

Eric K. Yaeckel [CSB No. 274608]
yaeckel@sullivanlawgroupapc.com

Ryan T. Kuhn [CSB No. 324538]
ryan@sullivanlawgroupapc.com

Cody D. Archer [CSB No. 361361]
cody@sullivanlawgroupapc.com

SULLIVAN & YAECKEL LAW GROUP, APC

2330 Third Avenue
San Diego, California 92101
(619) 702-6760 * (619) 702-6761 FAX

Attorneys for Plaintiff RHAY TAYLOR in a Representative capacity only, and on behalf of other members of the general public similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

RHAY TAYLOR in a Representative
capacity only, and on behalf of other
members of the general public similarly
situated,

Plaintiff

v.

ALTER MANAGEMENT LLC, a California
Limited Liability Company; ALTER
MENTAL HEALTH LLC, a California
Limited Liability Company; ALTER
MENTAL HEALTH- DANA POINT, LLC,
a California Limited Liability Company;
ALTER WELLNESS CARE LLC, a
California Limited Liability Company;
ALTIGNIS CAMPUS LLC, a California
Limited Liability Company; ALTER
HEALTH GROUP, INC., a California
Corporation; CALIFORNIA REHAB
CAMPUS, LLC, an Arizona Limited
Liability Company; CAMBRIDGE MENTAL
HEALTH MANAGEMENT LLC dba
ALTER BEHAVIORAL HEALTH, a
California Limited Liability Company;
ALTIGNIS HEALTH, LLC, a California
Limited Liability Company;

CASE NO. 37-2024-00007620-CU-OE-CTL

**PLAINTIFFS' NOTICE OF ERRATA
REGARDING THE LONG FORM
SETTLEMENT AGREEMENT IN
SUPPORT OF PRELIMINARY
APPROVAL**

Date: October 10, 2025

Time: 1:30p.m.

Dept.: C-63

Judge: Hon. Katherine Bacal

1 ALTER BEHAVIORAL HEALTH –
2 CAPISTRANO BEACH, LLC, a California
3 Limited Liability Company and DOES 1-10,
inclusive

4 Defendants

5 TO ALL PARTIES HEREIN AND THEIR COUNSEL OF RECORD:

6 PLEASE TAKE NOTICE that the Long Form Settlement Agreement submitted in support of
7 Plaintiffs’ Motion for Preliminary Approval and attached as Exhibit A to Eric K. Yaeckel’s
8 Declaration was un-signed by certain Plaintiffs in this matter . (ROA#23). A fully executed copy of
9 the agreement is being submitted to cure this oversight. The fully executed copy of the agreement is
10 being submitted with this Notice of Errata and is attached as **Exhibit A** herein.

11 This will not impact any of the citations within the original Memorandum submitted in support
12 of the Motion, which is already on file.

13 Dated: September 22, 2025

SULLIVAN & YAECKEL LAW GROUP, APC

15 *Cody Archer*

16 Eric K. Yaeckel

17 Ryan T. Kuhn

Cody D. Archer

18 Attorneys for Plaintiff RHAY TAYLOR in a
19 Representative capacity only, and on behalf of other
20 members of the general public similarly situated

Exhibit A

Eric K. Yaeckel [CSB No. 274608]
yaeckel@sullivanlawgroupapc.com
Ryan T. Kuhn [CSB No. 324538]
ryan@sullivanlawgroupapc.com

SULLIVAN & YAECKEL LAW GROUP, APC
2330 Third Avenue
San Diego, California 92101
(619) 702-6760 * (619) 702-6761 FAX
Attorneys for Plaintiff RHAY TAYLOR, Individually,
and on behalf of other members of the general public
similarly situated

[Additional counsel on next page]

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

RHAY TAYLOR, Individually, and on
behalf of other members of the general public
similarly situated

Plaintiff,

v.

ALTER MANAGEMENT LLC, a California
Limited Liability Company; ALTER
MENTAL HEALTH LLC, a California
Limited Liability Company; ALTER
MENTAL HEALTH- DANA POINT, LLC, a
California Limited Liability Company;
ALTER WELLNESS CARE LLC, a
California Limited Liability Company;
ALTIGNIS CAMPUS LLC, a California
Limited Liability Company; ALTER
HEALTH GROUP, INC., a California
Corporation; CALIFORNIA REHAB
CAMPUS, LLC, an Arizona Limited
Liability Company; CAMBRIDGE
MENTAL HEALTH MANAGEMENT LLC
dba ALTER BEHAVIORAL HEALTH, a
California Limited Liability Company;
ALTIGNIS HEALTH, LLC, a California
Limited Liability Company; ALTER
BEHAVIORAL HEALTH – CAPISTRANO
BEACH, LLC, a California Limited Liability
Company, and DOES 1-10, inclusive

Defendants.

CASE NO.: 37-2024-00007620-CU-OE-CTL

*Assigned for all purposes to the
Honorable Katherine Bacal, Dept. C-69*

**JOINT STIPULATION OF CLASS AND PAGA
ACTION SETTLEMENT AND RELEASE**

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Roxanna Tabatabaeepour (SBN 260187)

Roxanna.Taba@capstonelawyers.com

Ryan Tish (SBN 274284)

Ryan.Tish@capstonelawyers.com

Alexander Wallin (SBN 320420)

Alexander.Wallin@capstonelawyers.com

CAPSTONE LAW, APC

1875 Century Park East, Suite 1000

Los Angeles, California 90067-2533

Telephone: (310) 556-4811; Fax No.: (310) 943-0396

Attorneys for Plaintiff RHAY TAYLOR, Individually, and on behalf of other members of the general public similarly situated

Kyle C. Worrell (SBN 281287)

kcw@worrell-law.com

WORRELL LAW FIRM, APC

1717 Old Tustin Avenue, Unit E

Santa Ana, CA 92705

Telephone: (657) 232-1450; Facsimile: (657) 232-1430

Attorneys for Plaintiff ANDREA PUNGI, individually, and on behalf of others similarly situated

Hieu T. Williams [CSB No. 280585]

Hwilliams@hkemploymentlaw.com

Michelle Freeman [CSB No. 318908]

Mfreeman@hkemploymentlaw.com

HIRSCHFELD KRAEMER LLP

456 Montgomery Street, Suite 2200

San Francisco, CA 94104

Telephone: (415) 835-9000; Fax No. (415) 834-0443

Attorneys for Defendants ALTER MANAGEMENT LLC; ALTER MENTAL HEALTH LLC; ALTER MENTAL HEALTH- DANA POINT, LLC; ALTER WELLNESS CARE LLC; ALTIGNIS CAMPUS LLC; ALTER HEALTH GROUP, INC.; CALIFORNIA REHAB CAMPUS, LLC; CAMBRIDGE MENTAL HEALTH MANAGEMENT LLC dba ALTER BEHAVIORAL HEALTH, and ALTIGNIS HEALTH, LLC

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between Plaintiffs RHAY TAYLOR and ANDREA PUNGI ("Plaintiffs") and Defendants ALTER MANAGEMENT LLC; ALTER MENTAL HEALTH LLC; ALTER MENTAL HEALTH-DANA POINT, LLC; ALTER WELLNESS CARE LLC; ALTIGNIS CAMPUS LLC; ALTER HEALTH GROUP, INC.; CALIFORNIA REHAB CAMPUS, LLC; CAMBRIDGE MENTAL HEALTH MANAGEMENT LLC dba ALTER BEHAVIORAL HEALTH, ALTER BEHAVIORAL HEALTH – CAPISTRANO BEACH, LLC, and ALTIGNIS HEALTH, LLC (hereinafter "Defendants") The Agreement refers to Plaintiffs and Defendants collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1 "Action" means the Plaintiffs' lawsuits alleging wage and hour violations and claims pursuant to the Private Attorneys' General Act ("PAGA") on a class and collective action basis against Defendants captioned (1) *Rhay Taylor v. Alter Management LLC, et al.*, Case No. 37-2024-00007260-CU-OE-CTL, initiated on February 20, 2024, and pending in the Superior Court of the State of California, County of San Diego; (2) *Andrea Pungi v. Alter Health Group, Inc., et al.*, Case No. 30-2024-01429796-CU-OE-CXC, initiated of September 30, 2024 and pending in the Superior Court of the State of California, County of Orange; and (3) *Andrea Pungi v. Alter Management LLC, et al.*, Case No. 24STCV31655, initiated on December 2, 2024 and pending in the Superior Court of the State of California, County of Los Angeles.

1.2 "Administrator" means CAC Services Group, LLC, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3 "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4 "Aggrieved Employees" means all employees employed by Defendants in California at any time from December 7, 2022, through the earlier of (1) the date of preliminary approval of the settlement; (2) April 1, 2025; or (3) the date upon which the total number of

workweeks from February 20, 2020 forward equals 28,768 workweeks.

1.5 "Class" means all hourly or non-exempt employees employed by Defendants for the period of February 20, 2020 through the earlier of (1) the date of preliminary approval of the settlement; (2) April 1, 2025; or (3) the date upon which the total number of workweeks from February 20, 2020 forward equals 28,768 workweeks.

1.6 "Class Counsel" means Eric Yaeckel, and Ryan Kuhn of Sullivan & Yaeckel Law Group, APC.

1.7 "Class Counsel Expenses Payment" means the amount allocated to Class Counsel for reimbursement of reasonable expenses incurred to prosecute the Action.

1.8 "Class Counsel Fees Payment" means the amount allocated to Class Counsel for reimbursement of reasonable attorneys' fees incurred to prosecute the Action.

1.9 "Class Data" means identifying information in Defendants' possession for the Class, including each Class Member's name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

1.10 "Class Member" means a member of the Class.

1.11 "Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods, and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.12 "Class Notice" means the Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval, to be mailed to Class Members in English without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.

1.13 "Class Period" means the period from February 20, 2020 through the earlier of (1) the date of preliminary approval of the settlement; (2) April 1, 2025; or (3) the date upon which the total number of workweeks from February 20, 2020 forward equals 28,768 workweeks.

1.14 "Class Representatives" mean Plaintiffs Rhay Taylor and Andrea Pungi.

1.15 "Class Representative Service Payment" means the payment to the Class Representatives for initiating the Action and providing services in support of the Action.

1 1.16 "Court" means the Superior Court of California, County of San Diego.

2 1.17 "Defense Counsel" means Hieu Williams and Michelle Freeman of Hirschfeld
3 Kraemer LLP.

4 1.18 "Effective Date" means: (i) if no objections are made prior to the Final Approval
5 Hearing, the date on which the Court grants Final Approval and enters Final Judgment or (ii) if one
6 or more objections are made prior to the Final Approval Hearing, (a) the date of final affirmance
7 on an appeal of the Judgment; (b) the date on which the time for a petition to review the Judgment
8 expires, (c) if review is granted, the date of final affirmance of the Judgment following review, (d)
9 the date of final dismissal of any appeal from the Judgment or the final dismissal of any proceeding
10 to review the Judgment; (e) if no appeal is filed, the expiration date for filing any appeal from the
11 Judgment either (1) the date sixty (60) calendar days after the entry of Final Judgment and Order
12 Approving Settlement, if no motions for reconsideration and no appeals or other efforts to obtain
13 review have been filed, or (2) in the event a motion for reconsideration, an appeal or other effort to
14 obtain review of the Final Judgment and Order Approving Settlement, the date sixty (60) calendar
15 days after such reconsideration, appeal or review has been finally concluded and is no longer
16 subject to review, whether by appeal, petition for rehearing, petition for review or otherwise.

17 1.19 "Final Approval" means the Court's order granting final approval of the Settlement.

18 1.20 "Final Approval Hearing" means the Court's hearing on the Motion for Final
19 Approval of the Settlement.

20 1.21 "Final Judgment" means the Judgment Entered by the Court upon Granting Final
21 Approval of the Settlement.

22 1.22 "Gross Settlement Amount" means Six Hundred Thousand Dollars and Zero Cents
23 (\$600,000.00), which is the total amount Defendants agree to pay under the Settlement except as
24 provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class
25 Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment,
26 Class Counsel Expenses Payment, Class Representative Service Payment, and the Administrator's
27 Expenses.

28 1.23 "Defendants" means ALTER MANAGEMENT LLC; ALTER MENTAL

1 HEALTH LLC; ALTER MENTAL HEALTH- DANA POINT, LLC; ALTER WELLNESS CARE
2 LLC; ALTIGNIS CAMPUS LLC; ALTER HEALTH GROUP, INC.; CALIFORNIA REHAB
3 CAMPUS, LLC; CAMBRIDGE MENTAL HEALTH MANAGEMENT LLC dba ALTER
4 BEHAVIORAL HEALTH, ALTER BEHAVIORAL HEALTH – CAPISTRANO BEACH, LLC,
5 and ALTIGNIS HEALTH, LLC.

6 1.24 “Individual Class Payment” means the Participating Class Member’s pro rata share
7 of the Net Settlement Amount, calculated according to the number of Workweeks worked by the
8 Participating Class Member during the Class Period.

9 1.25 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of
10 25% of the PAGA Penalties, calculated according to the number of pay periods worked by the
11 Aggrieved Employee during the PAGA Period.

12 1.26 “LWDA” means the California Labor and Workforce Development Agency, the
13 agency entitled, under Labor Code section 2699, subdivision (i).

14 1.27 “LWDA PAGA Payment” means the 75% of the PAGA Penalties, which will be
15 paid to the LWDA under Labor Code section 2699, subdivision (i).

16 1.28 “Net Settlement Amount” means the Gross Settlement Amount, less the following
17 payments in the amounts approved by the Court: Individual Class Payments, Individual PAGA
18 Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees
19 Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment.

20 1.29 “Non-Participating Class Member” means any Class Member who opts out of the
21 Settlement by sending the Administrator a valid and timely Request for Exclusion.

22 1.30 “PAGA Pay Periods” means the number of pay periods each Aggrieved Employee
23 worked for Defendants as an hourly or non-exempt employee in California during the PAGA
24 Period. An employee will have been considered to have worked a pay period if the employee
25 worked at least one day during the pay period.

26 1.31 “PAGA Period” means the period from December 7, 2022, through the earlier of (1)
27 the date of Preliminary Approval of the Settlement; (2) April 1, 2025; or (3) the date upon which
28 the total number of workweeks from February 20, 2020 forward equals 28,768 workweeks..

- 1 1.32 "PAGA" means the Private Attorneys General Act (Lab. Code, § 2698 et seq.).
- 2 1.33 "PAGA Notice" means Plaintiff's December 7, 2023, letter to Defendants and the
- 3 LWDA, providing notice pursuant to Labor Code section 2699.3, subdivision (a).
- 4 1.34 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from
- 5 the Gross Settlement Amount (\$60,000.00), allocated 25% to the Aggrieved Employees
- 6 (\$15,000.00) and 75% to LWDA (\$45,000.00) in settlement of PAGA claims.
- 7 1.35 "Participating Class Member" means a Class Member who does not submit a valid
- 8 and timely Request for Exclusion from the Settlement.
- 9 1.36 "Plaintiffs" means Rhay Taylor and Andrea Pungi, the named plaintiffs in the
- 10 Action.
- 11 1.37 "Preliminary Approval" means the Court's Order Granting Preliminary Approval of
- 12 the Settlement.
- 13 1.38 "Released Class Claims" means the claims being released as described in Paragraph
- 14 5.2 below.
- 15 1.39 "Released PAGA Claims" means the claims being released as described in
- 16 Paragraph 5.3 below.
- 17 1.40 "Released Parties" means Defendants and each of their current and former direct
- 18 and indirect affiliates, other related business entities, parents, and equity holders, owners, and each
- 19 of their respective divisions, subsidiaries, joint ventures, customers, partners, actual or alleged joint
- 20 employers, officers, directors, employees, contractors, agents, principals, representatives,
- 21 accountants, auditors, consultants, attorneys, insurers and reinsurers, other representatives or
- 22 persons or acting by, through, under, or in concert with any of the forgoing, and each of the forgoing
- 23 successors, predecessors, and heirs, and any other persons that could be jointly liable with
- 24 Defendants for any of the Released Claims.
- 25 1.41 "Request for Exclusion" means a Class Member's valid and timely submission of a
- 26 written request to be excluded from the Class Settlement, signed by the Class Member.
- 27 1.42 "Response Deadline" means thirty (30) days after the Administrator mails Notice to
- 28 Class Members and Aggrieved Employees and shall be the last date on which Class Members may:

(a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his, her, or their Objection to the Settlement. Class Members to whom Notice Packets are re-sent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days after the Response Deadline has expired.

1.43 "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.44 "Workweek" means the number of weeks each Class Member worked as an hourly or non-exempt employee for Defendants in California during the Class Period. An employee will be considered to have worked a workweek if the employee worked at least one day during the workweek.

2. RECITALS.

2.1 On February 20, 2024, Plaintiff Taylor commenced this Action by filing a Complaint alleging representative PAGA claims for penalties asserting meal and rest period violations, minimum wage and overtime violations, wage statement and final pay violations, and failure to reimburse business expenses. On September 30, 2024, Plaintiff Pungi filed a wage and hour class action alleging meal and rest period violations, minimum wage and overtime violations, wage statement and final pay violations, and failure to pay all accrued sick pay and vacation time, failure to pay wages in a timely manner during employment, and failure to provide written notice of paid sick leave and supplemental paid sick leave. On December 2, 2024, Plaintiff Pungi filed a representative PAGA claim based on the same alleged violations alleged in her wage and hour class action. As part of this Settlement, Plaintiff Taylor will file a First Amended Complaint (the "Operative Complaint"), (1) adding Plaintiff Pungi as a plaintiff, and (2) alleging Class Action and PAGA claims on behalf of both Plaintiffs so that all claims alleged separately by Plaintiff Taylor and Plaintiff Pungi in their separate complaints are consolidated into this Action. Defendants adamantly deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint, and deny any and all liability for the causes of action alleged.

2.2 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiffs gave timely

1 written notice to Defendants and the LWDA by sending the PAGA Notice.

2 2.3 On December 17, 2024, following negotiations facilitated by experienced wage and
3 hour mediator Jill Sperber, the parties agreed to the key terms of a settlement of the Action.

4 2.4 Prior to settlement, Plaintiffs obtained, through informal discovery, time and pay
5 records for a 20% sample of the putative class members, and all relevant documents and
6 information related to Defendants' employment policies and practices. Plaintiffs' investigation was
7 sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*
8 (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th
9 116, 129-130 ("*Dunk/Kullar*").

10 2.5 The Parties stipulate to class certification for settlement purposes only.

11 2.6 The Parties, Class Counsel, and Defense Counsel represent that they are not aware
12 of any other pending matter or action asserting claims that will be extinguished by the Settlement.

13 **3. MONETARY TERMS.**

14 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below,
15 Defendants promise to pay Six Hundred Thousand Dollars and Zero Cents (\$600,000.00) and no
16 more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes
17 owed on the Wage Portions of the Individual Class Payments. Defendants has no obligation to pay
18 the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of
19 this Agreement. The Administrator will disburse the entire Gross Settlement Amount without
20 asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as
21 a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

22 3.2 Payments from the Gross Settlement Amount. The Administrator will make and
23 deduct the following payments from the Gross Settlement Amount, in the amounts specified by the
24 Court in the Final Approval:

25 3.2.1 To Plaintiffs: Class Representative Service Payment to the Class
26 Representative of not more than Ten Thousand Dollars (\$10,000.00) (in addition to any
27 Individual Class Payment and any Individual PAGA Payment the Class Representative is
28 entitled to receive as a Participating Class Member). Defendants will not oppose Plaintiffs'

1 request for a Class Representative Service Payment that does not exceed this amount. As
2 part of the motion for Class Counsel Fees Payment and Class Counsel Expenses Payment,
3 Plaintiffs will seek Court approval for any Class Representative Service Payments no later
4 than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a
5 Class Representative Service Payment less than the amount requested, the Administrator
6 will allocate the remainder to the Net Settlement Amount. The Administrator will pay the
7 Class Representative Service Payment using IRS Form 1099. Plaintiffs shall be solely and
8 legally responsible for correctly characterizing the Class Representative Service Payment
9 for tax purposes and for paying any taxes on the amounts received.

10 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than One-Third
11 Percent (1/3%) of the Gross Settlement Amount, which is currently estimated to be
12 \$200,000.00, and a Class Counsel Expenses Payment of not more than \$22,500.00.
13 Defendants will not oppose requests for these payments provided that they do not exceed
14 these amounts. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel
15 Expenses Payment less than the amounts requested, the Administrator will allocate the
16 remainder to the Net Settlement Amount. Released Parties shall have no liability to Class
17 Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class
18 Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The
19 Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses
20 Payment using one or more IRS 1099 Forms. Class Counsel shall be solely and legally
21 responsible for correctly characterizing the Class Counsel Fees Payment and the Class
22 Counsel Expenses Payment for tax purposes and for paying any taxes on the amounts
23 received.

24 3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed
25 \$4,337.59 except for a showing of good cause and as approved by the Court. To the extent
26 the Administration Expenses are less than or the Court approves payment of less, the
27 Administrator will allocate the remainder to the Net Settlement Amount.

28 3.2.4 To Each Participating Class Member: An Individual Class Payment calculated

1 by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by
2 all Participating Class Members during the Class Period and (b) multiplying the result by
3 each Participating Class Member's Workweeks.

4 3.2.4.1 Tax Allocation of Individual Class Payments. Twenty percent (20%)
5 of each Participating Class Member's Individual Class Payment will be allocated to
6 settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to
7 tax withholding and will be reported on an IRS W-2 Form. The remaining eighty
8 percent (80%) of each Participating Class Member's Individual Class Payment will
9 be evenly allocated to settlement of claims for interest and penalties (the "Non-Wage
10 Portion"). The Non-Wage Portions are not subject to wage withholdings and will be
11 reported on IRS 1099 Forms. Each Participating Class Member shall be solely and
12 legally responsible for correctly characterizing their Individual Class Payment for
13 tax purposes and for paying any taxes on the amount received.

14 3.2.4.2 Effect of Non-Participating Class Members on Calculation of
15 Individual Class Payments. Non-Participating Class Members will not receive any
16 Individual Class Payments. The Administrator will allocate amounts equal to their
17 Individual Class Payments in the Net Settlement Amount for distribution to
18 Participating Class Members on a pro rata basis.

19 3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of
20 \$60,000.00 to be paid from the Gross Settlement Amount, with seventy-five percent (75%)
21 (\$45,000.00) allocated to the LWDA PAGA Payment and twenty-five percent (25%)
22 (\$15,000.00) allocated to the Individual PAGA Payments.

23 3.2.5.1 The Administrator will calculate each Individual PAGA Payment by
24 (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties
25 (\$15,000.00) by the total number of PAGA Period Pay Periods worked by all
26 Aggrieved Employees during the PAGA Period and (b) multiplying the result by
27 each Aggrieved Employee's PAGA Period Pay Periods. Each Aggrieved Employee
28 shall be solely and legally responsible for correctly characterizing their Individual

PAGA Payment for tax purposes and for paying any taxes on the amount received.

3.2.5.2 Tax Allocation of Individual PAGA Payments: Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

3.2.5.3 If the Court approves PAGA Penalties of less than the amount requested, the Administrator shall 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 Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendants estimate, there are 367 Class Members who collectively worked a total of approximately 26,153 Workweeks during the Class Period.

4.2 Class Data. Not later than thirty (30) calendar days after the Court grants Preliminary Approval of the Settlement, Defendants 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. Defendants have a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data to the Administrator as soon as reasonably feasible. Without any extension of the deadline by which Defendants 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. Defendants shall ensure it has fully funded the Gross Settlement Amount, and also funded the amounts necessary to fully pay Defendants' share of payroll taxes by transmitting the funds to the Administrator no later than forty-five (45) calendar days after the Effective Date.

1 4.4 Payments from the Gross Settlement Amount. Within ten (10) days after Defendants
2 funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class
3 Payments, all Individual PAGA Payments, the LWDA PAGA Payments, the Administration
4 Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Expenses Payment, and
5 the Class Representative Service Payments.

6 4.4.1 The Administrator will issue checks for the Individual Class Payments
7 and/or Individual PAGA Payments and send them to the Class Members via First Class U.S.
8 Mail, postage prepaid. The face of each check shall prominently state the date (not less than
9 180 days after the date of mailing) when the check will be voided. The Administrator will
10 cancel all checks not cashed by the void date. The Administrator will send checks for
11 Individual Settlement Payments to all Participating Class Members (including those for
12 whom Class Notice was returned undelivered). The Administrator will send checks for
13 Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class
14 Members who qualify as Aggrieved Employees (including those for whom Class Notice
15 was returned undelivered). The Administrator may send Participating Class Members a
16 single check combining the Individual Class Payment and the Individual PAGA Payment.
17 Before mailing any checks, the Settlement Administrator must update the recipients'
18 mailing addresses using the National Change of Address Database.

19 4.4.2 The Administrator must conduct a Class Member Address Search for all
20 other Class Members whose checks are returned undelivered without United States Postal
21 Service ("USPS") forwarding address. Within seven (7) days of receiving a returned check
22 the Administrator must re-mail checks to the USPS forwarding address provided or to an
23 address ascertained through the Class Member Address Search. The Administrator need not
24 take further steps to deliver checks to Class Members whose re-mailed checks are returned
25 as undelivered. The Administrator shall promptly send a replacement check to any Class
26 Member whose original check was lost or misplaced, requested by the Class Member prior
27 to the void date.

28 4.4.3 For any Class Member whose Individual Class Payment check or Individual

1 PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall
2 transmit the funds represented by such checks to the California Controller's Unclaimed
3 Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject
4 to the requirements of Code of Civil Procedure section 384, subdivision (b).

5 4.4.4 The payment of Individual Class Payments and Individual PAGA Payments
6 shall not obligate Defendants to confer any additional benefits or make any additional
7 payments to Class Members (such as 401(k) contributions or bonuses) beyond those
8 specified in this Agreement.

9 **5. RELEASES OF CLAIMS.** Effective on the date when Defendants fully funds the entire
10 Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the
11 Individual Class Payments, Plaintiffs, Participating Class Members, Aggrieved Employees, and
12 Class Counsel will release claims against all Released Parties as follows:

13 5.1 Plaintiffs' Release. Except for any claims contained in Pungi's separately filed
14 wrongful termination action, *Andrea Pungi v. Alter Health Group, Inc., et al.*, Case No. 30-2024-
15 01434028-CU-OE-CJC, initiated on October 17, 2024, and pending in the Superior Court of the
16 State of California, County of Orange ("Pungi's Non-Wage Claims"), Plaintiffs and their respective
17 former and present spouses, representatives, agents, attorneys, heirs, administrators, successors and
18 assigns generally, release and discharge Released Parties from all claims, transactions or
19 occurrences with Released Parties up to the Effective Date of this Agreement, including, but not
20 limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts
21 contained, in the Operative Complaint; (b) all PAGA claims that were, or reasonably could have
22 been, alleged based on facts contained in the Operative Complaint, Plaintiffs' PAGA Notices, or
23 ascertained during the Action and released under 5.2, below; and (c) all claims and causes of action
24 arising from Plaintiffs' employment and termination of employment with Defendants ("Plaintiffs'
25 Release"). Except as to Pungi's Non-Wage Claims, which are expressly excluded from and not
26 extinguished by this release, this is meant to be a general release as to each Plaintiff. However,
27 Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any
28 claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or

1 workers' compensation benefits that arose at any time. Plaintiffs acknowledges that Plaintiffs may
2 discover facts or law different from, or in addition to, the facts or law that Plaintiffs now knows or
3 believes to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in
4 all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

5 5.1.1 Plaintiffs' Waiver of Rights Under Civil Code Section 1542. Except as to
6 Pungi's Non-Wage Claims, which are expressly excluded from and not extinguished by this
7 release, for purposes of Plaintiffs' Release, Plaintiffs expressly waives and relinquishes the
8 provisions, rights, and benefits, if any, of section 1542 of the Civil Code, which reads: A
9 GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR
10 RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER
11 FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY
12 HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER
13 SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

14 5.2 Release by Participating Class Members: All Participating Class Members, on
15 behalf of themselves and their respective former and present representatives, agents, attorneys,
16 heirs, administrators, successors and assigns, release the Released Parties from any and all claims
17 during the Class Period that were alleged, or reasonably could have been alleged, based on the facts
18 stated in the Operative Complaint and ascertained in the course of the Action arising under any
19 federal, state, and/or local law, including, (a) any and all claims involving any alleged failure to
20 pay minimum wage; (b) any and all claims involving alleged meal and/or rest break violations; (c)
21 any and all claims involving the alleged failure to pay for all hours worked, including overtime or
22 sick pay at the proper rate; (d) any and all claims involving the alleged failure to properly reimburse
23 reasonable business expenses; (e) any and all claims involving the alleged failure to accrued
24 vacation time pay, wages during employment, or waiting time penalties; (f) any and all claims
25 involving the alleged failure to provide itemized wage statements in compliance with California
26 law, etc.; (g) violations of any Industrial Welfare Commission Wage Orders; (h) all claims for
27 attorneys' fees and costs and statutory interest; and (h) any other claims, including claims for
28 statutory penalties, pertaining to Participating Class Members. Except as set forth in Section 5.1 or

1 5.3 of this Agreement, Participating Class Members (except for Plaintiffs as discussed in Paragraph
2 5.1 above) do not release any other claims, including claims for vested benefits, wrongful
3 termination, violation of the Fair Employment and Housing Act, unemployment insurance,
4 disability, social security, workers' compensation or claims based on facts occurring outside the
5 Class Period.

6 5.3 Release by Aggrieved Employees: In addition to any release under Sections 5.1 or
7 5.2 of this Agreement, all Aggrieved Employees are deemed to release, on behalf of themselves
8 and their respective former and present representatives, agents, attorneys, heirs, administrators,
9 successors and assigns, the Released Parties from any and all claims for civil penalties under
10 PAGA, whether known or unknown, including all claims for attorneys' fees and costs related there
11 to, which all Aggrieved Employees, the LWDA, and any other representative, proxy, or agent
12 thereof, had, or may claim to have, that were alleged or could have been alleged in the Action based
13 upon the facts alleged and legal assertions alleged, whether or not specifically delineated as a claim
14 or cause of action in the Action through the end of the PAGA Period, including but not limited to
15 those alleged in the PAGA Notice and the Operative Complaint in the Action, including claims that
16 reasonably arise out of or arise in connection with the claims and facts alleged in the Action, and
17 any claims which could have reasonably been asserted in the Action arising from the alleged facts
18 and/or primary rights alleged to have been invaded, including (a) any and all claims involving any
19 alleged failure to pay minimum wage; (b) any and all claims involving alleged meal and/or rest
20 break violations; (c) any and all claims involving the alleged failure to pay for all hours worked,
21 including overtime or sick pay at the proper rate; (d) any and all claims involving the alleged failure
22 to properly reimburse reasonable business expenses; (e) any and all claims involving the alleged
23 failure to accrued vacation time pay, wages during employment, or waiting time penalties; (f) any
24 and all claims involving the alleged failure to provide itemized wage statements in compliance with
25 California law, etc.; (g) violations of any Industrial Welfare Commission Wage Orders; and (h) all
26 claims for attorneys' fees and costs and statutory interest ("PAGA Released Claims"). The PAGA
27 Released Claims are further released by Plaintiffs in their representative capacity as an authorized
28 proxy and agent for the State of California and the LWDA and as private attorney general acting

on behalf of themselves and the Aggrieved Employees, for civil penalties under the PAGA, based on any claim that arises under the California Labor Code and forever bar the LWDA, and any other representative, proxy, or agent thereof, including, but not limited to, any and all allegedly aggrieved employees, from pursuing any action against the Released Parties for the PAGA Released Claims.

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

7. MOTION FOR PRELIMINARY APPROVAL. The Parties agree that Plaintiff's Counsel will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval"), subject to approval by Defendants' counsel.

7.1 Plaintiff's Responsibilities. Plaintiff's counsel will prepare Plaintiff's motion for preliminary approval. Not later than seven (7) calendar days prior to the submission of the motion for preliminary approval of this Settlement Agreement to the Court, Class Counsel will submit a near-final draft thereof (including all supporting papers and proposed order) to counsel for Defendants for their review and comment.

7.2 Responsibilities of Counsel. As soon as practicable after execution of this Settlement Agreement, the Class Representatives and Class Counsel shall apply to the Court for the entry of Preliminary Approval, which would accomplish the following:

a. Schedule a hearing (the "**Preliminary Approval Hearing**") on the question of whether the Settlement, including, *inter alia*, the payment of Attorneys' Fees and Costs, Enhancement Award, and PAGA Amount should be preliminarily approved as fair, reasonable, and

1 adequate;

2 b. Approve, as to form and content, the proposed Notice;

3 c. Direct the mailing of the Notice by first class mail to the Class Members;

4 d. Preliminarily approve the Settlement and monetary allocations for the
5 Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments,
6 LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Expenses Payment, and
7 Administration Expenses Payment, subject to the final review and approval by the Court; and

8 e. Preliminarily approve CAC Services Group, LLC as the Settlement
9 Administrator.

10 Plaintiffs' Counsel shall be responsible for ensuring that all required submittals and notifications
11 to the LWDA under PAGA regarding this Settlement are made by Plaintiffs.

12 7.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
13 Preliminary Approval, Class Counsel and Defense Counsel will expeditiously work together on
14 behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the
15 disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval
16 on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously
17 work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to
18 modify the Agreement and otherwise satisfy the Court's concerns.

19 **8. SETTLEMENT ADMINISTRATION.**

20 8.1 Selection of Administrator. The Parties have jointly selected CAC Services Group,
21 LLC to serve as the Administrator and verified that, as a condition of appointment, CAC Services
22 Group, LLC agrees to be bound by this Agreement and to perform, as a fiduciary, all duties
23 specified in this Agreement in exchange for payment of Administration Expenses. The Parties and
24 their Counsel represent that they have no interest or relationship, financial or otherwise, with the
25 Administrator other than a professional relationship arising out of prior experiences administering
26 settlements.

27 8.2 Employer Identification Number. The Administrator shall have and use its own
28 Employer Identification Number for purposes of calculating payroll tax withholdings and providing