

1 reports state and federal tax authorities.

2 8.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that
3 meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation
4 section 468B-1.

5 8.4 Notice to Class Members.

6 8.4.1 No later than three (3) business days after receipt of the Class Data, the
7 Administrator shall notify Class Counsel that the list has been received and state the number
8 of Class Members, Aggrieved Employees, Workweeks, and PAGA Pay Periods in the Class
9 Data.

10 8.4.2 Using best efforts to perform as soon as possible, and in no event later than
11 7 days after receiving the Class Data, the Administrator will send to all Class Members
12 identified in the Class Data, via first-class USPS mail, the Class Notice substantially in the
13 form attached to this Agreement as Exhibit A. The first page of the Class Notice shall
14 prominently estimate the dollar amounts of any Individual Class Payment and/or Individual
15 PAGA Payment payable to the Class Member and/or Aggrieved Employee, and the number
16 of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts.
17 Before mailing Class Notices, the Administrator shall update Class Member addresses using
18 the National Change of Address database.

19 8.4.3 Not later than three (3) business days after the Administrator's receipt of any
20 Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class
21 Notice using any forwarding address provided by the USPS. If the USPS does not provide
22 a forwarding address, the Administrator shall conduct a Class Member Address Search, and
23 re-mail the Class Notice to the most current address obtained. The Administrator has no
24 obligation to make further attempts to locate or send Class Notice to Class Members whose
25 Class Notice is returned by the USPS a second time.

26 8.4.4 The deadlines for Class Members' written objections, Challenges to
27 Workweeks and/or PAGA Pay Periods and Requests for Exclusion will be extended an
28 additional fourteen (14) days beyond the thirty (30) days otherwise provided in the Class

1 Notice for all Class Members and/or Aggrieved Employees whose notice is re-mailed. The
2 Administrator will inform the Class Member of the extended deadline with the re-mailed
3 Class Notice.

4 8.4.5 If the Administrator, Defendants or Class Counsel is contacted by or
5 otherwise discovers any persons who believe they should have been a Class Member and/or
6 Aggrieved Employee and should have received the Class Notice, the Parties will
7 expeditiously meet and confer in good faith, in an effort to agree on whether to include them
8 as Class Members. If the Parties agree, such persons will be Class Members entitled to the
9 same rights as other Class Members, and the Administrator will send, via email or overnight
10 delivery, a Class Notice requiring them to exercise options under this Agreement not later
11 than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class
12 Notice, which ever are later.

13 8.5 Requests for Exclusion (Opt-Outs)

14 8.5.1 Class Members who wish to exclude themselves (that is, opt-out of) from
15 the Settlement must mail the Administrator, a signed written Request for Exclusion no later
16 than thirty (30) days after the Administrator mails the Class Notice (plus an additional 14
17 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a
18 letter from a Class Member or his/her/their representative that includes the following: (a)
19 the case name and number of the Action; (b) the Class Member's full name, signature,
20 address, telephone number, and last four (4) digits of the Class Member's Social Security
21 number; and (c) clearly state that the Class Member does not wish to be included in the
22 Class Settlement. To be valid, a Request for Exclusion must be timely postmarked by the
23 Response Deadline.

24 8.5.2 If the Administrator has reason to question the authenticity of a Request for
25 Exclusion, the Administrator may demand additional proof of the Class Member's identity.
26 The Administrator's determination of authenticity shall be final and not appealable or
27 otherwise susceptible to challenge. At no time will any of the Parties or their counsel seek
28 to solicit or otherwise encourage Class Members to request exclusion from the Class

1 Settlement. Any Class Member who submits a Request for Exclusion is prohibited from
2 making any objection to the Class Settlement.

3 8.5.3 Every Class Member who does not submit a timely and valid Request for
4 Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to
5 all benefits and bound by all terms and conditions of the Settlement, including the
6 Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement,
7 regardless of whether the Participating Class Member actually receives the Class Notice or
8 objects to the Settlement. All Aggrieved Employees will be bound to the PAGA Settlement
9 and will be issued their Individual PAGA Payment, irrespective of whether they submit a
10 Request for Exclusion.

11 8.5.4 Every Class Member who submits a valid and timely Request for Exclusion
12 is a Non-Participating Class Member and shall not receive an Individual Class Payment or
13 have the right to object to the class action components of the Settlement. Because future
14 PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating
15 Class Members who are Aggrieved Employees are deemed to release the claims identified
16 in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

17 8.6 Challenges to Calculation of Workweeks and or PAGA Pay Periods. Each Class
18 Member shall have thirty (30) days after the Administrator mails the Class Notice (plus an
19 additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge the
20 number of Workweeks and/or PAGA Pay Periods (if any) credited to the Class Member and/or
21 Aggrieved Employee in the Class Notice by submitting a timely and valid workweek dispute to the
22 Administrator, by mail, postmarked on or before the Response Deadline. In the absence of any
23 contrary documentation, the Administrator will presume that the Workweeks and PAGA Pay
24 Periods contained in the Class Notice are correct so long as they are consistent with the Class Data.
25 However, if a Class Member and/ or Aggrieved Employee produces information and/or documents
26 to the contrary, the Administrator will evaluate the materials submitted and the Administrator will
27 resolve and determine the number of eligible Workweeks and/or PAGA Pay Periods that the
28 disputing Class Member and/or Aggrieved Employee should be credited with under the Settlement.

1 Defendants are also permitted to submit additional documentation to the Administrator to aid the
2 Administrator's decision making. The Administrator's decision on such disputes will be final and
3 non-appealable. . The Administrator shall promptly provide copies of all challenges to calculation
4 of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the
5 Administrator's preliminary determination with respect to any such challenges.

6 8.7 Objections to Settlement.

7 8.7.1 Only Participating Class Members may object to the class action
8 components of the Settlement and/or this Agreement, including contesting the fairness of
9 the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class
10 Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

11 8.7.2 Participating Class Members may send written objections to the
12 Administrator by mail, postmarked on or before the Response Deadline. The date of the
13 postmark on the return mailing envelope will be the exclusive means to determine whether
14 the objection has been timely submitted. In the alternative, Participating Class Members
15 may appear in Court (or hire an attorney to appear in Court) to present oral objections at the
16 Final Approval Hearing. At no time will any of the Parties or their counsel seek to solicit or
17 otherwise encourage Settlement Class Members to object to the Class Settlement or appeal
18 from the Final Approval Order and Judgment.

19 8.7.3 Non-Participating Class Members have no right to object to any of the class
20 action components of the Settlement.

21 8.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks
22 to be performed or observed by the Administrator contained in this Agreement or otherwise.

23 8.8.1 Website, Email Address, and Toll-Free Number. The Administrator will
24 establish and maintain and use an internet website to post information of interest to Class
25 Members and Aggrieved Employees including the date, time and location for the Final
26 Approval Hearing, copies of the Settlement Agreement, Motion for Preliminary Approval,
27 the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for
28 Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class

1 Representative Service Payment, and the Final Approval and the Judgment. The
2 Administrator will also maintain and monitor an email address and a toll-free telephone
3 number to receive Class Member calls, faxes and emails.

4 8.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator
5 will promptly review on a rolling basis Requests for Exclusion to ascertain their timeliness
6 and validity. Not later than five (5) days after the expiration of the deadline for submitting
7 Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense
8 Counsel containing (a) the names and other identifying information of Class Members who
9 have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and
10 other identifying information of Class Members who have submitted invalid Requests for
11 Exclusion; and (c) copies of all Requests for Exclusion from the Settlement submitted
12 (whether valid or invalid).

13 8.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written
14 reports to Class Counsel and Defense Counsel that, among other things, tally the number
15 of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for
16 Exclusion (whether valid or invalid) received, objections received, challenges to
17 Workweeks and/or PAGA Pay Periods received and/or resolved, and checks mailed for
18 Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The
19 Weekly Reports must include provide the Administrator's assessment of the validity of
20 Requests for Exclusion and attach copies of all Requests for Exclusion and objections
21 received.

22 8.8.4 Workweek and/or Pay Period Challenges. The Administrator has the
23 authority to address and make final decisions consistent with the terms of this Agreement
24 on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The
25 Administrator's decision shall be final and not appealable or otherwise susceptible to
26 challenge.

27 8.8.5 Administrator's Declaration. Not later than five (5) calendar days before the
28 date by which Plaintiff is required to file the Motion for Final Approval of the Settlement,

1 the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration
2 suitable for filing in Court attesting to its due diligence and compliance with all of its
3 obligations under this Agreement, including, but not limited to, its mailing of Class Notice,
4 the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate
5 Class Members, the total number of Requests for Exclusion from Settlement it received
6 (both valid or invalid), the number of written objections and attach the Exclusion List. The
7 Administrator will supplement its declaration as needed or requested by the Parties and/or
8 the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in
9 Court.

10 8.8.6 Final Report by Settlement Administrator. Within ten (10) calendar days
11 after the Administrator disburses all funds in the Gross Settlement Amount, the
12 Administrator will provide Class Counsel and Defense Counsel with a final report detailing
13 its disbursements by employee identification number only of all payments made under this
14 Agreement. At least fifteen (15) days before any deadline set by the Court, the
15 Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed
16 declaration suitable for filing in Court attesting to its disbursement of all payments required
17 under this Agreement. Class Counsel is responsible for filing the Administrator's
18 declaration in Court.

19 9. **ESCALATOR CLAUSE.** Defendants represent that there are approximately 367 current
20 and former nonexemptclass members who worked about 26,153 workweeks in the Class Period.
21 Defendants will verify the actual number of class members and workweeks and if the actual number
22 of workweeks exceeds 10% (28,768 workweeks) of this estimate, then either the Gross Settlement
23 Sum will be increased by the same proportion or Defendants, at their sole discretion, may elect to
24 cut off the Class Period as of the date the workweeks exceed 28,768. For example, if the
25 Workweeks are 10% larger than 26,153 Workweeks, Defendants may choose: (1) the Gross
26 Settlement Sum to be paid will increase by 1% based on the Workweek Value determined by the
27 Settlement Administrator; or (2) the Class Period and PAGA Period will end on the date in which
28 the Released Claims encompasses 28,768 workweeks.

10. **DEFENDANTS' RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds five percent (5%) of the total of all Class Members, Defendants may elect, but are not obligated, to withdraw from the Settlement. The Parties agree that, if Defendants withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendants must notify Class Counsel and the Court of its election to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel. Late elections will have no effect.

11. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the Settlement under Labor Code section 2699, subdivision (1), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel no later than five (5) calendar days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

11.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

11.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval without increasing the Gross Settlement Amount. The Court's decision to award less than the amounts requested for the Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Expenses Payment, and/or Administrator Expenses Payment shall not constitute a

1 material modification to the Agreement within the meaning of this Section 10.2.

2 11.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment,
3 the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of
4 (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters,
5 and (iii) addressing such post-Judgment matters as are permitted by law.

6 11.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
7 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
8 Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective
9 counsel and all Participating Class Members who did not object to the Settlement as provided in
10 this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment
11 and appellate proceedings, the right to file motions to vacate judgment, motions for new trial,
12 extraordinary writs and appeals. The waiver of appeal does not include any waiver of the right to
13 oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations
14 to perform under this Agreement will be suspended until such time as the appeal is finally resolved
15 and the Judgment becomes final, except as to matters that do not affect the amount of the Net
16 Settlement Amount.

17 11.5 Appellate Court Orders to Vacate, Reverse or Materially Modify Judgment. If the
18 reviewing Court vacates, reverses or modifies the Judgment in a manner that requires a material
19 modification of this Agreement (including, but not limited to, the scope of release to be granted by
20 Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously
21 work together in good faith to address the appellate court's concerns and to obtain Final Approval
22 and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses
23 reasonably incurred after remittitur. An appellate decision to vacate, reverse or modify the Court's
24 award of the Class Representative Service Payment or any payments to Class Counsel shall not
25 constitute a material modification of the Judgment within the meaning of this paragraph, as long as
26 the Gross Settlement Amount remains unchanged.

27 12. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil
28 Procedure section 384, the Parties will work together in good faith to jointly submit a proposed

1 amended judgment.

2 **13. ADDITIONAL PROVISIONS.**

3 **13.1 No Admission of Liability, Class Certification or Representative Manageability for**
4 **Other Purposes.** This Agreement represents a compromise and settlement of highly disputed claims.
5 Nothing in this Agreement is intended or should be construed as an admission by Defendants that
6 any of the allegations in the Operative Complaint have merit or that Defendants have any liability
7 for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that
8 Defendants' defenses in the Action have merit. The Parties agree that class certification and
9 representative treatment is for purposes of this Settlement purposes only. If, for any reason the
10 Court does not grant Preliminary Approval, Final Approval, or enter Judgment, Defendants reserve
11 the right to contest certification of any class for any reasons, and Defendants reserve all available
12 defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification
13 on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement, and
14 the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in
15 connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and
16 this Agreement).

17 **13.2 Confidentiality Prior to Preliminary Approval.** Plaintiffs, Class Counsel,
18 Defendants, and Defense Counsel separately agree that, until the Motion for Preliminary Approval
19 of Settlement is filed, they and each of them will not disclose, disseminate, and/or publicize, or
20 cause or permit another person to disclose, disseminate or publicize, any of the terms of the
21 Agreement directly or indirectly, specifically or generally, to any person, corporation, association,
22 government agency or other entity except: (1) to the Parties' attorneys, accountants or spouses, all
23 of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3)
24 to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court
25 order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal
26 government agency. Each Party agrees to immediately notify each other Party of any judicial or
27 agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendants
28 and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or

1 other communication, before the filing of the Motion for Preliminary Approval, any with third party
2 regarding this Agreement or the matters giving rise to this Agreement except to respond only that
3 "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's
4 communications with Class Members in accordance with Class Counsel's ethical obligations owed
5 to Class Members.

6 13.3 No Solicitation. The Parties separately agree that they and their respective counsel
7 and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal
8 from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability
9 to communicate with Class Members in accordance with Class Counsel's ethical obligations owed
10 to Class Members.

11 13.4 Integrated Agreement. Upon execution by all Parties and their counsel, this
12 Agreement together with its attached exhibits shall constitute the entire agreement between the
13 Parties relating to the Settlement, superseding any and all oral representations, warranties,
14 covenants or inducements made to or by any Party.

15 13.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
16 represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate
17 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its
18 terms, and to execute any other documents reasonably required to effectuate the terms of this
19 Agreement including any amendments to this Agreement.

20 13.6 Cooperation. The Parties and their counsel will cooperate with each other and use
21 their best efforts, in good faith, to implement the Settlement by, among other things, modifying the
22 Settlement Agreement, submitting supplemental evidence and supplementing points and authorities
23 as requested by the Court. In the event the Parties are unable to agree upon the form or content of
24 any document necessary to implement the Settlement, or on any modification of the Agreement
25 that may become necessary to implement the Settlement, the Parties will seek the assistance of a
26 mediator and/or the Court for resolution.

27 13.7 No Prior Assignments. The Parties separately represent and warrant that they have
28 not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or

1 encumber to any person or entity and portion of any liability, claim, demand, action, cause of action
2 or right released and discharged by the Party in this Settlement.

3 13.8 No Tax Advice/Liability. Neither Plaintiffs, Class Counsel, Defendants nor
4 Defendants' Counsel intend for anything in this Settlement Agreement to constitute advice
5 regarding taxes or taxability, nor shall anything in this Settlement Agreement be relied on as such.
6 Plaintiffs, Participating Class Members, and Aggrieved Employees are not relying on any
7 statement, representation, or calculation by Defendants, Defendants' Counsel, the Settlement
8 Administrator, or Class Counsel in this regard. Plaintiffs, Participating Class Members, and
9 Aggrieved Employees understand and agree that Plaintiffs, Participating Class Members, and
10 Aggrieved Employees are solely responsible for the payment of any taxes and penalties assessed
11 on the payments described in this Settlement Agreement. Plaintiff, Participating Class Members,
12 and Aggrieved Employees should consult with their tax advisors concerning the tax consequences
13 of any payment they receive under the Settlement.

14 13.9 Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT
15 (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH
16 PARTY TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING
17 PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO
18 PROVISION OF THIS SETTLEMENT AGREEMENT, AND NO WRITTEN
19 COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR
20 ATTORNEYS AND OTHER ADVISORS, IS OR WAS INTENDED TO BE, NOR WILL ANY
21 SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
22 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
23 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
24 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS
25 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
26 ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B) HAS NOT
27 ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE
28 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO

1 ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
2 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY
3 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
4 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER
5 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY
6 OF ANY SUCH ATTORNEY'S OR ADVISOR'S TAX STRATEGIES (REGARDLESS OF
7 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
8 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
9 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
10 SETTLEMENT AGREEMENT.

11 13.10 Modification of Agreement. This Agreement, and all parts of it, may be amended,
12 modified, changed or waived only by an express written instrument signed by all Parties or their
13 representatives and approved by the Court.

14 13.11 Agreement Binding on Successors. This Agreement will be binding upon, and inure
15 to the benefit of, the successors of each of the Parties.

16 13.12 Applicable Law. All terms and conditions of this Agreement and its exhibits will be
17 governed by and interpreted according to the internal laws of the State of California, without regard
18 to conflict of law principles.

19 13.13 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation
20 of this Agreement. This Agreement will not be construed against any Party on the basis that the
21 Party was the drafter or participated in the drafting.

22 13.14 Confidentiality. To the extent permitted by law, all agreements made and orders
23 entered during Action and in this Agreement relating to the confidentiality of information shall
24 survive the execution of this Agreement.

25 13.15 Use and Return of Class Data. Information provided to Class Counsel pursuant to
26 Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class
27 Counsel by Defendants in connection with the mediation, other settlement negotiations, or in
28 connection with the Settlement, may be used only with respect to this Settlement, and no other

1 purpose, and may not be used in any way that violates any existing contractual agreement, statute
2 or California Rules of Court rule. Not later than 90 days after the date when the Court discharges
3 the Administrator's obligation to provide a Declaration confirming the final pay out of all
4 Settlement funds, Plaintiffs shall destroy all paper and electronic versions of Class Data received
5 from Defendants unless, prior to the Court's discharge of the Administrator's obligation,
6 Defendants makes a written request to Class Counsel for the return, rather than the destruction, of
7 Class Data.

8 13.16 Headings. The descriptive heading of any section or paragraph of this Agreement is
9 inserted for convenience of reference only and does not constitute a part of this Agreement.

10 13.17 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement
11 shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
12 weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

13 13.18 Notice. All notices, demands or other communications between the Parties in
14 connection with this Agreement will be in writing and deemed to have been duly given as of the
15 third business day after mailing by United States mail, or the day sent by email or messenger,
16 addressed as follows:

17
18 **To Plaintiffs:**

19 Eric Yaeckel
20 Ryan Kuhn
21 Sullivan & Yaeckel Law Group, APC
22 2330 Third Avenue
23 San Diego, CA 92101

24 Roxanna Tabatabaeepour
25 Ryan Tish
26 Capstone Law, APC
27 1875 Century Park East, Suite 1000
28 Los Angeles, CA 90067-2533

Kyle C. Worrell
Worrell Law Firm, APC
1717 Old Tustin Avenue, Unit E
Santa Ana, CA 92705

To Defendants:

Hieu T. Williams
Michelle Freeman
Hirschfeld Kraemer LLP
456 Montgomery Street, Suite 2200
San Francisco, CA 94104

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

13.20 Representations Regarding Solvency and Ability to Fund. Defendants represent that their business is solvent as of the date of the execution of this Agreement, and Defendants are able to pay the Settlement Amount within the time frame set forth herein as of the date of the execution of this Agreement.

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

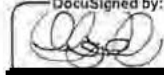
14. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's length negotiations and in the context of adversarial litigation, taking into account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

objectively fair and reasonable.

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

Date: 9/19/2025

PLAINTIFF RHAY TAYLOR

DocuSigned by:

[REDACTED]
Rhay Taylor

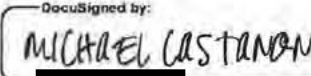
Date: 09 / 17 / 2025

PLAINTIFF ANDREA PUNGI


Andrea Pungi

Date:

DEFENDANT ALTER MANAGEMENT LLC; DEFENDANT ALTER MENTAL HEALTH LLC; DEFENDANT ALTER MENTAL HEALTH- DANA POINT, LLC; DEFENDANT ALTER WELLNESS CARE LLC; DEFENDANT ALTIGNIS CAMPUS LLC; DEFENDANT ALTER HEALTH GROUP, INC.; DEFENDANT CALIFORNIA REHAB CAMPUS, INC.; DEFENDANT CAMBRIDGE MENTAL HEALTH MANAGEMENT, LLC; DEFENDANT ALTIGNIS HEALTH, LLC; ALTER BEHAVIORAL HEALTH – CAPISTRANO BEACH, LLC.

DocuSigned by:

[REDACTED]
By: MICHAEL CASTANON
Its: CEO

APPROVED AS TO FORM ONLY:

Date: 9/17/25

SULLIVAN & YAECKEL LAW GROUP, APC

By: *Eric Yaeckel*
Eric K. Yaeckel
Ryan Kuhn
Attorneys for Plaintiff Rhay Taylor

Date: 9/17/2025

CAPSTONE LAW, APC

By: *Roxanna Tabatabaeepour*
Roxanna Tabatabaeepour
Ryan Tish
Attorneys for Plaintiff Rhay Taylor

Date: 9/14/2025

HIRSCHFELD KRAEMER LLP

DocuSigned by:
By: *Michelle Freeman*
Hieu Williams
Michelle C. Freeman
Attorney for DEFENDANTS

Date: 09/17/2025

WORRELL LAW FIRM, APC

By: *Kyle E. Worrell*
Kyle E. Worrell
Attorney for Plaintiff Andrea Pungi

Exhibit A

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

NOTICE OF CLASS ACTION SETTLEMENT

PLEASE READ CAREFULLY AS
THIS NOTICE MAY AFFECT YOUR RIGHTS

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 [AND CONSOLIDATED MATTERS]	Case No. 37-2024-00007620-CU-OE-CTL JUDGE: Honorable Katherine Bacal DEPARTMENT: C-69 NOTICE OF CLASS ACTION SETTLEMENT
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I. WHY DID I GET THIS NOTICE?

This notice explains that a settlement has been reached in the following cases: (1) *Rhay Taylor v. Alter Management Llc, et al.*, San Diego Superior Court Case No. 37-2024-00007620-CU-OE-CTL; (2) *Andrea Pungi v. Alter Health Group, Inc., et al.*, Orange County Superior Court Case No. 30-2024-01429796; (3) *Andrea Pungi v. Alter Management LLC, et al.*, Orange County Superior Court Case No. 24STCV31655 (collectively the “Action”).

This notice is to inform you of the proposed Settlement of the Action. The notice is also intended (i) to describe the Settlement, including how the Settlement monies will be allocated and how the Settlement may affect you; and (ii) to advise you of your rights and options with respect to the Settlement.

You are receiving this notice by order of the Court because the records of Alter Management, LLC, (hereinafter “Alter”), indicate that you are a current or former Alter non-exempt employee who worked in California during the time period of February 20, 2020 to April 1, 2025 (the “Class”). As a result, **you are eligible to receive a portion of the settlement amount.**

This is **not** a notice of a lawsuit against you. **You are not being sued.** Your participation in the Settlement will

not affect your employment with Alter in any way whatsoever.

II. WHAT IS THE CLASS ACTION LAWSUIT ABOUT?

On February 20, 2024, former Alter employee Rhay Taylor filed a lawsuit in which she alleged violations of California wage- and-hour laws on a class action and representative basis as to all of Alter's current and former non-exempt employees in California. On September 30, 2024, Andrea Pungi filed a wage and hour class action in the Superior Court of California, County of Orange, Case No. 30-2024-01429796-CU-OE-CXC, 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, Andrea Pungi also filed a representative PAGA claim in the Superior Court of California, County of Los Angeles, Case No. 24STCV31655, based on the same alleged violations in her wage and hour class action.

The Action alleges that the Class was not paid regular, minimum, or overtime wages, as required by California law; was not provided meal and rest periods under the California Labor Code and Wage Orders; was not paid wages at the correct rate of pay, including overtime, sick pay, and meal period and rest break premiums; did not receive timely payment of wages during and/or after employment; was not paid sick and vacation pay; was not reimbursed for all business-related expenses; and, was not provided pay statements with information specified in the California Labor Code. The Class Action also alleges violations under the California Business and Professions Code §§ 17200 et seq. based on the foregoing state law claims and the federal Fair Labor Standards Act, 29 U.S.C. §§ 201 et seq. The lawsuit also seeks penalties under California's Private Attorneys General Act ("PAGA") set forth in California Labor Code §§ 2699 et seq.

The individuals who are suing Alter are referred to in this document as "Plaintiffs." Plaintiff's attorneys, [identified below], have been litigating the Action in State Court prior to this settlement.

Alter claims that the members of the Class have been paid all monies that were due to them, maintains that it has complied with all California's wage-and-hour laws, and adamantly denies all wrongdoing.

The Court has not ruled on whether Plaintiffs' allegations have any merit. However, in order to avoid the time and expense of further litigation, the ultimate outcome of which is uncertain, and to provide a fair and reasonable resolution of this legal dispute, Plaintiffs and Alter have negotiated a settlement whereby Alter has agreed to pay up to **\$600,000.00** to resolve the matter. As a Class Member, you are eligible to receive a portion of this amount.

This settlement is **not** an admission by Alter of any liability.

III. WHO IS INCLUDED IN THIS CLASS ACTION?

All persons who were employed by and worked for Alter in California as a non-exempt employee at any time during the time period of February 20, 2020 to April 1, 2025 (the "Class Period").

IV. WHAT DOES THE PROPOSED SETTLEMENT OFFER?

Under the terms of the parties' proposed settlement, the following will occur if the settlement is given final approval by the Court:

A. Alter will pay up to Six Hundred Thousand and No Cents (\$600,000.00) to settle the claims of all Class Members.

B. A claims administrator has been appointed by the Court to administer the settlement. The claims administrator will pay from the \$600,000: (1) Plaintiffs' counsel's attorneys' fees, up to one-third of the settlement value (or \$200,00.00); (2) Plaintiffs' costs of litigation, up to the amount of \$22,500.00; (3) The

expenses of administering the settlement, up to the amount of \$4,337.59; (4) Enhancement Awards of up to \$10,000 (\$20,000 in total) for each Plaintiffs' role in pursuing the litigation; and (5) A payment of \$45,000.00 to the California Labor & Workforce Development Agency, representing 75% of the \$60,000.00 allocated to the settlement of Plaintiff's claim for civil penalties under PAGA. The remainder will be paid to the Class Members in settlement of their individual claims (the "Class Payment").

C. The Class Payment will be divided among all Class Members based on the estimated number of weeks worked for Alter in California by each Class Member during the Class Period. That is, the Class Payment will be divided by the number of aggregate qualified weeks worked by all Class Members during the Class Period to produce a "Weekly Settlement Value." A "qualified week" is any week in which a Class Member worked for Alter in California during the Class Period. If you do not opt out of the settlement, you will be eligible to receive a settlement payment in the amount of the total number of qualified weeks you worked for Alter during the Class Period multiplied by the Weekly Settlement Value, less applicable withholdings.

D. Corresponding to Alter's records, you worked for Alter in the State of California for approximately _____workweeks during the Class Period, which runs from February 20, 2020 through April 1, 2025. Your portion of the Settlement Payment will be based on the above information. If you believe the information above is incorrect, you may dispute this information by sending your corrections and any supporting documentation to the Claims Administrator via U.S. Mail, at . Please be advised that the information listed above is presumed to be correct unless you prove otherwise.

The estimated value of each workweek for purposes of calculating Settlement Payments to all Class Members is approximately: <<AMOUNT>>. Your settlement amount will be calculated by multiplying this amount by the number of weeks you worked for Alter during the Class Period. Your estimated settlement amount is _____. This is only an estimate. Your actual share may change depending on the Court's final ruling and the final number of participating Class Members.

E. If the Court grants final approval of the settlement agreement and you do not opt out of the settlement, then you will release Alter and their past, present, and future parents, subsidiaries, divisions, affiliates, predecessors, successors, and assigns, and each of their past, present, and future shareholders, owners, officers, directors, employees, agents, trustees, attorneys, representatives, administrators, fiduciaries, beneficiaries, subrogees, executors, partners, privies that from all claims that were or could have been asserted based on the factual allegations in the Operative Complaint or based on any facts discovered in the course of the Action, including (without limitation), claims for failure to pay minimum or overtime wages, failure to provide meal and rest periods or to pay meal and rest period premiums, failure to properly calculate the regular rate of pay; failure to pay vacation and sick time; failure to indemnify necessary business expenses, failure to pay all wages due to discharged or quitting employees; failure to pay wages timely during employment; failure to reimburse necessary business expenses; failure to provide accurate itemized wage statements; claims under California Labor Code sections 201 to 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2698 et seq., 2802, and the Wage Orders promulgated thereunder, California Business and Professions Code section 17200, et seq., and claims for injunctive relief, punitive damages, attorneys' fees and costs, penalties of any nature (including PAGA civil penalties and statutory penalties), interest, fees, and costs) for the time period of February 20, 2020 through April 1, 2025. You will be barred from prosecuting any of the Released Class Claims against the Released Parties.

F. Please Note: Individuals who fall within the definition of the Class may choose to request exclusion or "opt-out" of the Class under such procedures specified herein. Any such persons who opt-out of the Class ("Opt-Outs") will not receive an Individual Class Payment. However, you may not opt-out of the portion of the Settlement relating to the settlement of claims under PAGA. Even if a Class Member opts-out, they will still receive an Individual PAGA Payment. You will be bound by the PAGA portion of the release whether or not you cash the check for your portion of the PAGA penalties before it becomes void. Class Members who opt-out will only be bound by the release of the PAGA claims and will retain all other rights in their individual capacity.

V. WHAT ARE MY OPTIONS?

A. You may accept your share of the \$600,000.00 settlement and be bound by the release of all claims described above. Settlement awards will be paid by check after the settlement is given final approval by the Court. The checks will be mailed to you by the claims administrator. Your check will remain valid and negotiable for one hundred eighty (180) days from the date on which it is issued. After those one hundred eighty (180) days expire, the check will become void; **or**

B. You may exclude yourself from the settlement, in which case you will not receive your share of the settlement and you will not be bound by the settlement. If you choose to be excluded, by no later than _____ (30 calendar days after mailing of this Notice), you must send a written request for exclusion, by mail, to the claims administrator, _____, located at _____. In order to be considered valid, your request for exclusion **must** include the case name and number of the Action, your name, your address, your telephone number, the last four digits of your Social Security Number, your signature, and must clearly state that you do not wish to be included in the settlement.

C. You may object to the settlement. The procedures for objecting to the settlement are described below in Section VIII of this form.

VI. WHAT ARE THE PROCEDURES FOR PAYMENT?

A. The claims administrator will calculate your share of the settlement and will issue you a check.

B. Twenty percent (20%) of your share of the settlement will be considered wages from which ordinary tax withholdings will be deducted. No tax deductions shall be made from the remaining eighty percent (80%). You will be given IRS tax forms for each of these amounts. You are responsible for paying the correct amount of taxes on each portion of your share of the settlement.

C. It is important for the parties to have your current address in order to be able to send you other mailings regarding the Action. You should contact the claims administrator to report any change of your address after you receive this Notice. Failure to report a change of address may result in you not receiving your share of the settlement money.

VII. HEARING ON PROPOSED SETTLEMENT

A final approval hearing will be held before the Court on _____, 2025, at _____ a.m., in Department C-63 of the San Diego County Superior Court, located at the Hall of Justice, 330 West Broadway, San Diego, California 92101, to decide whether or not the proposed settlement is fair, reasonable, and adequate. The Court may adjourn or continue the hearing without further notice to you. You are not required to attend the hearing. Sullivan & Yaeckel Law Group, APC (contact information below), counsel for Plaintiffs and the Class, will answer any questions the Court may have. However, you are welcome to attend the hearing at your own expense. Procedures for making remote appearances at the hearing are allowed, but are subject to change. However, those procedures are posted on the Court's website at:

<https://www.sdcourt.ca.gov/virtualhearings>.

You should check the Court website for up to date information before attempting to make a remote appearance.

VIII. PROCEDURES FOR OBJECTING TO SETTLEMENT

You have the option of objecting to the Settlement and telling the Court that you don't agree with the Settlement or some part of it. The Court will consider your views. To object, you may send a letter, which you must sign, saying that you object to the settlement of *Rhay Taylor, et al. v. Alter Management, LLC, et al.*, Case No. 37-2024-00007620-CU-OE-CTL. Be sure to include the case name and case number (as shown in the preceding sentence), your name, the last four digits of your Social Security Number and/or your Alter employee ID number, your address, the specific reasons you object to the terms of the Settlement, and your signature. Mail the objection

to the Settlement Administrator address at _____ or fax to _____ on or before _____, 2025 (30 calendar days after mailing of this Notice). A written objection is optional. You may also appear the Final Approval Hearing, as described in Section VII, above, to have any objections heard by the Court.

IX. EXAMINATION OF COURT PAPERS AND QUESTIONS

This Notice summarizes the Settlement. For more detailed information, you may view a complete copy of the settlement agreement, and any papers filed in the Action, which are on file with the Clerk of the Court, case number 37-2024-00007620-CU-OE-CTL. The pleadings and all other records from this litigation may be examined by inspecting the Court file in the at the filing department of the San Diego County Superior Court, located at Hall of Justice, 330 West Broadway, San Diego, California 92101. You may also review the settlement agreement, along with other court records regarding this case, on the Court's website, <https://www.sdcourt.ca.gov/sdcourt/generalinformation/accesscourtrecords>, through the link to the "Register of Actions."

If you have any questions, you can call the Claims Administrator at _____ or any of Class Counsel (see below for phone numbers.)

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PLEASE DO NOT CALL THE COURT, ALTER, ALTER'S CORPORATE OFFICE AND MANAGERS, OR ALTER'S ATTORNEYS REGARDING THIS

SETTLEMENT.
