superior Court No. 37-2016-00018375 (Dec. 18, 2017) (no
12 PAGA penalties awarded); *Felczer v Apple Inc.*, San Diego County Superior Court No. 37-2011-
13 00102593 (Sept. 13, 2017) (no PAGA penalties awarded); *In re Taco Bell Wage and Hour Actions*
14 (E.D. Cal. Apr. 8, 2016) No. 1:07-cv-01314-SAB, 2016 U.S. Dist. LEXIS 48557 at *41 (the court
15 declined to award PAGA penalties after trial); *Allen v American Multi-Cinema*, Alameda County
16 Superior Court No. RG11585502 (July 24, 2016) (no PAGA penalties awarded); *Atempa v Pama*,
17 San Diego County Superior Court (July 31, 2015) (of PAGA penalties of \$456,133 sought, the
18 court awarded \$197,434.00); *Driscoll v Granite Rock*, Santa Clara County Superior Court No. 1-
19 08-cv-103426 (Sept. 20, 2011) (the court declined to award PAGA penalties); *Fleming v Covidien*,
20 *Inc.*, No. ED CV10-01487 RGK (OPx) (C.D. Cal. Aug. 12, 2011) 2011 U.S. Dist. LEXIS 154590
21 at **8-9 (of \$2,800,000 PAGA penalties requested, the court awarded \$500,000); *Thurman v*
22 *Bayshore Transit Mgmt., Inc.* (2012) 203 Cal.App.4th 1112, 1119, 1135, disapproved on other
23 grounds in *ZB, N.A. v Superior Court* (2019) 8 Cal. 5th 175, 196 n.8 (of \$512,000 PAGA penalties
24 requested, the court awarded \$358,588); *Guifi Li v A Perfect Day Franchise, Inc.*, No. 5:10-CV-
25 01189-LHK (N.D. Cal. June 15, 2012) 2012 U.S. Dist. LEXIS 83677 at **51-52 (of \$3,334,942
26 PAGA penalties requested, the court ordered a \$2,764,896 default judgment after jury dismissed);
27 *Aguirre v Genesis Logistics*, No. SACV 12-00687-JVS (ANx) (C.D. Cal. Dec. 30, 2013) 2013
28 U.S. Dist. LEXIS 189820 at **6-7 (of \$1,800,000 PAGA penalties requested, the court awarded

1 \$500,000); *Halevi v Aroma Bakery Café, Inc.*, Los Angeles County Superior Court No. 468146
2 (Aug. 30, 2013) (the court declined to award PAGA penalties after trial awarding wages to class
3 on the basis that, *inter alia*, the lawsuit was not prompted by availability of PAGA penalties,
4 penalties were not necessary to remedy ongoing or future violations, because corporate defendants
5 corrected violations and were no longer in business, and plaintiffs did not offer evidence
6 establishing imposition of penalties on individual defendants would not be confiscatory).

7 vi. The potential value of this claim was calculated based on the approximately
8 seven hundred thirty-nine (739) aggrieved employees who worked during the one-year statutory
9 period; the potential value of civil penalties, which the Court could determine whether or not to
10 assess and whether or not to reduce, were estimated to be approximately \$1,441,050.00 (using the
11 statutorily-delineated penalty amounts under California Labor Code sections 558, 226.3, 1197.1,
12 210, 2699(f), and 1174.5, in the amount of \$1,950 per person) and the risk-adjusted discounted
13 value of this claim was estimated to be \$259,389.00.

14 j. **Summary**

15 i. In sum, Class Counsel calculated Defendant's estimated total maximum
16 exposure for all class claims to be \$15,116,300.00 and estimated total maximum exposure for the
17 PAGA claim to be \$1,441,050.00 (i.e., an estimated total maximum exposure of \$16,557,350.00
18 for all claims alleged in the Actions). The risk-adjusted discounted value for all class claims was
19 estimated to be \$388,230.38 and the risk-adjusted discounted value for the PAGA claim was
20 estimated to be \$259,389.00.

21 38. The foregoing discussion confirms that the amount of the Settlement is adequate in
22 light of Plaintiffs' allegations and causes of action, the evidence at issue with respect to those
23 allegations and causes of action, and legal and factual arguments and circumstances which pose
24 challenges to certification, manageability, merits, and monetary recovery. The conclusion to be
25 drawn from the foregoing analysis is that neither class certification, manageability, liability, nor
26 the ability to adjudicate and/or recover monetary relief on a class-wide or representative basis is
27 clear-cut, which is why the Parties elected to settle this matter. Class Counsel also recognized that
28 additional discounts could be made to the risk-adjusted value to account for the costs and expenses

1 associated with further litigation and the present value of obtaining a settlement now as opposed
2 to monetary recovery, if any, that may be obtained in the future after further litigation. Class
3 Counsel recognized the circumstances and realities of the cases, applicable case law and
4 regulations, and risks to recovery and applied appropriate discounts.

5 ESTIMATED SETTLEMENT PAYMENTS TO CLASS MEMBERS

6 39. **CMO Section G(3)(a)(iv):** Based on Defendant's representations to Class Counsel,
7 the average Individual Class Share is estimated to be \$453.34 (\$393,500.00 Net Settlement
8 Amount divided by 868 estimated Class Members). The average workweek value for the
9 Individual Class Shares averages out to about \$6.10 per Workweek (\$393,500.00 Net Settlement
10 Amount divided by 64,500 Workweeks), meaning Class Member who are credited with a single
11 Workweek during the Class Period would have an estimated Individual Class Share of
12 approximately \$6.10, while a Participating Class Member who was employed for the entire Class
13 Period (about 391 weeks) would have an estimated Individual Class Share of approximately
14 \$2,385.10 (\$6.10 per week x 391 weeks).

15 40. **CMO Section G(3)(a)(v):** Based on information provided by Defendant, the PAGA
16 Group Members are estimated to consist of approximately seven hundred and thirty-nine (739)
17 individuals during the PAGA Release Period. Therefore, on average, each PAGA Group Member
18 will receive approximately \$94.72 of the \$70,000.00 PAGA Group Members' Payment
19 (\$70,000.00 divided by 739).

20 OTHER PENDING ACTIONS

21 [CMO Sections G(3)(a)(vii)]

22 41. After a reasonable inquiry, I am aware of the following pending actions against
23 Defendant that the Settlement may impact: (1) *Ileen Sanchez v. MFI Recovery Center*, Riverside
24 County Superior Court, Case No. CVRI2502348 ("Sanchez Action"), (2) *Ronald R. Henderson v.*
25 *MFI Recovery Center*, Riverside County Superior Court, Case No. CVRI2303043 ("Henderson
26 Class Action"), (3) *Ronald R. Henderson v. MFI Recovery Center*, Riverside County Superior
27 Court, Case No. CVRI2304399 ("Henderson PAGA Action"), (4) *Gary Hernandez, et al. v. Social*
28 *Science Services, Inc. dba Cedar House Life Change Center, et al.*, Riverside County Superior

1 Court, Case No. CVRI2403412 (“Hernandez PAGA Action”), and (5) *Gary Hernandez, et al. v.*
2 *Social Science Services, Inc. dba Cedar House Life Change Center, et al.*, Riverside County
3 Superior Court, Case No. CVRI2303875 (“Hernandez Class Action”).

4 42. The Sanchez Action, which commenced on May 2, 2025, alleges claims for: (1)
5 Failure to Provide Required Meal Periods; (2) Failure to Provide Required Rest Periods; (3)
6 Failure to Pay Overtime Wages; (4) Failure to Pay Minimum Wage; (5) Failure to Pay All Wages
7 Due to Discharged or Quitting Employees; (6) Failure to Provide Accurate Itemized Statements;
8 (7) Failure to Indemnify Employees for Necessary Expenditures Incurred in Discharge of Duties;
9 (8) Unfair and Unlawful Business Practices; (9) Breach of Contract; and (10) Violation of the
10 Private Attorneys General Act. The Sanchez Action alleges claims on behalf of plaintiff Ileen
11 Sanchez and all current and former non-exempt aggrieved employees of defendants working as
12 Lead Peer Support Specialists, Peer Support Specialists, or in similar non-exempt positions in the
13 State of California at any time within the period beginning one year prior to the filing of plaintiff
14 Ileen Sanchez’s LWDA letter concerning the Sanchez Action and ending at the time the Sanchez
15 Action settles or proceeds to final judgment. Plaintiff Ileen Sanchez’s LWDA letter was submitted
16 on April 24, 2025. The Sanchez Action is pending before the Court, and it does not appear a
17 settlement has been reached, or a class has been certified.

18 43. The Henderson Class Action, which commenced on June 12, 2023, alleges claims
19 for: (1) Failure to Pay Wages for All Hours Worked at Minimum Wage; (2) Failure to Pay
20 Overtime Wages for Daily Overtime Worked; (3) Failure to Authorize or Permit Meal Periods;
21 (4) Failure to Authorize or Permit Rest Periods; (5) Failure to Indemnify Employees for
22 Employment-Related Losses/Expenditures; (6) Failure to Provide Complete and Accurate Wage
23 Statements; (7) Failure to Timely Pay All Earned Wages and Final Paychecks Due at Time of
24 Separation of Employment; and (8) Unfair Business Practices. The Henderson Class Action
25 alleges claims on behalf of current, former, and/or future employees of Defendants as direct
26 employees as well as temporary employees employed through temp agencies who work as hourly
27 non-exempt employees. The Henderson Class Action is pending before the Court and is scheduled
28 for trial on November 16, 2026.

1 44. The Henderson PAGA Action, which commenced on August 17, 2023, alleges a
2 claim for civil penalties pursuant to the Private Attorneys General Act of 2004 (“PAGA”), Labor
3 Code Sections 2698, *Et Seq* on behalf of current, former, and/or future employees of defendants
4 who work, worked, or will work for defendants as direct employees as well as temporary
5 employees employed through temp agencies as hourly non-exempt employees in California. The
6 Henderson PAGA Action was stayed as of June 26, 2024.

7 45. On August 28, 2024, Defendant was dismissed as a named defendant in the
8 Hernandez PAGA Action. The Hernandez PAGA Action is pending before the Court and was
9 designated as consolidated with the Hernandez Class Action on December 10, 2025.

10 46. On November 2, 2023, Defendant was dismissed as a named defendant in the
11 Hernandez Class Action. The Hernandez Class Action was stayed as of September 11, 2024 and
12 consolidated with the Hernandez PAGA Action on December 10, 2025.

13 **RELATION TO PROPOSED *CY PRES* RECIPIENT**

14 **[CMO Sections G(3)(c)(iv)]**

15 47. I made reasonable inquiry of Plaintiffs and other members at Lawyers *for* Justice,
16 PC, and to the best of my knowledge, neither I, Plaintiffs, nor other members at Lawyers *for*
17 Justice, PC have any relationship with the proposed *cy pres* recipient California Rural Legal
18 Assistance, Inc.

19 48. Class Counsel submit that the Settlement is fair, reasonable, and adequate, and is in
20 the best interest of Plaintiffs, the Class, PAGA Group Members, and the State of California. Class
21 Counsel further submits that the Settlement is within an acceptable range of recovery for this type
22 of litigation given the strengths and weaknesses of the cases, the inherent costs and risks of further
23 litigation, and the costs and risks associated with class certification, representative adjudication,
24 trial, and/or appeals.

25 ///

26 ///

27 ///

28 ///

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 17th day of June 2026, at Glendale, California.



Selena Matavosian

EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Settlement,” “Agreement,” or “Settlement Agreement”) is made and entered into by and between Plaintiffs Dawn Babbe (“Plaintiff Babbe”), Alma Bueno (“Plaintiff Bueno”), Brandon Oare (“Plaintiff Oare”), and Helen Yvonne French (“Plaintiff French”) (collectively, “Plaintiffs”) and Defendant MFI Recovery Center (“Defendant”) (collectively with Plaintiffs, the “Parties”).

1. DEFINITIONS

- 1.1. “Actions” refer to Plaintiffs’ lawsuits 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*”).
- 1.2. “Administrator” means Simpluris, Inc., the neutral entity the Parties have agreed to appoint to administer the settlement notice process and funding and distribution of the Gross Settlement Amount, as defined below, and all related matters. The Parties each represent that they do not have any financial interest in the Administrator or otherwise have a relationship with the Administrator that could create a conflict of interest.
- 1.3. “Administration Costs” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and costs incurred in the execution of its duties under this Settlement, as approved by the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Class” means all current and former non-exempt employees employed by Defendant in California at any time during the Class Period.
- 1.5. “Class Counsel” means Joanna Ghosh, Brian J. St. John, and Erica Stepanian from Lawyers for Justice, PC; Francis A. DiGiacco from Hillier DiGiacco LLP; Jeffrey R. Krinsk from Finkelstein & Krinsk LLP; and Elan Osterman, Esq. from Lawyers for Employee and Consumer Rights.
- 1.6. “Class Counsel Fees Payment” and “Class Counsel Litigation Costs Payment” mean the

amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and costs, respectively, incurred to prosecute the Action.

- 1.7. "Class Data" means a complete list of all Class Members' identifying information and data that Defendant will diligently and in good faith compile from their records and provide to the Administrator. The Class Data will be formatted in a readable Microsoft Office Excel spreadsheet and will include the Class Member's full name, last-known mailing address, Social Security number, and number of Workweeks (as defined below) and PAGA Pay Periods (as defined below).
- 1.8. "Class Member" means a member of the Class.
- 1.9. "Class Member Address Search" means the Administrator's investigation and search for Class Members' most current mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address ("NCOA") database, skip traces, and direct contact by the Administrator with Class Members.
- 1.10. "Class Notice" means the "Court Approved Notice of Class Action Settlement And Hearing Date For Final Court Approval," informing Class Members of the following: the nature of the Action; a summary of the terms of the Settlement; the definition of the Class; the definition of the PAGA Group Members, a statement that the Court has preliminarily approved the Settlement; the nature and scope of the claims being released; the procedure and time period for objecting to the Settlement, the date and location of the Final Approval Hearing; information regarding the procedure for opting out of the Class Settlement; the number of Workweeks credited to each Class Member, the number of PAGA Pay Periods credited to each PAGA Group Member (if applicable), and the procedure for disputing the number of Workweeks and PAGA Pay Periods credited; the estimated Individual Class Share for the Class Member and the estimated Individual PAGA Share (if applicable). The Class Notice will be to be mailed to Class Members in English and Spanish translation in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.
- 1.11. "Class Period" means the period from June 18, 2017, through December 15, 2024.

- 1.12. “Class Representative(s)” means Plaintiffs Dawn Babbe, Alma Bueno, Brandon Oare, and Helen Yvonne French.
- 1.13. “Class Representative Enhancement Award(s)” means the payment to each Class Representative in the amount of up to Ten Thousand Dollars (\$10,000.00) subject to Court approval, for initiating the Action, for serving as representatives of the Class, and providing services in support of the Action.
- 1.14. “Class Settlement” means the settlement and resolution of the Released Class Claims (as defined below)
- 1.15. “Court” means the Superior Court of California, County of Riverside.
- 1.16. “Defense Counsel” means Kevin M. Erwin and Semarnpreet Kaur of Jackson Lewis, P.C.
- 1.17. “Effective Date” means the date by when both of the following have occurred: (1) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (2) 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 the later of the following events: 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.
- 1.18. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.19. “Final Approval Hearing” means the Court’s hearing at which the Court will consider and determine whether the Settlement should be granted Final Approval.
- 1.20. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

- 1.21. “Gross Settlement Amount” means One Million One Hundred Fifty Thousand Dollars (\$1,150,000.00) which is the total amount Defendant agrees to pay under the Settlement except as otherwise provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA Payment, Class Counsel Fees, Class Counsel Costs, Class Representative Enhancement Awards and the Administration Costs.
- 1.22. “Individual Class Payment” means the net payment of each Participating Class Member’s Individual Class Share, after reduction for the employee’s share of payroll taxes and withholdings with respect to the Wages Portion of the Individual Class Share, as provided in Paragraph 3.2.4.3 herein.
- 1.23. “Individual Class Share” means the *pro rata* share of the Net Settlement Amount that a Class Member may be eligible to receive for the Class Settlement, to be calculated in accordance with Paragraph 3.2.4 herein, which is inclusive of employee’s share of taxes and withholdings with respect to the Wages Portion of the Settlement
- 1.24. “Individual PAGA Payment” means the *pro rata* share of the PAGA Group Members’ Payment that a PAGA Group Member will be eligible to receive under the PAGA Settlement (as defined below), to be calculated in accordance with Paragraph 3.2.5.
- 1.25. “Judgment” means the judgment entered by the Court based upon the order granting final approval of the Settlement.
- 1.26. “LWDA” means the California Labor and Workforce Development Agency.
- 1.27. “LWDA Payment” means the 75% of the PAGA Penalties paid to the LWDA.
- 1.28. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Enhancement Awards, Class Counsel Fees Payment, Class Counsel Litigation Costs Payment, and the Administration Costs Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29. “Notice of Objection” means a Participating Class Member’s written objection to the Class

Settlement, which must include: (a) the case name and number of the Action; (b) the objector's full name, signature, address, telephone number, and the last four digits of his or her Social Security number; (c) a written statement indicating that the Class Member objects to the Settlement and providing all grounds for the objection accompanied by any legal support for such objection; (d) the full name, address, and telephone number of any attorney representing the Class Member with respect to his or her objection; and (e) copies of any papers, briefs, or other documents upon which the objection is based. Notices of Objection must be submitted by mail to the Administrator at the specified address, postmarked on or before the Response Deadline (as defined below).

- 1.30. "PAGA" means the California Private Attorneys General Act (Labor Code §§ 2698. *et seq.*). Unless otherwise specified, all citations and references to PAGA are to the version of statute prior to the recent amendment effective July 1, 2024; the amended statute does not apply to the Action and this Settlement (as defined below) pursuant to California Labor Code section 2699, subd. (v)(1), as amended, because the above-captioned action was filed prior to June 19, 2024.
- 1.31. "PAGA Group Member" means all non-exempt employees employed by Defendant in California at any time during the PAGA Release Period.
- 1.32. "PAGA Group Members' Payment" means the 25% of the PAGA Penalties (as defined below), to be distributed to PAGA Group Members on a *pro rata* basis based on their PAGA Pay Periods (as defined below).
- 1.33. "PAGA Pay Period" means any pay period during which an 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.
- 1.34. "PAGA Notices" means Plaintiff Bueno's letter, Plaintiff Oare's letter, and Plaintiff French's letter all submitted on September 6, 2023, to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a), and Plaintiff Babbe's letter submitted on May 25, 2021 to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

- 1.35. “PAGA Penalties” means the total amount of PAGA civil penalties (Two Hundred Eighty Thousand Dollars [\$280,000.00]) to be paid from the Gross Settlement Amount, allocated 25% to the PAGA Group Members (Two Hundred Ten Thousand Dollars [\$210,000.00]) and the 75% to LWDA (Seventy Thousand Dollars [\$70,000.00]) in settlement of PAGA claims.
- 1.36. “PAGA Release Period” means the period from May 25, 2020, through the date of the Court’s preliminary approval of the class and PAGA settlement.
- 1.37. “PAGA Settlement” means the settlement and resolution of the Released PAGA Claims (as defined below).
- 1.38. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.39. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.40. “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval of the Settlement.
- 1.41. “Released Class Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.42. “Released PAGA Claims” means the claims being released as described in Paragraph 5.4 below.
- 1.43. “Released Parties” means: Defendant, and its officers, directors, employees and agents.
- 1.44. “Request for Exclusion” means a Class Member’s timely and valid submission of a written request to be excluded from the Class Settlement. The Request for Exclusion must: (a) contain the case name and number of the Action; (b) be signed by the Class Member; (c) contain the full name, address, telephone number, and the last four digits of the Social Security Number of the Class Member requesting exclusion; (d) clearly state that the Class Member does not wish to be included in the Settlement, and (e) be submitted in accordance with Paragraph 8.4..
- 1.45. “Response Deadline” means sixty (60) days after the Administrator mails the Class Notice, and shall be the last date on which Class Members may: fax, email, or mail a Requests for

Exclusion from the Settlement, a Notice of Objection to the Settlement, and/or dispute of the Workweeks and/or PAGA Pay Periods credited to him or her. Class Members to whom Class Notices are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days after the Response Deadline has expired.

1.46. “Class Member Address Search” means the Administrator’s investigation and search for Class Members’ most current mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address (“NCOA”) database, skip traces, and direct contact by the Administrator with Class Members.

1.47. “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.

2. RECITALS

2.1. On May 25, 2021, Plaintiff Babbe sent her PAGA notice to the Defendant and the LWDA, providing notice pursuant to Labor Code section 2699.3, subd.(a).

2.2. On June 18, 2021, Plaintiff Babbe filed the Class Action and PAGA Complaint for Damages (“*Babbe* Class Action”), in the Superior Court of the State of California for the County of Riverside, on behalf of herself, a putative class of hourly-paid and non-exempt employees and on behalf of other aggrieved employees pursuant to the California Private Attorneys General Act. On October 7, 2021, Plaintiff Babbe filed a First Amended Class Action Complaint for Damages (“*Operative Complaint*”), in the Superior Court of the State of California for the County of Riverside, separating the Business & Professions Code section 17200 claim into two distinct causes of action for Unlawful Business Practices and Unfair Business Practices.

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2.3. On January 28, 2022, Plaintiffs Bueno, Oare, and French filed a Class Action Complaint for Damages in the Superior Court of the State of California for the County of Riverside (“*Bueno Action*”). On September 28, 2022, Defendant filed a Motion to Consolidate the Actions. On December 16, 2022, the Court granted Defendant’s Motion to Consolidate the Actions. In the

Actions, Plaintiffs seek to recover for alleged violations of the California Labor Code and Industrial Commission Wage Orders for Defendant's alleged failure to pay all wages due including failure to pay minimum wages, failure to pay overtime wages, failure to pay premium wages, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to timely pay wages upon termination, failure to timely pay wages during employment, failure to provide complete and accurate wage statements, failure to keep requisite payroll records, failure to reimburse business expenses, violation of UCL, and penalties under of California Labor Code § 2698, *et seq.*

- 2.4. On September 6, 2023, Plaintiffs Alma Bueno, Brandon Oare, and Helen Yvonne French sent their PAGA Notices to Defendant and the LWDA, providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 2.5. Plaintiffs' core allegations are that Defendant has violated the California Labor Code by engaging in a uniform practice and procedure, with respect to Plaintiffs and the Class Members, of, *inter alia*, failing to pay minimum and overtime wages, failing to provide compliant meal and rest periods and associated premium pay, failing to timely pay wages and associated waiting time penalties, failing to provide compliant wage statements, and failing to reimburse necessary business-related expenses, and thereby engaged in unfair business practices under the California Business and Professions Code and conduct that gives to penalties recoverable under PAGA.
- 2.6. 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. (the "Mediator"), however no resolution was reached. In the following months, and with the help of Mr. Anderton's mediation efforts, the Parties reached this settlement memorialized herein on February 10, 2025. The settlement discussions were conducted at arm's-length, and the Settlement is the result of an informed and detailed analysis of Defendant's potential liability and exposure in relation to the costs and risks associated with continued litigation. Based on the information, documents, and data obtained, and Class Counsel's own independent investigation and evaluation, Class Counsel

believes that the settlement with Defendant for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members and the State of California in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation and various defenses asserted by Defendant.

- 2.7. Prior to mediation, Plaintiffs obtained through discovery documents and data regarding Defendant's policies and practices, as well as data concerning Class Members' and PAGA Group Members' time and payroll records. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("Dunk/Kullar").

3. MONETARY TERMS

- 3.1. Gross Settlement Amount. Except as otherwise provided by the Escalator Clause, Defendant promises to pay One Million One Hundred Fifty Thousand Dollars (\$1,150,000.00) and no more as the Gross Settlement Amount in consideration for the releases as described herein, and to separately pay any and all employer payroll taxes owed on the Wages Portions of the Individual Class Shares. Defendant has no obligation to pay the Gross Settlement Amount or any employer payroll taxes prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or PAGA Group Members to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

- 3.2.1. To Plaintiffs: Class Representative Enhancement Awards to the Class Representatives of not more than Ten Thousand Dollars (\$10,000.00) each to be paid from the Gross Settlement Amount in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are

entitled to receive as Participating Class Members. Defendant will not oppose Plaintiffs' request for Class Representative Enhancement Awards that do not exceed these amounts. Plaintiffs will seek preliminary and final approval, respectively, from the Court for any Class Representative Enhancement Awards, concurrently or combined with the filing of Plaintiffs' Motion for Preliminary Approval of Class Action Settlement and Plaintiffs' Motion for Final Approval of Class Action Settlement, respectively. If the Court approves the Class Representative Enhancement Awards in amounts less than the amounts requested, the remainder shall be a part of the Net Settlement Amount for the benefit of Participating Class Members. The Administrator will pay the Class Representative Enhancement Awards using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Enhancement Awards.

- 3.2.2. To Class Counsel: Class Counsel shall seek, and Defendant will not oppose attorneys' fees of not more than thirty-five percent (35%), or Four Hundred Two Thousand Five Hundred Dollars (\$402,500.00) and a Class Counsel Litigation Costs Payment of not more than Eighteen Thousand Dollars (\$18,000.00) to be paid from the Gross Settlement Amount. This amount set forth above will cover all fees and costs incurred to date in the Action, and all work to be performed and all fees and costs to be incurred in connection with obtaining the Court's approval of this Settlement. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Costs Payment less than the amounts requested, the remainder shall be a part of the Net Settlement Amount for the benefit of Participating Class Members. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Costs Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel

Litigation Costs Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Costs Payment and holds the Released Parties harmless, and indemnifies the Released Parties, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: The Administrator shall be Simpluris, Inc. (i.e., Administrator). The Administrator shall administer the Settlement, which includes but is not limited to, distributing and responding to inquiries about the Class Notice, determining the timeliness, validity, and/or completion of any Notices of Objection, Requests for Exclusion, and/or disputes regarding Workweeks and/or PAGA Pay Periods, and calculating all amounts to be paid from the Net Settlement Amount. Based on the Administrator's capped quote provided to the Parties, the charges and expenses of the Administrator are estimated to be no more than Sixteen Thousand Dollars and Zero Cents (\$16,000.00), and these charges will be paid from the Gross Settlement Amount, subject to Court approval. To the extent actual Administration Costs are greater than the estimated amount stated herein, such excess amount will 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 Administrator to undertake the required settlement administration duties will be part of the Net Settlement Amount for the benefit of Participating Class Members.

3.2.4. Calculation of Individual Class Shares to Each Participating Class Member:

3.2.4.1 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 Class Share that he or she may be eligible to receive under the Settlement.

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

3.2.4.3 Tax Allocation of Individual Class Payments. Fifteen percent (15%) of each Participating Class Member’s Individual Class Share will be allocated to settlement of wage claims (the “Wages Portion”). The Wages Portions are subject to employee’s share of taxes and withholdings and will be reported on an IRS W-2 Form. The remaining eighty five percent (85%) of each Participating Class Member’s Individual Class Share will be allocated to settlement of claims for disputed penalties and interest (the “Non-Wages Portion”). The Non-Wages Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. The Administrator will withhold the employee’s share of taxes and withholdings with respect to the Wages Portion of the Individual Class Shares, and issue checks to Participating Class Members for their Individual Class Payments. The employer’s share of taxes on the Wages Portion of Individual Settlement Shares will be paid separately and in addition to the Gross Settlement Amount. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.5. To the LWDA and PAGA Group Members: Class Counsel shall seek approval from the Court for the PAGA Penalties in the amount of Two Hundred Eighty Thousand Dollars (\$280,000.00) to be paid from the Gross Settlement Amount,

which shall be allocated as 75% (\$210,000.00) to the LWDA as the LWDA Payment, and 25% (\$70,000.00) will be allocated to the PAGA Group Members based on the respective PAGA Pay Periods credited to them.

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing 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 (b) multiply each PAGA Group Member's individual Pay Periods during the PAGA Release Period by the PAGA Weekly Rate to yield their Individual PAGA Payment. PAGA Group Members assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. All PAGA Group Members will be sent their Individual PAGA Payment regardless of whether they request to be excluded from the Class Settlement.

3.2.5.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS

4.1. Class Workweeks and PAGA Group Member Pay Periods. Based on a review of its records to date, Defendant estimates there are approximately 881 Class Members who collectively worked a total of approximately 64,500 Workweeks, and approximately 759 PAGA Group Members who worked a total of approximately 28,247 of PAGA Pay Periods.

4.2. Class Data. Not later than fifteen (15) days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement

and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant have a continuing duty to immediately notify Class Counsel if they discover that the Class Data omitted Class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than sixty (60) days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within thirty (30) days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA Payment, the Administration Costs Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Costs Payment, and the Class Representative Enhancement Awards.

4.4.1. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Costs Payment and the Class Representative Enhancement Awards shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.2. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Participating Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will void all checks not cashed deposited, or otherwise negotiated within one hundred and eighty (180) calendar days from the date the settlement checks are issued. Before mailing any checks, the Settlement

Administrator must update the recipients' mailing addresses using the National Change of Address Database.

- 4.4.3. The Administrator must conduct a Class Member Address Search for all other Participating Class Members whose checks are returned within sixty (60) calendar days after the date of mailing, as undelivered, without a forwarding address. Within seven (7) calendar days of receiving such a returned check, the Administrator must conduct a single re-mailing of such checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Participating Class Member whose original check was lost or misplaced, requested by the Participating Class Member prior to the void date.
- 4.4.4. The Administrator shall transmit the funds remaining from Individual Class Payments and/or Individual PAGA Payments checks, after the checks are voided, and as set forth in California Code of Civil Procedure Section 384, as amended, to California Rural Legal Assistance, Inc., a *Cy Pres*.
- 4.4.5. The Administrator shall undertake amended and/or supplemental tax filings and reporting, required under applicable local, state, and federal tax laws, that are necessitated due to the cancellation of any Individual Class Payments and/or Individual PAGA Payments checks. Participating Class Members whose Individual Class Payments and/or Individual PAGA Payments checks are voided shall, nevertheless, be bound by this Settlement Agreement.
- 4.4.6. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES 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 the Individual Class Shares, Plaintiffs and all Class Members who do not submit a timely and valid Request for Exclusion (i.e., Participating Class Members) will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties (as defined above) as follows:

- 5.1. Plaintiffs' General Releases. Upon the Effective Date and full funding of the Gross Settlement Amount and all employer payroll taxes owed on the Wages Portion of the Individual Class Payments, Plaintiffs will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged Defendant and the Released Parties from all Released Class Claims arising during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Actions and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Actions, Plaintiff Babbe's PAGA Notice ("Babbe Release"), Plaintiff Bueno's PAGA Notice ("Bueno Release"), Plaintiff Oare's PAGA Notice ("Oare's Release"), Plaintiff French's PAGA Notice ("French's Release") (collectively, "Plaintiffs' Release"). Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.
- 5.2. Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE

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

- 5.3. Released Class Claims of Participating Class Members: Upon the Effective Date and full funding of the Gross Settlement Amount and all employer payroll taxes owed on the Wages Portion of the Individual Class Payments, Plaintiffs and Class Members who do not submit a timely and valid Request for Exclusion (i.e., Participating Class Members) will be deemed to have fully, finally, and forever released settled, compromised, relinquished, and discharged all Released Parties from all claims that were pled in any of the complaints in this matter, or which could have been pled in any of the complaints in this matter 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; (i) failure to keep requisite payroll records; (j) 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 Action; and, (k) any other claims under the wage and hour laws pleaded in the Operative Complaint in the Action (“Released Class Claims”). 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.

5.4. Released PAGA Claims of the LWDA: Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs, and the State of California will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties from 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 Notice and only to the extent that those claims are also alleged in the Operative Complaint, 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 (“Released PAGA Claims”). 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 worker’s compensation, and claims outside of the PAGA Release Period.

6. MOTION FOR PRELIMINARY APPROVAL

6.1. Class Counsel agree to prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”), subject to receipt of feedback from Defense Counsel prior to filing, which shall not be unreasonably withheld. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court’s concerns.

7. SETTLEMENT ADMINISTRATION

7.1. Employer Identification Number. The Administrator shall establish a separate employer

Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.

7.2. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.

7.3. Notice to Class Members.

7.3.1. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel and Defense Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and PAGA Pay Periods in the Class Data.

7.3.2. Using best efforts to perform as soon as possible, and in no event later than fourteen (14) calendar days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice with Spanish translation, substantially in the form attached to this Agreement as “**Exhibit A**”. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.3.3. If any Class Notice is returned by the USPS as undelivered within thirty (30) calendar days of initial mailing, then, no later than three (3) business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall conduct a single re-mailing of the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and conduct a single re-mailing the Class Notice to the most current

address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

- 7.3.4. The Response Deadlines for Class Members' written Notices of Objection, disputes to Workweeks, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the sixty (60) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 7.3.5. If the Administrator, Defendant, Defense Counsel, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members, and submit a stipulation and proposed order to the Court to obtain the Court's entry of an order approving the Parties' stipulation on how to address the issue. If Final Approval of the Settlement has not yet been granted, and the Parties agree and the Court approves the Parties' stipulation in this regard, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) calendar days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later. If the issue arises after Final Approval has been granted, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members, and submit a stipulation and proposed order to the Court to obtain the Court's entry of an order approving the Parties' stipulation on how to address the issue.

7.4. Requests for Exclusion (Opt-Outs).

- 7.4.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than the Response Deadline. A Request for Exclusion is a letter from a Class Member or his/her representative that clearly communicates the Class Member's election to be excluded from the Class Settlement and includes the Class Member's full name, address and telephone number, and the last four digits of his or her Social Security number. To be valid, a Request for Exclusion must be timely postmarked by the Response Deadline.
- 7.4.2. The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded from the Class Settlement. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 7.4.3. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Class Settlement, including the Participating Class Members' Releases under Paragraphs 5.3 and 5.4 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 7.4.4. Every Class Member who submits a valid and timely Request for Exclusion shall not receive an Individual Class Payment or have the right to object to the class

action components of the Settlement.

7.4.5. If at any time prior to Motion for Final Approval, ten percent (10%) or more of the Class Members elect not to participate in the settlement, and/or if the combined workweeks worked by Class Members who timely exclude themselves from the Settlement amounts to ten percent (10%) or more of the total workweeks worked by all Class Members, Defendant may, at their election, rescind the settlement. Defendant must exercise this right of rescission, in writing, to Class Counsel, within fifteen (15) calendar days after the Settlement Administrator notifies the Parties of the total number of opt-outs. If the option to rescind is exercised, then Defendant shall be solely responsible for all costs of the settlement administration accrued to that point

7.5. Challenges to Calculation of Workweeks. On or before the Response Deadline, each Class Member may challenge the number of Class Workweeks and PAGA Pay Periods (if any) credited to the Class Member in their respective Class Notice. The Class Member may challenge the allocation by submitting a written dispute that: (a) contains the case name and number of the Action; (b) contains the Class Member's full name, address, telephone number, signature, and last four digits of his or her Social Security number; (c) contains a statement setting forth the number of Workweeks during the Class Period and PAGA Pay Periods during the PAGA Release Period (if any) that he or she contends is correct and attaches any relevant documentation in support thereof; and (d) is submitted to the Settlement Administrator by mail, postmarked no later than the Response Deadline. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks and Compensable Pay Periods contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly, and no later than ten (10) calendar days of receipt of a dispute regarding Workweeks and/or PAGA Pay Periods, provide copies of all challenges to calculation of Workweeks and/or PAGA Pay Periods

to Defense Counsel and Class Counsel and the Administrator's determination regarding the challenges.

7.6. Objections to Settlement.

7.6.1. Only Participating Class Members may object to the Class Settlement and/or this Agreement, including contesting the fairness of the Class Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Costs Payment and/or Class Representative Enhancement Awards.

7.6.2. Participating Class Members may send a Notice of Objection to the Administrator, by mail. In the alternative, or in addition to a written Notice of Objection, Participating Class Members may appear in Court (or hire an attorney to appear in Court at his or her own expense) to present verbal objections at the Final Approval Hearing. However, any attorney who will represent an objector must file a notice of appearance with the Court and serve Class Counsel and Defendant's counsel no later than the Response Deadline. A Participating Class Member who elects to send a written objection to the Administrator must do so no later than the Response Deadline.

7.6.3. Class Members who request exclusion from the Class Settlement have no right to object to the Settlement.

7.7. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

7.7.1. Website and Toll-Free Number. The Administrator will establish and maintain a section of the Administrator's existing internet website (i.e., the expense of a custom website and URL does not need to be undertaken) to post the following information: the date, time and location for the Final Approval Hearing; copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval Order, an exemplar Class Notice, the Motion for Final Approval, Class Counsel Litigation Costs Payment, and Class Representative Enhancement

Awards, and the Final Approval and the Judgment. The Administrator will also maintain and monitor a toll-free telephone number to receive Class Member calls.

7.7.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) calendar days after the expiration of the Response Deadline, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7.7.3. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, Notices of Objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusions, Notice of Objection, and challenges to Workweeks and/or Pay Periods received.

7.7.4. Administrator’s Declaration. Not later than fourteen (14) days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered,

the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of Notice of Objections, the number of challenges to Workweeks and/or Pay Periods and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

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

8. ESCALATOR CLAUSE

8.1. Defendant represented that there are an estimated 64,500 workweeks worked by the Class Members between June 18, 2017 and November 18, 2024. If the number of workweeks during the Class Period exceeds 64,500 by more than 12.5% (i.e., if there are 72,562.5 or more total workweeks), then Defendant, at its sole discretion, shall have the option to either (i) increase the Gross Settlement Amount on a pro-rata basis equal to the percentage increase in the number of workweeks worked by the Class Members above 12.5% (e.g., if the number of workweeks increases by 13.5% to 73,207.5 workweeks, the Gross Settlement Amount will increase by 1%), or (ii) elect to cut off the Class Period as of the date the total workweeks worked by Class Members during the Class Period exceeds 12.5% times the 64,500 estimate (i.e., so that the total workweeks is at or below 72,562.5). If Defendant elects to adjust the end of the Class Period and PAGA

Release Period, Defendant must do so at least ten (10) business days before the class notice is mailed to the Class Members so that the notice can be revised accordingly.

9. NULLIFICATION OF THE SETTLEMENT

- 9.1. If (a) the Court should for any reason fail to approve this Settlement Agreement in the form agreed to by the Parties, or (b) the Court should (for any reason that the Parties are not able to cure in order to implement the settlement) fail to enter Judgment in the Action, or (c) the approval of the Settlement Agreement and Judgment is reversed, modified or declared or rendered void, then the Settlement Agreement shall be considered null and void, and neither the Settlement Agreement nor any of the related negotiations or proceedings, shall be of any force or effect, and all parties to the Settlement Agreement shall stand in the same position, without prejudice, as if the Settlement Agreement had been neither entered into nor filed with the Court. Notwithstanding the foregoing, the Parties may and will attempt in good faith to cure any perceived defects in the Settlement Agreement to facilitate approval.

10. MOTION FOR FINAL APPROVAL

- 10.1. Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a Motion for Final Approval of the Settlement that includes a request for approval of the PAGA settlement, a [Proposed] Final Approval Order and Judgment (collectively “Motion for Final Approval”). Plaintiffs shall provide drafts of these documents to Defense Counsel prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in in good faith, to resolve any disagreements concerning the Motion for Final Approval.
- 10.2. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 10.3. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be

granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Enhancement Awards, Class Counsel Fees Payment, Class Counsel Litigation Costs Payment and/or Administrator Costs Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

- 10.4. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (a) enforcing this Agreement and/or Judgment, (b) addressing settlement administration matters, and (c) addressing such post-Judgment matters as are permitted by law.
- 10.5. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Costs Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Class Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 10.6. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration

Costs reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Enhancement Awards or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. AMENDED JUDGMENT

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

12. ADDITIONAL PROVISIONS

- 12.1. Notice of the 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 on its website for sixty (60) calendar days, and this shall satisfy California Rules of Court, Rule 3.771(b). No individualized notice of the Final Approval Order and Judgment to the Class will be required.
- 12.2. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Action have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

- 12.3. Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (a) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (b) counsel in a related matter; (c) to the extent necessary to report income to appropriate taxing authorities; (d) in response to a court order or subpoena; or (e) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.4. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.5. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.6. Cooperation. The Parties and their counsel will reasonably cooperate with each other and

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

- 12.7. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.8. No Tax Advice. Neither Plaintiffs, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.9. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties, their representatives, or their counsel, and approved by the Court.
- 12.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the

execution of this Agreement.

- 12.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court.
- 12.15. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 12.16. Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 12.17. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

Arby Aiwazian
Joanna Ghosh
Brian J. St. John
Erica Stepanian
arby@calljustice.com
joanna@calljustice.com
brian@calljustice.com
erica@calljustice.com
Lawyers for Justice, PC
450 North Brand Blvd., Suite
900,
Glendale, CA 91203

Andrew Hillier
Francis DiGiacco
andrew@hdlawllp.com
frankie@hdlawllp.com
HILLIER DIGIACCO,
LLP
600 West Broadway, Suite
700

San Diego, CA 92101

To Defendant:

Kevin M.
Erwinkevin.erwin@jacksonlewis.com
JACKSON LEWIS, P.C.
3390 University Ave.
Suite 110
Riverside, CA 92501

12.18. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counter parts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

12.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to California Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under California Code of Civil Procedure section 583.310 for the entire period of this settlement process.

THIS SECTION LEFT BLANK

IT IS SO STIPULATED AND AGREED.

Dated: 12 / 23 / 2025

PLAINTIFF

Dawn Babbe

Dawn Babbe

PLAINTIFF

Dated: _____

Alma Bueno

PLAINTIFF

Dated: _____

Brandon Oare

PLAINTIFF

Dated: _____

Helen Yvonne French

DEFENDANT

Dated: _____

[Name of Authorized Signatory]
[Title of Authorized Signatory]
MFI RECOVERY CENTER

APPROVED AS TO FORM

LAWYERS *for* JUSTICE, PC

Dated: _____

By: _____
Brian J. St. John
Erica Stepanian
Attorneys for Plaintiffs Alma Bueno, Brandon Oare,
and Helen Yvonne French

HILLIER DIGIACCO, LLP

Dated: 1/12/2026

By: 
Andrew Hillier
Francis DiGiacco
Attorneys for Plaintiff Dawn Babbe

IT IS SO STIPULATED AND AGREED.

PLAINTIFF

Dated: _____

Dawn Babbe

PLAINTIFF

Dated: 12/15/2025 _____


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Alma Bueno

PLAINTIFF

Dated: _____

Brandon Oare

PLAINTIFF

Dated: _____

Helen Yvonne French

DEFENDANT

Dated: _____

[Name of Authorized Signatory]
[Title of Authorized Signatory]
MFI RECOVERY CENTER

APPROVED AS TO FORM

LAWYERS *for* JUSTICE, PC

Dated: _____

By: _____
Brian J. St. John
Erica Stepanian
Attorneys for Plaintiffs Alma Bueno, Brandon Oare,
and Helen Yvonne French

HILLIER DIGIACCO, LLP

Dated: _____

By: _____
Andrew Hillier
Francis DiGiacco
Attorneys for Plaintiff Dawn Babbe

IT IS SO STIPULATED AND AGREED.

PLAINTIFF

Dated: _____

Dawn Babbe

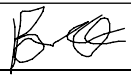
PLAINTIFF

Dated: _____

Alma Bueno

PLAINTIFF

Dated: 12/15/2025 _____


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Brandon Oare

PLAINTIFF

Dated: _____

Helen Yvonne French

DEFENDANT

Dated: _____

[Name of Authorized Signatory]
[Title of Authorized Signatory]
MFI RECOVERY CENTER

APPROVED AS TO FORM

LAWYERS *for* JUSTICE, PC

Dated: _____

By: _____
Brian J. St. John
Erica Stepanian
Attorneys for Plaintiffs Alma Bueno, Brandon Oare,
and Helen Yvonne French

HILLIER DIGIACCO, LLP

Dated: _____

By: _____
Andrew Hillier
Francis DiGiacco
Attorneys for Plaintiff Dawn Babbe

IT IS SO STIPULATED AND AGREED.

PLAINTIFF

Dated: _____

Dawn Babbe

PLAINTIFF

Dated: _____

Alma Bueno

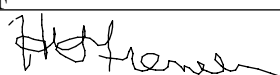
PLAINTIFF

Dated: _____

Brandon Oare

PLAINTIFF

Dated: 12/16/2025

Electronically signed  2025-12-16 13:43:42 UTC - 207.28.47.253
Nintex AssureSign® e3031f78-c44d-4a11-910c-b3b40145cd09

Helen Yvonne French

DEFENDANT

Dated: _____

[Name of Authorized Signatory]
[Title of Authorized Signatory]
MFI RECOVERY CENTER

APPROVED AS TO FORM

LAWYERS *for* JUSTICE, PC

Dated: December 16, 2025

By:  _____
Brian J. St. John
Erica Stepanian
Attorneys for Plaintiffs Alma Bueno, Brandon Oare,
and Helen Yvonne French

HILLIER DIGIACCO, LLP

Dated: _____

By: _____
Andrew Hillier
Francis DiGiacco
Attorneys for Plaintiff Dawn Babbe

IT IS SO STIPULATED AND AGREED.

Dated: 12 / 23 / 2025

PLAINTIFF

Dawn Babbe

Dawn Babbe

PLAINTIFF

Dated: _____

Alma Bueno

PLAINTIFF

Dated: _____

Brandon Oare

PLAINTIFF

Dated: _____

Helen Yvonne French

DEFENDANT

Dated: 2/7/2026

Jossye Cook

Jossye Cook
Acting CEO

MFI RECOVERY CENTER

APPROVED AS TO FORM

LAWYERS *for* JUSTICE, PC

Dated: _____

By: _____

Brian J. St. John
Erica Stepanian
Attorneys for Plaintiffs Alma Bueno, Brandon Oare,
and Helen Yvonne French

HILLIER DIGIACCO, LLP

Dated: 1/12/2026

By: *Andrew Hillier*

Andrew Hillier
Francis DiGiacco
Attorneys for Plaintiff Dawn Babbe

JACKSON LEWIS, P.C.

Dated: February 9, 2026

By: 

Kevin M. Erwin
Attorneys for Defendant MFI Recovery Center

4906-3131-3772, v. 2

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”):

Arby Aiwazian
Joanna Ghosh
Selena Matavosian
Erica Stepanian
Lawyers for Justice, PC
450 North Brand Boulevard, Suite 900
Glendale, California 91203
Telephone: (818) 265-1020 / Fax: (818) 265-1021

Francis A. DiGiacco
Hillier DiGiacco LLP
600 West Broadway, Suite 700
San Diego, CA 92101
Telephone: (619) 330-5120

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

EXHIBIT 2

Arby Aiwarzian (SBN 269827)
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Attorneys for Plaintiffs ALMA BUENO,
BRANDON OARE, and HELEN YVONNE FRENCH

[Additional Counsel on Next Page]

**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.: CVRI2200393

Honorable Harold W. Hopp
Department 1

CLASS ACTION

**AMENDMENT NO. 1 TO CLASS ACTION
AND PAGA SETTLEMENT AGREEMENT**

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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Attorneys for Defendant MFI RECOVERY CENTER

1 Plaintiffs Dawn Babbe, Alma Bueno, Brandon Oare, and Helen Yvonne French
2 (collectively, “Plaintiffs”), and Defendant MFI Recovery Center (“Defendant”) (collectively with
3 Plaintiffs, the “Parties”), pursuant to Paragraph 12.9 of the Class Action and PAGA Settlement
4 Agreement entered into on or around February 9, 2026 (“Original Agreement”), hereby agree to
5 amend the terms of the Original Agreement, as stated herein. Other than as expressly set forth
6 herein, the terms and conditions of the Original Agreement shall remain in full force and effect.

7 **A. Paragraph 1.29 of the Original Agreement is hereby amended as follows:**

8 “Notice of Objection” means a Participating Class Member’s Objection Form or written
9 objection to the Class Settlement, which must include: (a) the case name and number of the
10 Action; (b) the objector’s full name, signature, address, telephone number, and the last four digits
11 of his or her Social Security number; (c) a written statement indicating that the Class Member
12 objects to the Settlement and providing all grounds for the objection accompanied by any legal
13 support for such objection; (d) the full name, address, and telephone number of any attorney
14 representing the Class Member with respect to his or her objection; and (e) copies of any papers,
15 briefs, or other documents upon which the objection is based. Notices of Objection must be
16 submitted by mail to the Administrator at the specified address, postmarked on or before the
17 Response Deadline (as defined below).

18 **B. Paragraph 1.44 of the Original Agreement is hereby amended as follows:**

19 “Request for Exclusion” means a Class Member’s timely and valid submission of a written
20 request to be excluded from the Class Settlement or Request for Exclusion Form. The Request for
21 Exclusion must: (a) contain the case name and number of the Action; (b) be signed by the Class
22 Member; (c) contain the full name, address, telephone number, and the last four digits of the Social
23 Security Number of the Class Member requesting exclusion; (d) clearly state that the Class
24 Member does not wish to be included in the Settlement, and (e) be submitted in accordance with
25 Paragraph 8.4..

26 **C. Paragraph 1.45 of the Original Agreement is hereby amended as follows:**

27 “Response Deadline” means sixty (60) days after the Administrator mails the Notice
28 Packet, and shall be the last date on which Class Members may: fax, email, or mail a Request for

1 Exclusion from the Settlement, a Notice of Objection to the Settlement, and/or dispute of the
2 Workweeks and/or PAGA Pay Periods credited to him or her. Class Members to whom Notice
3 Packets are resent after having been returned undeliverable to the Administrator shall have an
4 additional fourteen (14) calendar days after the Response Deadline has expired.

5 **D. Paragraph 1.48 is hereby added to the Original Agreement:**

6 “Notice Packet” means, collectively, the Class Notice, Objection Form, and Request for
7 Exclusion Form, substantially in the forms attached hereto as “EXHIBIT A,” “EXHIBIT B,” and
8 “EXHIBIT C.”

9 **E. Paragraph 3.2.3 of the Original Agreement is hereby amended as follows:**

10 To the Administrator: The Administrator shall be Simpluris, Inc. (i.e., Administrator). The
11 Administrator shall administer the Settlement, which includes but is not limited to, distributing and
12 responding to inquiries about the Notice Packet, determining the timeliness, validity, and/or
13 completion of any Notices of Objection, Requests for Exclusion, and/or disputes regarding
14 Workweeks and/or PAGA Pay Periods, and calculating all amounts to be paid from the Net
15 Settlement Amount. Based on the Administrator’s capped quote provided to the Parties, the
16 charges and expenses of the Administrator are estimated to be no more than Sixteen Thousand
17 Dollars and Zero Cents (\$16,000.00), and these charges will be paid from the Gross Settlement
18 Amount, subject to Court approval. To the extent actual Administration Costs are greater than the
19 estimated amount stated herein, such excess amount will be paid from the Gross Settlement
20 Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or
21 awarded Administration Costs which are not in fact required to fulfill payment to the
22 Administrator to undertake the required settlement administration duties will be part of the Net
23 Settlement Amount for the benefit of Participating Class Members.

24 **F. Paragraph 7.3.2 of the Original Agreement is hereby amended as follows:**

25 Using best efforts to perform as soon as possible, and in no event later than fourteen (14)
26 calendar days after receiving the Class Data, the Administrator will send to all Class Members
27 identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Notice
28 Packet with Spanish translation, substantially in the forms attached to this Agreement as

1 “EXHIBIT A,” “EXHIBIT B,” and “EXHIBIT C”. The first page of the Class Notice shall
2 prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA
3 Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if
4 applicable) used to calculate these amounts. Before mailing Notice Packets, the Administrator
5 shall update Class Member addresses using the National Change of Address database.

6 **G. Paragraph 7.3.3 of the Original Agreement is hereby amended as follows:**

7 If any Notice Packet is returned by the USPS as undelivered within thirty (30)
8 calendar days of initial mailing, then, no later than three (3) business days after the Administrator’s
9 receipt of any Notice Packet returned by the USPS as undelivered, the Administrator shall conduct
10 a single re-mailing of the Notice Packet using any forwarding address provided by the USPS. If the
11 USPS does not provide a forwarding address, the Administrator shall conduct a Class Member
12 Address Search, and conduct a single re-mailing the Notice Packet to the most current address
13 obtained. The Administrator has no obligation to make further attempts to locate or send the
14 Notice Packet to Class Members whose Notice Packet is returned by the USPS a second time.

15 **H. Paragraph 7.3.4 of the Original Agreement is hereby amended as follows:**

16 The Response Deadlines for Class Members’ written Notices of Objection, disputes to
17 Workweeks, and Requests for Exclusion will be extended an additional fourteen (14) days beyond
18 the sixty (60) days otherwise provided in the Notice Packet for all Class Members whose notice is
19 re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-
20 mailed Notice Packet.

21 **I. Paragraph 7.3.5 of the Original Agreement is hereby amended as follows:**

22 If the Administrator, Defendant, Defense Counsel, or Class Counsel is contacted by or
23 otherwise discovers any persons who believe they should have been included in the Class Data and
24 should have received Notice Packet, the Parties will expeditiously meet and confer in person or by
25 telephone, and in good faith in an effort to agree on whether to include them as Class Members,
26 and submit a stipulation and proposed order to the Court to obtain the Court’s entry of an order
27 approving the Parties’ stipulation on how to address the issue. If Final Approval of the Settlement
28 has not yet been granted, and the Parties agree and the Court approves the Parties’ stipulation in

1 this regard, such persons will be Class Members entitled to the same rights as other Class
2 Members, and the Administrator will send, via email or overnight delivery, a Notice Packet
3 requiring them to exercise options under this Agreement not later than fourteen (14) calendar days
4 after receipt of Notice Packet, or the deadline dates in the Notice Packet, whichever are later. If
5 the issue arises after Final Approval has been granted, the Parties will expeditiously meet and
6 confer in person or by telephone, and in good faith in an effort to agree on whether to include them
7 as Class Members, and submit a stipulation and proposed order to the Court to obtain the Court's
8 entry of an order approving the Parties' stipulation on how to address the issue.

9 **J. Paragraph 7.4.2 of the Original Agreement is hereby amended as follows:**

10 The Administrator may not reject a Request for Exclusion as invalid because it fails to
11 contain all the information specified in the Notice Packet. The Administrator shall accept any
12 Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the
13 person as a Class Member and the Class Member's desire to be excluded from the Class
14 Settlement. The Administrator's determination shall be final and not appealable or otherwise
15 susceptible to challenge. If the Administrator has reason to question the authenticity of a Request
16 for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The
17 Administrator's determination of authenticity shall be final and not appealable or otherwise
18 susceptible to challenge.

19 **K. Paragraph 7.4.3 of the Original Agreement is hereby amended as follows:**

20 Every Class Member who does not submit a timely and valid Request for Exclusion is
21 deemed to be a Participating Class Member under this Agreement, entitled to all benefits and
22 bound by all terms and conditions of the Class Settlement, including the Participating Class
23 Members' Releases under Paragraphs 5.3 and 5.4 of this Agreement, regardless whether the
24 Participating Class Member actually receives the Notice Packet or objects to the Class Settlement.

25 **L. Paragraph 7.6.2 of the Original Agreement is hereby amended as follows:**

26 Participating Class Members may send a Notice of Objection to the Administrator, by mail.
27 In the alternative, or in addition to a written Notice of Objection or Objection Form, Participating
28 Class Members may appear in Court (or hire an attorney to appear in Court at his or her own

1 expense) to present verbal objections at the Final Approval Hearing. However, any attorney who
2 will represent an objector must file a notice of appearance with the Court and serve Class Counsel
3 and Defendant's counsel no later than the Response Deadline. A Participating Class Member who
4 elects to send a written objection to the Administrator must do so no later than the Response
5 Deadline.

6 **M. Paragraph 7.7.1 of the Original Agreement is hereby amended as follows:**

7 Website and Toll-Free Number. The Administrator will establish and maintain a section of
8 the Administrator's existing internet website (i.e., the expense of a custom website and URL does
9 not need to be undertaken) to post the following information: the date, time and location for the
10 Final Approval Hearing; copies of the Settlement Agreement, Motion for Preliminary Approval,
11 the Preliminary Approval Order, an exemplar Notice Packet, the Motion for Final Approval, Class
12 Counsel Litigation Costs Payment, and Class Representative Enhancement Awards, and the Final
13 Approval and the Judgment. The Administrator will also maintain and monitor a toll-free
14 telephone number to receive Class Member calls.

15 **N. Paragraph 7.7.3 of the Original Agreement is hereby amended as follows:**

16 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to
17 Class Counsel and Defense Counsel that, among other things, tally the number of: Notice Packets
18 mailed or re-mailed, Notice Packets returned undelivered, Requests for Exclusion (whether valid
19 or invalid) received, Notices of Objections received, challenges to Workweeks and/or Pay Periods
20 received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA
21 Payments ("Weekly Report"). The Weekly Reports must include the Administrator's assessment
22 of the validity of Requests for Exclusion and attach copies of all Requests for Exclusions, Notice
23 of Objection, and challenges to Workweeks and/or Pay Periods received.

24 **O. Paragraph 7.7.4 of the Original Agreement is hereby amended as follows:**

25 Administrator's Declaration. Not later than fourteen (14) days before the date by which
26 Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator
27 will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in
28 Court attesting to its due diligence and compliance with all of its obligations under this Agreement,

1 including, but not limited to, its mailing of the Notice Packet, the Notice Packets returned as
2 undelivered, the re-mailing of Notice Packets, attempts to locate Class Members, the total number
3 of Requests for Exclusion from Settlement it received (both valid or invalid), the number of Notice
4 of Objections, the number of challenges to Workweeks and/or Pay Periods and attach the
5 Exclusion List. The Administrator will supplement its declaration as needed or requested by the
6 Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s)
7 in Court.

8 **P. Paragraph 8.1 of the Original Agreement is hereby amended as follows:**

9 Defendant represented that there are an estimated 64,500 workweeks worked by the Class
10 Members between June 18, 2017 and November 18, 2024. If the number of workweeks during the
11 Class Period exceeds 64,500 by more than 12.5% (i.e., if there are 72,562.5 or more total
12 workweeks), then Defendant, at its sole discretion, shall have the option to either (i) increase the
13 Gross Settlement Amount on a pro-rata basis equal to the percentage increase in the number of
14 workweeks worked by the Class Members above 12.5% (e.g., if the number of workweeks
15 increases by 13.5% to 73,207.5 workweeks, the Gross Settlement Amount will increase by 1%), or
16 (ii) elect to cut off the Class Period as of the date the total workweeks worked by Class Members
17 during the Class Period exceeds 12.5% times the 64,500 estimate (i.e., so that the total
18 workweeks is at or below 72,562.5). If Defendant elects to adjust the end of the Class Period and
19 PAGA Release Period, Defendant must do so at least ten (10) business days before the Notice
20 Packet is mailed to the Class Members so that the notice can be revised accordingly.

21 **Q. Exhibit A.** Exhibit A to the Original Agreement, which consisted of the Class
22 Notice, is hereby replaced with the revised Class Notice attached hereto as "EXHIBIT A."

23 **R. Exhibit B.** Exhibit B, which consists of the Objection Form, is hereby added to
24 Paragraph 1.48 of the Original Agreement and attached hereto as "EXHIBIT B."

25 **S. Exhibit C.** Exhibit C, which consists of the Request for Exclusion Form, is hereby
26 added to Paragraph 1.48 of the Original Agreement and attached hereto as "EXHIBIT C."

27 ///

28 ///

1 **IT IS SO AGREED ON BEHALF OF PLAINTIFFS AND APPROVED AS TO**
2 **FORM BY THE UNDERSIGNED COUNSEL OF RECORD.**

3
4 Dated:: June 16, 2026

LAWYERS for JUSTICE, PC

5
6 By: /s/ Erica Stepanian
7 Yasmin Hosseini
8 Selena Matavosian
9 Erica Stepanian
10 *Attorney for* Plaintiffs Alma Bueno, Brandon
11 Oare, and Helen Yvonne French

12
13 Dated: June 16, 2026

HILLIER DIGIACCO, LLP

14
15 By: /s/ Francis DiGiacco
16 Andrew Hillier
17 Francis DiGiacco
18 *Attorneys for* Plaintiff Dawn Babbe

19 **IT IS SO AGREED ON BEHALF OF DEFENDANT AND APPROVED AS TO**
20 **FORM BY THE UNDERSIGNED COUNSEL OF RECORD.**

21
22 Dated: June 16, 2026

JACKSON LEWIS, P.C.

23
24 By: /s/ Kevin M. Erwin
25 Kevin M. Erwin
26 *Attorneys for* Defendant MFI Recovery Center
27
28

EXHIBIT 3

Arby Aiwarzian (SBN 269827)
Joanna Ghosh (SBN 272479)
Yasmin Hosseini (SNB 326399)
Selena Matavosian (SBN 348044)
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Attorneys for Plaintiffs ALMA BUENO,
BRANDON OARE, and HELEN YVONNE FRENCH

[Additional Counsel on Next Page]

**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.: CVRI2200393

Honorable Harold W. Hopp
Department 1

CLASS ACTION

**AMENDMENT NO. 1 TO CLASS ACTION
AND PAGA SETTLEMENT AGREEMENT**

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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Francis A. DiGiacco (SBN 265625)

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4 *Attorneys for Plaintiff DAWN BABBE*

5 Kevin M. Erwin (SBN 170186)
6 **JACKSON LEWIS P.C.**
200 Spectrum Center Drive, Suite 500
Irvine, California 92618
7 Tel: (949) 885-1360
8 Facsimile: (949) 885-1380

9 *Attorneys for Defendant MFI RECOVERY CENTER*

1 Plaintiffs Dawn Babbe, Alma Bueno, Brandon Oare, and Helen Yvonne French
2 (collectively, “Plaintiffs”), and Defendant MFI Recovery Center (“Defendant”) (collectively with
3 Plaintiffs, the “Parties”), pursuant to Paragraph 12.9 of the Class Action and PAGA Settlement
4 Agreement entered into on or around February 9, 2026 (“Original Agreement”), hereby agree to
5 amend the terms of the Original Agreement, as stated herein. Other than as expressly set forth
6 herein, the terms and conditions of the Original Agreement shall remain in full force and effect.

7 **A. Paragraph 1.29 of the Original Agreement is hereby amended as follows:**

8 “Notice of Objection” means a Participating Class Member’s Objection Form or written
9 objection to the Class Settlement, which must include: (a) the case name and number of the
10 Action; (b) the objector’s full name, signature, address, telephone number, and the last four digits
11 of his or her Social Security number; (c) a written statement indicating that the Class Member
12 objects to the Settlement and providing all grounds for the objection accompanied by any legal
13 support for such objection; (d) the full name, address, and telephone number of any attorney
14 representing the Class Member with respect to his or her objection; and (e) copies of any papers,
15 briefs, or other documents upon which the objection is based. Notices of Objection must be
16 submitted by mail to the Administrator at the specified address, postmarked on or before the
17 Response Deadline (as defined below).

18 **B. Paragraph 1.44 of the Original Agreement is hereby amended as follows:**

19 “Request for Exclusion” means a Class Member’s timely and valid submission of a written
20 request to be excluded from the Class Settlement or Request for Exclusion Form. The Request for
21 Exclusion must: (a) contain the case name and number of the Action; (b) be signed by the Class
22 Member; (c) contain the full name, address, telephone number, and the last four digits of the Social
23 Security Number of the Class Member requesting exclusion; (d) clearly state that the Class
24 Member does not wish to be included in the Settlement, and (e) be submitted in accordance with
25 Paragraph 8.4..

26 **C. Paragraph 1.45 of the Original Agreement is hereby amended as follows:**

27 “Response Deadline” means sixty (60) days after the Administrator mails the ~~Class~~ Notice
28 Packet, and shall be the last date on which Class Members may: fax, email, or mail a

1 ~~Request~~Requests for Exclusion from the Settlement, a Notice of Objection to the Settlement,
2 and/or dispute of the Workweeks and/or PAGA Pay Periods credited to him or her. Class Members
3 to whom ~~Notice Packets~~Class-Notices are resent after having been returned undeliverable to the
4 Administrator shall have an additional fourteen (14) calendar days after the Response Deadline has
5 expired.

6 **D. Paragraph 1.48 is hereby added to the Original Agreement:**

7 “Notice Packet” means, collectively, the Class Notice, Objection Form, and Request for
8 Exclusion Form, substantially in the forms attached hereto as “EXHIBIT A,” “EXHIBIT B,” and
9 “EXHIBIT C.”

10 **E. Paragraph 3.2.3 of the Original Agreement is hereby amended as follows:**

11 To the Administrator: The Administrator shall be Simpluris, Inc. (i.e., Administrator). The
12 Administrator shall administer the Settlement, which includes but is not limited to, distributing and
13 responding to inquiries about the ~~Class-Notice~~ Packet, determining the timeliness, validity, and/or
14 completion of any Notices of Objection, Requests for Exclusion, and/or disputes regarding
15 Workweeks and/or PAGA Pay Periods, and calculating all amounts to be paid from the Net
16 Settlement Amount. Based on the Administrator’s capped quote provided to the Parties, the
17 charges and expenses of the Administrator are estimated to be no more than Sixteen Thousand
18 Dollars and Zero Cents (\$16,000.00), and these charges will be paid from the Gross Settlement
19 Amount, subject to Court approval. To the extent actual Administration Costs are greater than the
20 estimated amount stated herein, such excess amount will be paid from the Gross Settlement
21 Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or
22 awarded Administration Costs which are not in fact required to fulfill payment to the
23 Administrator to undertake the required settlement administration duties will be part of the Net
24 Settlement Amount for the benefit of Participating Class Members.

25 **F. Paragraph 7.3.2 of the Original Agreement is hereby amended as follows:**

26 Using best efforts to perform as soon as possible, and in no event later than fourteen (14)
27 calendar days after receiving the Class Data, the Administrator will send to all Class Members
28 identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the ~~Class~~

1 Notice Packet with Spanish translation, substantially in the ~~forms~~form attached to this Agreement
2 as “~~EXHIBIT~~Exhibit A,” “EXHIBIT B,” and “EXHIBIT C”. The first page of the Class Notice
3 shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual
4 PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay
5 Periods (if applicable) used to calculate these amounts. Before mailing Notice Packets~~Class~~
6 ~~Notices~~, the Administrator shall update Class Member addresses using the National Change of
7 Address database.

8 **G. Paragraph 7.3.3 of the Original Agreement is hereby amended as follows:**

9 If any ~~Class~~-Notice Packet is returned by the USPS as undelivered within thirty (30)
10 calendar days of initial mailing, then, no later than three (3) business days after the Administrator’s
11 receipt of any ~~Class~~-Notice Packet returned by the USPS as undelivered, the Administrator shall
12 conduct a single re-mailing of the ~~Class~~-Notice Packet using any forwarding address provided by
13 the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a
14 Class Member Address Search, and conduct a single re-mailing the ~~Class~~-Notice Packet to the
15 most current address obtained. The Administrator has no obligation to make further attempts to
16 locate or send ~~the~~Class Notice Packet to Class Members whose ~~Class~~-Notice Packet is returned by
17 the USPS a second time.

18 **H. Paragraph 7.3.4 of the Original Agreement is hereby amended as follows:**

19 The Response Deadlines for Class Members’ written Notices of Objection, disputes to
20 Workweeks, and Requests for Exclusion will be extended an additional fourteen (14) days beyond
21 the sixty (60) days otherwise provided in the ~~Class~~-Notice Packet for all Class Members whose
22 notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with
23 the re-mailed ~~Class~~-Notice Packet. -

24 **I. Paragraph 7.3.5 of the Original Agreement is hereby amended as follows:**

25 If the Administrator, Defendant, Defense Counsel, or Class Counsel is contacted by or
26 otherwise discovers any persons who believe they should have been included in the Class Data and
27 should have received ~~Class~~-Notice Packet, the Parties will expeditiously meet and confer in person
28 or by telephone, and in good faith in an effort to agree on whether to include them as Class

Members, and submit a stipulation and proposed order to the Court to obtain the Court's entry of an order approving the Parties' stipulation on how to address the issue. If Final Approval of the Settlement has not yet been granted, and the Parties agree and the Court approves the Parties' stipulation in this regard, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a ~~Class-Notice~~ Packet requiring them to exercise options under this Agreement not later than fourteen (14) calendar days after receipt of ~~Class-Notice~~ Packet, or the deadline dates in the ~~Class-Notice~~ Packet, whichever are later. If the issue arises after Final Approval has been granted, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members, and submit a stipulation and proposed order to the Court to obtain the Court's entry of an order approving the Parties' stipulation on how to address the issue.

J. Paragraph 7.4.2 of the Original Agreement is hereby amended as follows:

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

K. Paragraph 7.4.3 of the Original Agreement is hereby amended as follows:

Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Class Settlement, including the Participating Class Members' Releases under Paragraphs 5.3 and 5.4 of this Agreement, regardless whether the Participating Class Member actually receives the ~~Class-Notice~~ Packet or objects to the Class

1 Settlement.

2 **L. Paragraph 7.6.2 of the Original Agreement is hereby amended as follows:**

3 Participating Class Members may send a Notice of Objection to the Administrator, by mail.
4 In the alternative, or in addition to a written Notice of Objection or Objection Form, Participating
5 Class Members may appear in Court (or hire an attorney to appear in Court at his or her own
6 expense) to present verbal objections at the Final Approval Hearing. However, any attorney who
7 will represent an objector must file a notice of appearance with the Court and serve Class Counsel
8 and Defendant's counsel no later than the Response Deadline. A Participating Class Member who
9 elects to send a written objection to the Administrator must do so no later ~~than that~~ the Response
10 Deadline.

11 **M. Paragraph 7.7.1 of the Original Agreement is hereby amended as follows:**

12 Website and Toll-Free Number. The Administrator will establish and maintain a section of
13 the Administrator's existing internet website (i.e., the expense of a custom website and URL does
14 not need to be undertaken) to post the following information: the date, time and location for the
15 Final Approval Hearing; copies of the Settlement Agreement, Motion for Preliminary Approval,
16 the Preliminary Approval Order, an exemplar ~~Class-Notice~~ Packet, the Motion for Final Approval,
17 Class Counsel Litigation Costs Payment, and Class Representative Enhancement Awards, and the
18 Final Approval and the Judgment. The Administrator will also maintain and monitor a toll-free
19 telephone number to receive Class Member calls.

20 **N. Paragraph 7.7.3 of the Original Agreement is hereby amended as follows:**

21 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to
22 Class Counsel and Defense Counsel that, among other things, tally the number of: Notice
23 ~~PacketsClass-Notices~~ mailed or re-mailed, Notice Packets~~Class-Notices~~ returned undelivered,
24 Requests for Exclusion (whether valid or invalid) received, Notices of Objections received,
25 challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for
26 Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly
27 Reports must include the Administrator's assessment of the validity of Requests for Exclusion and
28 attach copies of all Requests for Exclusions, Notice of Objection, and challenges to Workweeks

1 and/or Pay Periods received.

2 **O. Paragraph 7.7.4 of the Original Agreement is hereby amended as follows:**

3 Administrator's Declaration. Not later than fourteen (14) days before the date by which
4 Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator
5 will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in
6 Court attesting to its due diligence and compliance with all of its obligations under this Agreement,
7 including, but not limited to, its mailing of ~~theClass~~ Notice Packet, the Notice Packets~~Class~~
8 ~~Notiees~~ returned as undelivered, the re-mailing of Notice Packets~~Class~~ ~~Notiees~~, attempts to locate
9 Class Members, the total number of Requests for Exclusion from Settlement it received (both valid
10 or invalid), the number of Notice of Objections, the number of challenges to Workweeks and/or
11 Pay Periods and attach the Exclusion List. The Administrator will supplement its declaration as
12 needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the
13 Administrator's declaration(s) in Court.

14 **P. Paragraph 8.1 of the Original Agreement is hereby amended as follows:**

15 Defendant represented that there are an estimated 64,500 workweeks worked by the Class
16 Members between June 18, 2017 and November 18, 2024. If the number of workweeks during the
17 Class Period exceeds 64,500 by more than 12.5% (i.e., if there are 72,562.5 or more total
18 workweeks), then Defendant, at its sole discretion, shall have the option to either (i) increase the
19 Gross Settlement Amount on a pro-rata basis equal to the percentage increase in the number of
20 workweeks worked by the Class Members above 12.5% (e.g., if the number of workweeks
21 increases by 13.5% to 73,207.5 workweeks, the Gross Settlement Amount will increase by 1%), or
22 (ii) elect to cut off the Class Period as of the date the total workweeks worked by Class Members
23 during the Class Period exceeds 12.5% times the 64,500 estimate (i.e., so that the total
24 workweeks is at or below 72,562.5). If Defendant elects to adjust the end of the Class Period and
25 PAGA Release Period, Defendant must do so at least ten (10) business days before the Notice
26 Packet~~class notice~~ is mailed to the Class Members so that the notice can be revised accordingly.

27 **Q. Exhibit A.** Exhibit A to the Original Agreement, which consisted of the Class
28 Notice, is hereby replaced with the revised Class Notice attached hereto as "EXHIBIT A."

1 **R. Exhibit B.** Exhibit B, which consists of the Objection Form, is hereby added to
2 Paragraph 1.48 of the Original Agreement and attached hereto as “**EXHIBIT B.**”

3 **S. Exhibit C.** Exhibit C, which consists of the Request for Exclusion Form, is hereby
4 added to Paragraph 1.48 of the Original Agreement and attached hereto as “**EXHIBIT C.**”

5 ///

6 ///

7 **IT IS SO AGREED ON BEHALF OF PLAINTIFFS AND APPROVED AS TO**
8 **FORM BY THE UNDERSIGNED COUNSEL OF RECORD.**

9
10 Dated:: _____, 2026

LAWYERS for JUSTICE, PC

11 By: _____

12 Yasmin Hosseini
13 Selena Matavosian
14 Erica Stepanian
15 *Attorney for* Plaintiffs Alma Bueno, Brandon
16 Oare, and Helen Yvonne French

17
18 Dated: _____, 2026

HILLIER DIGIACCO, LLP

19 By: _____

20 Andrew Hillier
21 Francis DiGiacco
22 *Attorneys for* Plaintiff Dawn Babbe

23 **IT IS SO AGREED ON BEHALF OF DEFENDANT AND APPROVED AS TO**
24 **FORM BY THE UNDERSIGNED COUNSEL OF RECORD.**

25
26 Dated: _____, 2026

JACKSON LEWIS, P.C.

27 By: _____

28 Kevin M. Erwin
Attorneys for Defendant MFI Recovery Center