STIPULATION OF SETTLEMENT

This Stipulation of Settlement ("Settlement Agreement") is reached by and between Plaintiff Jerry Marquez ("Plaintiff"), individually and on behalf of all members of the Settlement Class (defined below), on one hand, and Defendant Inland Christian Home, Inc. ("Defendant" or "Inland Christian") on the other hand. Plaintiff and Inland Christian are referred to herein collectively as the "Parties." Plaintiff and the Settlement Class are represented by Paul K. Haines, Sean M. Blakely, and Joel M. Gordon of Haines Law Group, APC ("Class Counsel"). Inland Christian is represented by Diane Marie O'Malley and Kathleen B. Roney of Hanson Bridgett LLP.

On December 8, 2023, Plaintiff filed a Class Action Complaint against Inland Christian in San Bernardino Superior Court in the matter entitled *Jerry Marquez v. Inland Christian Home, Inc.,* San Bernardino County Superior Court Case No. CIVSB2331928 alleging the following causes of action: (1) minimum wage violations; (2) failure to pay all overtime wages; (3) meal period violations; (4) rest period violations; (5) failure to reimburse employees for necessary business expenditures; (6) wage statement violations; (7) waiting time penalties; and (8) unfair competition. On February 15, 2024, Plaintiff filed the operative First Amended Class and Representative Action Complaint ("FAC"), adding a cause of action for civil penalties under the Private Attorneys general Act ("PAGA").

Given the uncertainty of litigation, Plaintiff and Inland Christian wish to settle both individually and on behalf of the Settlement Class. Accordingly, Plaintiff and Inland Christian agree as follows:

1. **Settlement Class.** For purposes of this Settlement Agreement only, Plaintiff and Inland Christian stipulate to the certification of the following Settlement Class:

> All current and former non-exempt employees of Defendant Inland Christian Home, Inc. in the State of California who worked between December 8, 2019 and the date of preliminary approval of the Settlement (the "Class Period").

The Parties agree that certification for purposes of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

Additionally, the "PAGA Employees" shall be defined as:

> All current and former non-exempt employees of Defendant Inland Christian Home, Inc. in the State of California who worked between December 8, 2022 and the date of preliminary approval of the Settlement (the "PAGA Period").

2. **Release by Settlement Class Members, PAGA Employees and Plaintiff.** As of the Final Effective Date (as defined below), and upon Inland Christian's complete funding of the Gross

Settlement Fund and Inland Christian's share of employer payroll taxes, Plaintiff, every member of the Settlement Class (except those who submit a timely and valid Request for Exclusion, as defined below), and every one of the PAGA Employees will fully release and discharge Inland Christian and any of its former or present parent companies, subsidiaries, affiliates, investors, partners, owners, related organizations, predecessors or successors, and all agents, employees, officers, directors, shareholders, members, managers, holding companies, insurers, assigns, and attorneys thereof, (collectively, the "Released Parties"), as follows:

A. Settlement Class members, except those who submit a timely and valid Request for Exclusion, will release any and all claims, demands, causes of action, and legal theories alleged or which could have been alleged or otherwise raised based on the facts in the Action, including claims for: (a) failure to pay all minimum wages; (b) failure to pay all overtime wages; (c) failure to provide all meal periods, or premium pay for non-compliant meal periods; (d) failure to authorize and permit all rest periods, or premium pay for non-compliant rest periods; (e) failure to indemnify all necessary business expenditures; (f) failure to issue accurate and compliant wage statements; (g) failure to timely pay all wages due or final wages due; (h) all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories of relief pled in the Action; and (i) all damages, penalties, interest, costs (including attorney's fees) and other amounts recoverable under said claims or causes of action as to the facts and/or legal theories alleged in the Action (collectively, the "Released Claims"). The period of the Released Claims shall extend to the limits of the Class Period.

B. <u>PAGA Release</u>: PAGA Employees, including Plaintiff, will release and forever discharge all claims, demands, rights, liabilities and causes of action for civil penalties under California Labor Code Private Attorneys General Act of 2004 against the Released Parties based on Plaintiff's letter to the Labor & Workforce Development Agency ("LWDA") dated December 8, 2023 and the operative FAC for: a) failure to pay all minimum wages; (b) failure to pay all overtime wages; (c) failure to provide all meal periods, or premium pay for non-compliant meal periods; (d) failure to authorize and permit all rest periods, or premium pay for non-compliant rest periods; (e) failure to indemnify all necessary business expenditures; (f) failure to issue accurate and compliant wage statements; (g) failure to timely pay all wages due or final wages due (collectively, "PAGA Released Claims"). The PAGA Period and the time period of the PAGA Released Claims is defined as December 8, 2022 through the date of preliminary approval of the Settlement ("PAGA Period").

C. In light of Plaintiff's Class Representative Enhancement Payment, and upon Inland Christian's complete funding of the Gross Settlement Fund and Inland Christian's share of employer payroll taxes, Plaintiff as an individual, generally, releases and discharges the Released Parties from any and all claims, transactions or occurrences arising between Plaintiffs and the Released Parties, including without limitation, arising from Plaintiff's employment with Inland Christian, separation of employment from Inland Christian, and any acts that have or could have been asserted in any legal action or proceeding against Inland Christian, whether known or unknown, arising under any federal, state, or local law, or statute, including, inter alia, those arising under the California Labor Code, Fair Labor Standards Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, Employee Retirement Income Security Act, National Labor Relations Act, California Corporations Code, California Business and Professions Code, California Fair Employment and Housing Act, California Constitution (all as amended), and law of contract and tort, as well as for discrimination, harassment, retaliation, wrongful termination, lost wages, benefits, other employment compensation, emotional distress, medical expenses, other economic and non-economic damages, attorney fees, and costs, arising on or before the date on which this Agreement is executed. Notwithstanding the foregoing, this waiver and release of claims does not extend to any rights which as a matter of law cannot be waived and released by private agreement, including rights to sue to enforce this Agreement and rights to vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits, or other claims that may not be released by law.

Plaintiff understands that this release includes unknown claims and that Plaintiff is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

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

3. **Gross Settlement Fund.** As consideration, Inland Christian agrees to pay a non-reversionary gross settlement amount ("Gross Settlement Fund") of One Million Four Hundred Twenty Thousand Dollars and Zero Cents ($1,420,000.00) in full and complete settlement of the Action, as follows:

   A. The Parties have agreed to engage Phoenix Settlement Administrators as the "Settlement Administrator" to administer this Settlement.

   B. The Settlement will become final and effective when: (a) the Court issues an order granting final approval of the Settlement (if no timely objections by or on behalf of Settlement Class members have been filed, or any timely objections have been withdrawn); or (b) the time for appeal has expired if an objection has been filed and no appeal has been filed or withdrawn; or (c) the final resolution of any appeal that has been filed ("Effective Date").

   C. Inland Christian shall deposit the Gross Settlement Fund and the employer's share of payroll taxes with the Settlement Administrator according to the following schedule:

(1) Seven Hundred Ten Thousand Dollars ($710,000) no later than fifteen (15) days after the Effective Date.

(2) The remaining Seven Hundred Ten Thousand Dollars ($710,000) no later than sixty (60) days after the Effective Date.

D. This is a non-reversionary settlement. The Gross Settlement Fund includes:

(1) All payments (including interest) to the Settlement Class;

(2) All costs of the Settlement Administrator which are anticipated to be no greater than Eleven Thousand Dollars and Zero Cents ($11,000.00);

(3) Up to Seven Thousand Five Hundred Dollars and Zero Cents ($7,500.00) for Plaintiff's Class Representative Enhancement Payment, in recognition of Plaintiff's contributions to the Action and Plaintiff's services to the Settlement Class, and for Plaintiff's individual general release under this Agreement. In the event that the Court reduces or does not approve the requested Class Representative Enhancement Payment, Plaintiff shall not have the right to revoke this settlement, and it will remain binding;

(4) Up to one-third of the Gross Settlement Fund in Class Counsel's attorneys' fees, plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than Thirty Thousand Dollars and Zero Cents ($30,000.00). In the event the Court reduces or does not approve the requested attorneys' fees or costs, Plaintiff and Class Counsel shall not have the right to revoke this Settlement Agreement, and it will remain binding; and

(5) Forty Thousand Dollars and Zero Cents ($40,000.00) of the Gross Settlement Fund has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Thirty Thousand Dollars and Zero Cents ($30,000.00) will be payable to the Labor & Workforce Development Agency ("LWDA"), and the remaining twenty-five percent (25%), or Ten Thousand Dollars and Zero Cents ($10,000.00), will be payable to the PAGA Employees as the "PAGA Amount," as described below.

Any difference between these requested amounts and the amounts approved by the Court will revert to the Net Settlement Amount for the benefit of the Settlement Class members who do not opt out.

E. **Employer Payroll Taxes.** The Gross Settlement Fund does not include Employer Payroll Taxes, which shall be paid by Inland Christian separate, and in addition to, the Gross Settlement Fund.

F. **Escalator Clause.** Inland Christian estimates that the Settlement Class worked approximately 31,371 total workweeks during the Class Period. If at the time of preliminary approval, the number of workweeks has increased by 10% or more than 31,371 (i.e., if there are 34,509 or more workweeks), then Inland Christian shall have the option to either: (1) increase the Gross Settlement Fund on a proportional basis above the 10% threshold (i.e., if there was a 12% increase in the number of workweeks, Defendant shall increase the Gross Settlement Fund by 2%); or (2) shorten the Class Period to cover the time period encompassing 34,509 workweeks.

4. **Payments to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive a payment ("Settlement Award") from the Settlement. Settlement Awards will be determined and paid as follows:

A. The Settlement Administrator shall first deduct from the Gross Settlement Fund the amounts approved by the Court for Class Counsel's attorneys' fees, Class Counsel's costs and expenses, the Class Representative Enhancement Payment, the Settlement Administrator's fees and expenses for administration, and the amount designated as civil penalties under the PAGA. The remaining amount shall be known as the "Net Settlement Amount."

B. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class member's Settlement Award based on the following formula:

i. The Net Settlement Amount shall be allocated to participating Settlement Class members who worked during the Class Period, as follows: each participating Settlement Class member shall receive a proportionate share of the Net Settlement Amount based upon the number of workweeks worked as a non-exempt employee during the Class Period, and which shall be calculated by multiplying the Net Settlement Amount by a fraction, the numerator of which is the participating Settlement Class member's total workweeks worked as a non-exempt employee during the Class Period, and the denominator of which is the total workweeks worked by all Settlement Class members (who do not opt out) who worked during the Class Period.

C. <u>PAGA Amount</u>: Ten Thousand Dollars and Zero Cents ($10,000.00) of the Gross Settlement Fund has been designated as the "PAGA Amount" as described above. Each PAGA Employee shall receive a portion of the PAGA Amount proportionate to the number of workweeks that he or she worked during this PAGA Period which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the PAGA Employee's number of workweeks worked as a non-exempt employee (including those who opt out) during this time period, and the denominator of which is the total number of workweeks worked by all PAGA Employees (including those who opt out).

D. Within ten (10) calendar days following the second and final deposit into the Gross Settlement Fund with the Settlement Administrator by Inland Christian, the Settlement Administrator will calculate Settlement Award amounts, and will provide the same to counsel for review and approval. Within seven (7) calendar days of approval by counsel, the Settlement Administrator will prepare and mail

Settlement Awards, less applicable taxes and withholdings, to participating Settlement Class members. The Settlement Administrator shall simultaneously pay the withholdings to the applicable authorities with the necessary reports, submitting copies to Inland Christian's counsel. The Settlement Administrator shall pay the amounts approved by the Court for Class Counsel's attorneys' fees and costs, Plaintiff's Class Representative Enhancement Payment, payment to the LWDA, and the settlement administration costs after it mails Settlement Awards to Settlement Class members.

E. Each Settlement Award shall be allocated as one-third (1/3) wages and two-thirds (2/3) as penalties and interest. The Settlement Administrator will be responsible for issuing to Settlement Class members an IRS Form W-2 (for amounts paid as wages) and an IRS Form 1099 (for amounts paid as penalties and interest). Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.

F. Each member of the Settlement Class who receives a Settlement Award must cash that check within 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks are not cashed within 180 days after mailing shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 *et seq*., in the name of the Settlement Class member to whom the check was issued, until such time that they claim their property.

5. **Attorneys' Fees and Costs.** Inland Christian will not object to Class Counsel's request for a total award of attorneys' fees of up to one-third of the Gross Settlement Fund, which is currently estimated to be Four Hundred Seventy-Three Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents ($473,333.33). Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed Thirty Thousand Dollars and Zero Cents ($30,000.00) from the Gross Settlement Fund. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the fee award approved by the Court.

6. **Class Representative Enhancement Payment.** Inland Christian will not object to a request for a Class Representative Enhancement Payment of Seven Thousand Five Hundred Dollars and Zero Cents ($7,500.00) to Plaintiff, for his time and risk in prosecuting this case and Plaintiff's services to the Settlement Class. This payment will be in addition to Plaintiff's Settlement Award as a Settlement Class member, and shall be reported on an IRS Form 1099 issued by the Settlement Administrator. Even in the event that the Court reduces or does not approve the requested Enhancement Payment, Plaintiff shall not have the right to revoke this Settlement, and it will remain binding.

7. **Settlement Administrator.** Inland Christian will not object to the appointment of Phoenix Settlement Administrators as Settlement Administrator. Inland Christian will not object to Plaintiff seeking approval to pay up to Eleven Thousand Dollars and Zero Cents ($11,000.00) for its services from the Gross Settlement Fund. The Settlement Administrator shall be responsible for depositing into an account and holding the various payments from Inland Christian comprising the Gross Settlement Fund, sending Notice Packets to the Settlement Class members, calculating Settlement Awards and preparing all checks and mailings, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Fund only after Settlement Awards have been mailed to all participating Settlement Class members. The Settlement Administrator shall also give notice of final judgment by posting the final judgment to its website.

8. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiff shall apply to the Court for the entry of an Order:

A. Conditionally certifying the Settlement Class for settlement purposes only;

B. Appointing Paul K. Haines, Sean M. Blakely, and Joel M. Gordon of Haines Law Group, APC as Class Counsel;

C. Appointing Plaintiff Jerry Marquez as Class Representative for the Settlement Class;

D. Approving Phoenix Settlement Administrators as Settlement Administrator;

E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;

F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice and Notice of Estimated Settlement Award), and directing the mailing of same in both English and Spanish; and

G. Scheduling a Final Approval hearing.

9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class and PAGA Employees shall be notified as follows:

A. Within ten (10) business days after entry of an order preliminarily approving this Agreement, Inland Christian will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, dates of employment, and workweek data ("Class Data") for each Settlement Class member during the Class Period.

B. Within ten (10) business days from receipt of this information, the Settlement Administrator shall (i) run the names of all Settlement Class members through the National Change of Address ("NCOA") database to determine any updated addresses for Settlement Class members; (ii) update the address of any Settlement Class member for whom an updated address was found through the NCOA search;

(iii) calculate the estimated Settlement Award for each Settlement Class member; and (iv) mail a Notice Packet to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.

C. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within three (3) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member immediately, and in any event within three (3) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class member. Settlement Class members to whom Notice Packets are re-sent after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to mail a Request for Exclusion or Objection or dispute. Notice Packets that are re-sent shall inform the recipient of this adjusted deadline. If a Settlement Class member's Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet shall not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Inland Christian's Counsel to provide notice of the proposed settlement.

D. Requests for Exclusion. Any Settlement Class member who wishes to opt out of the Settlement must complete and mail, e-mail, or fax a Request for Exclusion (defined below) to the Settlement Administrator within sixty (60) calendar days of the date of the initial mailing of the Notice Packets (the "Response Deadline").

i. The Notice Packet shall state that Settlement Class members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member; (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the Settlement, unless the Settlement Administrator can ascertain the identity of the Settlement Class member and also ascertain that the Settlement Class member indeed desires to exclude himself or herself from the Settlement. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class member who requests to be excluded from the Settlement

Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon.

ii. The Parties agree there is no statutory or other right for any Settlement Class member/PAGA Employee to opt out or otherwise exclude himself or herself from the PAGA portion of the Settlement. A Settlement Class member/PAGA Employee who submits a valid and timely Request for Exclusion shall still receive his or her proportionate share of the PAGA Amount and will be bound by the PAGA Release.

E. Objections. Members of the Settlement Class who do not opt out may object to this Settlement Agreement as explained in the Class Notice by submitting a written objection with the Settlement Administrator by mail, e-mail, or fax (who shall serve all objections as received on Class Counsel and Inland Christian's counsel, as well as file all such objections with the Court) within the Response Deadline. To be valid, any objection should: (1) contain the objecting Settlement Class member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) be postmarked no later than the Response Deadline. Notwithstanding the foregoing, even if the information above is not all contained in a written objection, it will be deemed valid if the Settlement Administrator can ascertain the identity of the Settlement Class member and also ascertain that the Settlement Class member indeed desires to object. Members of the Settlement Class who do not request exclusion may also object to the Settlement by appearing at the Final Approval Hearing in person or virtually irrespective of whether they submitted any written objections. Neither a written objection nor a notice of appearance is required in order for a Settlement Class member to appear at the hearing on the Motion for Final Approval and object.

F. Notice of Estimated Settlement Award / Disputes. Each Notice Packet mailed to a Settlement Class member shall disclose the amount of the Settlement Class member's estimated Settlement Award as well as all of the information that was used to calculate the Settlement Award. Settlement Class members will have the opportunity, should they disagree with Inland Christian's records regarding the information stated in the Notice of Estimated Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed, faxed or e-mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Settlement Awards under the terms of this Agreement. If a resolution cannot be reached by and among the Parties and the Settlement Administrator, the Court will render all final decisions on disputes.

10. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;

B. Approving Plaintiff's and Class Counsel's application for attorneys' fees and costs, Class Representative Enhancement Payment, and settlement administration costs; and

C. Entering judgment pursuant to California Rule of Court 3.769. Said judgment shall be posted on the website of the Settlement Administrator.

11. **Non-Admission of Liability.** Inland Christian and the Released Parties deny that they have engaged in any unlawful activity, have failed to comply with the law in any respect, have any liability to anyone under the claims asserted in the Action, or that but for the Settlement a class should be certified in the Action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or wrongdoing or that class certification is appropriate in any context other than this Settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any civil, criminal or administrative action or proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement, or to defend any claims released or barred by this Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.

12. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and approved by the Court. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

14. **Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California.

15. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Plaintiff: Paul K. Haines of Haines Law Group, APC
2155 Campus Drive, Suite 180, El Segundo, CA 90245
phaines@haineslawgroup.com

if to Defendant: Diane Marie O'Malley of Hanson Bridgett LLP
425 Market Street, 26th Floor, San Francisco, CA 94105
domalley@hansonbridgett.com

16. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

17. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

18. **Enforcement and Continuing Jurisdiction of the Court.** To the extent consistent with class action procedure, this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6. The Court shall retain continuing jurisdiction over this Lawsuit and over all Parties and Settlement Class members, to the fullest extent to enforce and effectuate the terms and intent of this Settlement Agreement, and to adjudicate any claimed breaches of this Settlement Agreement. The Court may award reasonable attorneys' fees and costs to the prevailing party in any motion or action taken and based on an alleged violation of any material term of the Settlement Agreement.

DATED:

DEFENDANT INLAND CHRISTIAN HOME, INC.

By: ______________________
Name: David Stienstra
Title: Executive Director

DATED: Sep 18, 2025

PLAINTIFF JERRY MARQUEZ

By: Jerry Marquez (Sep 18, 2025 15:41:10 PDT)
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: October 8, 2025

HANSON BRIDGETT LLP

By: Diane Marie O'Malley

Diane Marie O'Malley
Kathleen B. Roney
Attorneys for Defendant

DATED: September 23, 2025

HAINES LAW GROUP, APC

By: Sean Blakely

Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiff

EXHIBIT 1

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

JERRY MARQUEZ, as an individual and on behalf of all others similarly situated, Plaintiff, vs. INLAND CHRISTIAN HOME, INC., a California non-profit corporation; and DOES 1 through 100, Defendants.	Case No. CIVSB2331928 **NOTICE OF PROPOSED CLASS ACTION SETTLEMENT**

To: All current and former non-exempt employees of Defendant Inland Christian Home, Inc. in the State of California who worked between December 8, 2019 and [PRELIM APPROVAL DATE]. Collectively, these employees will be referred to as "Settlement Class members."

PLEASE READ CAREFULLY
THIS NOTICE IS BEING PROVIDED TO YOU IN BOTH ENGLISH AND SPANISH
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT

Why should you read this Notice?

The Court has granted preliminary approval of a proposed class action settlement (the "Settlement") in the matter of *Jerry Marquez v. Inland Christian Home, Inc.,* San Bernardino County Superior Court Case No. CIVSB2331928 (the "Lawsuit"). Your rights may be affected by the Settlement, and it is important that you read this Notice carefully.

Inland Christian Home, Inc.'s ("Inland Christian" or "Defendant") records show that you were employed by Inland Christian as a non-exempt employee in the State of California between December 8, 2019 and [PRELIM APPROVAL DATE] (the "Class Period"). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this Notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound to the terms of the Settlement and any final judgment.

What is this case about?

On December 8, 2023, Plaintiff Jerry Marquez ("Plaintiff") filed a Complaint on a class action basis on behalf of all current and former non-exempt employees of Inland Christian who worked in California during the Class Period. The operative First Amended Class and Representative Action Complaint alleges the following causes of action: (1) minimum wage violations; (2) failure to pay all overtime wages; (3) meal period violations; (4) rest period violations; (5) failure to reimburse employees for necessary business expenditures; (6) wage statement violations; (7) waiting time penalties; (8) unfair competition; and (9) civil penalties under the Private Attorneys General Act ("PAGA"). Plaintiff is known as the "Class Representative," and his attorneys, who also represent the interests of all Settlement Class members, are known as "Class Counsel."

The Court has <u>not</u> ruled on the merits of Plaintiff's claims, and Inland Christian denies that it has done anything wrong. Inland Christian further denies that it owes Settlement Class members any wages, restitution, penalties, damages, or other amounts. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Inland Christian, by whom all liability is expressly denied.

However, to avoid additional expense, inconvenience, and interference with its business operations, Inland Christian has concluded that it is in its best interests to settle the Lawsuit on the terms summarized in this Notice. The Settlement was reached after an exchange of information and documents, a mediation, and arms-length negotiations between the parties.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Inland Christian, the risk of denial of class certification, the inherent risk of trial on the merits, and the delays and uncertainties associated with ongoing litigation.

<u>If you are still employed by Inland Christian, your decision about whether to participate in the Settlement will not affect your employment.</u> California law and Inland Christian's policy strictly prohibit unlawful retaliation. Inland Christian will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class member because of his/her decision to either participate or not participate in the Settlement.

Who are the Attorneys?

<table>
<tr>
<td>Attorneys for Plaintiff/Settlement Class:

HAINES LAW GROUP, APC
Paul K. Haines
phaines@haineslawgroup.com
Sean M. Blakely
sblakely@haineslawgroup.com
Joel M. Gordon
jgordon@haineslawgroup.com
2155 Campus Drive, Suite 180
El Segundo, California 90245
Tel: (424) 292-2350
Fax: (424) 292-2355
www.haineslawgroup.com</td>
<td>Attorneys for Inland Christian:

HANSON BRIDGETT LLP
Diane Marie O'Malley
domalley@hansonbridgett.com
Kathleen B. Roney
kroney@hansonbridgett.com
425 Market Street, 26th Floor
San Francisco, California 94105
Telephone: (415) 777-3200
Fax: (415) 541-9366</td>
</tr>
<tr>
<td colspan="2" align="center">Depending on what action you take in connection with the Settlement, you may need to contact or submit documents to the Settlement Administrator. You can do this as follows:

PHOENIX SETTLEMENT ADMINISTRATORS
P.O. Box 7208
Orange, CA 92863
[EMAIL ADDRESS]
Telephone: (800) 523-5773
Fax: (949) 209-2503
www.phoenixclassaction.com</td>
</tr>
</table>

What are the terms of the Settlement?

On <<PRELIM APPROVAL DATE>>, the Court preliminarily certified a class, for settlement purposes only, of all current and former non-exempt employees employed by Inland Christian in California from December 8, 2019 until <<PRELIM APPROVAL DATE>>. Settlement Class members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release claims against Inland Christian as specifically described below.

Inland Christian has agreed to pay $1,420,000.00 (the "Gross Settlement Fund") to fully resolve all claims in the Lawsuit, including payments to Settlement Class members, Class Counsel's attorneys' fees and expenses, Settlement administration costs, and the Class Representative's Enhancement Payment.

The following deductions from the Gross Settlement Fund will be requested by the parties and the amount of the deductions will be decided at the Final Approval Hearing:

Attorneys' Fees and Expenses. Class Counsel have been prosecuting the Lawsuit on behalf of Settlement Class members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Gross Settlement Fund. Settlement Class members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for up to one-third of the Gross Settlement Fund, which is currently estimated at $473,333.33, as reasonable compensation for the work Class Counsel performed and will continue to perform in the Lawsuit through Settlement finalization. Class Counsel also will ask for reimbursement of up to $30,000.00 in verified costs incurred in connection with the Lawsuit.

Settlement Administration Costs. The Court has approved Phoenix Settlement Administrators to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has approved setting aside up to $11,000.00 from the Gross Settlement Fund to pay the settlement administration costs.

Class Representative Enhancement Payment. Class Counsel will ask the Court to award a Class Representative Enhancement Payment in the amount of $7,500.00 to Plaintiff to compensate him for his services and extra work provided on behalf of the Settlement Class members.

PAGA Payment to the State of California. The parties have agreed to allocate $40,000.00 of the Gross Settlement Fund as PAGA civil penalties. Per Labor Code Section 2699(i), 75% of such penalties ($30,000.00) will be payable to the Labor & Workforce Development Agency ("LWDA") for its share of PAGA penalties, and the remaining 25% ($10,000.00) will be payable to qualifying members of the Settlement Class as explained in the next section.

Calculation of Individual Settlement Class Members' Settlement Awards. After deducting the Court-approved amounts above, the balance of the Gross Settlement Fund will form the Net Settlement Amount, which will be distributed to all Settlement Class members who do not submit a valid and timely Request for Exclusion from the Settlement (described below). The Net Settlement Amount will be divided as follows:

(i) The Net Settlement Amount shall be allocated to all participating Settlement Class members based on each participating Settlement Class member's proportionate number of workweeks worked for Inland Christian during the Class Period, and will be calculated by multiplying the Net Settlement Amount by a fraction, the numerator of which is the participating Settlement Class member's total workweeks worked during the Class Period, and the denominator of which is the total workweeks worked by all participating Settlement Class members during the Class Period.

(ii) In addition to the Net Settlement Amount, $10,000.00 of the Gross Settlement Fund has been designated as the "PAGA Amount" as described above and will be allocated to all Settlement Class members (regardless of whether they opt-out) who worked for Inland Christian at any time between December 8, 2022, through [PRELIM APPROVAL DATE] (the "PAGA Period"), in proportion to the number of workweeks that each Settlement Class member worked for Inland Christian in California as a non-exempt employee during that time period.

Payments to Settlement Class Members. If the Court grants final approval of the Settlement, individual Settlement Awards will be mailed to all Settlement Class members who did not submit a valid and timely Request for Exclusion from the Settlement.

Allocation and Taxes. For tax purposes, each Settlement Award shall be treated as follows: one-third (1/3) as "wages," for which an IRS Form W-2 will be issued; and two-thirds (2/3) as penalties and interest, for which an IRS Form 1099 will be issued. The Settlement Administrator will be responsible for issuing to Settlement Class members IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. Settlement Class members are responsible for the proper income tax treatment of the Settlement Awards. The Settlement Administrator, Inland Christian and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement

Class members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement, and as of the Effective Date and upon Inland Christian's complete funding of the Gross Settlement Fund, each Settlement Class member who has not submitted a timely and valid Request for Exclusion from the Settlement, will fully release and discharge Inland Christian and any of its former or present parent companies, subsidiaries, affiliates, investors, partners, owners, related organizations, predecessors or successors, and all agents, employees, officers, directors, shareholders, members, managers, holding companies, insurers, assigns, and attorneys thereof, (collectively, "Released Parties") from any and all claims, demands, causes of action, and legal theories alleged or which could have been alleged or otherwise raised based on the facts alleged in the Action, including claims for: (a) failure to pay all minimum wages; (b) failure to pay all overtime wages; (c) failure to provide all meal periods, or premium pay for non-compliant meal periods; (d) failure to authorize and permit all rest periods, or premium pay for non-compliant rest periods; (e) failure to indemnify all necessary business expenditures; (f) failure to issue accurate and compliant wage statements; (g) failure to timely pay all wages due or final wages due; (h) all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories of relief pled in the Action; and (i) all damages, penalties, interest, costs (including attorney's fees) and other amounts recoverable under said claims or causes of action arising out of or based on the facts and/or legal theories alleged in the Action (collectively, the "Released Claims"). The period of the Released Claims shall extend to the limits of the Class Period.

Additionally, all current and former non-exempt employees who are or were employed by Inland Christian in the State of California at any time from December 8, 2022 through [PRELIM APPROVAL DATE] ("PAGA Employees") release and forever discharge the Released Parties from all claims, demands, rights, liabilities and causes of action for civil penalties under California Labor Code Private Attorneys General Act of 2004 against the Released Parties arising out of or based on the facts alleged in Plaintiff's letter to the Labor & Workforce Development Agency ("LWDA") dated December 8, 2023 and the operative First Amended Class and Representative Action Complaint for: (a) failure to pay all minimum wages; (b) failure to pay all overtime wages; (c) failure to provide meal periods, or premium pay for non-compliant meal periods; (d) failure to authorize and permit all rest periods, or premium pay for non-compliant rest periods; (e) failure to indemnify all necessary business expenditures; (f) failure to provide accurate, itemized wage statements; and (g) failure to pay all wages due or final wages due (collectively, "PAGA Released Claims").

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate, and in the best interests of the Settlement Class, and the entry of a Judgment.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of workweeks you worked during the Class Period, and the proportionate number of workweeks you worked during the PAGA Period, as stated in the accompanying Notice of Estimated Settlement Award. You also will be bound by the Settlement, including the release of claims stated above.

Check Cashing Deadline and Donation of Residual Funds. If you are issued a Settlement Award, you will have one hundred and eighty (180) calendar days after your check is mailed by the Settlement Administrator to cash it. If you do not cash your check within 180 days after mailing, the funds shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 *et seq*., in your name, until such time that you claim your property.

What other options do I have?

Dispute Information in Notice of Estimated Settlement Award. Your award is based on the proportionate number of workweeks you worked during the Class Period, and the proportionate number of workweeks worked during the PAGA Period. The information contained in Inland Christian's records regarding each of these factors, along with your estimated Settlement Award, is listed on the accompanying Notice of Estimated Settlement Award. If you disagree with the information in your Notice of Estimated Settlement Award, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Estimated Settlement Award. Any disputes, along with supporting documentation, must be postmarked no later than <<RESPONSE DEADLINE>>.

DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.

The Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class members. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. If a resolution cannot be reached by and among the Parties and the Settlement Administrator, the Court will render all final decisions on disputes.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a written Request for Exclusion no later than <<RESPONSE DEADLINE>>, with your name, address, telephone number, last four digits of your social security number, and your signature. The Request for Exclusion should state:

> "I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *JERRY MARQUEZ v. INLAND CHRISTIAN HOME, INC.* LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE CLASS SETTLEMENT OF THIS LAWSUIT."

Send the Request for Exclusion directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. Any person who submits a valid and timely Request for Exclusion shall, upon receipt, no longer be a Settlement Class member, shall be barred from participating in any portion of the class action Settlement, and shall receive no monetary benefits from the class action Settlement. However, if you were employed by Inland Christian at any time during the PAGA Period, you may not opt out of the PAGA settlement, and you will still be entitled to a portion of the PAGA Amount as described above. **Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you should mail a written objection to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. Your written objection should include your name, address, as well as contact information for any attorney representing you regarding your objection, the case name and number, each specific reason in support of your objection, any legal or factual support for each objection, and any and all supporting papers, briefs, written evidence, declarations, and/or other evidence. Objections should be in writing and must be postmarked on or before <<RESPONSE DEADLINE>>. Notwithstanding the foregoing, you do not need to object in writing to be heard at the Final Approval Hearing.

You may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department S24 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, California 92415. You have the right to appear either in person or through your own attorney at this hearing. All objections or other correspondence must state the name and number of the case, which is *JERRY MARQUEZ v. INLAND CHRISTIAN HOME, INC.,* San Bernardino County Superior Court Case No. CIVSB2331928. You need not file a written objection in order to appear at the Final Approval Hearing.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department S24 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, California 92415. The Court also will be asked to rule on Class Counsel's request for attorneys' fees, reimbursement of costs and expenses, the Enhancement Payment to the Class Representative, the payment to the LWDA, and payment to the Settlement Administrator. **You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing.**

If you intend to attend the Final Approval Hearing or otherwise visit the Court, please visit the Court's website, https://www.sb-court.org.

How can I get additional information?

This Notice is only a summary of the Action and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the San Bernardino County Superior Court, located at 247 W. Third Street, San Bernardino, CA. 92415, during regular court hours. You may also download case-related documents from the Court's website. You may also contact Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT, INLAND CHRISTIAN, OR ITS ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is **<<RESPONSE DEADLINE>>**. These deadlines will be strictly enforced.

EXHIBIT 2

NOTICE OF ESTIMATED SETTLEMENT AWARD

Jerry Marquez v. Inland Christian Home, Inc.
SAN BERNARDINO COUNTY SUPERIOR COURT CASE NO. CIVSB2331928

Please complete, sign, date and return this Form to <<ADMINISTRATOR CONTACT INFO>> **ONLY IF** (1) your personal contact information has changed, and/or (2) you wish to dispute any of the items listed in Section (III), below. It is your responsibility to keep a current address on file with the Settlement Administrator.

(I) Please type or print your name:

____
(First, Middle, Last)

(II) Please type or print the following identifying information if your contact information has changed:

____
Former Names (if any)

____
New Street Address

____
City State Zip Code

(III) Information Used to Calculate Your Settlement Award:

According to Inland Christian Home, Inc.'s ("Inland Christian") records:

(a) you worked ____ workweeks from December 8, 2019 to <<PRELIM APPROVAL DATE>> for Inland Christian;

(b) you worked _____ workweeks from December 8, 2022 to <<PRELIM APPROVAL DATE>> for Inland Christian.

Based on the above, your Settlement Award is estimated at **$**________.

(IV) If you disagree with items (a) and/or (b), in Section (III) above, please explain why in the space provided below and include copies of any supporting evidence or documentation with this Form:

____
____
____
____
____
____

If you dispute the above information from Inland Christian's records, Inland Christian's records will control unless you are able to provide documentation that establishes otherwise and that Inland Christian's records are mistaken. If there is a dispute about whether Inland Christian's information or yours is accurate, and the dispute cannot be resolved informally, the dispute will be resolved by the Parties and the Settlement Administrator as described in the "Notice of Proposed Class Action Settlement" that accompanies this Form.

ANY DISPUTES, ALONG WITH ANY SUPPORTING DOCUMENTATION, MUST BE POSTMARKED NO LATER THAN <<RESPONSE DEADLINE>>.