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Additional Counsel Listed on Next Page

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

JOSEPH MCCABE and ANTHONY MCCABE,
individuals on behalf of themselves, the State of
California, as private attorneys general, and on
behalf of all others similarly situated,

Plaintiffs,

v.

ACTION FAMILY COUNSELING- SCV, INC.,
a California Corporation; ACTION FAMILY
COUNSELING, INC., a California Corporation;
ACTION FAMILY COUNSELING -
BAKERSFIELD, INC., a California
Corporation; and DOES 1 TO 50,

Defendants.

Case No.: 24STCV03092, 25STCV22676

**Settlement Agreement and Release of Class
Action**

LAW OFFICE OF JEFFREY A. COHEN

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Action Family Counseling - Bakersfield, Inc.

SETTLEMENT AGREEMENT AND RELEASE OF CLASS ACTION

This is a settlement of two wage-and-hour class actions entered into between **(1)** Plaintiff Joseph McCabe, individually and in his representative capacity on behalf of the Settlement Class, as defined below, and as a private attorney general on behalf of the State of California, and Plaintiff Anthony McCabe, individually and in his representative capacity on behalf of the Settlement Class (collectively “Plaintiffs”) and **(2)** Defendants Action Family Counseling- SCV, Inc., Action Family Counseling, Inc., and Action Family Counseling - Bakersfield, Inc. (collectively, “Defendants”). Plaintiffs and Defendants are collectively referred to herein as the “Parties.” This Settlement Agreement is subject to the approval of the Court, pursuant to California Rules of Court, rule 3.769, subdivisions (c), (d), and (e), and is made for the sole purpose of attempting to consummate settlement of the action on a class-wide basis subject to the following terms and conditions. As detailed below, if the Court does not enter an order granting final approval of this Settlement Agreement or the conditions precedent are not met for any reason, this Settlement Agreement is void and of no force or effect whatsoever.

1. DEFINITIONS

As used in this Settlement Agreement, the following terms shall have the meanings specified below. To the extent terms or phrases used in this Settlement Agreement are not specifically defined below, but are defined elsewhere in this Settlement Agreement, they are incorporated by reference into this definition section.

1.1. ACTION

“Action” shall mean the following civil actions: *Joseph McCabe, et al. v. Action Family Counseling- SCV, Inc., et al.*, case number 24STCV03092, and *Anthony McCabe, et al. v. Action Family Counseling- SCV, Inc., et al.*, case number 25STCV22676 currently pending before the Superior Court of the State of California for the County of Los Angeles.

1.2. ADMINISTRATIVE EXPENSES

“Administrative Expenses” shall include all reasonable costs and expenses associated with and paid to the third-party settlement administrator.

1 **1.3. APPLICABLE WAGE ORDERS**

2 “Applicable Wage Orders” shall mean the California Industrial Welfare Commission (“IWC”)
3 Wage Orders applicable to the facts of this case, including IWC Wage Orders 4-2001, 5-2001, and 15-
4 2001 and others that may be applicable. (Cal. Code of Regs., tit. 8, §§ 11040, 11050, 11150.)

5 **1.4. CLAIMS**

6 “Claims” shall mean the claims asserted in the Action.

7 **1.5. CLASS ATTORNEY FEES AND EXPENSES**

8 “Class Attorney Fees and Expenses” shall mean the portion of the Gross Settlement Amount
9 attributable to attorney fees and litigation expenses. The Parties agree that the fee-portion of the Class
10 Attorney Fees and Expenses shall be up to one-third of the Gross Settlement Amount (i.e., \$25,000.00
11 of \$75,000.00), as approved by the Court, and the award of costs and expenses shall be up to an
12 additional \$13,591.32. If the Escalator Provision described below is triggered so as to increase the
13 Gross Settlement Amount, the Parties agree that the fee portion of the Class Attorney Fees and
14 Expenses will increase proportionally such that the total amount of attorneys’ fees remains one-third
15 of the Gross Settlement Amount *after* the upward adjustment required by the Escalator Provision is
16 implemented.

17 **1.6. CLASS COUNSEL**

18 “Class Counsel” shall mean Jonathan Melmed, Kyle D. Smith, and Jaqueline Antillon of
19 Melmed Law Group P.C.

20 **1.7. CLASS MEMBER**

21 “Class Member” shall mean any person who is a prospective member of the Settlement Class,
22 or, if such person is incompetent or deceased, the person’s legal guardian, executor, heir, or successor-
23 in-interest.

24 **1.8. CLASS NOTICE**

25 “Class Notice” shall mean the *Notice of Proposed Class Action Settlement*, as set forth in the
26 form of **Exhibit 1** attached hereto, or as otherwise approved by the Court, which is to be mailed to
27 Class Members along with the Share Form.
28

1.9. CLASS PARTICIPANTS

“Class Participants” shall mean all Class Members who do not timely request exclusion from the Class Settlement.

1.10. CLASS PERIOD

“Class Period” shall mean the period from February 5, 2020, through January 6, 2026.

1.11. CLASS REPRESENTATIVES

“Class Representatives” shall mean Plaintiffs Joseph McCabe and Anthony McCabe.

1.12. CLASS SETTLEMENT

“Class Settlement” shall mean the settlement embodied in this Settlement Agreement, which is subject to Court approval.

1.13. COMPLAINT

“Complaint” shall mean the currently-operative complaint in the Action.

1.14. COURT

“Court” shall mean the Superior Court of the State of California for the County of Los Angeles.

1.15. DEFENDANTS

“Defendants” shall mean Defendants Action Family Counseling- SCV, Inc., Action Family Counseling, Inc., and Action Family Counseling - Bakersfield, Inc..

1.16. DEFENSE COUNSEL

“Defense Counsel” shall mean the attorneys representing Defendants.

1.17. EFFECTIVE DATE

“Effective Date” shall be the date when all of the following events have occurred: **(a)** this Settlement Agreement has been executed by all Parties and by Class Counsel and Defense Counsel; **(b)** the Court has given preliminary approval to the Class Settlement; **(c)** notice has been given to the Settlement Class providing them with an opportunity to request exclusion from the Class Settlement; **(d)** the Court has held a Final Approval and Fairness Hearing and entered a final order and judgment certifying the Settlement Class and approving this Settlement Agreement; and **(e)** the later of the following events: **(i)** the expiration of the period for filing any appeal, writ, or other appellate proceeding opposing the Class Settlement has elapsed without any appeal, writ, or other appellate

proceeding having been filed; **(ii)** the dismissal of any appeal, writ, or other appellate proceeding opposing the Class Settlement with no right to pursue further remedies or relief; or **(iii)** any appeal, writ, or the issuance of such other final appellate order upholding the Court's final order with no right to pursue further remedies or relief. In this regard, it is the intention of the Parties that the Class Settlement shall not become effective until the Court's order approving the Class Settlement is completely final and there is no further recourse by an appellant or objector who seeks to contest the Class Settlement. If no objections are filed, the Effective Date shall be after steps (a) through (d) are completed (i.e., the date that the court has entered a final order and judgment certifying the Settlement Class and approving this Settlement Agreement).

1.18. EMPLOYEE'S TAXES AND REQUIRED WITHHOLDING

"Employee's Taxes and Required Withholding" shall mean the employee's share of any and all applicable federal, state, or local payroll taxes, including those collected under authority of the Federal Insurance Contributions Act (FICA), the Federal Unemployment Tax Act (FUTA), and/or the State Unemployment Tax Act (SUTA) on the portion of any Class Participant's Individual Settlement Amount that constitutes wages. The Employee's Taxes and Required Withholdings will be withheld from and paid out of the Individual Settlement Amounts paid from the Net Settlement Amount.

1.19. EMPLOYER'S TAXES

"Employer's Taxes" shall mean and refer to Defendants' share of payroll taxes (e.g., Unemployment Insurance, Employment Training Tax, Social Security, and Medicare taxes) that is owed on the portion of any Class Participant's Individual Settlement Amount that constitutes wages. The Employer's Taxes shall be separately paid by Defendants and shall not be paid from the Gross Settlement Amount or Net Settlement Amount.

1.20. FINAL APPROVAL AND FAIRNESS HEARING

"Final Approval and Fairness Hearing" shall mean the final hearing held to ascertain the fairness, reasonableness, and adequacy of the Class Settlement.

1.21. GROSS SETTLEMENT AMOUNT

"Gross Settlement Amount" is the agreed upon non-reversionary settlement amount totaling \$75,000.00 to be paid by Defendants in full settlement of the Released Claims asserted in this case,

1 inclusive of the Administrative Expenses, the Employee's Taxes and Required Withholdings, the Class
2 Attorney Fees and Expenses, the Incentive Awards, and PAGA Payment. Defendants shall separately
3 pay its share of the Employer's Taxes in addition to the Gross Settlement Amount on the portion of
4 each Individual Settlement Amount allocated as wages.

5 **1.22. HEARING ON PRELIMINARY APPROVAL**

6 "Hearing on Preliminary Approval" shall mean the hearing held on the motion for preliminary
7 approval of the Class Settlement.

8 **1.23. INCENTIVE AWARDS**

9 "Incentive Awards" shall mean any additional monetary payment provided to the Class
10 Representatives for their efforts and risks on behalf of the Settlement Class in this Action.

11 **1.24. INDIVIDUAL SETTLEMENT AMOUNT**

12 "Individual Settlement Amount" shall mean the amount which is ultimately distributed to each
13 Class Participant, less any Employee's Taxes and Required Withholdings. The Individual Settlement
14 Amount does not include any portion of the PAGA Payment.

15 **1.25. NET SETTLEMENT AMOUNT**

16 "Net Settlement Amount" shall mean the Gross Settlement Amount minus: Administrative
17 Expenses; Class Attorney Fees and Expenses; 75% of the share of the Gross Settlement Amount
18 allocated toward penalties pursuant to the Labor Code Private Attorney General Act of 2004
19 ("PAGA"), codified at Labor Code sections 2698 through 2699.6, which are payable to the California
20 Labor and Workforce Development Agency ("LWDA"); and Plaintiffs' Incentive Awards.

21 **1.26. OPT OUT**

22 "Opt Out" shall refer to the process of submitting a timely and valid request for exclusion from
23 the Class Settlement in accordance with the terms of the Class Notice and no later than the Response
24 Deadline.

25 **1.27. OPT-OUTS**

26 "Opt-Outs" shall mean all persons who timely and validly request exclusion from the Class
27 Settlement in accordance with the terms of the Class Notice and no later than the Response Deadline.
28

1.28. PAGA PAYMENT

“PAGA Payment” means the penalties pursuant to PAGA that the Parties have agreed is a reasonable sum to be paid in settlement of the PAGA claims included in the Action, which is \$7,500.00. The PAGA Payment is to be approved by the Court pursuant to Labor Code section 2699 and is to be distributed as follows: seventy-five percent (75%) (i.e., \$5,625.00) to the LWDA and twenty-five percent (25%) (i.e., \$1,875.00) to the PAGA Settlement Class. Class Counsel shall give timely notice of this Settlement Agreement to the LWDA pursuant to Labor Code section 2699, subdivision (1)(2).

1.29. PAGA PERIOD

“PAGA Period” shall mean the period from February 5, 2023, through January 6, 2026.

1.30. PAGA SETTLEMENT CLASS

“PAGA Settlement Class” shall mean all individuals who are or were employed by Defendants as non-exempt employees in California during the PAGA Period. Defendants represent that the PAGA Settlement Class consists of approximately 64 employees that worked a total of approximately 663 pay periods during the PAGA Period.

1.31. PARTIES

“Parties” shall mean Plaintiffs and Defendants.

1.32. PLAINTIFFS

“Plaintiffs” shall mean Plaintiffs Joseph McCabe and Anthony McCabe.

1.33. PRELIMINARY APPROVAL DATE

“Preliminary Approval Date” shall mean the date upon which the Court enters an order preliminarily approving this Settlement Agreement.

1.34. RELEASED CLAIMS

“Released Claims” shall mean those claims arising out of or related to the allegations set forth in the Complaint and/or PAGA notice to the LWDA, which arose during the Class Period, including claims for: **(1)** failure to pay minimum wage for all hours worked in violation of Labor Code sections 1194 and 1194.2, and the Applicable Wage Orders; **(2)** failure to pay proper overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the Applicable Wage Orders; **(3)** failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section

226.7 and the Applicable Wage Orders; (4) failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the Applicable Wage Orders; (5) failure to maintain accurate employment records in violation of Labor Code section 1174; (6) failure to pay timely wages during employment in violation of Labor Code sections 204, 210; (7) failure to pay all wages due and owing at separation in violation of Labor Code sections 201, 202, and 203; (8) failure to reimburse business expenses in violation of Labor Code sections 2802 and 2804; (9) failure to provide complete and accurate wage statements in violation of Labor Code sections 226 and 226.3; (10) deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); (11) statutory penalties based on the foregoing pursuant to PAGA (Lab. Code, §§ 2698–2699.6); and (12) all claims for liquidated damages, penalties, interest, fees, costs based on the foregoing.

No other claims are released other than those claims specifically plead in the Complaint or otherwise specifically identified herein. This Settlement Agreement will not release any person, party, or entity from claims, if any, by Class Members for workers compensation, unemployment, or disability benefits of any nature. Nor does it release any claims, actions, or causes of action which may be possessed by Class Members under state or federal discrimination statutes, including, without limitation, the California Fair Employment and Housing Act (Gov. Code, §§ 12900–12996); the Unruh Civil Rights Act (Civ. Code, § 51); the California Constitution; Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000, et seq.); the Americans with Disabilities Act (42 U.S.C. § 12101, et seq.); the Employee Retirement Income Security Act of 1974 (29 U.S.C. § 1001 et seq.); and all of their implementing regulations and interpretive guidelines.

1.35. RELEASED PARTIES

“Released Parties” shall mean Defendants and all of Defendants’ subsidiaries, affiliates, shareholders, members, officers, directors, managers, agents, predecessors, successors, and assigns.

1.36. RELEASING PARTIES

“Releasing Parties” shall mean every Class Participant, including the Class Representatives in their individual and class action capacities, and all persons purporting to act on their behalf or purporting to assert a claim under or through them, including, but not limited to, their dependents, heirs,

1 assigns, beneficiaries, devisees, legatees, executors, administrators, agents, trustees, conservators,
 2 guardians, personal representatives, and successors-in-interest, whether individual, class,
 3 representative, legal, equitable, direct or indirect, or any other type or in any other capacity.

4 **1.37. RESPONSE DEADLINE**

5 “Response Deadline” shall mean the date forty-five (45) days following the date on which the
 6 Settlement Administrator first mails Class Notice to the Class Members and the last day on which Class
 7 Members may submit a request for exclusion and/or objection to Class Settlement.

8 **1.38. SETTLEMENT ADMINISTRATOR**

9 “Settlement Administrator” shall mean Simpluris, Inc., Phoenix Settlement Administrators, or
 10 CPT Group, Inc. (or other administrator agreed on by the parties) which the Parties have agreed will
 11 be responsible for administration of the Class Settlement and related matters.

12 **1.39. SETTLEMENT CLASS**

13 “Settlement Class” shall mean all individuals who are or were employed by Defendants as non-
 14 exempt employees in California during the Class Period. Defendants represent that the Settlement Class
 15 consists of approximately 108 Class Members that worked a total of approximately 2,776 workweeks
 16 during the Class Period.

17 **1.40. SHARE FORM**

18 “Share Form” shall mean the *Class Action Settlement Share Form*, as set forth in the form of
 19 **Exhibit 2** attached hereto, or as otherwise approved by the Court, which is to be mailed to Class
 20 Members along with the Class Notice.

21 **2. FACTUAL AND PROCEDURAL BACKGROUND**

22 **2.1. PLAINTIFFS’ CLAIMS**

23 Plaintiffs, individually and in their representative capacity on behalf of the Settlement Class,
 24 and as private attorneys general on behalf of the State of California, have alleged the following
 25 violations: **(1)** failure to pay minimum wage for all hours worked in violation of Labor Code sections
 26 1194 and 1194.2, and the Applicable Wage Orders; **(2)** failure to pay proper overtime wages in
 27 violation of Labor Code sections 510, 1197, and 1198, and the Applicable Wage Orders; **(3)** failure to
 28 provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section

226.7 and the Applicable Wage Orders; **(4)** failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the Applicable Wage Orders; **(5)** failure to maintain accurate employment records in violation of Labor Code section 1174; **(6)** failure to pay timely wages during employment in violation of Labor Code sections 204, 210; **(7)** failure to pay all wages due and owing at separation in violation of Labor Code sections 201, 202, and 203; **(8)** failure to reimburse business expenses in violation of Labor Code sections 2802 and 2804; **(9)** failure to provide complete and accurate wage statements in violation of Labor Code sections 226 and 226.3; **(10)** deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); and **(11)** statutory penalties based on the foregoing pursuant to PAGA (Lab. Code, §§ 2698–2699.6).

2.2. DISCOVERY, INVESTIGATION, RESEARCH, AND MEDIATION

Class Counsel has conducted significant informal discovery during the prosecution of the Action. This discovery, investigation, and prosecution has included, among other things, **(a)** over a dozen telephonic conferences with Plaintiffs; **(b)** inspection and analysis of hundreds of pages of documents and other information produced by Plaintiffs and Defendants; **(c)** analysis of employment data from a sample of Class Members; **(d)** an analysis of the legal positions taken by Defendants; **(d)** investigation into the viability of class treatment of the claims asserted in the Action; **(e)** analysis of potential class-wide damages, including information sufficient to understand Defendants' potential defenses to Plaintiffs' claims; **(f)** research of the applicable law with respect to the claims asserted in the Complaint and the potential defenses thereto; and **(g)** assembling and analyzing of data for calculating damages.

Class Counsel and the Class Representatives have vigorously prosecuted this case, and Defendants have vigorously contested it. The Parties have engaged in sufficient investigation and discovery to assess the relative merits of the claims of the Class Representatives and of the defenses to them. After such discovery, investigation, and prosecution, the Parties reached a settlement in principle, the terms of which are elaborated in this Settlement Agreement.

1 **2.3. ALLEGATIONS OF THE CLASS REPRESENTATIVES AND BENEFITS OF**
2 **CLASS SETTLEMENT**

3 The document and data exchange in this matter, as well as discussions between counsel, have
4 been adequate to give the Class Representatives and Class Counsel a sound understanding of the merits
5 of their positions and to evaluate the value of the claims of the Settlement Class. The informal discovery
6 conducted in this Action and the information exchanged by the Parties through pre-settlement
7 discussions are sufficient to reliably assess the merits of the Parties' respective positions and to
8 compromise the issues on a fair and equitable basis.

9 The Class Representatives and Class Counsel believe that the claims, causes of action,
10 allegations, and contentions asserted in the Action have merit. However, the Class Representatives and
11 Class Counsel recognize and acknowledge the expense and delay of continued lengthy proceedings
12 necessary to prosecute the Action against Defendants through trial and through appeals. Class Counsel
13 has taken into account the uncertain outcome of the litigation, the risk of continued litigation in complex
14 actions such as this, as well as the difficulties and delays inherent in such litigation, and the potential
15 difficulty of obtaining certification of the Settlement Class as well as trying the claims of the class.
16 Class Counsel is mindful of the potential problems of proof under, and possible defenses to, the claims
17 alleged in the Action.

18 The Class Representatives and Class Counsel believe that the settlement set forth in this
19 Settlement Agreement confers substantial benefits upon Plaintiffs and the Settlement Class and that an
20 independent review of this Settlement Agreement by the Court in the approval process will confirm
21 this conclusion. Based on their own independent investigation and evaluation, Class Counsel has
22 determined that the settlement set forth in this Settlement Agreement is in the best interests of Plaintiffs
23 and the Class Members.

24 **2.4. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

25 Defendants have denied and continue to deny all allegations, claims, and contentions alleged
26 by Plaintiffs in the Action. Defendants have expressly denied and continue to deny all charges of
27 wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions
28

1 alleged in the Action. Defendants contend that they complied with California and federal wage and
2 hour laws and have dealt legally and fairly with Plaintiffs and the Class Members.

3 Defendants further deny that, for any purpose other than settling this Action, these claims are
4 appropriate for class or representative treatment. Nonetheless, Defendants have concluded that further
5 proceedings in the Action would be protracted and expensive and that it is desirable that the Action be
6 fully and finally settled in the manner and upon the terms and conditions set forth in this Settlement
7 Agreement to dispose of burdensome and protracted litigation, to permit the operation of Defendants'
8 respective businesses without further expensive litigation and the distraction and diversion of their
9 personnel with respect to matters at issue in the Action. Defendants have also taken into account the
10 uncertainty and risks inherent in any litigation, especially in complex cases such as the Action.
11 Defendants have, therefore, determined that it is desirable and beneficial to them that the Action be
12 settled in the manner and upon the terms and conditions set forth in this Settlement Agreement.

13 **2.5. INTENT OF THE CLASS SETTLEMENT**

14 The Class Settlement set forth herein intends to achieve the following: **(1)** entry of an order
15 approving the Class Settlement; **(2)** entry of judgment of the Action; **(3)** discharge of the Released
16 Parties from liability for any and all of the Released Claims; and **(4)** discharge of Defendants from
17 liability for any and all claims arising out of the Action.

18 **3. CONDITIONAL CERTIFICATION OF THE SETTLEMENT CLASS**

19 For the purposes of this Settlement Agreement and the Class Settlement of this Action only, the
20 Parties agree to conditional class certification of the Settlement Class. Defense Counsel believes this
21 conditional certification is appropriate because the Released Claims are being compromised without
22 need to establish the elements of those claims on which liability turns. The certification of the
23 Settlement Class shall not constitute, in this or any other proceeding, an admission of any kind by
24 Defendants, including without limitation, that certification of a class for trial purposes is or would be
25 warranted, appropriate or proper; or that Plaintiffs could establish any of the requisite elements for
26 class treatment of any of the claims in the Action.

27 If the Settlement Agreement is not finally approved by the Court, the Effective Date is not
28 achieved, or the Class Settlement is rejected, terminated, or otherwise rendered null and void as set

1 forth herein, then certification of the Settlement Class shall be automatically vacated, shall be void *ab*
2 *initio*, of no force or effect, and shall not constitute evidence or a binding determination that the
3 requirements for certification of a class for trial purposes in this Action or in any other action which
4 have been, are or can be, satisfied. Further, if the Agreement does not reach the Effective Date,
5 Plaintiffs agree that Plaintiffs will not argue, claim, reference, or otherwise raise any preliminary
6 approval of the Settlement Class in connection with any later proceeding before the Court.

7 **4. APPOINTMENT OF CLASS COUNSEL**

8 For purposes of this Settlement Agreement and subject to the Court's approval, the Parties agree
9 to the appointment of Class Counsel as counsel for the Settlement Class and the effectuation of the
10 Class Settlement pursuant to this Settlement Agreement, the costs of which shall be solely derived from
11 the attorneys' fees and litigation costs provided by this Settlement Agreement. Defendants shall have
12 no further liability for Class Counsel's attorneys' fees or litigation costs other than has been provided
13 by this Settlement Agreement.

14 **5. CONSIDERATION**

15 **5.1. SETTLEMENT AMOUNT**

16 The Parties agree to settle this Action for the Gross Settlement Amount of \$75,000.00. There
17 shall be no reversion to Defendants. Defendants shall pay the Gross Settlement Amount in full. The
18 Gross Settlement Amount and other actions and forbearances taken by Defendants shall constitute
19 adequate consideration for the Class Settlement and will be made in full and final settlement of: the
20 Released Claims, the Class Attorney Fees and Expenses, Administrative Expenses, the Incentive
21 Awards, the PAGA Payment (and any payments to individual PAGA Class Members resulting from
22 the PAGA Payment), and any other obligation of Defendants under this Settlement Agreement (other
23 than the Employer's Taxes on the portion of the Net Settlement Amount allocated to the payment of
24 wages).

25 After the Court issues an order preliminarily approving this Class Settlement, the Settlement
26 Administrator will distribute the Class Notice to the Class Members, which shall describe the terms of
27 the Class Settlement and procedures to Opt Out, object, or participate in the Class Settlement as well
28 as the Share Form, which shall identify the Class Member, the number of workweeks worked by each

1 Class Member (“Workweeks”), as well as the estimated amount of the Individual Settlement Amount
2 the Class Member can expect to receive once the Class Settlement becomes effective on the Effective
3 Date. Class Members shall be given the opportunity to challenge their Workweeks information.

4 **5.2. INCENTIVE AWARDS FOR PLAINTIFFS**

5 Plaintiffs may petition the Court to approve Incentive Awards in an amount up to \$7,500.00 for
6 Joseph McCabe and \$7,500.00 for Anthony McCabe to acknowledge their efforts on behalf of the
7 Settlement Class in this Action, including assisting in the investigation and consulting with Class
8 Counsel and providing crucial documents to Class Counsel. Defendants shall not oppose any request
9 by Plaintiffs for Incentive Awards in such an amount. Any Incentive Award approved by the Court
10 shall be paid to Plaintiffs from the Gross Settlement Amount and shall be in addition to any distribution
11 to which they may otherwise be entitled as a Class Participants. Any Incentive Award approved by the
12 Court shall not be considered wages, and the Settlement Administrator shall issue to Plaintiffs an IRS
13 Form 1099 reflecting such payment. Plaintiffs shall be responsible for the payment of all taxes with
14 respect to any Incentive Award approved by the Court and shall hold Defendants harmless from all
15 liability with regard thereto.

16 **5.3. PAYMENT TO CLASS PARTICIPANTS**

17 Each Class Participant shall be eligible to receive payment of the Individual Settlement
18 Amount, which is a share of the Net Settlement Amount based on the pro rata number of weeks worked
19 by the Class Members during the Class Period as a proportion of all weeks worked by all Class
20 Members. Each Class Participant, including Plaintiffs, shall be responsible for the payment of the
21 Employee’s Taxes and Required Withholding with respect to his or her Individual Settlement Amount
22 and shall hold Defendants harmless from any and all liability with regard thereto.

23 **5.4. PAYMENT TO PAGA SETTLEMENT CLASS**

24 Each member of the PAGA Settlement Class shall be entitled to receive a portion of the PAGA
25 Payment. The PAGA Payment shall consist of the penalties pursuant to PAGA that the Parties have
26 agreed is a reasonable sum to be paid in settlement of the PAGA claims included in the Action, which
27 is \$7,500.00. The PAGA Payment must be approved by the Court pursuant to Labor Code section 2699
28 and is to be distributed as follows: seventy-five percent (75%) (i.e., \$5,625.00) to the LWDA and

1 twenty-five percent (25%) (i.e., \$1,875.00) to the PAGA Settlement Class. The portion of the PAGA
2 Payment allocated to the PAGA Settlement Class shall be distributed to the PAGA Settlement Class
3 based on the pro rata number of pay periods worked by each particular PAGA Settlement Class member
4 during the PAGA Period as a proportion of all pay periods worked by all members of the PAGA
5 Settlement Class.

6 **5.5. TAX TREATMENT AND PAYMENT**

7 For the purpose of calculating Employee's Taxes and Required Withholding for the Individual
8 Settlement Amounts for Class Participants (including any payments to the Class Representatives but
9 exclusive of their Incentive Award), the Parties agree that 20% of each Individual Settlement Amount
10 shall constitute payment in the form of wages (and each Class Participant will be issued an IRS Form
11 W-2 for such payment to him or her), and 80% of each Individual Settlement Amount shall constitute
12 penalties and interest (and each Class Participant will be issued an IRS Form 1099 for such payment
13 to him or her). Prior to final distribution, the Settlement Administrator shall calculate the total
14 Employee's Taxes and Required Withholding due as a result of the wage portion of Class Participants'
15 anticipated Individual Settlement Amounts and such actual amount will be deducted from the Net
16 Settlement Amount. Additionally, prior to the funding of the Gross Settlement Amount and final
17 distribution, the Settlement Administrator shall calculate the total Employer's Taxes due on the wage
18 portion of the Class Participants' Individual Settlement Amounts and issue instructions to Defendants
19 to separately fund these tax obligations/withholdings. The Parties understand that Plaintiffs and the
20 Class Participants who receive any payment pursuant to this Settlement Agreement shall be solely
21 responsible for all other individual tax obligations.

22 With respect to the PAGA Payment and any payments made to individual members of the
23 PAGA Settlement Class, all such payments shall be treated as payments owing for penalties and interest
24 thereon and shall not be considered wages. The Settlement Administrator shall issue to members of the
25 PAGA Settlement Class an IRS Form 1099 reflecting such payment. Members of the PAGA Settlement
26 Class shall be solely responsible for the payment of all taxes with respect to any PAGA payments made
27 to them.
28

5.6. NO EFFECT ON EMPLOYEE BENEFIT PLANS

Neither the Class Settlement nor any amounts paid under the Class Settlement will modify any previously credited hours, days, or weeks of service under any employee benefit plan, policy or bonus program sponsored by Defendants. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendants' sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Settlement Agreement shall not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of any of Defendants' benefit plan, policy, or bonus program. Defendants retain the right to modify the language of their benefits plans, policies, and bonus programs to reflect this intent and to make clear that any amounts paid pursuant to this Settlement Agreement are not for "weeks worked," "weeks paid," "weeks of service," or any similar measuring term as defined by applicable plans, policies, and bonus programs for purpose of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement Agreement. Defendants do not consider the Class Settlement payments "compensation" for purposes of determining eligibility for, or benefit accrual within, any benefit plans, policies, or bonus programs, or any other plan sponsored by Defendants.

5.7. CLASS ATTORNEY FEES AND EXPENSES

As part of the motion for final approval of the Class Settlement, Class Counsel may apply for an award of Class Attorney Fees and Expenses with the fee portion not to exceed one-third of the Gross Settlement Amount (i.e., \$25,000.00) and the award of costs and expenses up to an additional \$13,591.32. Defendants agree to not object to any such fee, cost, or expense application in those amounts.

As a condition of this Class Settlement, Class Counsel has agreed to pursue fees only in the manner reflected by this subsection. Any Class Attorney Fees and Expenses awarded by the Court shall be paid from the Gross Settlement Amount prior to arriving at the Net Settlement Amount and shall not constitute payment to any Class Members. If Class Counsel voluntarily reduces the request for Class Attorney Fees and Expenses or the Court's award of Class Attorney Fees and Expenses is less

1 than set forth above, the Net Settlement Amount shall be recalculated to reflect the actual Class
2 Attorney Fees and Expenses awarded.

3 The Class Attorney Fees and Expenses approved by the Court shall reflect: **(a)** all work
4 performed and costs and expenses incurred by, or at the direction of, any attorney purporting to
5 represent the Settlement Class through the date of this Settlement Agreement; **(b)** all work to be
6 performed and costs to be incurred in connection with approval by the Court of the Class Settlement;
7 **(c)** all work to be performed and costs and expenses, if any, incurred in connection with administering
8 the Class Settlement through the Effective Date and dismissal of the Action with prejudice; and **(d)** may
9 be based on the “catalyst theory” and/or the “common fund doctrine.”

10 **6. SETTLEMENT ADMINISTRATION**

11 **6.1. COSTS AND EXPENSES**

12 All costs and expenses due to the Settlement Administrator in connection with its administration
13 of the Class Settlement, including, but not limited to, providing the Class Notice, locating Class
14 Members, processing Opt Out requests and objections, distributing the portion of the PAGA Payment
15 payable to the LWDA, distributing the portion of the PAGA Payment payable to the members of the
16 PAGA Settlement Class, and calculating, administering and distributing Individual Settlement
17 Amounts to the Class Participants and related tax forms, shall be paid from the Gross Settlement
18 Amount.

19 **6.2. PAYMENT BY DEFENDANTS**

20 Defendants shall deposit the Gross Settlement Amount in a lump sum payment plus the
21 employer-side payroll taxes to the Settlement Administrator by December 15, 2026. Defendant is
22 permitted to make payment of the settlement amount earlier than December 15, 2026. Any early
23 funding will be accepted and treated as timely payment. In no event shall Defendants be obligated to
24 pay or deposit with the Settlement Administrator more than \$75,000.00 plus the Employer’s Taxes,
25 except where the Escalator Provision is triggered.
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1 **6.3. PERSONAL GUARANTEE**

2 Cary Quashan shall provide a personal guarantee, which shall remain in full force and effect.
3 Cary Quashan is not a named defendant in the above-captioned action, and no judgment shall be entered
4 against him unless and until a material breach of this Agreement occurs.

5 **7. NOTICE TO CLASS MEMBERS AND CLAIMS ADMINISTRATION PROCESS**

6 **7.1. THE SETTLEMENT ADMINISTRATOR**

7 The Settlement Administrator will be responsible for: mailing the Class Notice and Share Form
8 (**Exhibit 1** and **Exhibit 2**, respectively) to Class Members; posting notice of entry of final order and
9 judgment certifying the Class Settlement and approving this Settlement Agreement; handling inquiries
10 from Class Members concerning the Class Notice; determining Individual Settlement Amounts;
11 determining individual payments to members of the PAGA Settlement Class; maintaining the
12 settlement funds in an appropriate interest-bearing account; preparing, administering, and distributing
13 Individual Settlement Amounts to Class Participants; preparing, administering, and distributing
14 individual payments to members of the PAGA Settlement Class; distributing the portion of the PAGA
15 Payment payable to the LWDA; issuing a final report and performing such other duties as the Parties
16 may direct. Additionally, the Settlement Administrator will handle all tax document preparation and
17 reporting, including state and federal tax forms, if any.

18 On a weekly basis, the Settlement Administrator will provide reports to Class Counsel and
19 Defense Counsel with summary information updating them as to the number of validated and timely
20 objections and Opt Out requests. The Settlement Administrator will serve on Class Counsel and
21 Defense Counsel via e-mail date-stamped copies of the original Opt Out requests and objections no
22 later than seven (7) days after their receipt. The Settlement Administrator will provide Class Counsel
23 with proof of mailing of the Class Notice, without listing individual Class Member names which the
24 Settlement Administrator will file with the Court at the time Class Counsel files its motion in support
25 of the Court's Final Approval and Fairness Hearing.

26 No later than thirty (30) days prior to the Final Approval and Fairness Hearing, the Settlement
27 Administrator will compile and deliver to Class Counsel and Defense Counsel a report with summary
28 information regarding: **(a)** the total amount of final Individual Settlement Amounts of each Class

Participant, without any identifying personal information; **(b)** the number of Class Participants to receive such payments, and **(c)** the final number of Opt-Outs and objections.

Administrative Expenses are not anticipated to exceed reasonable fees. Prior to the calculation and distribution of the Individual Settlement Amounts, the Settlement Administrator shall calculate the total Administrative Expenses through the conclusion of their services and such actual amount will be deducted from the Gross Settlement Amount prior to the final calculation of the Individual Settlement Amounts.

7.2. NOTICE TO CLASS MEMBERS

Notice shall be provided to Class Members in the following manner: Within fourteen (14) days after the Preliminary Approval Date, Defendants shall provide the Settlement Administrator with an updated list of Class Members and members of the PAGA Settlement Class containing names, social security numbers, dates of employment, last-known addresses, and phone numbers (the “Database”). The Database shall be marked “Confidential – Settlement Administrator’s Eyes Only.” Class Counsel shall not receive a copy of this list.

Within twenty-eight (28) days following the Preliminary Approval Date, the Settlement Administrator shall determine the number of workweeks worked by each Class Member, populate the data for each Class Member accordingly, and send each Class Member the Class Notice via first-class, United States mail. The Class Notice shall also contain an easily-understood statement alerting the Class Members that, unless they elect to Opt Out of the Class Settlement, the Class Member is releasing and waiving all Released Claims against the Released Parties.

The Class Notice will inform Class Members of their estimated share of the settlement and the number of workweeks they worked during the Class Period. Class Members may dispute their workweeks if they believe they worked more weeks in the Class Period than Defendants’ records show by submitting information to the Settlement Administrator no later than forty-five (45) days after being mailed the Class Notice and Share Form by the Settlement Administrator, which is the defined Response Deadline. The Settlement Administrator will jointly work with Plaintiffs and Defendants to resolve the dispute in good faith. If Plaintiffs and Defendants cannot agree over the workweeks to be

1 credited, the Settlement Administrator shall make the final decision based on the information presented
2 by the Class Member and Defendants.

3 **7.3. OPT OUT PROCEDURE**

4 Class Members who do not timely Opt Out of the Class Settlement will be deemed to participate
5 in the Class Settlement and shall become Class Participants without having to submit a claim form or
6 take any other action. To Opt Out of the Class Settlement, the Class Member must return a signed and
7 completed copy of the *Request for Exclusion Form* attached hereto as **Exhibit 3** to the Settlement
8 Administrator by the Response Deadline.

9 Any Opt Out request that is not postmarked by the Response Deadline will be invalid. If prior
10 to the Response Deadline any Class Notice mailed to a Class Member is returned as having been
11 undelivered by the United States Postal Service, the Settlement Administrator shall perform a skip trace
12 search and seek an address correction for such Class Members, and a second Class Notice will be sent
13 to any new or different address obtained. Such Class Members shall have an additional fourteen (14)
14 days from the date of the mailing of the second Class Notice in which to Opt Out, object, or dispute
15 the information provided in the Share Form if the Response Deadline would have otherwise passed
16 prior to fourteen (14) days from the date of the mailing of the second Class Notice.

17 It will be presumed that, if an envelope containing the Class Notice has not been returned within
18 thirty (30) days of the mailing, the Class Member received the Class Notice. At least twenty-one (21)
19 days prior to the Final Approval and Fairness Hearing, the Settlement Administrator shall provide Class
20 Counsel and Defense Counsel with a Declaration of Due Diligence and Proof of Mailing with regard
21 to the mailing of the Class Notice and its attempts to locate Class Members. The declaration shall
22 specify the number of Class Members to whom the Class Notice was sent and the number of Class
23 Members to whom the Class Notice was not delivered, as well as information relating to the number
24 of Opt-Outs and objectors. Class Counsel shall file this declaration with the Court.

25 If the Settlement Administrator determines that an Opt Out request returned by a Class Member
26 before the Response Deadline is deficient, then the Settlement Administrator shall mail a deficiency
27 letter to that Class Member identifying the problem. If a Class Member submits both a dispute and an
28 Opt Out request, the Settlement Administrator shall make reasonable attempts to clarify as if the Opt

1 Out request were deficient. If the Class Member fails to cure the deficiency, the Opt Out request shall
2 be disregarded and the claim will be paid, and the Class Member will become bound by the judgment.

3 Class Participants will be bound by the Release of Released Claims set forth in the definition
4 of “Released Claims” provided in this Settlement Agreement.

5 A request to Opt Out of the Class Settlement shall **not** serve to exclude the Class Member from
6 participation in the PAGA Settlement Class. Opt-Outs shall still be entitled to their share of the PAGA
7 Payment. Class Members who are also members of the PAGA Settlement Class shall have no right or
8 ability to opt out of the portion of this Settlement Agreement releasing PAGA claims.

9 **7.4. OBJECTION PROCEDURE**

10 The Class Notice shall inform the Class Members of their right to object to the Class Settlement
11 if they do not Opt Out. Any Class Participants who wish to object to the Class Settlement may submit
12 a written objection to the Settlement Administrator no later than the Response Deadline. Only Class
13 Participants may object to the Settlement. The objection should include the case name and number and
14 must set forth, in clear and concise terms, a statement of the reasons why the objector believes that the
15 Court should find that the proposed Class Settlement is not in the best interest of the Settlement Class
16 and the reasons why the Class Settlement should not be approved, including the legal and factual
17 arguments supporting the objection. If an objector also wishes to appear at the Final Approval and
18 Fairness Hearing, in person or through an attorney, they may do so. The Settlement Administrator will
19 promptly serve copies of any objection or notice of intention to appear on Class Counsel and Defense
20 Counsel. Class Members wishing to make an objection may appear at the Final Approval and Fairness
21 Hearing, either in person or through a lawyer retained at their own expense.

22 **7.5. NOTICE OF FINAL JUDGMENT**

23 Within seven (7) days after the Court has held a Final and Fairness Approval Hearing and
24 entered a final order certifying the Class for settlement purposes only and approving the Class
25 Settlement, the Settlement Administrator will give notice of judgment to Class Members pursuant to
26 rule 3.771(b) of the California Rules of Court, by posting a copy of said order and final judgment on
27 its website at a web address to be included in the Class Notice.
28

1 **8. CLASS SETTLEMENT FUNDING AND DISTRIBUTION**

2 **8.1. ALLOCATION OF THE GROSS SETTLEMENT AMOUNT**

3 The claims of all Class Members are settled for the Gross Settlement Amount of \$75,000.00,
4 which will be allocated as follows:

- 5 1. The Administrative Expenses, estimated not to exceed reasonable fees;
- 6 2. Class Counsel's attorney fees not to exceed \$25,000.00;
- 7 3. Class Counsel's litigation costs and expenses not to exceed \$13,591.32;
- 8 4. The Incentive Awards, not to exceed \$15,000.00; and
- 9 5. PAGA Payment to LWDA of \$5,625.00.

10 For purposes of calculating the estimated Individual Settlement Amounts, the Settlement
11 Administrator shall calculate the estimated Net Settlement Amount based on the estimated values
12 provided above prior to sending Notice to the Class Members. Prior to final distribution, the Settlement
13 Administrator shall recalculate the final Net Settlement Amount based on the actual values of the
14 amounts in each category.

15 **8.2. CALCULATION OF THE INDIVIDUAL SETTLEMENT AMOUNTS FOR**
16 **CLASS PARTICIPANTS**

17 Individual Settlement Amounts to be paid to Class Participants shall be paid from the Net
18 Settlement Amount. The portion of the Net Settlement Amount shall be distributed pro rata on a
19 “checks cashed” basis based on the proportional number of weeks worked by each Class Member
20 during the Class Period.

21 Defendants will provide the Settlement Administrator with any information reasonably
22 necessary to perform the calculation of number of workweeks for each Class Member, and any other
23 reasonably required information the Settlement Administrator requests to perform the calculations
24 required under this Settlement Agreement. Defendants shall have no responsibility for deciding the
25 validity of the Individual Settlement Amounts or any other payments made pursuant to this Settlement
26 Agreement, shall have no involvement in or responsibility for the determination or payment of
27 Employee's Taxes and Required Withholding, and shall have no liability for any errors made with
28 respect to such Employee's Taxes and Required Withholding. Although the Settlement Administrator

1 will calculate and pay the standard Employee's Taxes and Required Withholding on the portion of the
2 Individual Settlement Amounts constituting wages on their behalf, Plaintiffs and Class Participants
3 represent and understand that they shall be solely responsible for any and all tax obligation associated
4 with their respective Individual Settlement Amounts and Incentive Awards.

5 **8.3. CALCULATION OF THE PAYMENTS FOR INDIVIDUAL MEMBERS OF**
6 **THE PAGA SETTLEMENT CLASS**

7 Each member of the PAGA Settlement Class shall be entitled to receive a portion of the PAGA
8 Payment. The PAGA Payment shall consist of the penalties pursuant to PAGA that the Parties have
9 agreed is a reasonable sum to be paid in settlement of the PAGA claims included in the Action, which
10 is \$7,500.00. The PAGA Payment is to be approved by the Court pursuant to Labor Code section 2699
11 and is to be distributed as follows: seventy-five percent (75%) (i.e., \$5,625.00) to the LWDA and
12 twenty-five percent (25%) (i.e., \$1,875.00) to the PAGA Settlement Class.

13 The portion of the PAGA Payment allocated to the PAGA Settlement Class shall be distributed
14 to the PAGA Settlement Class based on the pro rata number of pay periods worked by each particular
15 PAGA Settlement Class member during the PAGA Period as a proportion of all pay periods worked
16 by all PAGA Settlement Class members during the PAGA Period. Each member of the PAGA
17 Settlement Class, including Plaintiffs, shall be responsible for the payment of the Employee's Taxes
18 and Required Withholding with respect to their share of the PAGA Payment and shall hold Defendants
19 harmless from any and all liability with regard thereto.

20 Defendants will provide the Settlement Administrator with any information reasonably
21 necessary to perform the calculation of number of pay periods worked for each PAGA Settlement Class
22 member, and any other reasonably required information the Settlement Administrator requests to
23 perform the calculations required under this Settlement Agreement. Defendants shall have no
24 responsibility for deciding the validity of the individual payment amounts allocated to each member of
25 the PAGA Settlement Class or any other payments made pursuant to this Settlement Agreement, shall
26 have no involvement in or responsibility for the determination or payment of Employee's Taxes and
27 Required Withholding, and shall have no liability for any errors made with respect to such Employee's
28 Taxes and Required Withholding.

1 The members of the PAGA Settlement Class shall be solely responsible for any and all tax
2 obligation associated with their respective shares of the PAGA Payment.

3 **8.4. TIME FOR PAYMENT OF ATTORNEY FEES AND EXPENSES**

4 The Settlement Administrator shall distribute to Class Counsel any attorney fees and expenses
5 approved by the Court no later than fourteen (14) days after the Effective Date.

6 **8.5. TIME FOR PAYMENT OF INCENTIVE AWARD**

7 The Settlement Administrator shall distribute to Plaintiffs the Incentive Award approved by the
8 Court no later than fourteen (14) days after the Effective Date.

9 **8.6. TIME FOR PAYMENT OF PAGA PAYMENT TO THE LWDA**

10 The Settlement Administrator shall distribute to the LWDA the portion of the PAGA Payment
11 due to it and approved by the Court no later than fourteen (14) days after the Effective Date.

12 **8.7. TIME FOR PAYMENT OF TAXES AND REQUIRED WITHHOLDING AND**
13 **INDIVIDUAL SETTLEMENT AMOUNTS**

14 The Settlement Administrator shall make every effort to pay the Employee's Taxes and
15 Required Withholding associated with each Class Participant's Individual Settlement Amount and mail
16 the Individual Settlement Amount to each Class Participant, by first-class United States mail, to the
17 last-known address no later than fourteen (14) days after the Effective Date. If the Settlement
18 Administrator is not able to do so within the time period set forth above, it shall so inform Class Counsel
19 and Defense Counsel and provide an approximate date by which the Employee's Taxes and Required
20 Withholding shall be paid and the Individual Settlement Amounts will be mailed. Under no
21 circumstances shall the Settlement Administrator distribute checks to Class Participants until all
22 Individual Settlement Amounts have been considered, calculated, and accounted for, and all of the
23 remaining monetary obligations have been calculated and accounted for.

24 Within two hundred ten (210) days of mailing the Individual Settlement Amounts to Class
25 Participants, the Settlement Administrator shall file with the Court and provide to Class Counsel a
26 declaration of payment. If any Class Participant is deceased, payment shall be made payable to the
27 estate of that Class Member and delivered to the executor or administrator of that estate, unless the
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1 Settlement Administrator has received an affidavit or declaration pursuant to California Probate Code
2 section 13101, in which case payment shall be made to the affiant(s) or declarant(s).

3 **8.8. NON-CASHED SETTLEMENT CHECKS**

4 Any funds associated with checks that have not been cashed within one hundred eighty (180)
5 days, will become void and the Individual Settlement Amount associated with the uncashed check will
6 be remitted pursuant to Code of Civil Procedure section 384 to the California State Controller for
7 deposit in the Unclaimed Property Fund in the name of the individual whose check was uncashed. The
8 Parties agree that this disposition results in no “unpaid residue” within the meaning of California Civil
9 Procedure Code section 384, as the entire Net Settlement Amount will be paid out to Class Participants,
10 whether or not they all cash their Individual Settlement Amount checks. Therefore, Defendants shall
11 not be required to pay any interest on said amount. For the purposes of determining whether Defendants
12 have met their financial obligation to pay the Individual Settlement Payment, Defendants will be
13 deemed to have fulfilled their obligation upon the mailing of the check to the Class Member, regardless
14 of whether such Class Member subsequently negotiates the check.

15 **8.9. DISPUTES REGARDING CLASS MEMBER WORKWEEKS DATA OR**
16 **PAYMENT OF INDIVIDUAL SETTLEMENT SHARES**

17 Class Member Workweeks and the corresponding Individual Settlement Amount shall be
18 calculated using the employment and payroll records of Defendants, which presumptively shall be
19 deemed to be full, complete, and accurate for purposes of this Settlement Agreement. To overcome
20 that presumption, any Class Member objecting to the accuracy of the number of Workweeks or amount
21 of the Individual Settlement Amount must submit documentary evidence, such as pay stubs or other
22 written employment records, to the Settlement Administrator. Each Class Member may dispute the
23 number of Workweeks or their estimated Individual Settlement Amount contained on their Class
24 Notice (“Workweeks Dispute”). Any such Workweeks Dispute must be mailed or faxed to the
25 Settlement Administrator by the Class Member, postmarked or fax-stamped on or before the Response
26 Deadline. The Settlement Administrator shall immediately provide copies of all disputes to counsel for
27 Defendants, shall inform Class Counsel of the dispute without disclosing the identity of the Class
28 Member making the dispute, and shall immediately attempt to resolve all such disputes directly with

relevant Class Members with the assistance of Defendants, Defense Counsel, and Class Counsel. If the dispute cannot be resolved, it shall be submitted to the Settlement Administrator for its final, non-appealable decision. The Settlement Administrator shall use its best efforts to resolve all such disputes prior to the Effective Date. If, however, a dispute arises or is not resolved until after the Settlement Amount has been distributed, the initial calculation shall stand (as Defendants shall be under no obligation to pay any amounts in excess of the Gross Settlement Amount under this Settlement Agreement).

9. NULLIFICATION OF THIS SETTLEMENT AGREEMENT

9.1. NON-APPROVAL OF THIS SETTLEMENT AGREEMENT

The Class Settlement and conditional class certification shall be considered null and void, and neither the Class Settlement, conditional class certification, nor any of the related negotiations or proceedings, shall be of any force or effect, and all Parties to the Class Settlement shall stand in the same position, without prejudice, as if the Class Settlement had been neither entered into nor filed with the Court, if any of the following occur: **(a)** the Court should for any reason fail to approve this Settlement Agreement in the form agreed to by the Parties; **(b)** the Court should for any reason fail to enter a judgment with prejudice of the Action, or **(c)** the approval of the Class Settlement and judgment is reversed, modified, or declared or rendered void. Notwithstanding the foregoing, the Parties may attempt in good faith to cure any perceived defects in this Settlement Agreement to facilitate approval.

9.2. PARTIES' RIGHTS TO VOID CLASS SETTLEMENT; ESCALATOR PROVISION

If the number of workweeks worked by the Class Members is greater than 5% above that estimated by Defendants, then the portion of the GSA attributable to non-PAGA claims (i.e., the GSA less the PAGA penalties) shall be increased proportionately for each additional Workweek above the 5% buffer. If the number of pay periods worked by the Aggrieved Employees is greater than 5% above that estimated by Defendants, then the portion GSA attributable to PAGA claims (i.e., the PAGA penalties) shall be increased proportionately for each additional pay period worked above the 5% buffer. If this provision is triggered so as to increase the GSA, the Parties agree that the portion of the GSA allocated to attorneys' fees will increase proportionally such that the total amount of attorneys'

1 fees remains one-third of the GSA after the upward adjustment required by this provision is
2 implemented.

3 **9.3. INVALIDATION**

4 Invalidation of any material portion of this Settlement Agreement shall invalidate the Class
5 Settlement in its entirety, unless the Parties subsequently agree in writing that the remaining provisions
6 of the Class Settlement are to remain in full force and effect.

7 **9.4. STAY ON APPEAL**

8 If a timely appeal from the approval of the Class Settlement and judgment, the judgment shall
9 be stayed, and Defendants shall not be obligated to fund the Gross Settlement Amount or take any other
10 actions required by this Settlement Agreement until all appeal rights have been exhausted by operation
11 of law.

12 **10. MOTIONS FOR COURT APPROVAL**

13 **10.1. PRELIMINARY APPROVAL**

14 As soon as practicable after execution of this Settlement Agreement, Class Counsel will submit
15 this Settlement Agreement to the Court along with a Motion for Preliminary Approval of the Class
16 Settlement. Each party shall cooperate to present the Class Settlement to the Court for preliminary
17 approval in a timely fashion.

18 **10.2. FINAL APPROVAL**

19 The Final Approval and Fairness Hearing shall be held before the Court. At the Final Approval
20 and Fairness Hearing, Plaintiffs shall move the Court for the entry of the final order certifying the
21 Settlement Class for settlement purposes only and approving the Class Settlement as being fair,
22 reasonable, and adequate to the Class Participants within the meaning of California Rules of Court,
23 Rule 3.769, subdivisions (c), (d) and (e), and for the entry of a final judgment of the Action consistent
24 with the terms of the Class Settlement and rule 3.769, subdivision (h), of the California Rules of Court.
25 Class Counsel and Defense Counsel shall submit to the Court such pleadings and/or evidence as may
26 be required for the Court's determination.
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11. **RELEASES AND WAIVERS**

11.1. **RELEASE OF CLAIMS BY THE SETTLEMENT CLASS**

Upon the Effective Date, the Releasing Parties shall be deemed to each release the Released Parties, and each of them, of and from any and all Released Claims arising during the Class Period. It is the desire of the Parties and the Releasing Parties to fully, finally, and forever settle, compromise, and discharge the Released Claims. Each of the Releasing Parties, including each Class Participant, will be bound by the release of Released Claims as a result of the Class Settlement and to the terms of the final judgment and the satisfaction of such judgment.

Class Participants will be deemed to have acknowledged and agreed that their claims for wages and/or penalties in the Action are disputed, and that their Individual Settlement Amount constitutes payment of all sums allegedly due to them. Class Participants will be deemed to have acknowledged and agreed that California Labor Code section 206.5 is not applicable to the Individual Settlement Amount. That section provides in pertinent part as follows:

“An employer shall not require the execution of a release of a claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made.”

11.2. **RELEASE OF CLAIMS BY PLAINTIFFS**

Plaintiffs, on behalf of themselves and their dependents, heirs and assigns, beneficiaries, devisees, legatees, executors, administrators, agents, trustees, conservators, guardians, personal representatives, and successors-in-interest, whether individual, class, representative, legal, equitable, direct or indirect, or any other type or in any other capacity, shall and does hereby forever release, discharge and agree to hold harmless the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses (including attorney fees and costs), known or unknown, at law or in equity, which they may now have or may have after the signing of this Settlement Agreement, arising out of or in any way connected with their employment with Defendants including, the Released Claims, claims that were asserted or could have been asserted in the Complaint, and any

1 and all transactions, occurrences, or matters between the Parties occurring prior to the date this
2 Settlement Agreement is fully executed. Without limiting the generality of the foregoing, this release
3 shall include, but not be limited to, any and all claims under: **(a)** the Americans with Disabilities Act;
4 **(b)** Title VII of the Civil Rights Act of 1964; **(c)** the Civil Rights Act of 1991; **(d)** 42 U.S.C. § 1981;
5 **(e)** the Age Discrimination in Employment Act; **(f)** the Fair Labor Standards Act; **(g)** the Equal Pay
6 Act; **(h)** the Employee Retirement Income Security Act, as amended; **(i)** the Consolidated Omnibus
7 Budget Reconciliation Act; **(j)** the Rehabilitation Act of 1973; **(k)** the Family and Medical Leave Act;
8 **(l)** the Civil Rights Act of 1966; **(m)** the California Fair Employment and Housing Act; **(n)** the
9 California Constitution; **(o)** the California Labor Code; **(p)** the California Government Code; **(q)** the
10 California Civil Code; and **(r)** any and all other federal, state, and local statutes, ordinances,
11 regulations, rules, and other laws, and any and all claims based on constitutional, statutory, common
12 law, or regulatory grounds as well as any other claims based on theories of wrongful or constructive
13 discharge, breach of contract or implied contract, fraud, misrepresentation, promissory estoppel, or
14 intentional infliction of emotional distress, negligent infliction of emotional distress, or damages under
15 any other federal, state, or local statutes, ordinances, regulations, rules, or laws. This release is for any
16 and all relief, no matter how denominated, including, but not limited to, back pay, front pay, vacation
17 pay, bonuses, compensatory damages, tortious damages, liquidated damages, punitive damages,
18 damages for pain and suffering, and attorney fees and costs, and Plaintiffs hereby forever releases,
19 discharges and agrees to hold harmless Defendants and the Released Parties from any and all claims
20 for attorney fees and costs arising out of the matters released in this Settlement Agreement.

21 Plaintiffs specifically acknowledge that they are aware of and familiar with the provisions of
22 California Civil Code section 1542, which provides as follows:

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

3
4 Plaintiffs, being aware of California Civil Code section 1542, hereby expressly waives and
5 relinquishes all rights and benefits they may have under section 1542 as well as any other statutes or
6 common law principles of a similar effect. Plaintiffs may hereafter discover facts in addition to or
7 different from those which they now knows or believes to be true with respect to the subject matter of
8 all the claims referenced herein, but agrees that, upon the Effective Date, Plaintiffs shall and hereby
9 does fully, finally, and forever settle and release any and all claims against the Released Parties, known
10 or unknown, suspected or unsuspected, contingent or non-contingent, that were asserted or could have
11 been asserted upon any theory of law or equity without regard to the subsequent discovery of existence
12 of such different or additional facts.

13 **11.3. CIRCULAR 230 DISCLAIMER**

14 Each party to this Settlement Agreement (for purposes of this section, the “Acknowledging
15 Party”; and each party to this Agreement other than the Acknowledging Party, an “Other Party”)
16 acknowledges and agrees that **(1)** no provision of this Settlement Agreement, and no written
17 communication or disclosure between or among the parties or their attorneys and other advisers, is or
18 was intended to be, nor shall any such communication or disclosure constitute or be construed or be
19 relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31
20 C.F.R. Part 10); **(2)** the Acknowledging Party **(a)** has relied exclusively upon her or its own
21 independent legal and tax advisers for advice (including tax advice) in connection with this Settlement
22 Agreement, **(b)** has not entered into this Settlement Agreement based upon the recommendation of any
23 other party or any attorney or advisor to any other party, and **(c)** is not entitled to rely upon any
24 communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that
25 may be imposed on the Acknowledging Party; and **(3)** no attorney or adviser to any other party has
26 imposed any limitation that protects the confidentiality of any such attorney’s or adviser’s tax strategies
27 (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party
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1 of the tax treatment or tax structure of any transaction, including any transaction contemplated by this
2 Settlement Agreement.

3 **12. DUTIES OF THE PARTIES**

4 **12.1. MUTUAL FULL COOPERATION**

5 The Parties agree to cooperate fully with one another to accomplish and implement the terms
6 of this Settlement Agreement. Such cooperation shall include, but not be limited to, execution of such
7 other documents and the taking of such other actions as may reasonably be necessary to fulfill the terms
8 of this Settlement Agreement. The Parties shall use their best efforts, including all efforts contemplated
9 by this Settlement Agreement and any other efforts that may become necessary by court order or
10 otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable
11 after execution of this Settlement Agreement, Class Counsel, with the cooperation of Defendants and
12 Defense Counsel, shall take all necessary and reasonable steps to secure the Court's final approval of
13 this Settlement Agreement.

14 **12.2. DUTY TO SUPPORT AND DEFEND THE CLASS SETTLEMENT**

15 The Parties agree to abide by all of the terms of this Settlement Agreement in good faith and to
16 support the Class Settlement fully and to use their best efforts to defend this Class Settlement from any
17 legal challenge, whether by appeal or collateral attack.

18 **12.3. DUTIES PRIOR TO COURT APPROVAL**

19 Class Counsel shall promptly submit this Settlement Agreement to the Court for preliminary
20 approval and determination by the Court as to its fairness, adequacy, and reasonableness. Promptly
21 upon execution of this Settlement Agreement, Class Counsel shall apply to the Court for the entry of a
22 preliminary order scheduling a hearing on the question of whether the proposed Class Settlement
23 should be approved as fair, reasonable, and adequate as to the Class Members, approving as to form
24 and content the proposed Class Notice and Share Form attached hereto as **Exhibit 1** and **Exhibit 2**,
25 respectively, and directing the mailing of the Class Notice to Class Members. While Defendants can
26 reserve their right to object to facts or assertions made in the moving papers, Defense Counsel shall
27 file a notice of non-opposition to the granting of the motion for preliminary approval or join in the
28 motion.

1 **13. MISCELLANEOUS PROVISIONS**

2 **13.1. VOIDING THIS SETTLEMENT AGREEMENT**

3 Pending Court approval and other than as provided herein, if any of the conditions set forth in
4 this Settlement Agreement are not met and satisfied, this Settlement Agreement may, at the option of
5 either Plaintiffs or Defendants, be ineffective, void, and of no further force and effect, and may not be
6 used or be admissible in any subsequent proceeding, either in this Court or in any other court or forum.
7 If either Party decides to void the Settlement Agreement, then the Settlement Agreement and
8 conditional class certification shall be considered void, and neither the Settlement Agreement,
9 conditional class certification, nor any of the related negotiations or proceedings, shall be of any force
10 or effect, and the Parties shall stand in the same position, without prejudice, as if this Settlement
11 Agreement had been neither entered into nor filed with the Court. Should any Party choose to void the
12 Class Settlement under this subsection, such Party shall be responsible for all Settlement Administrator
13 fees and costs actually incurred.

14 **13.2. DIFFERENT FACTS**

15 The Parties acknowledge that, except for matters expressly represented herein, the facts in
16 relation to the dispute and all claims released by the terms of this Settlement Agreement may turn out
17 to be different from the facts now known by each party and/or its counsel, or believed by such Party or
18 counsel to be true, and each Party therefore expressly assumes the risk of the existence of different or
19 presently unknown facts, and agrees that this Settlement Agreement shall be in all respects effective
20 and binding despite such difference.

21 **13.3. NO PRIOR ASSIGNMENTS**

22 The Parties represent, covenant, and warrant that they have not directly or indirectly assigned,
23 transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any
24 portion of any liability, claim, demand, action, cause of action, or right herein released and discharged
25 except as set forth herein.

26 **13.4. NON-ADMISSION**

27 Nothing in this Settlement Agreement shall be construed as or deemed to be an admission by
28 any Party of any liability, culpability, negligence, or wrongdoing toward any other Party, or any other

1 person, and the Parties specifically disclaim any liability, culpability, negligence, or wrongdoing
2 toward each other or any other person. Each of the Parties has entered into this Settlement Agreement
3 with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses,
4 and contingencies. Nothing herein shall constitute any admission by Defendants of wrongdoing or
5 liability, or of the truth of any factual allegations in the Action. Nothing herein shall constitute any
6 admission by Defendants regarding the merits of the Claims in this Action, including but not limited
7 to claims for unpaid wages or violations under California or federal law. Nothing herein shall constitute
8 an admission by Defendants that the Action was properly brought as a class or representative action
9 other than for settlement purposes. To the contrary, Defendants have denied and continue to deny each
10 and every material factual allegation and all Claims. To this end, the Class Settlement of the Action,
11 the negotiation and execution of this Settlement Agreement, and all acts performed or documents
12 executed pursuant to or in furtherance of this Settlement Agreement or the Class Settlement are not,
13 shall not be deemed to be, and may not be used as, an admission or evidence of any wrongdoing or
14 liability on the part of Defendants or of the truth of any of the factual allegations in the Complaint in
15 the Action; and are not, shall not be deemed to be, and may not be used as, an admission or evidence
16 of any fault or omission on the part of Defendants in any civil, criminal, or administrative proceeding
17 in any court, administrative agency, or other tribunal.

18 **13.5. NON-EVIDENTIARY USE**

19 Neither this Agreement nor any of its terms, nor any statements or conduct in the negotiation
20 or drafting of it, shall be offered or used as evidence by Plaintiffs, any Class Member (including any
21 individual who requested to be excluded from the Settlement Class), Defendants, or its, her, his, or
22 their respective counsel, in the Action, except as is reasonably necessary to effectuate the Settlement
23 Agreement's purpose and terms. This Settlement Agreement may, however, be used by Defendants
24 and the Released Parties to prove or defend against any claim released herein by any Class Member in
25 any judicial, quasi-judicial, administrative, or governmental proceeding.

26 **13.6. MEDIA OR PRESS**

27 Plaintiffs and Defendants, and their respective counsel, recognize, accept, and agree that the
28 Parties to this Settlement Agreement desire that the terms of this Settlement Agreement, the fact of the

1 Class Settlement embodied in this Settlement Agreement, the disposition of the Action, the Action, and
2 all matters relating to the litigation of the Action, including discovery proceedings therein, and evidence
3 obtained during the course of the Action, shall not be discussed with or presented to the media or press.

4 **13.7. NON-RETALIATION**

5 Defendants understands and acknowledges that they have a legal obligation to not retaliate
6 against any Class Member who elects to participate in the Class Settlement or elects to Opt Out of the
7 Class Settlement. Defendants will refer any inquiries regarding this Class Settlement to the Settlement
8 Administrator or Class Counsel and will not discourage Class Members who are employees, directly
9 or indirectly, from making claims, opting out, or objecting to the Class Settlement. None of the Parties,
10 or their respective attorneys or agents, shall solicit or encourage any Class Members, directly or
11 indirectly, to Opt Out of the Class Settlement.

12 **13.8. CONSTRUCTION**

13 The Parties agree that the terms and conditions of this Settlement Agreement are the result of
14 lengthy, intensive, arms-length, non-collusive negotiations between the Parties and that this Settlement
15 Agreement is not to be construed in favor of or against any party by reason of the extent to which any
16 party or its counsel participated in the drafting of this Settlement Agreement. If any of the dates in this
17 Settlement Agreement fall on a weekend, bank or court holiday, the time to act shall be extended to the
18 next business day.

19 **13.9. GOVERNING LAW**

20 This Settlement Agreement is intended to and shall be governed by the laws of the State of
21 California, without regard to conflict of law principles, in all respects, including execution,
22 interpretation, performance, and enforcement.

23 **13.10. NOTICES**

24 Except for Class Member notices required to be made by the Settlement Administrator, all
25 notices or other communications required or permitted under this Settlement Agreement shall be in
26 writing and shall be sufficiently given if delivered in person to the party or their counsel by U.S.
27 certified mail, postage prepaid, e-mail, facsimile, or overnight delivery addressed to the address of the
28 party appearing in this Settlement Agreement.

1 **13.11. CAPTIONS AND INTERPRETATIONS**

2 Section titles or captions contained herein are inserted as a matter of convenience and for
3 reference only and in no way define, limit, extend, or describe the scope of this Settlement Agreement
4 or any provision thereof.

5 **13.12. MODIFICATION**

6 This Settlement Agreement may not be changed, altered, or modified, except in writing signed
7 by the Parties or the Parties' counsel on their behalf. If preliminary or final approval of this Settlement
8 Agreement has been granted by the Court, then any such amendments or modifications to this
9 Settlement Agreement shall be approved by the Court. This Settlement Agreement may not be
10 discharged except by performance in accordance with its terms or by a writing signed by the Parties.

11 **13.13. INTEGRATION CLAUSE**

12 This Settlement Agreement contains the entire agreement between the Parties relating to the
13 Class Settlement of the Action and the transactions contemplated thereby, and all prior or
14 contemporaneous agreements, understandings, representations, and statements, whether oral or written,
15 and whether by a party or such party's legal counsel, are hereby superseded. No rights under this
16 Settlement Agreement may be waived except in writing as provided above.

17 **13.14. SUCCESSORS AND ASSIGNS**

18 This Settlement Agreement shall be binding on and inure to the benefit of the Parties and Class
19 Members (excluding only persons who timely Opt Out) and their respective present and former heirs,
20 trustees, executors, administrators, representatives, officers, directors, shareholders, agents, employees,
21 insurers, attorneys, accountants, auditors, advisors, consultants, pension plans, welfare benefit plans,
22 fiduciaries, parent companies, subsidiaries, affiliates, related companies, joint ventures, predecessors,
23 successors, and assigns.

24 **13.15. CORPORATE SIGNATORIES**

25 Any person executing this Settlement Agreement or any such related document on behalf of a
26 corporate signatory or on behalf of a partnership hereby warrants and promises, for the benefit of all
27 Parties hereto, that such person has been duly authorized by such corporation or partnership to execute
28 this Settlement Agreement or any such related document.

13.16. EXECUTION IN COUNTERPARTS

This Settlement Agreement shall become effective upon its execution by all of the undersigned. The Parties may execute this Settlement Agreement in counterparts, and execution of counterparts shall have the same force and effect as if all Settling Parties had signed the same instrument.

13.17. ATTORNEY FEES, COSTS, AND EXPENSES

Except as otherwise specifically provided for herein, each party shall bear her or its own attorney fees, costs, and expenses, taxable or otherwise, incurred by them in or arising out of the Action and shall not seek reimbursement thereof from any other party to this Settlement Agreement.

13.18. ACTION TO ENFORCE AGREEMENT

In any suit or court action to enforce the terms of this Agreement, the prevailing party shall be entitled to recover her or its attorney fees and costs.

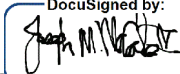
14. EXECUTION

The Parties and their counsel have executed this Settlement Agreement on the date below their signatures or the signature of their representatives. The date of this Settlement Agreement shall be the date of the latest signature.

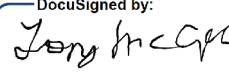
APPROVAL AND EXECUTION BY PARTIES

CLASS REPRESENTATIVES:

Dated: 6/22/2026

DocuSigned by:

 3F8610E92C024F9...
Joseph McCabe
 Plaintiff and Class Representative

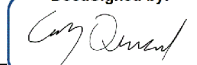
Dated: 6/30/2026

DocuSigned by:

 FFFEF66A384A4DF...
Anthony McCabe
 Plaintiff and Class Representative

DEFENDANTS:

1 Dated: 5/22/2026 _____

Action Family Counseling- SCV, Inc.
Action Family Counseling, Inc.
Action Family Counseling - Bakersfield, Inc.

DocuSigned by:

78C9C5BB2F78418...

By: _Cary Quashen _____

Title: Authorized Representative

8 **APPROVED AS TO FORM BY COUNSEL**

9 **CLASS COUNSEL:**

10 Dated: 6/2/2026 _____

Melmed Law Group P.C.

Signed by:

E6A102B04CC64B0...

Kyle D. Smith
Attorneys for Plaintiffs

15 **DEFENDANTS' COUNSEL:**

17 Dated: May 20, 2026 _____

Law Office of Jeffrey A. Cohen



Jeffrey A. Cohen
Attorneys for Defendants

EXHIBIT 1

Notice of Proposed Class Action Settlement

1
2
3
4 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
5 **FOR THE COUNTY OF LOS ANGELES**
6

7 JOSEPH MCCABE and ANTHONY MCCABE,
8 individuals on behalf of themselves, the State of
9 California, as private attorneys general, and on
10 behalf of all others similarly situated,

11 Plaintiffs,

12 v.

13 ACTION FAMILY COUNSELING- SCV, INC.,
14 a California Corporation; ACTION FAMILY
15 COUNSELING, INC., a California Corporation;
16 ACTION FAMILY COUNSELING -
17 BAKERSFIELD, INC., a California
18 Corporation; and DOES 1 TO 50,

19 Defendants.

Case No.: 24STCV03092, 25STCV22676

Notice of Proposed Class Action Settlement

20 *A court authorized this notice. This is not a solicitation from a lawyer.*
21
22
23
24
25
26
27
28

1 **NOTICE OF PROPOSED CLASS ACTION SETTLEMENT**

2 *You may be eligible to receive a settlement payment. Please read this notice carefully.*

3 A proposed class action settlement agreement (the “Settlement”) has been reached between:
4 **(1)** Plaintiffs Joseph McCabe and Anthony McCabe (collectively “Plaintiffs”), individually and in their
5 representative capacity on behalf of a group of prospective class members defined below, and as private
6 attorneys general on behalf of the State of California; and **(2)** Defendants Action Family Counseling-
7 SCV, Inc., Action Family Counseling, Inc., and Action Family Counseling - Bakersfield, Inc.
8 (collectively, “Defendants”). The Settlement resolves disputed claims against Defendants arising out
9 of their compensation practices during the period from February 5, 2020, through January 6, 2026 (the
10 “Class Period”) as applied to all individuals who are or were employed by Defendants as non-exempt
11 employees in California during the Class Period (“Class Members”).

12 The Court has granted preliminary approval of the Settlement and ordered this notice to be sent
13 to you because you may be entitled to money under the Settlement and because the Settlement affects
14 your legal rights.

15 **NO ACTION NEEDS TO BE TAKEN TO RECEIVE MONEY UNDER THE**
16 **SETTLEMENT:** If you are a Class Member (as defined above) and received this notice, you are
17 automatically included in the Settlement and do not need to take any further action to receive a
18 payment. If you accept your settlement amount, you will release the claims described below.

19 **1. DESCRIPTION OF THE LAWSUIT**

20 Plaintiffs, individually and in their representative capacity on behalf of the Class Members, and
21 as private attorneys general on behalf of the State of California, are pursuing a lawsuit against
22 Defendants in the Superior Court of the State of California for the County of Los Angeles in the matter
23 of *Joseph McCabe, et al. v. Action Family Counseling- SCV, Inc., et al.*, case number **24STCV03092,**
24 **25STCV22676** (the “Action”). The Action sought recovery for Defendants’ alleged: **(1)** failure to pay
25 minimum wage for all hours worked; **(2)** failure to pay proper overtime wages; **(3)** failure to provide
26 compliant rest periods and pay missed rest break premiums; **(4)** failure to provide compliant meal
27 periods and pay missed meal period premiums; **(5)** failure to maintain accurate employment records;
28 **(6)** failure to pay timely wages during employment; **(7)** failure to pay all wages due and owing at

1 separation; **(8)** failure to reimburse business expenses; **(9)** failure to provide complete and accurate
2 wage statements; and **(10)** deceptive, fraudulent, or otherwise unlawful business practices based on the
3 foregoing in violation of California’s Unfair Competition Law.

4 **Defendants deny all liability, deny all allegations in the Action, and have raised various**
5 **defenses to the claims.** Defendants assert that they fully complied with all applicable wage and hour
6 laws, and contend that civil penalties under PAGA are not warranted. Defendants also deny that the
7 Action is suitable for class certification. Defendants have entered into the Settlement solely for
8 purposes of resolving this dispute to avoid costly, disruptive, and time-consuming litigation and do not
9 admit to any wrongdoing or liability.

10 The Court has not ruled on the merits in the Action. By approving the Settlement and issuing
11 this notice, the Court is *not* suggesting which side would win or lose the case if it went to trial or
12 whether the claims are suitable for class certification. To avoid the additional expense, inconvenience,
13 and risk of continued litigation, however, Plaintiffs and Defendants (the “Parties”) have concluded that
14 it is in their respective best interests and the interests of the Class Members to settle the Action on the
15 terms summarized in this notice. The Settlement was reached after Defendants provided extensive
16 information and documents to Plaintiffs’ counsel, and after lengthy arm’s-length, non-collusive
17 negotiations between the Parties. In these negotiations, both sides recognized the substantial risk of the
18 Court deciding against them at trial and determined that the Settlement was a fair, reasonable, and
19 adequate way to resolve the disputed claims.

20 Plaintiffs and Plaintiffs’ counsel—Jonathan Melmed, Kyle D. Smith, and Jaqueline Antillon of
21 Melmed Law Group P.C. (“Class Counsel”)—support the Settlement. Among the reasons for support
22 are the defenses to liability potentially available to Defendants, the risk of denial of class certification,
23 the inherent risk of trial on the merits, and the delays and uncertainties associated with litigation.
24 Plaintiffs and Class Counsel believe that the settlement described in this notice is fair, adequate,
25 reasonable, and in the best interests of Plaintiffs and the Class Members.

26 Under the Settlement, the following settlement class will be certified under California law: *all*
27 *individuals who are or were employed by Defendants as non-exempt employees in California during*
28 *the Class Period.* The “Class Period” is defined as the period from February 5, 2020, through January

1 6, 2026. The Settlement provides for a gross settlement amount of \$75,000.00, a share of which is to
2 be distributed to the Class Members based on the pro rata number of weeks worked by the Class
3 Members during the Class Period as a proportion of all weeks worked by all Class Members. In
4 exchange for their share of the settlement amount, all participating Class Members will be deemed to
5 have released Defendants from liability on the terms described in this notice.

6 On [date of preliminary approval], the Court preliminarily approved the Settlement and
7 conditionally certified the settlement class. This notice is being sent to you because Defendants' records
8 indicate that you worked for Defendants during the Class Period and that you meet the definition
9 required to be treated as a Class Member.

10 **2. IF YOU ARE STILL EMPLOYED BY DEFENDANTS, THIS SETTLEMENT WILL**
11 **NOT AFFECT YOUR EMPLOYMENT.**

12 California law strictly prohibits retaliation. Further, Defendants are prohibited by law from
13 taking any adverse action against, or otherwise targeting, retaliating, or discriminating against, any
14 Class Member because of the Class Member's participation or decision not to participate in the
15 Settlement.

16 **3. TERMS OF THE SETTLEMENT**

17 Defendants have agreed to pay \$75,000.00 (the "Gross Settlement Amount") to resolve the
18 claims in the Action. The Parties agreed to the following payments from the Gross Settlement Amount:

- 19 1. **Settlement Administration Costs.** The Court has approved [Settlement Administrator]
20 to act as the "Settlement Administrator," who is sending this notice to you and will
21 perform many other duties relating to the Settlement. Under the Settlement, up to
22 \$4,490.00 will be paid from the Gross Settlement Amount to pay the Settlement
23 Administration Costs.
- 24 2. **Attorneys' Fees and Expenses.** Class Counsel have been prosecuting the Action on
25 behalf of the Class Members on a contingency fee basis (that is, without being paid any
26 money to date) and have been paying all litigation costs and expenses. To date, the
27 Parties have aggressively litigated many aspects of the case including investigation,
28 informal discovery, and settlement efforts. The Court will determine the actual amount

1 awarded to Class Counsel as attorneys' fees, which will be paid from the Gross
2 Settlement Amount. Class Members are not personally responsible for any of Class
3 Counsel's attorneys' fees or expenses. Class Counsel will ask for fees of one-third of
4 the Gross Settlement Amount (i.e., \$25,000.00) as reasonable compensation for the
5 work Class Counsel performed and will continue to perform in the Action. Class
6 Counsel also will ask for reimbursement of up to \$13,591.32 for the costs Class Counsel
7 incurred in connection with the Action.

8 3. **Service Payment to Class Representatives.** Class Counsel will ask the Court to
9 provide a service payment to Plaintiffs in the amount of \$7,500.00 for Joseph McCabe
10 and \$7,500.00 for Anthony McCabe to compensate them for their efforts on behalf of
11 the Class Members in the Action, including assisting in the investigation and consulting
12 with Class Counsel and providing crucial documents to Class Counsel. Plaintiffs also
13 may receive a share of the Settlement as a Class Member.

14 4. **PAGA Payment.** The Parties have agreed on a reasonable sum to be paid in settlement
15 of the PAGA claims included in the Action, which is \$7,500.00. The PAGA Payment is
16 to be approved by the Court pursuant to Labor Code section 2699 and is to be distributed
17 as follows: seventy-five percent (75%) (i.e., \$5,625.00) to the LWDA and twenty-five
18 percent (25%) (i.e., \$1,875.00) to the individuals who come within the definition of an
19 "aggrieved employee" for the purposes of the Settlement (i.e., all individuals who are
20 or were employed by Defendants as non-exempt employees in California during the
21 PAGA Period). The "PAGA Period" is defined for these purposes to mean the period
22 from February 5, 2023, through January 6, 2026.

23 After deducting the amounts above, the balance of the settlement amount will form the "Net
24 Settlement Amount" for distribution to the Class Members.

25 4. **DISTRIBUTION OF THE SETTLEMENT TO THE CLASS MEMBERS**

26 Each eligible Class Member who does not request exclusion from the Settlement will be deemed
27 a "Class Participant" and will receive a share from the Net Settlement Amount which will be distributed
28 pro rata based on the proportional number of weeks worked by each Class Member during the Class

1 Period (the “Individual Settlement Amount”). If any Class Member requests exclusion from the
2 Settlement, his or her share will be distributed to the remaining Class Participants.

3 Twenty percent (20%) of each Individual Settlement Amount will constitute payment in the
4 form of wages (and each Class Participant will be issued an IRS Form W-2 for such payment to him
5 or her), and Eighty percent (80%) of each Individual Settlement Amount will constitute penalties and
6 interest (and each Class Participant will be issued an IRS Form 1099 for such payment to him or her).

7 The Settlement Administrator will take all usual and customary deductions from the Individual
8 Settlement Amount payments that are distributed as wages, including, but not limited to, state and
9 federal tax withholding, disability premiums, and unemployment insurance premiums. There will be
10 no deduction taken from the interest or penalty distribution—it will, however, be reported on IRS Form
11 1099 as income. Class Participants are responsible for the proper income tax treatment of their
12 Individual Settlement Amount. The Settlement Administrator, Defendants and their counsel, and Class
13 Counsel cannot provide tax advice. Accordingly, Class Members should consult with their tax advisors
14 concerning the tax consequences and treatment of payments they receive under the Settlement.

15 The workweeks you worked for Defendants during the Class Period will be calculated based
16 on Defendants’ records. If you feel that you were not credited with the correct number of workweeks
17 worked during the Class Period, you may submit evidence to the Settlement Administrator on or before
18 [Response Deadline] with documentation to establish the number of workweeks you claim to have
19 actually worked during the Class Period. **Documentation sent to the Settlement Administrator will**
20 **not be returned or preserved, so do not send originals.** The Parties and the Settlement Administrator
21 will promptly evaluate the evidence submitted and discuss in good faith how many workweeks should
22 be credited. The Settlement Administrator will make the final decision as to how many weeks are
23 credited and report the outcome to the Class Participant. If you are unsatisfied with the decision, you
24 may submit an objection, which is explained below.

25 Settlement checks will be mailed to all Class Participants after the Court grants final approval
26 of the Settlement, judgment is entered, and the Settlement becomes effective.

1 **5. THE RELEASE OF CLAIMS**

2 If the Court approves the Settlement, the Court will enter judgment and the Settlement will bind
3 all Class Participants. The Class Participants will then be barred from bringing any “Released Claims”
4 against the “Released Parties” as those terms are defined below.

5 The “Released Parties” are Defendants Action Family Counseling- SCV, Inc., Action Family
6 Counseling, Inc., and Action Family Counseling - Bakersfield, Inc. and all of Defendants’ subsidiaries,
7 affiliates, shareholders, members, officers, directors, managers, agents, predecessors, successors, and
8 assigns.

9 The “Released Claims” are those claims arising out of or related to the allegations set forth in
10 the Action and/or the PAGA notice to the California Labor & Workforce Development Agency, which
11 arose during the Class Period, including claims for: **(1)** failure to pay minimum wage for all hours
12 worked in violation of Labor Code sections 1194 and 1194.2, and the Applicable Wage Orders;
13 **(2)** failure to pay proper overtime wages in violation of Labor Code sections 510, 1197, and 1198, and
14 the Applicable Wage Orders; **(3)** failure to provide compliant rest periods and pay missed rest break
15 premiums in violation of Labor Code section 226.7 and the Applicable Wage Orders; **(4)** failure to
16 provide compliant meal periods and pay missed meal period premiums in violation of Labor Code
17 sections 226.7 and 512, and the Applicable Wage Orders; **(5)** failure to maintain accurate employment
18 records in violation of Labor Code section 1174; **(6)** failure to pay timely wages during employment in
19 violation of Labor Code sections 204, 210; **(7)** failure to pay all wages due and owing at separation in
20 violation of Labor Code sections 201, 202, and 203; **(8)** failure to reimburse business expenses in
21 violation of Labor Code sections 2802 and 2804; **(9)** failure to provide complete and accurate wage
22 statements in violation of Labor Code sections 226 and 226.3; **(10)** deceptive, fraudulent, or otherwise
23 unlawful business practices based on the foregoing in violation of California’s Unfair Competition Law
24 (Bus. & Prof. Code, §§ 17200–17210); **(11)** statutory penalties based on the foregoing pursuant to
25 PAGA (Lab. Code, §§ 2698–2699.6); and **(12)** all claims for liquidated damages, penalties, interest,
26 fees, costs based on the foregoing. No other claims are released other than those claims specifically
27 plead in the operative complaint in the Action or otherwise specifically identified in the Settlement
28 Agreement.

1 The Settlement does *not* release Defendants or any person, party, or entity from claims, if any,
2 by Class Members for workers compensation, unemployment, or disability benefits of any nature. Nor
3 does it release any claims, actions, or causes of action which may be possessed by Class Members
4 under state or federal discrimination statutes, including, without limitation, the California Fair
5 Employment and Housing Act (Gov. Code, §§ 12900–12996); the Unruh Civil Rights Act (Civ. Code,
6 § 51); the California Constitution; Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000, et seq.);
7 the Americans with Disabilities Act (42 U.S.C. § 12101, et seq.); the Employee Retirement Income
8 Security Act of 1974 (29 U.S.C. § 1001 et seq.); and all of their implementing regulations and
9 interpretive guidelines.

10 Class Members who do not request exclusion from the Settlement will be deemed to have
11 acknowledged and agreed that their claims for wages and penalties in the Action are disputed, and that
12 the Settlement payments constitute payment of all sums allegedly due to them. Class Members will be
13 deemed to have acknowledged and agreed that California Labor Code section 206.5 is not applicable
14 to the Settlement payments. That section provides in pertinent part as follows:

15 “An employer shall not require the execution of a release of a claim or right on account
16 of wages due, or to become due, or made as an advance on wages to be earned, unless
17 payment of those wages has been made.”
18

19 **6. YOUR OPTIONS**

20 **6.1. DO NOTHING AND RECEIVE YOUR PORTION OF THE SETTLEMENT**

21 If you do nothing, you will be automatically included as a Class Participant in the Settlement
22 and will receive a settlement payment. You do *not* have to take any further action to receive your
23 settlement payment. It is, however, the responsibility of all Class Members to ensure that the Settlement
24 Administrator has your current address on file, or you may not receive important information or a
25 settlement payment. The estimated amount of your settlement payment if you do nothing is included
26 on the attached *Class Action Settlement Share Form*.
27
28

6.2. REQUEST EXCLUSION FROM THE CLASS AND THE SETTLEMENT

If you do **not** wish to take part in the class action portion of the Settlement (the “Class Settlement”), you may exclude yourself (i.e., opt out of the Class Settlement) by sending the Settlement Administrator a signed and completed copy of the *Request for Exclusion Form* attached hereto no later than [Response Deadline].

Send the request for exclusion directly to the Settlement Administrator at the following address by no later than [Response Deadline]:

[Insert Settlement Administrator Address]

Any person who submits a timely request for exclusion from the Class Settlement shall, upon receipt, no longer be a Class Member, shall be barred from participating in the Class Settlement, and shall receive no benefits from the class action portion of the Settlement. If you want confirmation of receipt of your request for exclusion, please send it by United States certified mail, return receipt requested, or contact the Settlement Administrator.

Importantly, Class Members who timely and validly request exclusion from the Class Settlement will *not* be excluded from their share of the PAGA Payment. Requesting exclusion from the Class Settlement applies solely to the Class Members’ entitlement to the class action portion of the Settlement and not their entitlement to the PAGA Payment. If you request exclusion from the Class Settlement you will still be entitled to your share, if any, of the PAGA Payment.

6.3. OBJECT TO THE SETTLEMENT

You have the right to object to the terms of the Settlement if you do not request exclusion. If, however, the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you may submit a written objection to the Settlement Administrator stating your name and address, the case name and number, and, in clear and concise terms, each specific reason in support of your objection, including any legal and factual arguments supporting the objection. Objections in writing must be mailed to the Settlement Administrator—[Insert Settlement Administrator Address]—by no later than [Response Deadline] to be considered. **Objections that are not timely submitted might not be considered by the Court.**

1 If you choose to object to the Settlement, you may also appear to speak at the final approval
2 and fairness hearing scheduled for [Final Approval Hearing Date], at [Final Approval Hearing Time]
3 in Department [Court Department] of the Superior Court of the State of California for the County of
4 Los Angeles, located at [Court Location]. You have the right to appear either in person or through your
5 own attorney at this hearing.

6 If you object to the Settlement, you will remain a Class Member, and if the Court approves the
7 Settlement, you will receive payment and be bound by the terms of the Settlement in the same way as
8 Class Members who do not object. Any Class Member who does not object in the manner provided
9 above shall have waived any objection to the Settlement, whether by appeal or otherwise.

10 The Court may, at the time of the final approval and fairness hearing, have procedures
11 permitting or requiring remote appearances at hearings. If you wish to object to the Settlement by
12 speaking at the final approval and fairness hearing, you may contact Class Counsel, whose information
13 is provided below, for more information about appearing at the hearing, including any available remote-
14 appearance options. You may also review the Court's website for the most current information.

15 **7. HOW TO UPDATE OR CHANGE YOUR ADDRESS**

16 If you move after receiving this notice or if it was misaddressed, please contact the Settlement
17 Administrator, [Settlement Administrator], at [Settlement Administrator Phone] or by email at
18 [Settlement Administrator Email], as soon as possible. **This is important to ensure that future notices
19 and/or the Settlement payment reach you.**

20 **8. NOTICE OF FINAL JUDGMENT IF THE SETTLEMENT IS APPROVED**

21 Within seven (7) days after the Court has held a final and fairness approval hearing and entered
22 a final order approving the Settlement, if it chooses to do so, the Settlement Administrator will post a
23 copy of that order and final judgment on its website at the following website address:

24 [Case-Specific Settlement URL (to be added by Settlement Administrator)]

25 **9. IF THE SETTLEMENT IS NOT APPROVED**

26 If the Settlement is not approved by the Court, or if any of its conditions are not satisfied, the
27 Settlement may be voided, in which case no money will be paid, and the case will return to litigation.
28

1 If that happens, there is no assurance: **(1)** that the class will be certified by the Court; **(2)** that any
2 decision at trial would be in favor of Class Members; **(3)** that a trial decision, if any, would be as
3 favorable to the Class Members as the Settlement; or **(4)** that any favorable trial decision would be
4 upheld if an appeal was filed.

5 **10. QUESTIONS OR COMMENTS**

6 **PLEASE DO NOT CALL OR CONTACT THE COURT.** If you have any questions about
7 the settlement, you may contact the Settlement Administrator at: [Settlement Administrator Phone] or
8 by e-mail at [Settlement Administrator Email]. You may also contact Class Counsel at the addresses
9 or phone numbers listed below.

10
11 **Lawyers Representing Plaintiffs and the Class Members**

12 **MELMED LAW GROUP P.C.**

13 Jonathan Melmed

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15 Kyle D. Smith

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21 Phone: (310) 824-3828

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EXHIBIT 2

Class Action Settlement Share Form

CLASS ACTION SETTLEMENT SHARE FORM

Joseph McCabe, et al. v. Action Family Counseling- SCV, Inc., et al.

Case Number 24STCV03092, 25STCV22676

Superior Court of the State of California for the County of Los Angeles

The proposed class action settlement agreement (the “Settlement”) described in the accompanying *Notice of Proposed Class Action Settlement* resolves disputed claims against Defendants Action Family Counseling- SCV, Inc., Action Family Counseling, Inc., and Action Family Counseling - Bakersfield, Inc. (collectively, “Defendants”) arising out of their compensation practices during the period from February 5, 2020, through January 6, 2026 (the “Class Period”) as applied to all individuals who are or were employed by Defendants as non-exempt employees in California during the Class Period (“Class Members”).

You are receiving this form because you are believed to be a Class Member. **According to Defendants’ records, you worked [REDACTED] workweeks for Defendants during the Class Period. Accordingly, your share of the Settlement is currently estimated to be \$ [REDACTED],** which is an estimate of your allocated portion the Net Settlement Amount, as that term is defined in the accompanying *Notice of Proposed Class Action Settlement*. Your estimated share of the Settlement may increase depending on factors such as, but not limited to, the number of Class Members who effectively exclude themselves from the Settlement.

You do not need to do anything to receive money under the Settlement.

If you believe the information provided above as to the number of your workweeks is incorrect and wish to dispute it, please contact the Settlement Administrator no later than **[Response Deadline]** at:

[Settlement Administrator Contact Information]

If you dispute the information stated above, the information Defendants provided to the Settlement Administrator will control unless you are able to provide documentation that establishes otherwise. Any disputes, along with supporting documentation, must be postmarked no later than **[Response Deadline]**.

Do not send originals; documentation sent to the claims administrator will not be returned or preserved.

EXHIBIT 3

Request for Exclusion Form

REQUEST FOR EXCLUSION FORM

Joseph McCabe, et al. v. Action Family Counseling- SCV, Inc., et al.
Case Number 24STCV03092, 25STCV22676
Superior Court of the State of California for the County of Los Angeles

If you want to be included in this class action settlement and receive a settlement payment, do not fill out this form.

If you do *not* want to be included in this class action settlement, and do not want to receive a settlement payment, you must complete, date and sign this form and mail it back to the address below, postmarked no later than [Response Deadline]:

Joseph McCabe, et al. v. Action Family Counseling- SCV, Inc., et al.
[Settlement Administrator Contact Information]

If you submit this request for exclusion form, you will ***not*** receive an individual settlement payment under the class action portion of the Settlement, and you will not be bound by the release set forth in the Settlement if the Court grants final approval of the Settlement. You will be excluded from the class action portion of the Settlement, and will not be a Class Member in this case.

If you are entitled to receive a share of the PAGA Payment, you will receive your portion of the PAGA Payment even if you elect to exclude yourself from the class action portion of the Settlement. The employees who are entitled to receive a share of the PAGA Payment are those who meet the following definition: all individuals who are or were employed by Defendants as non-exempt employees in California during the PAGA Period. The “PAGA Period” is defined for these purposes to mean the period from February 5, 2023, through January 6, 2026.

By completing, signing, and returning this form, you are confirming your agreement with the following statement:

I have received notice of the proposed settlement in this class action lawsuit, and I wish to be excluded from the settlement in the class action lawsuit. I understand by requesting exclusion from the settlement I will not receive any money from the settlement of the lawsuit, but I will retain whatever individual rights I may have, if any, to pursue a claim against the defendants with respect to the claims raised in the above-referenced lawsuit.

Your Name: _____

Street Address: _____

City, State, Zip Code: _____

Telephone Number, Including Area Code: _____

Last four digits of Social Security Number: XXX-XX-_____

Date: _____

Signature: _____