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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN JOAQUIN**

RITA GONZALEZ, individually and on behalf of others similarly situated, and as a private attorney general,

Plaintiff,

vs.

CHILDREN’S HOME OF STOCKTON, a California corporation; and DOES 1 through 100, inclusive,

Defendants.

Case No. STK-CV-UOE-2022-6373

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

1 This Joint Stipulation of Class Action and PAGA Settlement is entered into by and
2 between Plaintiffs Rita Gonzalez and Dasia Seabrooks, individually and on behalf of the Class
3 and Defendant Children’s Home of Stockton.
4

DEFINITIONS

5
6 1. “Agreement” or “Settlement Agreement” means this Joint Stipulation of Class
7 Action and PAGA Settlement.

8 2. “Actions” means the action entitled “*Gonzalez v. Children’s Home of Stockton,*”
9 San Joaquin County Superior Court Case No. STK-CV-UOE-2022-6373, and the action entitled
10 “*Seabrooks v. Children’s Home of Stockton*” San Joaquin County Superior Court Case No. STK-
11 CV-UOE-2023-5841

12 3. “Class Counsel” means Protection Law Group, LLP and Lawyers *for* Justice P.C.

13 4. “Class Counsel’s Fees and Costs” means attorneys’ fees for Class Counsel’s
14 litigation and resolution of this Action and their expenses and costs incurred in connection with
15 the Action, which shall be paid from the Gross Settlement Amount. Class Counsel will request
16 attorneys’ fees not to exceed one-third of the Gross Settlement Amount, i.e. One Hundred and
17 Fifty Thousand Dollars (\$150,000.00) and the reimbursement costs and expenses associated with
18 the litigation and settlement of the Action, not to exceed Twenty-Five Thousand Dollars
19 (\$25,000.00), subject to the Court’s approval. Defendant has agreed not to oppose Class
20 Counsel’s request for fees and reimbursement of costs and expenses in the amount set forth
21 above.

22 5. “Class List” means a complete list of all Class Members that Defendant will
23 diligently and in good faith compile from their records and provide to the Settlement
24 Administrator within fourteen (14) calendar days after Preliminary Approval of this Settlement.
25 The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will
26 include Class Member’s: (1) full name; (2) last known home address; (3) last known telephone
27 number; (4) social security number; (5) start and end dates of active employment as a non-
28 exempt employee of Defendant in the State of California; (6) total Workweeks worked by each

1 Class Member during the Class Period; (7) total Workweeks worked by each PAGA Member
2 during the PAGA Period; and (8) any other information required by the Settlement Administrator
3 in order to effectuate the terms of the Settlement.

4 6. “Class” or “Class Members” means all current and former hourly-paid, non-
5 exempt employees of Defendant who were employed by Defendant in the State of California at
6 any time during the Class Period.

7 7. “Class Period” means the period from July 25, 2018, through December 8, 2023.

8 8. “Class Representatives” means Plaintiffs Rita Gonzalez and Dasia Seabrooks in
9 their capacity as representatives of the Participating Class Members.

10 9. “Class Representative Enhancement Payment” means the amount that the Court
11 authorizes to be paid to Plaintiffs Gonzalez and Seabrooks in addition to their Individual
12 Settlement Payments, in recognition of the efforts and risks they have taken in assisting with the
13 prosecution of the Action and in exchange for the General Release of their claims as provided
14 herein.

15 10. “Court” means the Superior Court of the State of California for the County of
16 San Joaquin.

17 11. “Defendant” means Children’s Home of Stockton.

18 12. “Effective Date” means: the later of: (a) if no timely objections are filed or if all
19 objections are withdrawn, the date upon which the Court enters Final Approval; (b) if an
20 objection is filed and not withdrawn, the date for filing an appeal and no such appeal being filed
21 (c) if any timely appeals are filed, the date of the resolution (or withdrawal) of any such appeal in
22 a way that does not alter the terms of the settlement

23 13. “Final Approval” means the Court entering an order granting final approval of the
24 Settlement Agreement.

25 14. “Gross Settlement Amount” means the sum of Four Hundred and Fifty Thousand
26 Dollars (\$450,000.00). The Gross Settlement Amount is non-reversionary; no portion of the
27 Gross Settlement Amount will return to Defendant.

1 15. “Individual Settlement Payment” means the amount payable from the Net
2 Settlement Amount to each Participating Class Member and any payment a PAGA Member is
3 eligible to receive from the employee portion of the PAGA Payment. Individual Settlement
4 Payments shall be paid by a Settlement Check made payable to Participating Class Members
5 and/or PAGA Members.

6 16. “Net Settlement Amount” means the funds available for payments to the Class,
7 which shall be amount remaining after the following amounts are deducted from the Gross
8 Settlement Amount: (1) Class Counsel’s fees, (2) Class Counsel’s costs, (3) Settlement
9 Administration Costs, (4) Class Representative Enhancement Payments to Plaintiffs; and (5) the
10 PAGA Payment to the LWDA and PAGA Members.

11 17. “Notice” means the Notice of Class Action Settlement in a form substantially
12 similar to the form attached hereto as Exhibit A, that will be mailed to Class Members’ last
13 known addresses and which will provide Class Members with information regarding the Action
14 and information regarding the settlement of the Action.

15 18. “PAGA” means the California Labor Code Private Attorneys General Act of 2004
16 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”).

17 19. “PAGA Payment” means the amount that the Parties have agreed to allocate in
18 order to settle claims arising under the Private Attorneys General Act of 2004 (Cal. Lab. Code §§
19 2698, *et seq.*)(“PAGA”). The Parties have agreed that Twenty-Five Thousand Dollars
20 (\$25,000.00) of the Gross Settlement Amount will be allocated to the resolution of Plaintiffs’
21 PAGA Claims. Seventy Five Percent (75%) of this amount (\$18,750.00) will be paid to the
22 California Labor and Workforce Development Agency in accordance with Labor Code §§ 2698
23 *et seq.* Twenty Five Percent (25%) of this amount (\$6,250.00), will be distributed to PAGA
24 Members. PAGA Members will receive payment from the employee portion of the PAGA
25 Payment regardless of their decision to participate in the class action if the PAGA Payment is
26 approved by the Court.

27 20. “PAGA Period” means the period from March 29, 2022, through December 8,
28 2023.

1 21. “PAGA Members” means all current and former hourly-paid non-exempt
2 employees of Defendant who were employed by Defendant in the state of California at any time
3 during the PAGA Period.

4 22. “Parties” means Plaintiffs and Defendant, collectively, and “Party” shall mean
5 either Plaintiffs or Defendant, individually.

6 23. “Participating Class Members” means all Class Members who do not submit valid
7 and timely Requests for Exclusion.

8 24. “Plaintiffs” means Rita Gonzalez and Dasia Seabrooks.

9 25. “Preliminary Approval” means the Court order granting preliminary approval of
10 the Settlement Agreement.

11 26. “Objection” means a Participating Class Member’s valid and timely written
12 objection to the Settlement Agreement. For an Objection to be valid, it must include: (a) the
13 objector’s full name, address, telephone number, last four digits of the employees social security
14 number or employee ID number and (b) the name of the case and case number; and (c) a written
15 statement of all grounds for the objection accompanied by legal support, if any, for such
16 objection.

17 27. “Released Class Claims” means claims, rights, demands, liabilities and causes of
18 actions that are alleged, or that reasonably could have been alleged, based on the facts asserted in
19 the operative complaint in *Gonzalez v. Children’s Home of Stockton,*” San Joaquin County
20 Superior Court Case No. STK-CV-UOE-2022-6373 including factual claims regarding
21 Defendants’ alleged: (i) failure to pay all overtime wages due; (ii) failure to provide meal periods
22 or compensation in lieu thereof; (iii) failure to provide rest periods or compensation in lieu
23 thereof; (iv) failure to pay minimum wages; (v) failure to pay wages timely at time of
24 termination or resignation; (vi) failure to timely pay wages during employment; (vii) failure to
25 provide complete, accurate wage statements; (viii) failure to keep requisite payroll records; (ix)
26 failure to reimburse necessary business expenses; and (x) unfair business practices. This release
27 shall apply to claims that arose during the Class Period.

1 28. “Released PAGA Claims” means all claims under the California Labor Code
2 Private Attorneys General Act of 2004 for civil penalties that could have been premised on the
3 facts alleged both in the PAGA Letter to the LWDA and in the operative complaint in *Seabrooks*
4 *v. Children’s Home of Stockton*” San Joaquin County Superior Court Case No. STK-CV-UOE-
5 2023-5841 including but not limited to penalties that could have been awarded pursuant to Labor
6 Code sections 210, 226.3, 1197.1, 558, and 2699. The release shall apply to claims that arose
7 during the PAGA Period.

8 29. “Released Parties” means Defendant Children’s Home of Stockton and its past,
9 present and/or future, direct and/or indirect, officers, directors, members, managers, agents,
10 representatives, attorneys, insurers, partners, investors, reinsurers, shareholders, administrators,
11 parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint
12 venturers.

13 30. “Request for Exclusion” means a valid and timely written statement submitted by
14 a Class Member requesting to be excluded from the Action. To be effective, the Request for
15 Exclusion must contain (a) the Class Member’s name, address, telephone number, and the last
16 four digits of the Class Member’s Social Security number and/or the Employee ID number and
17 (b) a clear statement requesting to be excluded from the settlement of the class claims. To be
18 effective, the Request for Exclusion must be post-marked by the Response Deadline and received
19 by the Settlement Administrator. The Request for Exclusion shall not be effective as to the
20 release of claims arising under the Private Attorneys General Act.

21 31. “Response Deadline” means the date sixty (60) days after the Settlement
22 Administrator mails Notice to Class Members and the last date on which Class Members may
23 submit Requests for Exclusion, written objections to the Settlement, or Workweek Disputes. In
24 the event the 60th day falls on a Sunday or Federal holiday, the Response Deadline will be
25 extended to the next day on which the U.S. Postal Service is open. The Response Deadline for
26 Requests for Exclusion, written objections, or workweek disputes, will be extended fifteen (15)
27 calendar days for any Class Member who is re-mailed a Notice by the Settlement Administrator,
28 unless the 15th day falls on a Sunday or Federal holiday, in which case the Response Deadline

1 will be extended to the next day on which the U.S. Postal Service is open. The Response
2 Deadline may also be extended by express agreement between Class Counsel and Defendant.
3 Under no circumstances, however, will the Settlement Administrator have the authority to
4 unilaterally extend the Response Deadline.

5 32. "Settlement" means the disposition of the Action pursuant to this Agreement.

6 33. "Settlement Administrator" means Apex Class Action Administration. The Parties
7 each represent that they do not have any financial interest in the Settlement Administrator or
8 otherwise have a relationship with the Settlement Administrator that could create a conflict of
9 interest.

10 34. "Settlement Administration Costs" mean the costs payable from the Gross
11 Settlement Amount to the Settlement Administrator for administering this Settlement, including,
12 but not limited to, printing, distributing, and tracking documents for this Settlement,
13 calculating/confirming the class member Workweeks from the information contained in the
14 Class List, calculating each Participating Class Member's Individual Settlement Payment, tax
15 reporting, distributing the Gross Settlement Amount, providing necessary reports and
16 declarations, and other duties and responsibilities set forth herein to process this Settlement, and
17 as requested by the Parties. Settlement Administration Costs shall not exceed Seven Thousand
18 Two Hundred and Fifty Dollars (\$7,250.00).

19 35. "Workweek" shall mean any calendar week (i.e. a week beginning on Sunday and
20 ending on Saturday) in which a Class Member or PAGA Member worked at least 1 day.

21 **TERMS OF AGREEMENT**

22 36. Stipulation to Consolidate Actions: The parties shall file a stipulation and order to
23 consolidate the Actions for Settlement purposes only.

24 37. Settlement Consideration: Defendant shall fund the Gross Settlement Amount and
25 all applicable employer-side payroll taxes following Final Approval by the Court and the
26 occurrence of the Effective Date. The following will be paid out of the Gross Settlement
27 Amount: the sum of the Individual Settlement Payments, the Class Representative Enhancement
28 Payments, Class Counsel's Fees and Costs, the PAGA Payment, and the Settlement

1 Administration Costs, as specified in this Agreement. Except for any employer-side taxes due on
2 the Individual Settlement Payments, or as a result of an increase in the number of workweeks as
3 set forth below, Defendant shall not be required to pay more than the Gross Settlement Amount.
4 The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Amount
5 will revert to Defendant.

6 38. Potential Increase to the Gross Settlement Amount: Defendant has represented
7 there are approximately 29,620 Workweeks between July 25, 2018, and October 8, 2023. Should
8 the actual number of Workweeks increase by more than ten percent (10%) (i.e. by more than
9 2,962 Workweeks) Defendant shall have the option of either (1) increasing the Gross Settlement
10 Amount on a pro-rata basis equal to the percentage increase in the number of Workweeks
11 worked by the Class Members above 10%. For example, if the number of Workweeks increases
12 by 11%, the Gross Settlement Amount will increase by 1%; or (2) ending the Class Period on the
13 date the total workweeks worked by the Class Members exceeds 32,582 workweeks.

14 39. Funding of the Gross Settlement Amount: Within fourteen (14) calendar days of
15 the Effective Date of the Settlement, Defendant will deposit the Gross Settlement Amount and
16 all applicable employer-side payroll taxes into a Qualified Settlement Fund (“QSF”) to be
17 established by the Settlement Administrator. Defendant shall provide all information necessary
18 for the Settlement Administrator to calculate necessary payroll taxes including its official name,
19 8 digit state unemployment insurance tax ID number, and other information requested by the
20 Settlement Administrator, no later than seven (7) calendar days of the Effective Date.

21 40. Distribution of the Gross Settlement Amount: Within fourteen (14) calendar days
22 of the funding of the Settlement, the Settlement Administrator will issue payments for: (a)
23 Individual Settlement Payments; (b) the PAGA Payment to the Labor and Workforce
24 Development Agency; (c) the Class Representative Enhancement Payments; (d) Class Counsel’s
25 Fees and Costs and (e) Settlement Administration Costs.

26 41. Attorneys’ Fees and Costs: Defendant agrees not to oppose any application or
27 motion by Class Counsel for attorneys’ fees of not more than One Hundred and Fifty Thousand
28 Dollars (\$150,000.00) plus the reimbursement of costs and expenses associated with the

1 litigation and settlement of the Action, in an amount not to exceed Twenty-Five Thousand
2 Dollars (\$25,000.00), both of which will be paid from the Gross Settlement Amount. Any
3 portion of the requested fees or costs that is not awarded to Class Counsel shall be reallocated to
4 the Net Settlement Amount and distributed to Participating Class Members as provided in this
5 Agreement.

6 42. Class Representative Enhancement Payment: Defendant agrees not to oppose or
7 object to any application or motion by Plaintiffs for Class Representative Enhancement
8 Payments of Five Thousand Dollars (\$5,000.00) each for Plaintiffs Gonzalez and Seabrooks. The
9 Class Representative Enhancement Payments are in exchange for the General Release of the
10 Plaintiffs' individual claims and for their time, effort and risk in bringing and prosecuting the
11 Action. Any portion of the requested Class Representative Enhancement Payments that is not
12 awarded to the Class Representatives shall be reallocated to the Net Settlement Amount and
13 distributed to Participating Class Members as provided in this Agreement.

14 43. Settlement Administration Costs: The Settlement Administrator will be paid for
15 the reasonable costs of administration of the Settlement and distribution of payments from the
16 Gross Settlement Amount as further set forth in this Agreement. Settlement Administration Costs
17 shall not exceed Seven Thousand Two Hundred and Fifty Dollars (\$7,250.00).

18 44. PAGA Payment: Twenty-Five Thousand Dollars (\$25,000.00) shall be allocated
19 from the Gross Settlement Amount for settlement of claims for civil penalties under the PAGA.
20 The Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Payment, or
21 Eighteen Thousand Seven Hundred and Fifty Dollars (\$18,750.00), to the California Labor and
22 Workforce Development Agency ("LWDA"). Six Thousand Two Hundred and Fifty Dollars
23 (\$6,250.00), will be distributed to PAGA Members on a *pro rata* basis based on the total number
24 of Workweeks worked by each PAGA Member during the PAGA Period. PAGA Members shall
25 receive their portion of the PAGA Payment regardless of their decision to opt-out of the class
26 settlement.

27 45. Net Settlement Amount for Payment of Class Claims: The Net Settlement
28 Amount will be used to satisfy the class portion of Participating Class Members' Individual

1 Settlement Payments in accordance with the terms of this Agreement. The estimated Net
2 Settlement Amount is as follows:

3	Gross Settlement Amount	\$	450,000.00
4	Enhancement Payments:	\$	10,000.00
5	Class Counsel's Fees:	\$	150,000.00
6	Class Counsel's Costs:	\$	25,000.00
7	PAGA Payment	\$	25,000.00
8	Settlement Administration Costs:	\$	7,250.00
9	Estimated Net Settlement Amount	\$	232,750.00

10
11 46. Individual Settlement Payment Calculations: Individual Settlement Payments will
12 be paid from the Net Settlement Amount and the 25% portion of the PAGA Payment allocated
13 for PAGA Members and shall be paid pursuant to the formula set forth herein:

14 a) Calculation of Class Portion of Individual Settlement Payments:

15 The Settlement Administrator will calculate the total Workweeks for all Participating Class
16 Members by adding the number of Workweeks worked by each Participating Class Member
17 during the Class Period. The respective Workweeks for each Participating Class Member will be
18 divided by the total Workweeks for all Participating Class Members, resulting in the Payment
19 Ratio for each Participating Class Member. Each Participating Class Member's Payment Ratio
20 will then be multiplied by the Net Settlement Amount to calculate each Participating Class
21 Member's estimated share of the Net Settlement Amount.

22 b) Calculation of PAGA Portion of Individual Settlement Payments:

23 The Settlement Administrator will calculate the total Workweeks for all PAGA Members by
24 adding the number of Workweeks worked by each PAGA Member during the PAGA Period.
25 The respective Workweeks for each PAGA Member will be divided by the total Workweeks for
26 all PAGA Members, resulting in the Payment Ratio for each PAGA Member. Each PAGA
27 Member's Payment Ratio will then be multiplied by the employee portion of the PAGA Payment
28

1 to calculate each PAGA Member’s estimated share of the PAGA Payment. PAGA Members
2 shall receive this portion of their Individual Settlement Payment regardless of whether they opt
3 out of the participation regarding the class claims.

4 c) Allocation of Individual Settlement Payments: The Class Portion
5 of each Individual Settlement Payments will be allocated as follows: twenty percent (20%) of
6 each Individual Settlement Payment will be allocated as wages, forty percent (40%) shall be
7 allocated as interest, and forty percent (40%) shall be allocated as penalties. The PAGA Portion of
8 each Individual Settlement Payment will be allocated 100% as Penalties. The portion of the
9 Individual Settlement Payment allocated to wages will be reported by the Settlement
10 Administrator on an IRS Form W-2. The remaining non-wage payments will be reported on an
11 IRS Form-1099 by the Settlement Administrator.

12 47. No Credit Toward Benefit Plans: The Individual Settlement Payments made to
13 Participating Class Members under this Settlement, as well as any other payments made pursuant
14 to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans
15 to which any Class Members may be eligible, including, but not limited to profit-sharing plans,
16 bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and
17 any other benefit plan. Rather, it is the Parties’ intention that this Settlement Agreement will not
18 affect any rights, contributions, or amounts to which any Class Members may be entitled under
19 any benefit plans.

20 48. Settlement Administration Process: The Parties agree to cooperate in the
21 administration of the Settlement and to make all reasonable efforts to control and minimize the
22 costs and expenses incurred in administration of the Settlement. The Settlement Administrator
23 will provide the following services:

- 24 a) Establish and maintain a Qualified Settlement Fund.
25 b) Calculate the Individual Settlement Payment each Participating Class
26 Member is eligible to receive and the portion of the PAGA Payment each
27 PAGA Member shall receive.
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- c) Print and mail the Notice.
- d) Conduct additional address searches for mailed Notices that are returned as undeliverable.
- e) Process Requests for Exclusion, field inquiries from Class Members,
- f) Print and issue and issue Settlement Payment Checks, prepare IRS W2 and 1099 Tax Forms and any other filings required by any governmental taxing authority.
- g) Provide declarations and/or other information to this Court as requested by the Parties and/or the Court regarding the settlement administration process.
- h) Provide weekly status reports to counsel for the Parties.
- i) Posting a notice of final judgment online at Settlement Administrator's website.

49. Delivery of the Class List: Within fourteen (14) calendar days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator. This is a material term of the Agreement, and if Defendant fails to comply, Plaintiff shall have the right to void the Agreement.

50. Notice by First-Class U.S. Mail: Within seven (7) calendar days after receiving the Class List from Defendant, the Settlement Administrator will mail the Notice to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

51. Confirmation of Contact Information in the Class List: Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Notice returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Notice. If no forwarding address is provided, the Settlement Administrator will promptly

1 attempt to determine the correct address using a skip-trace, or other search using the name,
2 address and/or Social Security number of the Class Member involved, and will then perform a
3 single re-mailing. If any notice sent to a Class Member by the Settlement Administrator is
4 returned as undeliverable to a current employee, then Defendant shall make all reasonable efforts
5 to obtain the current address from the Class Member and provide the same within seven (7)
6 calendar days of notice from the Settlement Administrator. Those Class Members who receive a
7 re-mailed Notice, whether by skip-trace or by request, will have between the later of (a) an
8 additional fifteen (15) calendar days or (b) the Response Deadline to postmark a Request for
9 Exclusion, written objection, or workweek dispute.

10 52. Notice: All Class Members will be mailed a Notice. Each Notice will provide: (a)
11 information regarding the nature of the Action; (b) a summary of the Settlement's principal
12 terms; (c) the Class definition; (d) the total number of Workweeks each respective Class Member
13 worked for Defendat during the Class Period; (e) each Class Member's estimated Individual
14 Settlement Payment and the formula for calculating Individual Settlement Payments; (f) the dates
15 which comprise the Class Period; (g) instructions on how to opt-out of and object to the
16 Settlement; (h) the deadlines by which the Class Member must postmark Requests for Exclusion,
17 Objections to the Settlement, or Workweek Disputes; (i) the claims to be released, as set forth
18 herein; and (j) the date for the final approval hearing.

19 53. Disputed Information on Notice: Class Members will have an opportunity to
20 dispute the information provided in their Notice. To the extent Class Members dispute the
21 number of Workweeks with which they have been credited or the amount of their Individual
22 Settlement Payment, Class Members may produce evidence to the Settlement Administrator
23 showing that such information is inaccurate. Absent evidence rebutting Defendant's records,
24 Defendant's records will be presumed determinative. However, if a Class Member produces
25 evidence to the contrary by the Response Deadline, the Parties will evaluate the evidence
26 submitted by the Class Member and the Parties will make the final decision as to the number of
27 eligible Workweeks that should be applied and/or the Individual Settlement Payment to which
28 the Class Member may be entitled. If the Parties do not agree, the dispute will be submitted to

1 the Court.

2 54. Defective Submissions: If a Class Member's Request for Exclusion is defective as
3 to the requirements listed herein, that Class Member will be given an opportunity to cure the
4 defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3)
5 business days of receiving the defective submission to advise the Class Member that his or her
6 submission is defective and that the defect must be cured to render the Request for Exclusion
7 valid. The Class Member will have until the later of (a) the Response Deadline or (b) fifteen (15)
8 calendar days from the date of the cure letter, whichever date is later, to postmark a revised
9 Request for Exclusion. If a Class Member responds to a cure letter by filing a defective claim,
10 then the Settlement Administrator will have no further obligation to give notice of a need to cure.
11 If the revised Request for Exclusion is not postmarked within that period, it will be deemed
12 untimely.

13 55. Request for Exclusion Procedures: Any Class Member wishing to opt-out from
14 the Action must sign and postmark a written Request for Exclusion to the Settlement
15 Administrator by the Response Deadline. The Request for Exclusion must include (a) the Class
16 Member's name, address, telephone number, and the last four digits of the Class Member's
17 Social Security number and/or the Employee ID number and (b) a clear statement requesting to
18 be excluded from the settlement of the class claims. The date of the postmark on the return
19 mailing envelope receipt confirmation will be the exclusive means to determine whether a
20 Request for Exclusion has been timely submitted. All Requests for Exclusion will be submitted
21 to the Settlement Administrator, who will certify jointly to Class Counsel and Defendant's
22 Counsel the Requests for Exclusion that were timely submitted. All Class Members who do not
23 request exclusion from the Action will be bound by all terms of the Settlement Agreement if the
24 Settlement is granted final approval by the Court. The Request for Exclusion shall not be
25 effective as to the release of claims arising under the Private Attorneys General Act.

26 56. Defendant's Right to Rescind: If ten percent (10%) or more of the Class Members
27 (rounded to the next whole number) elect not to participate in the Settlement, Defendant may, at
28 its election, rescind the Settlement Agreement and all actions taken in furtherance of it will be

1 thereby null and void. Defendant must meet and confer with Class Counsel prior to exercising
2 this right and must make clear their intent to rescind the Agreement within fourteen (14) calendar
3 days of the Settlement Administrator notifying the Parties of these opt-outs. If Defendant
4 exercises its right to rescind the Agreement, Defendant shall be responsible for all Settlement
5 Administration Costs incurred to the date of rescission.

6 57. Settlement Terms Bind All Class Members Who Do Not Opt-Out: Upon the
7 complete funding of the Gross Settlement Amount, any Class Member who does not
8 affirmatively opt-out of the Settlement by submitting a timely and valid Request for Exclusion
9 will be bound by all of its terms, including those pertaining to the Released Class Claims, as well
10 as any Judgment that may be entered by the Court if it grants final approval to the Settlement.
11 Class Members who opt-out of the Settlement shall not be bound by such Judgment or the Class
12 Release. However, the opt-out shall not be effective as to the release of claims arising under the
13 Private Attorneys General Act. The names of Class Members who have opted-out of the
14 settlement shall be disclosed to the Counsel for both Plaintiffs and Defendant and noted in the
15 proposed Judgment submitted to the Court.

16 58. Objection Procedures: To object to the Settlement, a Participating Class Member
17 must postmark a valid Objection to the Settlement Administrator on or before the Response
18 Deadline. The Objection must be signed by the Participating Class Member and contain all
19 information required by this Settlement Agreement including the employees full name, address,
20 telephone number, the last four digits of their social security number and/or Employee ID
21 number, the name of the case and case number, and the specific reason including any legal
22 grounds for the Participating Class Members objection. The postmark date will be deemed the
23 exclusive means for determining that the Notice of Objection is timely. Participating Class
24 Members who fail to object in the manner specified above will be foreclosed from making a
25 written objection but shall still have a right to appear at the Final Approval Hearing in order to
26 have their objections heard by the Court. At no time will any of the Parties or their counsel seek
27 to solicit or otherwise encourage Participating Class Members to submit written objections to the
28 Settlement or appeal from the Order and Judgment. Class Counsel will not represent any Class

1 Members with respect to any objections to this Settlement.

2 59. Certification Reports Regarding Individual Settlement Payment Calculations: The
3 Settlement Administrator will provide Defendant’s Counsel and Class Counsel a weekly report
4 which certifies: (a) the number of Class Members who have submitted valid Requests for
5 Exclusion; (b) the number of Notices returned and re-mailed and (c) whether any Class Member
6 has submitted a challenge to any information contained in the Notice. Additionally, the
7 Settlement Administrator will provide to counsel for both Parties any updated reports regarding
8 the administration of the Settlement Agreement as needed or requested.

9 60. Uncashed Settlement Checks: Any checks issued by the Settlement Administrator
10 to Participating Class Members and PAGA Members will be negotiable for at least one hundred
11 eighty (180) calendar days. If a Participating Class Member or PAGA Member does not cash his
12 or her Settlement Check or PAGA payment check within 180 days, the uncashed funds, subject
13 to Court approval, shall be distributed to the Controller of the State of California to be held
14 pursuant to the Unclaimed Property Law, California Civil Code §1500, *et. seq.* for the benefit of
15 those Participating Class Members and PAGA Members who did not cash their checks until such
16 time that they claim their property. The Parties agree that this disposition results in no “unpaid
17 residue” under California Civil Procedure Code § 384, as the entire Net Settlement Amount will
18 be paid out to Participating Class Members and the entire 25% portion of the PAGA Payment
19 will be paid out to the PAGA Members, whether or not they all cash their Settlement Checks or
20 PAGA payment checks. Therefore, Defendant will not be required to pay any interest on such
21 amounts. The Individual Settlement Payments provided to Participating Class Members and to
22 PAGA Members shall prominently state the expiration date or a statement that the Settlement
23 Check will expire in one hundred eighty (180) days, or alternatively, such a statement may be
24 made in a letter accompanying the Individual Settlement Payment. Expired Individual Settlement
25 Payments will not be reissued, except for good cause and as mutually agreed by the Parties in
26 writing. The parties agree no unclaimed funds will result from the settlement.

27 61. Administration of Taxes by the Settlement Administrator: The Settlement
28 Administrator will be responsible for issuing to Plaintiffs, Participating Class Members, PAGA

1 Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for
2 all amounts paid pursuant to this Settlement. The Settlement Administrator will also be
3 responsible for forwarding all payroll taxes and penalties to the appropriate government
4 authorities.

5 62. Tax Liability: Defendant makes no representation as to the tax treatment or legal
6 effect of the payments called for hereunder, and Plaintiffs and Participating Class Members are
7 not relying on any statement, representation, or calculation by Defendant or by the Settlement
8 Administrator in this regard. Plaintiffs and Participating Class Members understand and agree
9 that they will be solely responsible for the payment of any taxes and penalties assessed on the
10 payments described herein. Defendant's share of any employer payroll taxes and other required
11 employer withholdings due on the Individual Settlement Payments, including, but not limited to,
12 Defendant's FICA and FUTA contributions, shall be paid separate and apart from the Gross
13 Settlement Amount.

14 63. Circular 230 Disclaimer: Each Party to this Agreement (for purposes of this
15 section, the "acknowledging party" and each Party to this Agreement other than the
16 acknowledging party, an "other party") acknowledges and agrees that: (1) no provision of this
17 Agreement, and no written communication or disclosure between or among the Parties or their
18 attorneys and other advisers, is or was intended to be, nor shall any such communication or
19 disclosure constitute or be construed or be relied upon as, tax advice within the meaning of
20 United States Treasury Department circular 230 (31 CFR part 10, as amended); (2) the
21 acknowledging party (a) has relied exclusively upon his, her or its own, independent legal and
22 tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not
23 entered into this Agreement based upon the recommendation of any other Party or any attorney
24 or advisor to any other Party, and (c) is not entitled to rely upon any communication or
25 disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be
26 imposed on the acknowledging party, and (3) no attorney or adviser to any other Party has
27 imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax
28 strategies (regardless of whether such limitation is legally binding) upon disclosure by the

1 acknowledging party of the tax treatment or tax structure of any transaction, including any
2 transaction contemplated by this Agreement.

3 64. No Prior Assignments: The Parties and their counsel represent, covenant, and
4 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported
5 to assign, transfer, or encumber to any person or entity any portion of any liability, claim,
6 demand, action, cause of action or right herein released and discharged.

7 65. Release by Participating Class Members: Upon the complete funding of the Gross
8 Settlement Amount and all applicable employer-side payroll taxes by Defendant, Participating
9 Class Members shall fully release and discharge the Released Parties from the Released Class
10 Claims that arose during the Class Period. This release shall be binding on all Participating Class
11 Members.

12 66. Release by the State of California and LWDA: Upon the complete funding of the
13 Gross Settlement Amount and all applicable employer-side payroll taxes by Defendant the
14 LWDA and the State of California, through Plaintiff as its agent and/or proxy, shall release and
15 discharge the Released Parties from the Released PAGA Claims that arose during the PAGA
16 Period. The Parties intend for this PAGA settlement to have claim preclusion, issue preclusion,
17 or otherwise bar a representative action if an aggrieved employee were to bring a subsequent
18 claim on behalf of the LWDA based on the same factual predicate as this action and covering the
19 same time period.

20 67. Release of Additional Claims & Rights by Plaintiffs: Upon the funding of the
21 Gross Settlement Amount, Plaintiffs Gonzalez and Seabrooks agree—on behalf of themselves
22 only—to the additional following General Release: In consideration of Defendant’s promises and
23 agreements as set forth herein, Plaintiffs hereby fully release the Released Parties from any and
24 all Released Class Claims and Released PAGA Claims and also generally release and discharge
25 the Released Parties from any and all claims, demands, obligations, causes of action, rights, or
26 liabilities of any kind which have been or could have been asserted against the Released Parties
27 arising out of or relating to their employment by Defendant or termination thereof, including but
28 not limited to claims for wages, restitution, penalties, retaliation, defamation, discrimination,

1 harassment or wrongful termination of employment. This release specifically includes any and
2 all claims, demands, obligations and/or causes of action for damages, restitution, penalties,
3 interest, and attorneys' fees and costs (except provided by the Settlement Agreement) relating to
4 or in any way connected with the matters referred to herein, whether or not known or suspected
5 to exist, and whether or not specifically or particularly described herein. Specifically, Plaintiffs
6 waive all rights and benefits afforded by California Civil Code Section 1542, which provides:

7 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
8 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
9 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE
10 RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE
11 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE
12 DEBTOR OR RELEASED PARTY.

13 This release specifically excludes claims for unemployment insurance, disability, social
14 security, and workers compensation (with the exception of claims arising pursuant to California
15 Labor Code Sections 132(a) and 4553)

16 68. Neutral Employment Reference: Defendant agrees that it will adopt a neutral
17 reporting policy regarding any future employment references related to Plaintiffs. In the event
18 that any potential or future employers of Plaintiffs request a reference regarding Defendant's
19 employment of Plaintiffs, Defendant shall only provide the requested Plaintiff's dates of
20 employment, job titles during employment, and final rate of pay. Defendant shall not refer to the
21 Action or this Settlement.

22 69. Nullification of Settlement Agreement: In the event that: (a) the Court does not
23 finally approve the Settlement as provided herein; (b) the Court strikes or does not approve any
24 material term of this Settlement Agreement; or (c) the Settlement does not become final as
25 written and agreed to by the Parties for any other reason, then this Settlement Agreement, and
26 any documents generated to bring it into effect, will be null and void, all amounts deposited into
27 the QSF will be returned to Defendant, and the Parties shall be returned to their original
28 respective positions. Any order or judgment entered by the Court in furtherance of this

1 Settlement Agreement will likewise be treated as void from the beginning. Should the Court fail
2 to approve this settlement for any reason, the Parties agree that they will return to and attend
3 mediation with a mutually agreed Mediator in an effort to reach a settlement that may be
4 approved by the Court.

5 70. Preliminary Approval Hearing: Plaintiffs will obtain a hearing before the Court to
6 request Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary
7 Approval Order for: (a) conditional certification of the Class for settlement purposes only, (b)
8 Preliminary Approval of the proposed Settlement Agreement, and (c) setting a date for a Final
9 Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for the
10 Notice to be sent to all Class Members as specified herein. In conjunction with the Preliminary
11 Approval hearing, Plaintiffs will submit this Agreement, which sets forth the terms of the
12 Settlement, and will include the proposed Notice attached as Exhibit A. Defendant agrees that it
13 will not oppose Plaintiffs' motion for Preliminary Approval. Any failure by the Court to fully
14 and completely approve the Agreement as to the Action will result in this Settlement Agreement
15 and the Memorandum of Understanding entered into by the Parties, and all obligations under this
16 Settlement Agreement and the Memorandum of Understanding being nullified and voided.

17 71. Final Settlement Approval Hearing and Entry of Judgment: Upon expiration of
18 the deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and
19 with the Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to
20 determine the Final Approval of the Settlement Agreement along with the amounts properly
21 payable for: (a) Individual Settlement Payments; (b) the Attorneys' Fees and Costs; (c) the Class
22 Representative Enhancement Payments; and (d) the Settlement Administration Costs. Class
23 Counsel will be responsible for drafting all documents necessary to obtain Final Approval. Any
24 failure by the Court to fully and completely approve the Settlement Agreement as to all of the
25 Action, or the entry of any Order by another Court with regard to any of the Action which has
26 the effect of modifying material terms of this Agreement or preventing the full and complete
27 approval of the Settlement Agreement as written and agreed to by the Parties, will result in this
28 Agreement and all obligations under this Agreement being null and void. Defendant agrees it

1 shall not oppose the granting of the Motion for Final Approval, provided Defendant has not
2 exercised its right to rescind pursuant to the terms of this Agreement.

3 72. Judgment and Continued Jurisdiction: Upon Final Approval of the Settlement by
4 the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the
5 Judgment to the Court for its approval. After entry of the Judgment, the Court will have
6 continuing jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement
7 of the terms of the Settlement, (b) Settlement administration matters, and (c) such post-Judgment
8 matters as may be appropriate under court rules or as set forth in this Settlement.

9 73. Exhibits Incorporated by Reference: The terms of this Settlement include the
10 terms set forth in any attached Exhibits, which are incorporated by this reference as though fully
11 set forth herein. Any Exhibits to this Settlement are an integral part of the Settlement.

12 74. Entire Agreement: This Settlement Agreement and any attached Exhibits
13 constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous
14 written or oral agreements may be deemed binding on the Parties.

15 75. Amendment or Modification: This Settlement Agreement may be amended or
16 modified only by a written instrument signed by counsel for all Parties or their successors-in-
17 interest and approved by the Court.

18 76. Authorization to Enter Into Settlement Agreement: Counsel for all Parties warrant
19 and represent they are expressly authorized by the Parties whom they represent to negotiate this
20 Settlement Agreement and to take all appropriate action required or permitted to be taken by
21 such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any
22 other documents required to effectuate the terms of this Settlement Agreement. The Parties and
23 their counsel will cooperate with each other and use their best efforts to affect the
24 implementation of the Settlement. If the Parties are unable to reach agreement on the form or
25 content of any document needed to implement the Settlement, or on any supplemental provisions
26 that may become necessary to effectuate the terms of this Settlement, the Parties may seek the
27 assistance of the Court to resolve such disagreement.

28 77. Binding on Successors and Assigns: This Settlement Agreement will be binding

1 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously
2 defined.

3 78. California Law Governs: All terms of this Settlement Agreement and Exhibits
4 hereto will be governed by and interpreted according to the laws of the State of California.

5 79. Execution and Counterparts: This Settlement Agreement is subject only to the
6 execution of all Parties. However, the Settlement Agreement may be executed in one or more
7 counterparts. All executed counterparts and each of them, including facsimile and scanned copies
8 of the signature page, will be deemed to be one and the same instrument provided that counsel
9 for the Parties will exchange among themselves original signed counterparts.

10 80. Acknowledgement that the Settlement is Fair and Reasonable: The Parties believe
11 this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have
12 arrived at this Settlement after arm's-length negotiations and in the context of adversarial
13 litigation, taking into account all relevant factors, present and potential. The Parties further
14 acknowledge that they are each represented by competent counsel and that they have had an
15 opportunity to consult with their counsel regarding the fairness and reasonableness of this
16 Settlement.

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

21 82. Waiver of Certain Appeals: The Parties agree to waive appeals and to stipulate to
22 class certification for purposes of this Settlement only; except, however, that either party may
23 appeal any court order that materially alters the Settlement Agreement's terms.

24 83. Class Action Certification for Settlement Purposes Only: The Parties agree to
25 stipulate to class action certification only for purposes of the Settlement. If, for any reason, the
26 Settlement is not approved, the stipulation to certification will be void. The Parties further agree
27 that certification for purposes of the Settlement is not an admission that class action certification
28 is proper under the standards applied to contested certification motions and that this Agreement

1 will not be admissible in this or any other proceeding as evidence that either: (a) a class action
2 should be certified or (b) Defendant is liable to Plaintiffs or any Class Member, other than
3 according to the Settlement's terms.

4 84. Non-Admission of Liability: The Parties enter into this Agreement to resolve the
5 dispute that has arisen between them and to avoid the burden, expense and risk of continued
6 litigation. In entering into this Agreement, Defendant does not admit, and specifically denies, it
7 has violated any federal, state, or local law; violated any regulations or guidelines promulgated
8 pursuant to any statute or any other applicable laws, regulations or legal requirements; breached
9 any contract; violated or breached any duty; engaged in any misrepresentation or deception; or
10 engaged in any other unlawful conduct with respect to their employees. Neither this Agreement,
11 nor any of its terms or provisions, nor any of the negotiations connected with it, shall be
12 construed as an admission or concession by Defendant of any such violations or failures to
13 comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this
14 Agreement, this Agreement and its terms and provisions shall not be offered or received as
15 evidence in any action or proceeding to establish any liability or admission on the part of
16 Defendant or to establish the existence of any condition constituting a violation of, or a non-
17 compliance with, federal, state, local or other applicable law.

18 85. Captions: The captions and section numbers in this Agreement are inserted for the
19 reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
20 provisions of this Agreement.

21 86. Waiver: No waiver of any condition or covenant contained in this Settlement
22 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered
23 to imply or constitute a further waiver by such party of the same or any other condition,
24 covenant, right or remedy.

25 87. Enforcement Action: In the event that one or more of the Parties institutes any
26 legal action or other proceeding against any other Party or Parties to enforce the provisions of
27 this Settlement or to declare rights and/or obligations under this Settlement, the successful Party
28 or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys'

1 fees and costs, including expert witness fees incurred in connection with any enforcement
2 actions.

3 88. Mutual Preparation: The Parties have had a full opportunity to negotiate the terms
4 and conditions of this Agreement. Accordingly, this Agreement will not be construed more
5 strictly against one Party than another merely by virtue of the fact that it may have been prepared
6 by counsel for one of the Parties, it being recognized that, because of the arms-length
7 negotiations between the Parties, all Parties have contributed to the preparation of this Settlement
8 Agreement.

9 89. Representation By Counsel: The Parties acknowledge that they have been
10 represented by counsel throughout all negotiations that preceded the execution of this
11 Agreement, and that this Agreement has been executed with the consent and advice of counsel
12 and reviewed in full. Further, Plaintiffs and Class Counsel warrant and represent that there are no
13 liens on the Agreement.

14 90. All Terms Subject to Final Court Approval: All amounts and procedures
15 described in this Settlement Agreement herein will be subject to final Court approval.

16 91. Cooperation and Execution of Necessary Documents: The Parties agree to
17 cooperate to promote participation in the Settlement, and in seeking court approval of the
18 Settlement. The Parties and their counsel agree not to take any action to encourage any Class
19 Members to opt out of and/or object to the Settlement. Defendant agrees not to obtain any
20 settlement agreement waivers, Pick Up Stix agreements or arbitration agreements from any Class
21 Member prior to the funding of the Gross Settlement Amount concerning claims released via
22 this Agreement, or enter into any arbitration agreement with any Class Member that covers the
23 claims released via this Agreement during the Settlement approval process prior to the funding of
24 the Gross Settlement Amount and that the Parties will work in good faith to reach an agreement
25 approved by the Court.

26 92. Confidentiality: The Parties and their counsel agree to keep the terms of the
27 Settlement confidential until the filing of Plaintiffs' Motion for Preliminary Approval. Plaintiffs,
28 Class Counsel, Defendant and their counsel agree that they will not issue any press releases,

1 initiate any contact with the press, respond to any press inquiry or have any communication with
2 the press about the fact, amount or terms of the Settlement Agreement. Nothing in this
3 Settlement Agreement shall limit Defendant’s ability to fulfill disclosure obligations reasonably
4 required by law or in furtherance of business purposes, including the fulfillment of obligations
5 stated in this Settlement Agreement or limit Class Counsel’s communications with the Class
6 Members in furtherance of approval of this Settlement.


7 93. Binding Agreement: The Parties warrant that they understand and have full
8 authority to enter into this Settlement, and further intend that this Settlement Agreement will be
9 fully enforceable and binding on all Parties and agree that it will be admissible and subject to
10 disclosure in any proceeding to enforce its terms, notwithstanding any settlement confidentiality
11 provisions that otherwise might apply under federal or state law.

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13 [SIGNATURES ON FOLLOWING PAGE]
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Dated: 11/2/2023

PLAINTIFF

By: 
Rita Gonzalez
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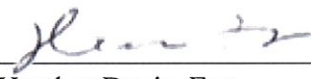
Dated: 11/2/2023

PLAINTIFF

By: 
Dasia Seabrooks
C8D48A622A184C6...


Dated: 11/2/2023

PROTECTION LAW GROUP, LLP

By: 
Heather Davis, Esq.
Attorneys for Plaintiff

Dated: 11/28/2023

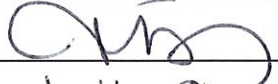
LAWYERS FOR JUSTICE PC

By: 
Joanna Ghosh, Esq.
Arby Aiwarzian Esq.
Attorneys for Plaintiff

Dated: 11/29/23

DEFENDANT

CHILDREN'S HOME OF STOCKTON

By: 
Name: Jelle Gomez
Title: CEO

Dated: 11/29/23

ELGUINDY MEYER & KOGEL APC.


By: 
David Daniels
Attorneys for Defendant

Exhibit A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Gonzalez v. Children’s Home of Stockton

San Joaquin County Superior Court, Case No. STK-CV-UOE-2022-6373

**THIS IS A COURT-AUTHORIZED NOTICE. IT IS NOT A SOLICITATION.
PLEASE READ THIS NOTICE CAREFULLY.
YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT.**

To: All current and former hourly-paid, non-exempt employees of Children’s Home of Stockton who were employed by Children’s Home of Stockton in the State of California at any time from July 25, 2018, through December 8, 2023.

BASIC INFORMATION

1. What is this settlement about?

Rita Gonzalez is a former employee of Children’s Home of Stockton (“Defendant”). Ms. Gonzalez filed a lawsuit with the San Joaquin Superior Court on July 25, 2022, *Gonzalez v. Children’s Home of Stockton*, San Joaquin County Superior Court, Case No. STK-CV-UOE-2022-6373. The lawsuit claims that Defendant violated sections of the California Labor Code and California Business and Professions Code. Specifically, the complaint alleges that Defendant failed to provide compliant meal and rest periods and associated premium pay, did not properly pay employees all wages owed for time worked, did not provide accurate wage statements, did not timely pay all wages during employment and all wages owed at termination of employment, failed to reimburse employees for necessary business expenses, and maintained unfair business practices. The lawsuit claims that the Defendant violated the California Labor Code and the California Business and Professions Code, entitling Class Members to, *inter alia*, damages, penalties and restitution.

Dasia Seabrooks is also a former employee of Children’s Home of Stockton. On June 7, 2023, Ms. Seabrooks filed a lawsuit with the San Joaquin Superior Court *Seabrooks v. Children’s Home of Stockton*, Case No. STK-CV-UOE-2023-5841 alleging violations of the California Private Attorneys General Act (“PAGA”) and seeking civil penalties for violations of the California Labor Code.

On November 2, 2023, the Court consolidated these matters for settlement purposes. Defendant denies all alleged violations and denies that it owes Class Members any remedies. The Court has not made a ruling on the merits of the case.

2. Why is this a class action?

In a class action, one or more people called the Class Representative (in this case Rita Gonzalez and Dasia Seabrooks, also known as “Plaintiffs”), sue on behalf of people who appear to have similar claims (in this case all non-exempt employees of Children’s Home of Stockton who were employed by Children’s Home of Stockton in the State of California at any time from July 25, 2018, through December 8, 2023) All these people are referred to here as Class Members. In a class action one court resolves the issues for all Class Members in one lawsuit, except for those who exclude themselves from the Class. The San Joaquin County Superior Court is in charge of this class action.

3. Why is there a settlement?

The Court has not decided in favor of the Plaintiffs or Defendant. Instead, both sides agreed to a settlement which is memorialized in the Joint Stipulation of Class Action and PAGA Settlement (“Agreement” or “Settlement”). On [DATE OF PRELIMINARY APPROVAL] the Court granted preliminary approval of the Settlement, appointed Plaintiffs Dasia Seabrooks and Rita Gonzalez as the Class Representatives, and appointed their attorneys at Protection Law Group and Lawyers for Justice as counsel for the Class (“Class Counsel”). The Court has not made a final ruling on whether the settlement is fair, adequate, and reasonable. Instead, the Court has found that the settlement within the range of reasonableness that could be approved. A Final Determination on whether to approve the settlement will be made at the hearing on [REDACTED]. The Class Representatives and Class Counsel think the Settlement is best for the Class.

WHO IS IN THE SETTLEMENT?

4. How do I know if I am part of the settlement?

You are part of the Settlement, and a Class Member, if you were employed by Defendant as an hourly-paid, non-exempt employee in the state of California at any time between July 25, 2018, and December 8, 2023

THE SETTLEMENT BENEFITS—WHAT YOU GET

5. What does the settlement provide?

The Settlement provides that Defendant will pay a maximum of Four Hundred and Fifty Thousand Dollars (\$450,000.00) (“Gross Settlement Amount”). This includes all costs and attorneys’ fees for Class Counsel.

The “Net Settlement Amount” is the portion of the Gross Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Amount is the Gross Settlement Amount less the following amounts (which are subject to Court approval):

- A. **Attorneys’ Fees to Class Counsel** not to exceed one-third (1/3) of the Gross Settlement Amount or One Hundred and Fifty Thousand Dollars (\$150,000.00);
- B. **Litigation Costs/Expenses to Class Counsel** not to exceed Twenty-Five Thousand Dollars (\$25,000);
- C. **Incentive Payment to the Class Representatives** in an amount not to exceed Five Thousand Dollars (\$5,000.00) to both Ms. Gonzalez and Ms. Seabrooks;
- D. **Settlement Administration Costs** which are currently estimated to be Seven Thousand Two Hundred and Fifty Dollars (\$7,250.00); and
- E. **PAGA Payment** in the amount of Twenty-Five Thousand Dollars (\$25,000.00) for the settlement of claims arising under the Private Attorney’s General Act of 2004 (PAGA). Seventy-Five percent (75%) of this amount, (\$18,750.00) shall be paid to the LWDA. The remaining twenty-five percent (25%) (\$6,250.00) will be distributed to hourly-paid, non-exempt employees who worked for Defendant from March 29, 2022, through December 8, 2023, for the release of their claims arising under PAGA.

The amount you are eligible to receive from the settlement, your “Individual Settlement Payment” will be determined on a *pro rata* basis, based on the number of weeks you worked in California as an hourly-paid, non-exempt employee of Defendant from July 25, 2018, through December 8, 2023 (“Workweeks”). Your Individual Settlement Payment includes both your estimated share of the Net Settlement Amount and, if eligible, your share of the PAGA Payment.

The Class Portion of your Individual Settlement Payment will be apportioned as twenty percent (20%) wages, forty percent (40%) interest, and forty percent (40%) penalties. The PAGA Portion of your Individual Settlement Payment will be allocated 100% as penalties. The wage portion of the Individual Settlement Payment will be subject to

withholding for the employee taxes and will be reported on a W-2 Form. Employer-side payroll taxes shall be paid separately from and in addition to the Gross Settlement Amount. The penalties and interest portions of each class member's settlement payment will not be subject to any withholdings and will be reported on an IRS Form 1099.

You worked XXX workweeks during the Class Period. The Class Portion of your Individual Settlement Payment is \$XXX.XX. The amount of the payment may change depending on the number of timely and valid requests for exclusions submitted in the Settlement, if any.

You worked XXX workweeks during the PAGA Period. The PAGA Portion of your Individual Settlement Payment is \$XXX.XX.

This Amount was determined based on Defendant's record of your employment between July 25, 2018, and December 8, 2023, and is presumed correct. If you dispute the accuracy of Defendant's records as to the number of weeks worked during the Class Period, you must contact the Settlement Administrator and provide any documentation you have supporting such dispute by [DATE]. All disputes regarding your workweeks will be resolved and decided by the Parties or if the Parties cannot agree, the Court, after you submit evidence to the Settlement Administrator. The Settlement Administrator's contact information is listed below:

[Settlement Administrator]
[Address]
[Telephone No].

HOW TO GET A PAYMENT FROM THE SETTLEMENT

6. How can I get a payment?

You do not have to do anything to qualify for a payment of your portion of the Settlement.

7. What am I giving up if I do not request to be excluded from the Settlement?

Upon the funding of the Gross Settlement Amount by Defendant, in exchange for the consideration set forth by the Settlement, Class Members who do not submit a timely request for exclusion will release the "Released Parties" from the "Released Class Claims" that arose during the "Class Period."

The "Released Parties" include Children's Home of Stockton and its past, present and/or future, direct and/or indirect, officers, directors, members, managers, agents, representatives, attorneys, insurers, partners, investors, reinsurers, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

The "Released Class Claims" include claims, rights, demands, liabilities and causes of actions that are alleged, or that reasonably could have been alleged, based on the facts asserted in the operative complaint in *Gonzalez v. Children's Home of Stockton*, San Joaquin County Superior Court Case No. STK-CV-UOE-2022-6373 including factual claims regarding Defendants' alleged: (i) failure to pay all overtime wages due; (ii) failure to provide meal periods or compensation in lieu thereof; (iii) failure to provide rest periods or compensation in lieu thereof; (iv) failure to pay minimum wages; (v) failure to pay wages timely at time of termination or resignation; (vi) failure to timely pay wages during employment; (vii) failure to provide complete, accurate wage statements; (viii) failure to keep requisite payroll records; (ix) failure to reimburse necessary business expenses; and (x) unfair business practices

The "Class Period" during which the release of Released Class Claims pertains is from July 25, 2018, through December 8, 2023.

Additionally, all current and former non-exempt employees of Defendant who were employed by Defendant in the

state of California from March 29, 2022, through December 8, 2023, shall release the Released PAGA Claims that arose during the PAGA Period. You cannot opt-out of the release of the claims alleged under PAGA.

The “Released PAGA Claims” include all claims under the California Labor Code Private Attorneys General Act of 2004 for civil penalties that could have been premised on the facts alleged both in the PAGA Letter to the LWDA and in the operative complaint in *Seabrooks v. Children’s Home of Stockton*” San Joaquin County Superior Court Case No. STK-CV-UOE- 2023-5841 including but not limited to penalties that could have been awarded pursuant to Labor Code sections 210, 226.3, 1197.1, 558, and 2699

The “PAGA Period” during which the release of the Released PAGA Claims pertains is March 29, 2022, through December 8, 2023.

EXCLUDING YOURSELF FROM THE RELEASE OF NON-PAGA CLAIMS

If you want to keep the right to sue or continue to sue Defendant with respect to the Released Class Claims then you must submit a request for exclusion in conformity with the requirements set forth herein. If you exclude yourself, you will not receive payment from Net Settlement Amount. However, if eligible, you will still receive a payment in an amount equal to your estimated *pro rata* share of the PAGA Payment because the Request for Exclusion does not apply to this claim.

8. How can I not participate in the Settlement?

To exclude yourself from the release of Released Class Claims you must submit a written request for exclusion. You must include your name, address, telephone number and the last four digits of your social security number and/or Employee ID number. Your request for exclusion must include a clear statement that you do not wish to be included in this action.

The written for Exclusion must be mailed to the Settlement Administrator at the address listed below, post-marked by [DATE]. You cannot exclude yourself by phone.

[Settlement Administrator]
[Address]
[Telephone No.]

If you ask to be excluded, you will not receive payment of any portion of the Net Settlement Amount and you cannot object to the Settlement. You will not be legally bound by the release of Released Class Claims.

You may be able to sue Defendant and/or the Released Parties or continue any suit you have pending against Defendant or the Released Parties, regarding the Released Class Claims.

9. If I don’t exclude myself, can I sue Defendant for the same thing later?

No. Unless you submit a request for exclusion, you give up the right to sue Defendant and Released Parties for the Released Class Claims. If you have a pending lawsuit involving the Released Class Claims, speak to your lawyer in that lawsuit immediately.

10. If I exclude myself, can I get money from this settlement?

No. (except if you worked between March 29, 2022, and December 8, 2023, in which case you will still receive the portion of your Individual Settlement Payment for claims that arise under PAGA.). But if you submit a timely and valid

request for exclusion, you retain any right that you may have to sue, continue to sue, or be part of a different lawsuit against Released Parties for Released Class Claims.

THE LAWYERS REPRESENTING YOU

11. Do I have a lawyer in this case?

The Court has approved PROTECTION LAW GROUP, LLP and LAWYERS FOR JUSTICE P.C. as Class Counsel. The firms' contact information is:

PROTECTION LAW GROUP LLP

Heather Davis, Esq.
Amir Nayebdadash, Esq.
237 California Street
El Segundo, California 90245
Telephone: (424) 290-3095

LAWYERS *for* JUSTICE P.C.

Edwin Aiwazian, Esq.
410 Arden Ave, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020

Class Counsel will ask the Court for attorneys' fees of up to \$150,000.00 and reimbursement of litigation cost/expenses of up to \$25,000. These amounts are subject to Court approval and the Court may award less than these amounts.

OBJECTING TO THE SETTLEMENT

You can object to the Settlement or some part of it.

12. How do I tell the Court if I don't like the settlement?

If you are a Class Member, you can object to the Settlement and you can give reasons for why you think the Court should not approve it. The Court will consider your views. To object, you must mail your objection to the Settlement Administrator no later than [DATE]. Your objection must include your full name, address, telephone number, the last four digits of your social security number or employee ID number, and the specific reason for your objection. You may also come to the Final Approval Hearing on [DATE] and make an objection at that time, regardless of whether you submitted a written objection.

13. What is the difference between objecting and requesting to be excluded?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Requesting to be excluded is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to grant final approval of the Settlement ("Final Approval Hearing"). You may attend, but you do not have to attend.

14. When and where will the Court decide whether to approve the settlement?

The Court will hold the Final Approval Hearing at [REDACTED] a.m./p.m. on [REDACTED], 2024], in Department 10A of the San Joaquin Superior Court, located at 180 E Weber Ave., Stockton, CA 95202.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them.

15. Do I have to come to the hearing?

No. If you agree to the Settlement you do not have to come to Court to talk about it. However, you may attend. You may also retain your own lawyer at your expense to attend on your behalf. You may attend in person, but you may also attend remotely if you wish. Information regarding remote appearances may be obtained at <https://www.sjcourts.org/divisions/civil/>

16. How will I learn if the settlement was approved

A notice of final judgment will be posted on the Settlement Administrator website located at [www. \[REDACTED\] .com](http://www. [REDACTED] .com)

IF YOU DO NOTHING

17. What happens if I do nothing at all?

If you do nothing, you will receive your share of the Settlement, and you will release the Released Class Claims. You will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendant or Released Parties about the Released Class Claims, ever again. Your Individual Settlement Payment will be mailed to you and remain valid and negotiable for 180 days. If you do not cash your settlement check within 180 days, these funds will be transferred to the Controller of the State of California's Unclaimed Property Fund. You may then claim these funds from there.

GETTING MORE INFORMATION

18. How do I get more information?

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by contacting the Settlement Administrator or Class Counsel.

WHAT IF MY INFORMATION CHANGES?

19. What if my contact information changes?

It is your responsibility to inform the Settlement Administrator of your updated information to ensure receipt of settlement payments or communications regarding this matter. You can change or update your contact information by contacting the Settlement Administrator.

DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR THE JUDGE