

EXHIBIT 3

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE

JAQUELINE SPEASE, individually, and on
behalf of all others similarly situated, the
State of
California, and other aggrieved persons,

Plaintiff,

v.

BRETHREN HILLCREST HOMES, a
California corporation; and DOES 1 through
10, inclusive,

Defendants.

Case No. 24STCV15915

CLASS & REPRESENTATIVE ACTION

*[Assigned for all purposes to: Hon. Timothy
Patrick Dillon, Dept. 15]*

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT**

Complaint filed: June 25, 2024
FAC filed: November 5, 2024
Trial date: Not Set

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Jaqueline Spease (“Plaintiff”) and Defendant Brethren Hillcrest Homes (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. **DEFINITIONS.**

1.1 “Action” means Plaintiff’s lawsuit alleging class action wage and hour violations against Defendants captioned *Spease v. Brethren Hillcrest Homes, et al.*, Los Angeles Superior Court Case No. 24STCV15915.

1.2 “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

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

1.4 “Aggrieved Employee” means all persons who have been employed by Defendant in California as hourly-paid or non-exempt employees at any point during the PAGA Period as more fully defined in Labor Code section 2699(c)(1), including current and former employees (“Aggrieved Employee(s)").

1.5 “Class” means all persons who have been employed by Defendant in California as hourly-paid or non-exempt employees at any point during the Class Period, including current and former employees (“Class Member(s)").

1.6 “Class Counsel” means Benjamin H. Haber, Esq., Talar DerOhannessian, Esq., and Kareen Shatikian, Esq. of Wilshire Law Firm, PLC.

1.7 “Class Counsel Fees Payment” means an award of attorneys’ fees granted to Class Counsel and paid from the Gross Settlement Amount. The Parties have agreed Plaintiff will request approval from the Court of up to one-third (1/3) of the GSA (currently estimated at \$166,667.00).

1.8 “Class Counsel Litigation Expenses Payment” means the amount allocated to Class

Counsel for reimbursement of reasonable expenses and costs incurred to prosecute the Action, not to exceed \$30,000.00, and paid from the Gross Settlement Amount.

1.9 “Class Data” means Class Member identifying information in Defendant’s possession, custody, or control for each Class Member, including each Class Member’s name, Social Security Number, last-known mailing address, last known telephone number, number of Workweeks, and number of PAGA Pay Periods.

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

1.11 “Class Notice” means the Court approved Notice of Settlement and hearing date for Final Approval, to be mailed to Class Members in English with a Spanish translation in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.

1.12 “Class Period” means the period from August 1, 2020, through April 18, 2026, subject to Paragraph 8 below.

1.13 “Class Representative” means the named Plaintiff Jaqueline Spease in the Action.

1.14 “Class Representative Service Payment” or “Enhancement Award” means the payment to the Class Representative for initiating the Actions and providing services in support of the Action.

1.15 “Court” means the Superior Court of California, County of Los Angeles.

1.16 “Defendant” means named Defendant Brethren Hillcrest Homes.

1.17 “Defense Counsel” means Joshua D. Carlon and Holly Garcia of Atkinson, Andelson, Loya, Ruud & Romo .

1.18 “Effective Date” means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if

one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.19 “Final Approval” means the Court’s order granting final approval of the Settlement.

1.20 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.21 “Final Judgment” means the Judgment entered by the Court upon granting Final Approval of the Settlement.

1.22 “Gross Settlement Amount” or “GSA” means \$500,000.00 which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 8, Escalator Clause.

1.23 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.24 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 35% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.25 “Judgment” means the judgment entered by the Court based upon the Final Approval.

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

1.27 “LWDA PAGA Payment” means the 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.28 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Penalties payment, Enhancement, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Costs. The remainder is to be paid to Participating Class Members as Individual Class Payments.

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

1.30 “Operative Class Complaint” means the operative class action complaint filed in the Class Action.

1.31 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one or more hours during the PAGA Period.

1.32 “PAGA Period” means the period is June 19, 2023, through the end of the end date of the Class Period subject to Paragraph 8..

1.33 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.34 “PAGA Notice” means Plaintiff’s June 19, 2024, letter (LWDA-CM-1034984-24) to the LWDA and Defendant providing notice pursuant to Labor Code section 2699.3, subd. (a).

1.35 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (\$25,000.00), allocated 35% to the Aggrieved Employees (\$8,750.00) and 65% to LWDA (\$16,250.00) in settlement of PAGA claims.

1.36 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.37 “Plaintiff” means Jaqueline Spease, the named plaintiff in the Action.

1.38 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

1.39 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

1.40 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.

1.41 “Released Parties” means Defendant and Defendant’s current or former: owners, officers, directors, managing agents, operators, managers, shareholders/ stakeholders, partners, members, and its predecessors, successors, trustees, affiliated or related companies- including DBAs, insurers, and agents (the "Released Parties").

1.42 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.43 “Response Deadline” means 60 days after the Administrator mails Notice to Class

Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.

1.44 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.45 “Workweek” means any workweek in which a Class Member worked any hours for Defendant in California during the Class Period.

2. **RECITALS.**

2.1 Plaintiff Jaqueline Spease filed this class action complaint on June 25, 2024, against Defendant Brethren Hillcrest Homes for systemic violations of the California Labor Code and Business & Professions Code. Plaintiff brings this action on behalf of herself and similarly situated employees for: (1) Failure to Pay Minimum and Straight Time Wages (Cal. Lab. Code §§ 204, 1194, 1194.2, 1197, and 1197.1); (2) Failure to Pay Overtime Wages (Cal. Lab. Code §§ 1194 and 1198); (3) Failure to Provide Meal Periods (Cal. Lab. Code §§ 226.7, 512); (4) Failure to Authorize and Permit Rest Periods (Cal. Lab. Code §§ 226.7); (5) Failure to Timely Pay Final Wages at Termination (Cal. Lab. Code §§ 201-203); (6) Failure to Provide Accurate Itemized Wage Statements (Cal. Lab. Code § 226); (7) Failure to Indemnify Employees for Expenditures (Cal. Lab. Code § 2802); and (8) Unfair Business Practices (Cal. Bus. & Prof. Code §§ 17200, et seq.). On June 19, 2024, Plaintiff filed a PAGA Notice with the California Labor & Workforce Development Agency and served to Defendant, pursuant to Labor Code § 2699.3(a). On November 5, 2024, Plaintiff amended her complaint to include a representative cause of action under the Private Attorneys General Act (PAGA) to seek civil penalties on behalf of the State of California and other aggrieved employees. Plaintiff contends that its claims are supported by Plaintiff’s testimony and that Defendant’s policies and practices gave rise to the claims alleged in the Action, which affected not only Plaintiff but similarly situated employees across the class period.

2.2 This matter is assigned for all purposes to Honorable Timothy Patrick Dillon, Department 15 of the Los Angeles Superior Court. A trial date has not been set.

2.3 Defendant denies the allegations in the Actions, denies any failure to comply with the laws identified in the Actions, and denies any and all liability for the causes of action alleged in the Actions.

2.4 In advance of mediation, Defendant agreed to provide informal discovery, including Defendant's informal production of a sampling of Class member and Aggrieved Employees' time and pay records; Employee Handbooks and policies; Plaintiff's personnel files including complete time records and pay stubs, data points, and Class Member job descriptions. In advance of mediation, Class Counsel conducted a thorough investigation into the facts of, and applicable law to the Actions.

2.5 Prior to mediation, Plaintiff obtained and analyzed a representative sampling of time and payroll data for Class Members and the necessary policy documents through informal discovery to properly evaluate the strengths and weakness of the claims and engage in meaningful settlement discussions. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*, 48 Cal.App.4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 129-130 (2008) ("*Dunk/Kullar*").

2.6 On February 17, 2026, the Parties participated in an all-day mediation presided over by mediator Kevin Barnes, Esq. via Zoom. The Parties accepted a mediator's proposal and agreed on general settlement terms. The Parties memorialized their agreement in a Memorandum of Understanding on April 10, 2026.

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

3. **MONETARY TERMS.**

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant will pay \$500,000.00 to fully settle, resolve, and extinguish all claims asserted in the Actions, including without limitation all claims asserted in the PAGA Notice. The Gross

Settlement Amount is non-reversionary and does not include employer payroll taxes owed on the wage portions of the Individual Class Payments, which Defendant will pay separately.

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

3.2.1 To Plaintiff: A payment for the Enhancement Award to Plaintiff of not more than \$7,500.00 in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member. Defendant will not oppose Plaintiff's request for an Enhancement Award that does not exceed this amount. If the Court approves an Enhancement Award less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members. The Administrator will pay the Enhancement Award using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Enhancement Award.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3) of the GSA, which is currently estimated to be \$166,667.00, and a Class Counsel Litigation Expenses Payment for actual costs. Defendant will not oppose requests for these payments. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount for distribution to Participating Class Members. Released Parties shall have no liability to Class Counsel or any other Plaintiff's counsel arising from any claim to any portion of Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3 To the Administrator: An Administrator Costs for actual costs, not to exceed \$10,550.00 except for a showing of good cause and as approved by the Court. To the extent the

Administration Costs are less, or the Court approves payment of less than requested, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members.

3.2.4 To Each Participating Class Member: An Individual Class Payment is calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period, and (b) multiplying the result by each individual Participating Class Member's Workweeks.

3.2.4.1 Tax Allocation of Individual Class Payments. Twenty percent (20%) of each Participating Class Member's Individual Class Payment will be allocated to the Settlement of wage claims (the "Wage Portion"). The Wage Portion is subject to tax withholding and will be reported on an IRS W-2 Form. The remaining eighty percent (80%) of each Participating Class Member's Individual Class Payment will be allocated to the settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

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

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$25,000.00 to be paid from the Gross Settlement Amount, with 65% (\$16,250.00) allocated to the LWDA PAGA Payment and 35% (\$8,750.00) allocated to the Individual PAGA Payments.

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties (\$8,750.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each individual Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. **SETTLEMENT FUNDING AND PAYMENTS.**

4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records, Defendant represents there are 664 Class Members who collectively worked a total of 63,710 Workweeks from August 1, 2020, through February 17, 2026.

4.2 Class Data. Within fourteen (14) days of the Court issuing an order granting preliminary approval of this Settlement, Defendant will deliver to the Administrator identifying information in Defendant's possession, custody, or control for each Class Member, including each Class Member's name, Social Security Number, last known mailing address, last known telephone number, number of Workweeks, and number of PAGA Pay Periods. The Administrator will maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement (such as issuing notices and payments to the Class Members) and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data is incomplete, inaccurate, or omitted class member identifying information, and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount and the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than fourteen (14) days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within seven (7) days after Defendant fully funds the GSA, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Costs Payment, the

1 Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the
2 Enhancement Award. Disbursement of the Class Counsel Fees Payment, the Class Counsel
3 Litigation Expenses Payment, and the Enhancement Award shall not precede disbursement of
4 Individual Class Payments and Individual PAGA Payments.

5 4.4.1 The Administrator will issue checks for the Individual Class Payments and/or
6 Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail. The
7 face of each check shall prominently state the date (180 days after the date of mailing) when the
8 check will be voided (“Void Date”). The Administrator will cancel all checks not cashed by the
9 Void Date. The Administrator will send checks for Individual Settlement Payments to all
10 Participating Class Members (including those for whom the Class Notice was returned
11 undelivered). The Administrator will send checks for Individual PAGA Payments to all
12 Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved
13 Employees (including those for whom Class Notice was returned undelivered). The Administrator
14 may send Participating Class Members a single check combining the Individual Class Payment
15 and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator
16 must update the recipients’ mailing addresses using the National Change of Address Database.

17 4.4.2 The Administrator must conduct a Class Member Address Search for all other Class
18 Members whose checks are returned undelivered without USPS forwarding address. Within
19 seven (7) days of receiving a returned check, the Administrator must re-mail checks to the USPS
20 forwarding address provided or to an address ascertained through the Class Member Address
21 Search. The Administrator need not take further steps to deliver checks to Class Members whose
22 re-mailed checks are returned as undelivered. The Administrator shall promptly send a
23 replacement check to any Class Member whose original check was lost or misplaced, requested
24 by the Class Member prior to the void date.

25 4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA
26 Payment check is uncashed and canceled after the void date, the Administrator shall transmit the
27 funds represented by such checks to the California Controller's Unclaimed Property Fund in the
28 name of the Class Member thereby leaving no “unpaid residue” subject to the requirements of

California Code of Civil Procedure Section 384, subd. (b).

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

5. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Upon Defendant's payment in full of the GSA and the employer's taxes for the portion of the Settlement allocated to settlement of wage claims, Plaintiff agrees to a general release of all of Plaintiff's known and unknown claims against the Released Parties and waiver of Civil Code section 1542. Plaintiff discharges Released Parties from all claims, transactions, or occurrences, that occurred during the Class Period, including all claims that were, or reasonably could have been, alleged, based on the facts contained in the Actions; and claims under the Fair Employment and Housing Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the California Labor Code, and all equivalent claims under federal law ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

with the debtor or Released Party.

5.2 Released Class Claims: Upon Defendant's payment in full of the GSA and the employer's taxes for the portion of the Settlement allocated to settlement of wage claims, the claims waived, released, and discharged by Class Members (other than those who submit timely and valid requests for exclusion) as to the Released Parties are all claims arising during the Class Period which were asserted against Defendant in the operative complaint filed in the Action or which reasonably could have been asserted against Defendant based on the factual allegations stated the operative complaint filed in the Action.

5.3 Released PAGA Claims: Upon Defendant's payment in full of the GSA and the employer's taxes for the portion of the Settlement allocated to settlement of wage claims, the claims waived, released, and discharged by Aggrieved Employees and the State of California as to the Released Parties are all claims under PAGA arising during the PAGA Period (a) which were asserted against Defendant in Plaintiff's PAGA Notice preceding the Action and/or the operative complaint filed in the Action or (b) which reasonably could have been asserted against Defendant based on the factual allegations stated in Plaintiff's PAGA Notice preceding the Action and/or the operative complaint filed in the Action. Even if an Aggrieved Employee chooses to opt out of the Settlement, they would still be bound by the Release of the PAGA claims herein.

6. **MOTION FOR PRELIMINARY APPROVAL**. Plaintiff will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval").

6.1 Plaintiff's Responsibilities. Plaintiff will prepare all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission

1 to the LWDA of this Agreement (Labor Code section 2699, subd. (l)(2)); and (vi) all facts relevant
2 to any actual or potential conflict of interest with Class Members, and/or the Administrator. In
3 their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other
4 pending matter or action asserting claims that will be extinguished or adversely affected by the
5 Settlement.

6 6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible
7 for expeditiously finalizing the Motion for Preliminary Approval. Class Counsel will obtain a
8 prompt hearing date for the Motion for Preliminary Approval, file the Motion for Preliminary
9 Approval no later than sixteen (16) court days before the hearing, unless otherwise ordered by the
10 Court, and deliver the Court's Preliminary Approval Order to the Administrator.

11 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
12 Preliminary Approval and/or the supporting declarations and documents, Class Counsel and
13 Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person
14 or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant
15 Preliminary Approval or conditions Preliminary Approval on any material change to this
16 Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of
17 the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and
18 otherwise satisfy the Court's concerns.

19 **7. SETTLEMENT ADMINISTRATION.**

20 7.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc., to serve
21 as the Administrator and verified that, as a condition of appointment, the Administrator agrees to
22 be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement
23 in exchange for payment of Administration Costs. The Parties and their Counsel represent that
24 they have no interest or relationship, financial or otherwise, with the Administrator other than a
25 professional relationship arising out of prior experiences administering settlements.

26 7.2 Employer Identification Number. The Administrator shall have and use its own
27 Employer Identification Number for purposes of calculating payroll tax withholdings and
28 providing reports to state and federal tax authorities.

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1 for the funding of the GSA. Any interest that accrues on the GSA sums paid into the QSF prior to distribution by the Administrator will become part of the NSA for distribution to Participating Class Members.

7.4 Notice to Class Members.

7.4.1 No later than five (5) calendar days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

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

7.4.3 Not later than five (5) calendar days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadlines for Class Members’ written objections, challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the sixty (60) days otherwise provided in the Class Notice for all Class Members whose

notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Defendant, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than sixty (60) days after the Administrator mails the Class Notice (plus an additional fourteen (14)) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

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

1 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion
2 is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and
3 bound by all terms and conditions of the Settlement, including the Participating Class Members'
4 Releases under paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating
5 Class Member actually receives the Class Notice or objects to the Settlement.

6 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a
7 Non-Participating Class Member and shall not receive an Individual Class Payment or have the
8 right to object to the class action components of the Settlement. Because future PAGA claims are
9 subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who
10 are Aggrieved Employees are deemed to release the Released PAGA Claims identified in
11 Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

12 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have sixty (60) days
13 after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class
14 Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and
15 PAGA Pay Periods allocated to the Class Member in the Class Notice. The Class Member may
16 challenge the allocation by communicating with the Administrator via fax, email or mail. The
17 Administrator must encourage the challenging Class Member to submit supporting
18 documentation. In the absence of any contrary documentation, the Administrator is entitled to
19 presume that the Workweeks contained in the Class Notice are correct so long as they are
20 consistent with the Class Data. The Administrator's determination of each Class Member's
21 allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise
22 susceptible to challenge. The Administrator shall promptly provide copies of all challenges to
23 the calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the
24 Administrator's determination of the challenges.

25 7.7 Objections to Settlement.

26 7.7.1 Only Participating Class Members may object to the class action components of the
27 Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or
28 amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses

Payment and/or Enhancement Award.

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than sixty (60) days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).

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

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

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish, maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement; Motion for Preliminary Approval; Preliminary Approval Order; Class Notice; Motion for Final Approval; Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Enhancement Award; the Final Approval Order; and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

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

7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports

1 to Class Counsel and Defense Counsel that, among other things, tally the number of: Class
2 Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether
3 valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods
4 received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA
5 Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment
6 of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and
7 objections received.

8 7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to
9 address and make final decisions consistent with the terms of this Agreement on all Class Member
10 challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision
11 shall be final and not appealable or otherwise susceptible to challenge.

12 7.8.5 Administrator’s Declaration. Not later than fourteen (14) days before the date by
13 which Plaintiff is required to file the Motion for Final Approval of the Settlement, the
14 Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable
15 for filing in Court attesting to its due diligence and compliance with all of its obligations under
16 this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices
17 returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the
18 total number of Requests for Exclusion from Settlement it received (both valid or invalid), the
19 number of written objections and attach the Exclusion List. The Administrator will supplement
20 its declaration as needed or requested by the Parties and/or the Court. Class Counsel is
21 responsible for filing the Administrator’s declaration(s) in Court.

22 7.8.6 Final Report by Settlement Administrator. Within ten (10) days after the
23 Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide
24 Class Counsel and Defense Counsel with a final report detailing its disbursements by employee
25 identification number only of all payments made under this Agreement. At least fifteen (15) days
26 before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel
27 and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement
28 of all payments required under this Agreement. Class Counsel is responsible for filing the

Administrator's declaration in Court.

8. **ESCALATOR CLAUSE.** The GSA was calculated based on Defendant's above estimated number of Class Members, and Workweeks. If, during the course of this Settlement process, the total number of Workweeks during the Class Period increases by more than 5% (i.e. more than 66,895 Workweeks), Defendant shall have the election to either (a) cut off the Class Period when the Workweeks worked by Participating Class Members reaches 66,895, or (b) pay a proportional share per workweek to include the additional Workweeks above 66,895 Workweeks. This is a material representation for Plaintiff to enter into this Settlement

9. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the calendared Final Approval Hearing, unless otherwise scheduled by the Court, Plaintiff will file in Court, a Motion for Final Approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l); a Proposed Final Approval Order; and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

9.1 **Response to Objections.** Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

9.2 **Duty to Cooperate.** If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Enhancement Award, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administrator Costs shall not constitute a material modification to the Agreement within the meaning of this paragraph.

1 9.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
2 Court will retain jurisdiction over the Parties, the Actions, and the Settlement solely for purposes
3 of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration
4 matters, and (iii) addressing such post-Judgment matters as are permitted by law.

5 9.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
6 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
7 Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective
8 counsel, and all Participating Class Members who did not object to the Settlement as provided in
9 this Agreement, waive all rights to appeal from the Judgment, including all rights to post-
10 judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new
11 trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the
12 right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties'
13 obligations to perform under this Agreement will be suspended until such time as the appeal is
14 finally resolved and the Judgment becomes final, except as to matters that do not affect the amount
15 of the Net Settlement Amount.

16 9.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
17 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material
18 modification of this Agreement (including, but not limited to, the scope of release to be granted
19 by Class Members), this Agreement shall be null and void. The Parties shall nevertheless
20 expeditiously work together in good faith to address the appellate court's concerns and to obtain
21 Final Approval and Entry of Judgment, sharing, on a 50-50 basis, any additional Administration
22 Costs reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the
23 Court's award of the Enhancement Award or any payments to Class Counsel shall not constitute
24 a material modification of the Judgment within the meaning of this paragraph, as long as the Gross
25 Settlement Amount remains unchanged.

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

1 **11. ADDITIONAL PROVISIONS.**

2 11.1 No Admission of Liability, Class Certification or Representative Manageability for
3 Other Purposes. This Agreement represents a compromise and settlement of highly disputed
4 claims. Nothing in this Agreement is intended or should be construed as an admission by
5 Defendant that any of the allegations in the Operative Complaint has merit or that Defendant has
6 any liability for any claims asserted; nor should it be intended or construed as an admission by
7 Plaintiff that Defendant's defenses in the Actions have merit. The Parties agree that class
8 certification and representative treatment is for purposes of this Settlement only. If, for any
9 reason, the Court does not grant Preliminary Approval, Final Approval, or enter Judgment,
10 Defendant reserves the right to contest certification of any class for any reason, Defendant
11 reserves all available defenses to the claims in the Actions, and Plaintiff reserves the right to move
12 for class certification on any grounds available and to contest Defendant's defenses. The
13 Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on,
14 and will not be admissible in connection with, any litigation (except for proceedings to enforce
15 or effectuate the Settlement and this Agreement).

16 11.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant, and
17 Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement
18 is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit
19 another person to disclose, disseminate or publicize, any of the terms of the Agreement directly
20 or indirectly, specifically or generally, to any person, corporation, association, government
21 agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom
22 will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the
23 extent necessary to report income to appropriate taxing authorities; (4) in response to a court order
24 or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government
25 agency. Each Party agrees to immediately notify the other Party of any judicial or agency order,
26 inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant, and Defense
27 Counsel separately agree not to, directly or indirectly, initiate any conversation or other
28 communication, before the filing of the Motion for Preliminary Approval, with any third party

1 regarding this Agreement or the matters giving rise to this Agreement except to respond only that
2 “the matter was resolved,” or words to that effect. This paragraph does not restrict Class
3 Counsel’s communications with Class Members in accordance with Class Counsel’s ethical
4 obligations owed to Class Members.

5 11.3 No Solicitation. The Parties separately agree that they and their respective counsel and
6 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal
7 from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel’s ability
8 to communicate with Class Members in accordance with Defense Counsel’s and Class Counsel’s
9 ethical obligations and Class Counsel’s fiduciary duties owed to Class Members.

10 11.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
11 together with its attached exhibits shall constitute the entire agreement between the Parties
12 relating to the Settlement, superseding any and all oral representations, warranties, covenants, or
13 inducements made to or by any Party.

14 11.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
15 represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate
16 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate
17 its terms, and to execute any other documents reasonably required to effectuate the terms of this
18 Agreement including any amendments to this Agreement.

19 11.6 Cooperation. The Parties and their counsel will cooperate with each other and use their
20 best efforts, in good faith, to implement the Settlement by, among other things, modifying the
21 Settlement Agreement, submitting supplemental evidence and supplementing points and
22 authorities as requested by the Court. In the event the Parties are unable to agree upon the form
23 or content of any document necessary to implement the Settlement, or on any modification of the
24 Agreement that may become necessary to implement the Settlement, the Parties will seek the
25 assistance of a mediator and/or the Court for resolution.

26 11.7 No Prior Assignments. The Parties separately represent and warrant that they have not
27 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
28 encumber to any person or entity and portion of any liability, claim, demand, action, cause of

action, or right released and discharged by the Party in this Settlement.

11.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

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

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

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

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

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

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

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

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

addressed as follows:

To Plaintiff:

WILSHIRE LAW FIRM, PLC

Benjamin H. Haber, Esq.
bejamin.haber@wilshirelawfirm.com
Talar DerOhannessian, Esq.
talar.derohannessian@wilshirelawfirm.com
Kareen Shatikian, Esq.
kareen.shatikian@wilshirelawfirm.com
660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

To Defendant:

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Joshua D. Carlon (SBN 263838)
Joshua.Carlon@aalrr.com
Holly Garcia (SBN 352269)
Holly.Garcia@aalrr.com
251 South Lake Avenue, Suite 360
Pasadena, California 91101-3018
Telephone: (626) 583-8600
Facsimile: (626) 583-8610

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

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

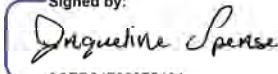
11.19 Binding Agreement. The Parties intend that this Agreement shall be fully enforceable and binding upon all Parties, and that it shall be admissible and subject to disclosure in any

proceeding to enforce its terms pursuant to Evidence Code sections 1122(a)(1) and 1123(b), notwithstanding the confidentiality provisions that otherwise might apply under federal or state law. The Parties further agree and intend that the Los Angeles County Superior Court may enforce this Agreement pursuant to Code of Civil Procedure section 664.6.

IT IS SO AGREED.

Plaintiff:

Dated: 9/9/2026

Signed by:

206E004700075401

JAQUELINE SPEASE

Defendant:

Dated: Sep 9, 2026



BRETHREN HILLCREST HOMES

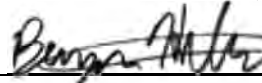
By (name): Joel Brouwer

Title: Chief Executive Officer

Approved as to form:

WILSHIRE LAW FIRM, PLC

Dated: 9/9/2026

By: 
Benjamin H. Haber, Esq.
Talar DerOhannessian, Esq.
Kareen Shatikian, Esq.
Counsel for Plaintiff Jaqueline Spease

ATKINSON, ANDELSON, LOYA, RUUD &
ROMO



Dated: September 9, 2026

By: _____
Joshua D. Carlton, Esq.
Holly Garcia, Esq.
Counsel for Defendant Brethren Hillcrest Homes

EXHIBIT 4

Benjamin H. Haber (SBN 315664)
benjamin.haber@wilshirelawfirm.com
Talar DerOhannessian (SBN 311687)
talar.derohannessian@wilshirelawfirm.com
Kareen Shatikian (SBN 346554)
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WILSHIRE LAW FIRM
660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE

JAQUELINE SPEASE, individually, and on
behalf of all others similarly situated, the
State of
California, and other aggrieved persons,

Plaintiff,

v.

BRETHREN HILLCREST HOMES, a
California corporation; and DOES 1 through
10, inclusive,

Defendants.

Case No. 24STCV15915

CLASS & REPRESENTATIVE ACTION

*[Assigned for all purposes to: Hon. Timothy
Patrick Dillon, Dept. 15]*

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT**

Complaint filed:	June 25, 2024
FAC filed:	November 5, 2024
Trial date:	Not Set

1 This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between
2 Plaintiff Jaqueline Spease (“Plaintiff”) and Defendant Brethren Hillcrest Homes (“Defendant”).
3 The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as
4 “Party.”

5 1. **DEFINITIONS.**

6 1.1 “Action” means Plaintiff’s lawsuit alleging class action wage and hour violations against
7 Defendants captioned *Spease v. Brethren Hillcrest Homes, et al.*, Los Angeles Superior Court
8 Case No. 24STCV15915.

9 1.2 “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to
10 appoint to administer the Settlement.

11 1.3 “Administration Costs” means the amount the Administrator will be paid from the Gross
12 Settlement Amount to reimburse its reasonable fees and expenses in accordance with the
13 Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary
14 Approval of the Settlement.

15 1.4 “Aggrieved Employee” means all persons who have been employed by Defendant in
16 California as hourly-paid or non-exempt employees at any point during the PAGA Period as more
17 fully defined in Labor Code section 2699(c)(1), including current and former employees
18 (“Aggrieved Employee(s)").

19 1.5 “Class” means all persons who have been employed by Defendant in California as
20 hourly-paid or non-exempt employees at any point during the Class Period, including current and
21 former employees (“Class Member(s)").

22 1.6 “Class Counsel” means Benjamin H. Haber, Esq., Talar DerOhannessian, Esq., and
23 Kareen Shatikian, Esq. of Wilshire Law Firm, PLC.

24 1.7 “Class Counsel Fees Payment” means an award of attorneys’ fees granted to Class
25 Counsel and paid from the Gross Settlement Amount. The Parties have agreed Plaintiff will
26 request approval from the Court of up to one-third (1/3) of the GSA (currently estimated at
27 \$166,667.00).

28 1.8 “Class Counsel Litigation Expenses Payment” means the amount allocated to Class

Counsel for reimbursement of reasonable expenses and costs incurred to prosecute the Action, not to exceed \$30,000.00, and paid from the Gross Settlement Amount.

1.9 “Class Data” means Class Member identifying information in Defendant’s possession, custody, or control for each Class Member, including each Class Member’s name, Social Security Number, last-known mailing address, last known telephone number, number of Workweeks, and number of PAGA Pay Periods.

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

1.11 “Class Notice” means the Court approved Notice of Settlement and hearing date for Final Approval, to be mailed to Class Members in English with a Spanish translation in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.

1.12 “Class Period” means the period from August 1, 2020, through April 18, 2026, subject to Paragraph 8 below.

1.13 “Class Representative” means the named Plaintiff Jaqueline Spease in the Action.

1.14 “Class Representative Service Payment” or “Enhancement Award” means the payment to the Class Representative for initiating the Actions and providing services in support of the Action.

1.15 “Court” means the Superior Court of California, County of Los Angeles.

1.16 “Defendant” means named Defendant Brethren Hillcrest Homes.

1.17 “Defense Counsel” means Joshua D. Carlon and Holly Garcia of Atkinson, Andelson, Loya, Ruud & Romo .

1.18 “Effective Date” means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if

one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.19 “Final Approval” means the Court’s order granting final approval of the Settlement.

1.20 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.21 “Final Judgment” means the Judgment entered by the Court upon granting Final Approval of the Settlement.

1.22 “Gross Settlement Amount” or “GSA” means \$500,000.00 which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 8, Escalator Clause.

1.23 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.24 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 35% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.25 “Judgment” means the judgment entered by the Court based upon the Final Approval.

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

1.27 “LWDA PAGA Payment” means the 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.28 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Penalties payment, Enhancement, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Costs. The remainder is to be paid to Participating Class Members as Individual Class Payments.

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

1.30 “Operative Class Complaint” means the operative class action complaint filed in the Class Action.

1.31 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one or more hours during the PAGA Period.

1.32 “PAGA Period” means the period is June 19, 2023, through the end of the end date of the Class Period subject to Paragraph 8..

1.33 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.34 “PAGA Notice” means Plaintiff’s June 19, 2024, letter (LWDA-CM-1034984-24) to the LWDA and Defendant providing notice pursuant to Labor Code section 2699.3, subd. (a).

1.35 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (\$25,000.00), allocated 35% to the Aggrieved Employees (\$8,750.00) and 65% to LWDA (\$16,250.00) in settlement of PAGA claims.

1.36 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.37 “Plaintiff” means Jaqueline Spease, the named plaintiff in the Action.

1.38 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

1.39 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

1.40 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.

1.41 “Released Parties” means Defendant and Defendant’s current or former: owners, officers, directors, managing agents, operators, managers, shareholders/ stakeholders, partners, members, and its predecessors, successors, trustees, affiliated or related companies- including DBAs, insurers, and agents (the "Released Parties").

1.42 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.43 “Response Deadline” means 60 days after the Administrator mails Notice to Class

Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.

1.44 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.45 “Workweek” means any workweek in which a Class Member worked any hours for Defendant in California during the Class Period.

2. RECITALS.

2.1 Plaintiff Jaqueline Spease filed this class action complaint on June 25, 2024, against Defendant Brethren Hillcrest Homes for systemic violations of the California Labor Code and Business & Professions Code. Plaintiff brings this action on behalf of herself and similarly situated employees for: (1) Failure to Pay Minimum and Straight Time Wages (Cal. Lab. Code §§ 204, 1194, 1194.2, 1197, and 1197.1); (2) Failure to Pay Overtime Wages (Cal. Lab. Code §§ 1194 and 1198); (3) Failure to Provide Meal Periods (Cal. Lab. Code §§ 226.7, 512); (4) Failure to Authorize and Permit Rest Periods (Cal. Lab. Code §§ 226.7); (5) Failure to Timely Pay Final Wages at Termination (Cal. Lab. Code §§ 201-203); (6) Failure to Provide Accurate Itemized Wage Statements (Cal. Lab. Code § 226); (7) Failure to Indemnify Employees for Expenditures (Cal. Lab. Code § 2802); and (8) Unfair Business Practices (Cal. Bus. & Prof. Code §§ 17200, et seq.). On June 19, 2024, Plaintiff filed a PAGA Notice with the California Labor & Workforce Development Agency and served to Defendant, pursuant to Labor Code § 2699.3(a). On November 5, 2024, Plaintiff amended her complaint to include a representative cause of action under the Private Attorneys General Act (PAGA) to seek civil penalties on behalf of the State of California and other aggrieved employees. Plaintiff contends that its claims are supported by Plaintiff’s testimony and that Defendant’s policies and practices gave rise to the claims alleged in the Action, which affected not only Plaintiff but similarly situated employees across the class period.

1 2.2 This matter is assigned for all purposes to Honorable Timothy Patrick Dillon,
2 Department 15 of the Los Angeles Superior Court. A trial date has not been set.

3 2.3 Defendant denies the allegations in the Actions, denies any failure to comply with the
4 laws identified in the Actions, and denies any and all liability for the causes of action alleged in
5 the Actions.

6 2.4 In advance of mediation, Defendant agreed to provide informal discovery, including
7 Defendant's informal production of a sampling of Class member and Aggrieved Employees' time
8 and pay records; Employee Handbooks and policies; Plaintiff's personnel files including
9 complete time records and pay stubs, data points, and Class Member job descriptions. In advance
10 of mediation, Class Counsel conducted a thorough investigation into the facts of, and applicable
11 law to the Actions.

12 2.5 Prior to mediation, Plaintiff obtained and analyzed a representative sampling of time and
13 payroll data for Class Members and the necessary policy documents through informal discovery
14 to properly evaluate the strengths and weakness of the claims and engage in meaningful settlement
15 discussions. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set
16 forth in *Dunk v. Foot Locker Retail, Inc.*, 48 Cal.App.4th 1794, 1801 (1996) and *Kullar v. Foot*
17 *Locker Retail, Inc.*, 168 Cal.App.4th 116, 129-130 (2008) ("*Dunk/Kullar*").

18 2.6 On February 17, 2026, the Parties participated in an all-day mediation presided over by
19 mediator Kevin Barnes, Esq. via Zoom. The Parties accepted a mediator's proposal and agreed
20 on general settlement terms. The Parties memorialized their agreement in a Memorandum of
21 Understanding on April 10, 2026.

22 2.7 The Parties, Class Counsel, and Defense Counsel represent that they are not aware of
23 any other pending matter or action asserting claims that will be extinguished or affected by the
24 Settlement.

25 3. **MONETARY TERMS.**

26 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below,
27 Defendant will pay \$500,000.00 to fully settle, resolve, and extinguish all claims asserted in the
28 Actions, including without limitation all claims asserted in the PAGA Notice. The Gross

Settlement Amount is non-reversionary and does not include employer payroll taxes owed on the wage portions of the Individual Class Payments, which Defendant will pay separately.

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

3.2.1 To Plaintiff: A payment for the Enhancement Award to Plaintiff of not more than ~~\$10,000.00~~ \$7,500.00 in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member. Defendant will not oppose Plaintiff's request for an Enhancement Award that does not exceed this amount. If the Court approves an Enhancement Award less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members. The Administrator will pay the Enhancement Award using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Enhancement Award.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3) of the GSA, which is currently estimated to be \$166,667.00, and a Class Counsel Litigation Expenses Payment for actual costs. Defendant will not oppose requests for these payments. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount for distribution to Participating Class Members. Released Parties shall have no liability to Class Counsel or any other Plaintiff's counsel arising from any claim to any portion of Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3 To the Administrator: An Administrator Costs for actual costs, not to exceed

1 \$10,550.00 except for a showing of good cause and as approved by the Court. To the extent the
2 Administration Costs are less, or the Court approves payment of less than requested, the
3 Administrator will retain the remainder in the Net Settlement Amount to be distributed to
4 Participating Class Members.

5 3.2.4 To Each Participating Class Member: An Individual Class Payment is calculated by
6 (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all
7 Participating Class Members during the Class Period, and (b) multiplying the result by each
8 individual Participating Class Member's Workweeks.

9 3.2.4.1 Tax Allocation of Individual Class Payments. Twenty percent (20%) of
10 each Participating Class Member's Individual Class Payment will be allocated to the Settlement
11 of wage claims (the "Wage Portion"). The Wage Portion is subject to tax withholding and will
12 be reported on an IRS W-2 Form. The remaining eighty percent (80%) of each Participating Class
13 Member's Individual Class Payment will be allocated to the settlement of claims for interest and
14 penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage
15 withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full
16 responsibility and liability for any employee taxes owed on their Individual Class Payment.

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

21 3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of
22 \$25,000.00 to be paid from the Gross Settlement Amount, with 65% (\$16,250.00) allocated to the
23 LWDA PAGA Payment and 35% (\$8,750.00) allocated to the Individual PAGA Payments.

24 3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a)
25 dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties (\$8,750.00) by
26 the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the
27 PAGA Period, and (b) multiplying the result by each individual Aggrieved Employee's PAGA
28 Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on

1 their Individual PAGA Payment.

2 3.2.5.2 If the Court approves PAGA Penalties of less than the amount requested,
3 the Administrator will allocate the remainder to the Net Settlement Amount to be distributed to
4 Participating Class Members. The Administrator will report the Individual PAGA Payments on
5 IRS 1099 Forms.

6 **4. SETTLEMENT FUNDING AND PAYMENTS.**

7 4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its
8 records, Defendant represents there are 664 Class Members who collectively worked a total of
9 63,710 Workweeks from August 1, 2020, through February 17, 2026.

10 4.2 Class Data. Within fourteen (14) days of the Court issuing an order granting preliminary
11 approval of this Settlement, Defendant will deliver to the Administrator identifying information
12 in Defendant's possession, custody, or control for each Class Member, including each Class
13 Member's name, Social Security Number, last known mailing address, last known telephone
14 number, number of Workweeks, and number of PAGA Pay Periods. The Administrator will
15 maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement
16 (such as issuing notices and payments to the Class Members) and for no other purpose, and restrict
17 access to the Class Data to Administrator employees who need access to the Class Data to effect
18 and perform under this Agreement. Defendant has a continuing duty to immediately notify Class
19 Counsel if it discovers that the Class Data is incomplete, inaccurate, or omitted class member
20 identifying information, and to provide corrected or updated Class Data as soon as reasonably
21 feasible. Without any extension of the deadline by which Defendant must send the Class Data to
22 the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith,
23 to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

24 4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement
25 Amount and the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting
26 the funds to the Administrator no later than fourteen (14) days after the Effective Date.

27 4.4 Payments from the Gross Settlement Amount. Within seven (7) days after Defendant
28 fully funds the GSA, the Administrator will mail checks for all Individual Class Payments, all

1 Individual PAGA Payments, the LWDA PAGA Payment, the Administration Costs Payment, the
2 Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the
3 Enhancement Award. Disbursement of the Class Counsel Fees Payment, the Class Counsel
4 Litigation Expenses Payment, and the Enhancement Award shall not precede disbursement of
5 Individual Class Payments and Individual PAGA Payments.

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

18 4.4.2 The Administrator must conduct a Class Member Address Search for all other Class
19 Members whose checks are returned undelivered without USPS forwarding address. Within
20 seven (7) days of receiving a returned check, the Administrator must re-mail checks to the USPS
21 forwarding address provided or to an address ascertained through the Class Member Address
22 Search. The Administrator need not take further steps to deliver checks to Class Members whose
23 re-mailed checks are returned as undelivered. The Administrator shall promptly send a
24 replacement check to any Class Member whose original check was lost or misplaced, requested
25 by the Class Member prior to the void date.

26 4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA
27 Payment check is uncashed and canceled after the void date, the Administrator shall transmit the
28 funds represented by such checks to the California Controller's Unclaimed Property Fund in the

1 name of the Class Member thereby leaving no “unpaid residue” subject to the requirements of
2 California Code of Civil Procedure Section 384, subd. (b).

3 4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall
4 not obligate Defendant to confer any additional benefits or make any additional payments to Class
5 Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

6 5. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the Gross
7 Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual
8 Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all
9 Released Parties as follows:

10 5.1 Plaintiff’s Release. Upon Defendant’s payment in full of the GSA and the
11 employer’s taxes for the portion of the Settlement allocated to settlement of wage claims, Plaintiff
12 agrees to a general release of all of Plaintiff’s known and unknown claims against the Released
13 Parties and waiver of Civil Code section 1542. Plaintiff discharges Released Parties from all
14 claims, transactions, or occurrences, that occurred during the Class Period, including all claims
15 that were, or reasonably could have been, alleged, based on the facts contained in the Actions;
16 and claims under the Fair Employment and Housing Act, Americans with Disabilities Act, Title
17 VII of the Civil Rights Act of 1964, the California Labor Code, and all equivalent claims under
18 federal law (“Plaintiff’s Release”). Plaintiff’s Release does not extend to any claims or actions
19 to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability
20 benefits, social security benefits, workers’ compensation benefits that arose at any time, or based
21 on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts
22 or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be
23 true but agrees, nonetheless, that Plaintiff’s Release shall be and remain effective in all respects,
24 notwithstanding such different or additional facts or Plaintiff’s discovery of them.

25 5.1.1 Plaintiff’s Waiver of Rights Under California Civil Code Section 1542. For
26 purposes of Plaintiff’s Release, Plaintiff expressly waives and relinquishes the provisions, rights,
27 and benefits, if any, of section 1542 of the California Civil Code, which reads:

28 A general release does not extend to claims that the creditor or releasing party does

not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

5.2 Released Class Claims: Upon Defendant's payment in full of the GSA and the employer's taxes for the portion of the Settlement allocated to settlement of wage claims, the claims waived, released, and discharged by Class Members (other than those who submit timely and valid requests for exclusion) as to the Released Parties are all claims arising during the Class Period which were asserted against Defendant in the operative complaint filed in the Action or which reasonably could have been asserted against Defendant based on the factual allegations stated the operative complaint filed in the Action.

5.3 Released PAGA Claims: Upon Defendant's payment in full of the GSA and the employer's taxes for the portion of the Settlement allocated to settlement of wage claims, the claims waived, released, and discharged by Aggrieved Employees and the State of California as to the Released Parties are all claims under PAGA arising during the PAGA Period (a) which were asserted against Defendant in Plaintiff's PAGA Notice preceding the Action and/or the operative complaint filed in the Action or (b) which reasonably could have been asserted against Defendant based on the factual allegations stated in Plaintiff's PAGA Notice preceding the Action and/or the operative complaint filed in the Action. Even if an Aggrieved Employee chooses to opt out of the Settlement, they would still be bound by the Release of the PAGA claims herein.

6. **MOTION FOR PRELIMINARY APPROVAL**. Plaintiff will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval").

6.1 Plaintiff's Responsibilities. Plaintiff will prepare all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from Class

Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of this Agreement (Labor Code section 2699, subd. (l)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members, and/or the Administrator. In their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing the Motion for Preliminary Approval. Class Counsel will obtain a prompt hearing date for the Motion for Preliminary Approval, file the Motion for Preliminary Approval no later than sixteen (16) court days before the hearing, unless otherwise ordered by the Court, and deliver the Court's Preliminary Approval Order to the Administrator.

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

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc., to serve as the Administrator and verified that, as a condition of appointment, the Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Costs. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and

1 providing reports to state and federal tax authorities.

2 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that
3 meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation
4 section 468B-1 for the funding of the GSA. Any interest that accrues on the GSA sums paid into
5 the QSF prior to distribution by the Administrator will become part of the NSA for distribution
6 to Participating Class Members.

7 7.4 Notice to Class Members.

8 7.4.1 No later than five (5) calendar days after receipt of the Class Data, the Administrator
9 shall notify Class Counsel that the list has been received and state the number of Class Members,
10 Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

11 7.4.2 Using best efforts to perform as soon as possible, and in no event later than fourteen
12 (14) days after receiving the Class Data, the Administrator will send to all Class Members
13 identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class
14 Notice with Spanish translation substantially in the form attached to this Agreement as Exhibit
15 A. The first page of the Class Notice shall prominently estimate the dollar amounts of any
16 Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and
17 the number of Workweeks and PAGA Pay Periods used to calculate these amounts. Before
18 mailing Class Notices, the Administrator shall update Class Member addresses using the National
19 Change of Address database.

20 7.4.3 Not later than five (5) calendar days after the Administrator’s receipt of any Class
21 Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice
22 using any forwarding address provided by the USPS. If the USPS does not provide a forwarding
23 address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class
24 Notice to the most current address obtained. The Administrator has no obligation to make further
25 attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the
26 USPS a second time.

27 7.4.4 The deadlines for Class Members’ written objections, challenges to Workweeks
28 and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days

beyond the sixty (60) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Defendant, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than sixty (60) days after the Administrator mails the Class Notice (plus an additional fourteen (14)) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

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

1 challenge.

2 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion
3 is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and
4 bound by all terms and conditions of the Settlement, including the Participating Class Members'
5 Releases under paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating
6 Class Member actually receives the Class Notice or objects to the Settlement.

7 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a
8 Non-Participating Class Member and shall not receive an Individual Class Payment or have the
9 right to object to the class action components of the Settlement. Because future PAGA claims are
10 subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who
11 are Aggrieved Employees are deemed to release the Released PAGA Claims identified in
12 Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

13 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have sixty (60) days
14 after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class
15 Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and
16 PAGA Pay Periods allocated to the Class Member in the Class Notice. The Class Member may
17 challenge the allocation by communicating with the Administrator via fax, email or mail. The
18 Administrator must encourage the challenging Class Member to submit supporting
19 documentation. In the absence of any contrary documentation, the Administrator is entitled to
20 presume that the Workweeks contained in the Class Notice are correct so long as they are
21 consistent with the Class Data. The Administrator's determination of each Class Member's
22 allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise
23 susceptible to challenge. The Administrator shall promptly provide copies of all challenges to
24 the calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the
25 Administrator's determination of the challenges.

26 7.7 Objections to Settlement.

27 7.7.1 Only Participating Class Members may object to the class action components of the
28 Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or

amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Enhancement Award.

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than sixty (60) days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).

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

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

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish, maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement; Motion for Preliminary Approval; Preliminary Approval Order; Class Notice; Motion for Final Approval; Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Enhancement Award; the Final Approval Order; and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

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

1 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports
2 to Class Counsel and Defense Counsel that, among other things, tally the number of: Class
3 Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether
4 valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods
5 received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA
6 Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment
7 of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and
8 objections received.

9 7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to
10 address and make final decisions consistent with the terms of this Agreement on all Class Member
11 challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision
12 shall be final and not appealable or otherwise susceptible to challenge.

13 7.8.5 Administrator’s Declaration. Not later than fourteen (14) days before the date by
14 which Plaintiff is required to file the Motion for Final Approval of the Settlement, the
15 Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable
16 for filing in Court attesting to its due diligence and compliance with all of its obligations under
17 this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices
18 returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the
19 total number of Requests for Exclusion from Settlement it received (both valid or invalid), the
20 number of written objections and attach the Exclusion List. The Administrator will supplement
21 its declaration as needed or requested by the Parties and/or the Court. Class Counsel is
22 responsible for filing the Administrator’s declaration(s) in Court.

23 7.8.6 Final Report by Settlement Administrator. Within ten (10) days after the
24 Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide
25 Class Counsel and Defense Counsel with a final report detailing its disbursements by employee
26 identification number only of all payments made under this Agreement. At least fifteen (15) days
27 before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel
28 and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement

of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. **ESCALATOR CLAUSE.** The GSA was calculated based on Defendant's above estimated number of Class Members, and Workweeks. If, during the course of this Settlement process, the total number of Workweeks during the Class Period increases by more than 5% (i.e. more than 66,895 Workweeks), Defendant shall have the election to either (a) cut off the Class Period when the Workweeks worked by Participating Class Members reaches 66,895, or (b) pay a proportional share per workweek to include the additional Workweeks above 66,895 Workweeks. This is a material representation for Plaintiff to enter into this Settlement

9. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the calendared Final Approval Hearing, unless otherwise scheduled by the Court, Plaintiff will file in Court, a Motion for Final Approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l); a Proposed Final Approval Order; and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

9.1 **Response to Objections.** Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

9.2 **Duty to Cooperate.** If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Enhancement Award, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administrator Costs shall not constitute a material modification to the Agreement within the

1 meaning of this paragraph.

2 9.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
3 Court will retain jurisdiction over the Parties, the Actions, and the Settlement solely for purposes
4 of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration
5 matters, and (iii) addressing such post-Judgment matters as are permitted by law.

6 9.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
7 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
8 Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective
9 counsel, and all Participating Class Members who did not object to the Settlement as provided in
10 this Agreement, waive all rights to appeal from the Judgment, including all rights to post-
11 judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new
12 trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the
13 right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties'
14 obligations to perform under this Agreement will be suspended until such time as the appeal is
15 finally resolved and the Judgment becomes final, except as to matters that do not affect the amount
16 of the Net Settlement Amount.

17 9.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
18 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material
19 modification of this Agreement (including, but not limited to, the scope of release to be granted
20 by Class Members), this Agreement shall be null and void. The Parties shall nevertheless
21 expeditiously work together in good faith to address the appellate court's concerns and to obtain
22 Final Approval and Entry of Judgment, sharing, on a 50-50 basis, any additional Administration
23 Costs reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the
24 Court's award of the Enhancement Award or any payments to Class Counsel shall not constitute
25 a material modification of the Judgment within the meaning of this paragraph, as long as the Gross
26 Settlement Amount remains unchanged.

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

1 amended judgment.

2 **11. ADDITIONAL PROVISIONS.**

3 11.1 No Admission of Liability, Class Certification or Representative Manageability for
4 Other Purposes. This Agreement represents a compromise and settlement of highly disputed
5 claims. Nothing in this Agreement is intended or should be construed as an admission by
6 Defendant that any of the allegations in the Operative Complaint has merit or that Defendant has
7 any liability for any claims asserted; nor should it be intended or construed as an admission by
8 Plaintiff that Defendant's defenses in the Actions have merit. The Parties agree that class
9 certification and representative treatment is for purposes of this Settlement only. If, for any
10 reason, the Court does not grant Preliminary Approval, Final Approval, or enter Judgment,
11 Defendant reserves the right to contest certification of any class for any reason, Defendant
12 reserves all available defenses to the claims in the Actions, and Plaintiff reserves the right to move
13 for class certification on any grounds available and to contest Defendant's defenses. The
14 Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on,
15 and will not be admissible in connection with, any litigation (except for proceedings to enforce
16 or effectuate the Settlement and this Agreement).

17 11.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant, and
18 Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement
19 is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit
20 another person to disclose, disseminate or publicize, any of the terms of the Agreement directly
21 or indirectly, specifically or generally, to any person, corporation, association, government
22 agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom
23 will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the
24 extent necessary to report income to appropriate taxing authorities; (4) in response to a court order
25 or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government
26 agency. Each Party agrees to immediately notify the other Party of any judicial or agency order,
27 inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant, and Defense
28 Counsel separately agree not to, directly or indirectly, initiate any conversation or other

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

6 11.3 No Solicitation. The Parties separately agree that they and their respective counsel and
7 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal
8 from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel’s ability
9 to communicate with Class Members in accordance with Defense Counsel’s and Class Counsel’s
10 ethical obligations and Class Counsel’s fiduciary duties owed to Class Members.

11 11.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
12 together with its attached exhibits shall constitute the entire agreement between the Parties
13 relating to the Settlement, superseding any and all oral representations, warranties, covenants, or
14 inducements made to or by any Party.

15 11.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
16 represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate
17 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate
18 its terms, and to execute any other documents reasonably required to effectuate the terms of this
19 Agreement including any amendments to this Agreement.

20 11.6 Cooperation. The Parties and their counsel will cooperate with each other and use their
21 best efforts, in good faith, to implement the Settlement by, among other things, modifying the
22 Settlement Agreement, submitting supplemental evidence and supplementing points and
23 authorities as requested by the Court. In the event the Parties are unable to agree upon the form
24 or content of any document necessary to implement the Settlement, or on any modification of the
25 Agreement that may become necessary to implement the Settlement, the Parties will seek the
26 assistance of a mediator and/or the Court for resolution.

27 11.7 No Prior Assignments. The Parties separately represent and warrant that they have not
28 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or

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

11.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

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

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

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

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

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

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

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

11.16 Notice. All notices, demands, or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the

third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

WILSHIRE LAW FIRM, PLC

Benjamin H. Haber, Esq.
bejamin.haber@wilshirelawfirm.com
Talar DerOhannessian, Esq.
talar.derohannessian@wilshirelawfirm.com
Kareen Shatikian, Esq.
kareen.shatikian@wilshirelawfirm.com
660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

To Defendant:

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Joshua D. Carlon (SBN 263838)
Joshua.Carlon@aalrr.com
Holly Garcia (SBN 352269)
Holly.Garcia@aalrr.com
251 South Lake Avenue, Suite 360
Pasadena, California 91101-3018
Telephone: (626) 583-8600
Facsimile: (626) 583-8610

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

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

11.19 Binding Agreement. The Parties intend that this Agreement shall be fully enforceable

1 and binding upon all Parties, and that it shall be admissible and subject to disclosure in any
2 proceeding to enforce its terms pursuant to Evidence Code sections 1122(a)(1) and 1123(b),
3 notwithstanding the confidentiality provisions that otherwise might apply under federal or state
4 law. The Parties further agree and intend that the Los Angeles County Superior Court may enforce
5 this Agreement pursuant to Code of Civil Procedure section 664.6.

6 IT IS SO AGREED.

7 Plaintiff:

8
9 Dated: _____

JAQUELINE SPEASE

11 Defendant:

12
13 Dated: _____

BRETHREN HILLCREST HOMES

By (name): _____

Title: _____

16 Approved as to form:

17
18 WILSHIRE LAW FIRM, PLC

19 Dated: _____

By: _____

Benjamin H. Haber, Esq.

Talar DerOhannessian, Esq.

Kareen Shatikian, Esq.

Counsel for Plaintiff Jaqueline Spease

23 ATKINSON, ANDELSON, LOYA, RUUD &

24 ROMO

25 Dated: _____

By: _____

Joshua D. Carlon, Esq.

Holly Garcia, Esq.

Counsel for Defendant Brethren Hillcrest Homes

EXHIBIT 5

WILSHIRE LAW FIRM, PLC

Benjamin H. Haber (SBN 315664)
benjamin.haber@wilshirelawfirm.com
Talar DerOhannessian (SBN 311687)
talar.derohannessian@wilshirelawfirm.com
Kareen Shatikian (SBN 346554)
kareen.shatikian@wilshirelawfirm.com
Giancarlo A. Recinos (SBN 282836)
giancarlo.recinos@wilshirelawfirm.com
660 South Figueroa Street, Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE

JAQUELINE SPEASE, individually, and on
behalf of all others similarly situated, the State of
California, and other aggrieved persons,

Plaintiff,

v.

BRETHREN HILLCREST HOMES, a California
corporation; and DOES 1 through 10, inclusive,

Defendant.

Case No. 24STCV15915

Assigned to Hon. Timothy Patrick Dillon,
Dept. 15

Complaint filed: June 25, 2024

FAC filed: November 5, 2024

Trial date: Not Set

CLASS & PAGA ACTION

**[PROPOSED] ORDER GRANTING
PLAINTIFF’S MOTION FOR
PRELIMINARY APPROVAL OF THE
CLASS ACTION AND PAGA
SETTLEMENT**

PRELIMINARY APPROVAL HEARING

Date: September 8, 2026

Time: 10:00 a.m.

Dept: 15

1 The Court has before it Plaintiff Jaqueline Spease’s (“Plaintiff” or “Class
2 Representative”) Motion for Preliminary Approval of the Class Action and PAGA Settlement
3 (the “Motion”). Having reviewed the Motion and related records, the Class Action and PAGA
4 Settlement Agreement (the “Settlement”), and good cause appearing, the Court hereby finds and
5 orders as follows:

6 1. The Court preliminarily finds that the terms of the Settlement appear to be within
7 the range of possible approval, pursuant to Code of Civil Procedure section 382 and applicable
8 law. The Court finds on a preliminary basis that: (1) the Settlement is fair, just, reasonable, and
9 adequate to the Class when balanced against the probable outcome of further litigation relating
10 to class certification, liability and damages issues, and potential appeals; (2) significant informal
11 discovery, investigation, research, and litigation have been conducted such that counsel for the
12 Parties at this time are able to reasonably evaluate their respective positions; (3) settlement at
13 this time will avoid substantial costs, delay, and risks that would be presented by the further
14 prosecution of the litigation; and (4) the proposed Settlement has been reached as the result of
15 intensive, serious, and non-collusive negotiations between the Parties with the assistance of a
16 well-respected class action mediator. Accordingly, the Court preliminarily finds that the
17 Settlement was entered into in good faith. The Court grants preliminary approval of the
18 Settlement and the Class (as defined below) based upon the terms set forth in the Settlement
19 Agreement between Plaintiff and Defendant Brethren Hillcrest Homes (“Defendant,” and
20 together with Plaintiff, the “Parties”). A true and correct copy of the revised Settlement
21 Agreement is attached as **Exhibit 1** to the Declaration of Giancarlo A. Recinos filed in support
22 of Plaintiff’s Motion.

23 2. For settlement purposes, the Court provisionally certifies the Class, which is
24 defined as: all persons who have been employed by Defendant in California as hourly-paid or
25 non-exempt employees at any point during the Class Period, including current and former
26 employees (with each such person referred to individually as a “Class Member(s)” and
27 collectively the “Class”). The “Class Period” is the period from August 1, 2020, through April
28 18, 2026, subject to Paragraph 8 of the Settlement Agreement (“Class Period”).

1 3. The Court finds, for settlement purposes only, that the Class meets the
2 requirements for certification under Code of Civil Procedure section 382 because: (1) the Class
3 Members are so numerous that joinder is impractical; (2) there are questions of law and fact that
4 are common, or of general interest, to all Class Members, which predominate over individual
5 issues; (3) Plaintiff's claims are typical of the claims of the Class Members; (4) Plaintiff and
6 Class Counsel will fairly and adequately protect the interests of the Class Members; and (5) a
7 class action is superior to other available methods for the fair and efficient adjudication of the
8 controversy.

9 4. The Court appoints Plaintiff as Class Representative, for settlement purposes
10 only. The Court further preliminarily permits Plaintiff to seek a service enhancement payment
11 in the final approval motion.

12 5. The Court appoints, for settlement purposes only, Benjamin H. Haber, Talar
13 DerOhannessian, Kareen Shatikian, and Giancarlo A. Recinos of Wilshire Law Firm, PLC as
14 "Class Counsel". The Court further preliminarily permits Class Counsel to request their
15 attorneys' fees and costs incurred in the final approval motion.

16 6. The Court appoints ILYM Group, Inc. as the "Administrator" and permits
17 Plaintiff to seek the Administration Expenses Payment listed below for the Administrator.

18 7. The Settlement falls within the range of reasonableness of a settlement which
19 could ultimately be given final approval by this Court, and appears to be presumptively valid,
20 subject only to any objections that may be raised at the final approval hearing and final approval
21 by this Court. The Court notes that Defendant has agreed to create a non-reversionary common
22 fund of \$500,000.00 (the "Gross Settlement Amount") to cover payments to Class Members
23 who do not validly opt out and the Labor and Workforce Development Agency ("LWDA")
24 pursuant to the Labor Code Private Attorneys General Act of 2004 ("PAGA") as follows:

Gross Settlement Amount:	\$500,000.00
Class Representative Service Payment to Plaintiff:	Not to exceed \$7,500.00

Payment to the LWDA (65%):	\$16,250.00
Payment to Aggrieved Employees (35%):	\$8,750.00
Class Counsel Fees Payment (one-third of the Gross Settlement Amount):	Currently estimated at \$166,667.00
Class Counsel's Litigation Expenses Payment:	Not to exceed \$30,000.00
Administration Expenses Payment to the Administrator:	Not to exceed \$10,550.00
Estimated Net Settlement Amount to the Class:	\$257,783.00

8. The Court approves, as to form and content the class notice, attached as **Exhibit A** to the Settlement Agreement (the "Class Notice"). The Court finds on a preliminary basis that plan for distribution of the Class Notice to Class Members satisfies due process, provides the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all persons entitled thereto.

9. The Parties are ordered to carry out the Settlement according to the terms of the Settlement Agreement.

10. The Court hereby orders the Parties to comply with the following implementation schedule:

Defendant to Provide Class Data to the Administrator:	Not later than 14 days after the date of this Order
Administrator to Mail the Class Notice to the Class:	No later than 14 days after receipt of the Class Data from the Defendant
Response Deadline:	60 days after Class Notice is mailed out by the Administrator, plus 14 additional days for any returned and re-mailed notices
Deadline to File the Motion for Final	16 court days before the Final Approval

Approval:	Hearing
Final Approval Hearing:	January 28, 2027, at 10:00 a.m., in the above-entitled Court and Department. The Court may reschedule the hearing.

11. The Court further orders that, pending further order of this Court, all proceedings in this action, except those contemplated herein and in the Settlement, are stayed.

12. Without affecting the finality of this Order in any way, and in accordance with Code of Civil Procedure section 664.6, this shall Court retain continuing jurisdiction over the implementation, interpretation, and enforcement of the Settlement with respect to all Parties to this action, their counsel, and the Administrator.

13. _____

 _____.

IT IS SO ORDERED.

DATE:

 Hon. Timothy Patrick Dillon
 Judge of the Superior Court

EXHIBIT 6

WILSHIRE LAW FIRM, PLC
Benjamin H. Haber (SBN 315664)
benjamin.haber@wilshirelawfirm.com
Talar DerOhannessian (SBN 311687)
talar.derohannessian@wilshirelawfirm.com
Kareen Shatikian (SBN 346554)
kareen.shatikian@wilshirelawfirm.com
~~Alan Wilcox (SBN 287476)~~
~~alan.wilcox@wilshirelawfirm.com~~
Giancarlo A. Recinos (SBN 282836)
giancarlo.recinos@wilshirelawfirm.com
660 South Figueroa Street, Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE

JAQUELINE SPEASE, individually, and on
behalf of all others similarly situated, the State of
California, and other aggrieved persons,

Plaintiff,

v.

BRETHREN HILLCREST HOMES, a California
corporation; and DOES 1 through 10, inclusive,

Defendant.

Case No. 24STCV15915
Assigned to Hon. Timothy Patrick Dillon,
Dept. 15

Complaint filed: June 25, 2024
FAC filed: November 5, 2024
Trial date: Not Set

CLASS & PAGA ACTION

**[PROPOSED] ORDER GRANTING
PLAINTIFF’S MOTION FOR
PRELIMINARY APPROVAL OF THE
CLASS ACTION AND PAGA
SETTLEMENT**

PRELIMINARY APPROVAL HEARING

Date: September 8, 2026
Time: 10:00 a.m.
Dept: 15

1 The Court has before it Plaintiff Jaqueline Spease's ("Plaintiff" or "Class
2 Representative") Motion for Preliminary Approval of the Class Action and PAGA Settlement
3 (the "Motion"). Having reviewed the Motion and related records, the Class Action and PAGA
4 Settlement Agreement (the "Settlement"), and good cause appearing, the Court hereby finds and
5 orders as follows:

6 1. The Court preliminarily finds that the terms of the Settlement appear to be within
7 the range of possible approval, pursuant to Code of Civil Procedure section 382 and applicable
8 law. The Court finds on a preliminary basis that: (1) the Settlement is fair, just, reasonable, and
9 adequate to the Class when balanced against the probable outcome of further litigation relating
10 to class certification, liability and damages issues, and potential appeals; (2) significant informal
11 discovery, investigation, research, and litigation have been conducted such that counsel for the
12 Parties at this time are able to reasonably evaluate their respective positions; (3) settlement at
13 this time will avoid substantial costs, delay, and risks that would be presented by the further
14 prosecution of the litigation; and (4) the proposed Settlement has been reached as the result of
15 intensive, serious, and non-collusive negotiations between the Parties with the assistance of a
16 well-respected class action mediator. Accordingly, the Court preliminarily finds that the
17 Settlement was entered into in good faith. The Court grants preliminary approval of the
18 Settlement and the Class (as defined below) based upon the terms set forth in the Settlement
19 Agreement between Plaintiff and Defendant Brethren Hillcrest Homes ("Defendant," and
20 together with Plaintiff, the "Parties"). A true and correct copy of the revised Settlement
21 Agreement is attached as **Exhibit 1** to the Declaration of ~~Alan Wileox~~ Giancarlo A. Recinos
22 filed in support of Plaintiff's Motion.

23 2. For settlement purposes, the Court provisionally certifies the Class, which is
24 defined as: all persons who have been employed by Defendant in California as hourly-paid or
25 non-exempt employees at any point during the Class Period, including current and former
26 employees (with each such person referred to individually as a "Class Member(s)" and
27 collectively the "Class"). The "Class Period" is the period from August 1, 2020, through April
28 18, 2026, subject to Paragraph 8 of the Settlement Agreement ("Class Period").

1 3. The Court finds, for settlement purposes only, that the Class meets the
2 requirements for certification under Code of Civil Procedure section 382 because: (1) the Class
3 Members are so numerous that joinder is impractical; (2) there are questions of law and fact that
4 are common, or of general interest, to all Class Members, which predominate over individual
5 issues; (3) Plaintiff's claims are typical of the claims of the Class Members; (4) Plaintiff and
6 Class Counsel will fairly and adequately protect the interests of the Class Members; and (5) a
7 class action is superior to other available methods for the fair and efficient adjudication of the
8 controversy.

9 4. The Court appoints Plaintiff as Class Representative, for settlement purposes
10 only. The Court further preliminarily permits Plaintiff to seek a service enhancement payment
11 in the final approval motion.

12 5. The Court appoints, for settlement purposes only, Benjamin H. Haber, Talar
13 DerOhannessian, Kareen Shatikian, and ~~Alan Wilex~~Giancarlo A. Recinos of Wilshire Law
14 Firm, PLC as "Class Counsel". The Court further preliminarily permits Class Counsel to request
15 their attorneys' fees and costs incurred in the final approval motion.

16 6. The Court appoints ILYM Group, Inc. as the "Administrator" and permits
17 Plaintiff to seek the Administration Expenses Payment listed below for the Administrator.

18 7. The Settlement falls within the range of reasonableness of a settlement which
19 could ultimately be given final approval by this Court, and appears to be presumptively valid,
20 subject only to any objections that may be raised at the final approval hearing and final approval
21 by this Court. The Court notes that Defendant has agreed to create a non-reversionary common
22 fund of \$500,000.00 (the "Gross Settlement Amount") to cover payments to Class Members
23 who do not validly opt out and the Labor and Workforce Development Agency ("LWDA")
24 pursuant to the Labor Code Private Attorneys General Act of 2004 ("PAGA") as follows:

Gross Settlement Amount:	\$500,000.00
Class Representative Service Payment to Plaintiff:	Not to exceed \$ 10,000.00 <u>7,500.00</u>

Payment to the LWDA (65%):	\$16,250.00
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Class Counsel Fees Payment (one-third of the Gross Settlement Amount):	Currently estimated at \$166,667.00
Class Counsel's Litigation Expenses Payment:	Not to exceed \$30,000.00
Administration Expenses Payment to the Administrator:	Not to exceed \$10,550.00
Estimated Net Settlement Amount to the Class:	\$257,783.00

8. The Court approves, as to form and content the class notice, attached as **Exhibit A** to the Settlement Agreement (the "Class Notice"). The Court finds on a preliminary basis that plan for distribution of the Class Notice to Class Members satisfies due process, provides the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all persons entitled thereto.

9. The Parties are ordered to carry out the Settlement according to the terms of the Settlement Agreement.

10. The Court hereby orders the Parties to comply with the following implementation schedule:

Defendant to Provide Class Data to the Administrator:	Not later than 14 days after the date of this Order
Administrator to Mail the Class Notice to the Class:	No later than 14 days after receipt of the Class Data from the Defendant
Response Deadline:	60 days after Class Notice is mailed out by the Administrator, plus 14 additional days for any returned and re-mailed notices
Deadline to File the Motion for Final	16 court days before the Final Approval

