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14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
 15 **FOR THE COUNTY OF SAN FRANCISCO**

17 SHARON FENNIX, individually, and on  
 18 behalf of all others similarly situated,

19 Plaintiff,

20 vs.

21 TENDERLOIN HOUSING CLINIC, INC., a  
 22 Delaware corporation; and DOES 1 through  
 23 10, inclusive,

24 Defendants

Case No.: CGC-20-584834

CLASS AND REPRESENTATIVE ACTION

[*Hon. Anne-Christine Massullo, Dept. 610*]

**CLASS AND PAGA ACTION SETTLEMENT  
 AGREEMENT AND CLASS NOTICE**

Action Filed: June 9, 2020  
 Trial Date: Not set

## CLASS AND PAGA ACTION SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class and PAGA Action Settlement Agreement (“Agreement”) is made by and between plaintiff Sharon Fennix (“Plaintiff”) and defendant Tenderloin Housing Clinic, Inc. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as the “Parties,” or individually as a “Party.”

### 1. **DEFINITIONS.**

1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant captioned *Sharon Fennix v. Tenderloin Housing Clinic, Inc.* initiated on June 9, 2020 and pending in Superior Court of the State of California, County of San Francisco, Case No. CGC-20-584834 (consolidated with Case No. CGC-20-587419).

1.2. “Administrator” means Apex Class Action Administration, the neutral entity the Parties have agreed to appoint to administer the Settlement based on its not-to-exceed bid.

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

1.4. “Aggrieved Employee” means all hourly-paid, non-exempt employees of Defendant who worked in California during the PAGA Period.

1.5. “Class” means all hourly-paid, non-exempt employees of Defendant who worked in California during the Class Period.

1.6. “Class Counsel” means the attorneys of Moon Law Group, PC.

1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.

1.8. “Class Data” means Class Member identifying information in Defendant’s possession, including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-

- 1 Participating Class Member who qualifies as an Aggrieved Employee).
- 2 1.10. “Class Member Address Search” means the Administrator’s investigation and search for
- 3 current Class Member mailing addresses using all reasonably available sources, methods,
- 4 and means, including, but not limited to, the National Change of Address database, skip
- 5 traces, and direct contact by the Administrator with Class Members.
- 6 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION
- 7 SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be
- 8 mailed to Class Members in English in the form, without material variation, attached as
- 9 Exhibit A hereto and incorporated by reference into this Agreement.
- 10 1.12. “Class Period” means the period starting on June 9, 2020 through September 25, 2023.
- 11 1.13. “Class Representative” means the named Plaintiff in the Operative Complaint in the Action
- 12 seeking Court approval to serve as a Class Representative.
- 13 1.14. “Class Representative Service Payment” means the payment to the Class Representative
- 14 for initiating the Action and providing services in support of the Action.
- 15 1.15. “Court” means the Superior Court of California, County of San Francisco.
- 16 1.16. “Defendant” means named Defendant Tenderloin Housing Clinic, Inc.
- 17 1.17. “Defense Counsel” means the attorneys of Saber Law Group.
- 18 1.18. “Effective Date” means the date by when both of the following have occurred: (1) the
- 19 Court enters a Final Judgment on its Order Granting Final Approval of the Settlement; and
- 20 (2) the Judgment is final. Judgment is final as of the latest of the following occurrences:
- 21 (a) if no Participating Class Member objects to the Settlement, the day the Court enters
- 22 Final Judgment; (b) if one or more Participating Class Members objects to the Settlement,
- 23 the day after the deadline for filing a notice of appeal from the Final Judgment (*i.e.*, 61 days
- 24 after Final Judgment is entered); or (c) if a timely appeal from the Final Judgment is filed,
- 25 the day after the appellate court affirms the Final Judgment and issues a remittitur.
- 26 1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 27 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of
- 28 the Settlement.

- 1 1.21. "Final Judgment" means the Judgment entered by the Court upon Granting Final Approval  
2 of the Settlement.
- 3 1.22. "Gross Settlement Amount" means \$330,000.00 which is the total amount Defendant  
4 agrees to pay under the Settlement, except as provided in Paragraph 8 below and in addition  
5 to Defendant's employer share of taxes owed on the Wage Portion of Individual Class  
6 Payments to Participating Class Members. The Gross Settlement Amount will be used to  
7 pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment,  
8 the Class Counsel Fees Payment, the Class Counsel Expenses Payment, the Class  
9 Representative Service Payment, and the Administration Expenses Payment.
- 10 1.23. "Individual Class Payment" means a Participating Class Member's pro rata share of the  
11 Net Settlement Amount calculated according to the number of Workweeks worked during  
12 the Class Period.
- 13 1.24. "Individual PAGA Payment" means an Aggrieved Employee's pro rata share of 25% of  
14 the PAGA Penalties calculated according to the number of Pay Periods worked during the  
15 PAGA Period.
- 16 1.25. "LWDA" means the California Labor and Workforce Development Agency, the agency  
17 entitled, under Labor Code § 2699(i).
- 18 1.26. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under  
19 Labor Code § 2699(i).
- 20 1.27. "Net Settlement Amount" means the Gross Settlement Amount, less the following  
21 payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA  
22 PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment,  
23 Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment.  
24 The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 25 1.28. "Non-Participating Class Member" means any Class Member who opts out of the  
26 Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 27 1.29. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee actually  
28 worked for Defendant for at least one day during the PAGA Period, and specifically

- 1 excludes paid time off where the Aggrieved Employee performed no work, including but  
2 not limited to, holidays, PTO, administrative and other leaves of absences.
- 3 1.30. "PAGA Period" means the period starting on June 9, 2020 through September 25, 2023.
- 4 1.31. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698, *et seq.*).
- 5 1.32. "PAGA Notice" means Plaintiff's June 4, 2020 letter to Defendant and the LWDA  
6 providing notice pursuant to Labor Code § 2699.3(a).
- 7 1.33. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the  
8 Gross Settlement Amount (\$20,000.00), allocated 25% to the Aggrieved Employees  
9 (\$5,000.00) and the 75% to LWDA (\$15,000.00) in settlement of PAGA claims.
- 10 1.34. "Participating Class Member" means a Class Member who does not submit a valid and  
11 timely Request for Exclusion from the Settlement.
- 12 1.35. "Plaintiff" means Sharon Fennix, the named plaintiff in the Action.
- 13 1.36. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the  
14 Settlement.
- 15 1.37. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval  
16 and Approval of PAGA Settlement.
- 17 1.38. "Released Class Claims" means the claims being released as described in Paragraph 5.2  
18 below.
- 19 1.39. "Released PAGA Claims" means the claims being released as described in Paragraph 5.2  
20 below.
- 21 1.40. "Released Parties" means: Defendant Tenderloin Housing Clinic and its current and former  
22 parents, subsidiaries, affiliates, joint ventures, directors, officers, shareholders, owners,  
23 employees, agents, attorneys, insurers, predecessors, successors, and assigns, and any other  
24 person acting by, through, or under Defendant.
- 25 1.41. "Request for Exclusion" means a Class Member's submission of a written request to be  
26 excluded from the Class Settlement signed by the Class Member.
- 27 1.42. "Response Deadline" means forty-five (45) calendar days after the Administrator mails the  
28 Class Notice to Class Members, plus an additional fourteen (14) calendar days for Class

1 Members to whom their Class Notice is resent after having been returned undeliverable to  
2 the Administrator, and shall be the last date on which Class Members may: (a) fax, email,  
3 or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her  
4 Objection to the Settlement.

5 1.43. "Settlement" means the disposition of the Action effected by this Agreement and the  
6 Judgment.

7 1.44. "Workweek" means any week during which a Class Member actually worked for  
8 Defendant for at least one day during the Class Period, and specifically excludes paid time  
9 off where the Class Member performed no work, including but not limited to, holidays,  
10 PTO, administrative and other leaves of absences.

11 **2. RECITALS.**

12 2.1. On June 9, 2020, Plaintiff commenced this Action by filing a Class Action Complaint  
13 (Case No. CGC-20-584834) alleging causes of action against Defendant for (1) Failure to  
14 Pay Minimum and Straight Time Wages [Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197],  
15 (2) Failure to Pay Overtime Compensation [Cal. Lab. Code §§ 1194 and 1198], (3) Failure  
16 to Provide Meal Periods [Cal. Lab. Code §§ 226.7, 512], (4) Failure to Authorize and  
17 Permit Rest Breaks [Cal. Lab. Code §§ 226.7], (5) Failure to Indemnify Necessary  
18 Business Expenses [Cal. Lab. Code § 2802], (6) Failure to Timely Pay Final Wages at  
19 Termination [Cal. Lab. Code §§ 201-203], (7) Failure to Provide Accurate Itemized Wage  
20 Statements [Cal. Lab. Code § 226], and (8) Unfair Business Practices [Cal. Bus. & Prof.  
21 Code §§ 17200, et seq.]. On July 29, 2020, Defendant filed a Notice of Removal of the  
22 Action to the United States District Court for the Northern District of California. On August  
23 5, 2020, Plaintiff filed a Notice of Motion and Motion to Remand the Action back to the  
24 state Court. On August 5, 2020, Defendant filed a Notice of Motion and Motion to Dismiss  
25 the Action. On August 18, 2020, Plaintiff filed an Opposition to Defendant's Motion to  
26 Dismiss. On October 19, 2020, Plaintiff filed a PAGA Representative Action Complaint  
27 in this Court (Case No. CGC-20-587419) alleging a single cause of action against  
28 Defendant for Civil Penalties Under PAGA [Cal. Lab. Code § 2699, et seq.]. On November

1 3, 2020, the federal court issued an Order on Plaintiff’s Motion to Remand and Defendant’s  
2 Motion to Dismiss, in which, with the exception of Plaintiff’s claims for overtime  
3 compensation and § 204, Plaintiff’s claims were not dismissed and were remanded back to  
4 the state Court. February 18, 2021, the Court issued an order consolidating Plaintiff’s  
5 PAGA action (Case No. CGC-20-587419) with her class action (Case No. CGC-20-  
6 584834). On April 16, 2021, Plaintiff filed a First Amended Complaint in this Court, which  
7 consolidated Case Nos. CGC-20-58434 and CGC-20-587419 and alleged causes of action  
8 against Defendant for (1) Failure to Pay Minimum and Straight Time Wages [Cal. Lab.  
9 Code §§ 1194, 1194.2, and 1197], (2) Failure to Provide Meal Periods [Cal. Lab. Code §§  
10 226.7, 512], (3) Failure to Authorize and Permit Rest Breaks [Cal. Lab. Code §§ 226.7],  
11 (4) Failure to Indemnify Necessary Business Expenses [Cal. Lab. Code § 2802], (5) Failure  
12 to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-203], (6) Failure to  
13 Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226], (7) Unfair Business  
14 Practices [Cal. Bus. & Prof. Code §§ 17200, et seq.], and (8) Civil Penalties Under PAGA  
15 [Cal. Lab. Code § 2699, et seq.]. On July 16, 2021, Plaintiff filed a Second Amended  
16 Complaint, which did not allege any new causes of action, but rather, cured defects  
17 identified by Defendant. On September 25, 2023, Plaintiff filed a Third Amended  
18 Complaint alleging causes of action against Defendant for (1) Failure to Pay Minimum and  
19 Straight Time Wages [Cal. Lab. Code §§ 1194, 1194.2, and 1197], (2) Failure to Provide  
20 Meal Periods [Cal. Lab. Code §§ 226.7, 512], (3) Failure to Authorize and Permit Rest  
21 Breaks [Cal. Lab. Code §§ 226.7, 512], (4) Failure to Indemnify Necessary Business  
22 Expenses [Cal. Lab. Code § 2802], (5) Failure to Timely Pay Final Wages at Termination  
23 [Cal. Lab. Code §§ 201-203], (6) Failure to Provide Accurate Itemized Wage Statements  
24 [Cal. Lab. Code § 226], (7) Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200,  
25 et seq.], and (8) Civil Penalties Under PAGA [Cal. Lab. Code §§ 2699, et seq.]. The Third  
26 Amended Complaint is the operative complaint in the Action (the “Operative  
27 Complaint.”). Defendant denies the allegations in the Operative Complaint, denies any  
28 failure to comply with the laws identified in in the Operative Complaint, and denies any

1 and all liability for the causes of action alleged.

2 2.2. Pursuant to Labor Code § 2699.3(a), Plaintiff gave timely written notice to Defendant and  
3 the LWDA by sending the PAGA Notice. Plaintiff’s administrative exhaustion period  
4 under PAGA expired without the LWDA indicating its intent to investigate the alleged  
5 violations. Plaintiff has submitted to the LWDA a file-stamped copy of Plaintiff’s First  
6 Amended Complaint.

7 2.3. On May 26, 2023, the Parties participated in a private, all-day mediation presided over by  
8 Tripper Ortman, Esq. which led to this Agreement to settle the Action.

9 2.4. Prior to mediation, Plaintiff obtained, through formal and informal discovery, Plaintiff’s  
10 personnel, time, and payroll records, a sample of time and payroll records for the putative  
11 Class, policy documents regarding Defendant’s wage and hour practices, and information  
12 regarding the Class statistics. Plaintiff’s investigation was sufficient to satisfy the criteria  
13 for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal. App. 4th  
14 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal. App. 4th 116, 129–130  
15 (“*Dunk/Kullar*”).

16 2.5. The Court has not granted class certification.

17 2.6. The Parties, Class Counsel, and Defense Counsel represent that they are not aware of any  
18 other pending matter or action asserting claims that will be extinguished or affected by the  
19 Settlement.

20 **3. MONETARY TERMS.**

21 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant  
22 promises to pay \$330,000.00 and no more, subject to the escalator clause in Paragraph 8  
23 below, as the Gross Settlement Amount and to separately pay Defendant’s share of  
24 employer payroll taxes owed on the Wage Portions of the Individual Class Payments.  
25 Defendant has no obligation to pay the Gross Settlement Amount or payroll taxes prior to  
26 the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse  
27 the entire Gross Settlement Amount without asking or requiring Participating Class  
28 Members or Aggrieved Employees to submit any claim as a condition of payment. None



1 of the Gross Settlement Amount will revert to Defendant.

2 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the  
3 following payments from the Gross Settlement Amount, in the amounts specified by the  
4 Court in the Final Approval:

5 3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of  
6 not more than \$7,500.00, which shall be in addition to any Individual Class  
7 Payment and any Individual PAGA Payment the Class Representative is entitled  
8 to receive as a Class Member. Defendant will not oppose Plaintiff's request for a  
9 Class Representative Service Payment that does not exceed this amount. As part  
10 of the motion for Class Counsel Fees Payment and Class Litigation Expenses  
11 Payment, Plaintiff will seek Court approval for any Class Representative Service  
12 Payments no later than sixteen (16) court days prior to the Final Approval Hearing.  
13 If the Court approves a Class Representative Service Payment less than the amount  
14 requested, the Administrator will retain the remainder in the Net Settlement  
15 Amount for distribution to Participating Class Members. The Administrator will  
16 pay the Class Representative Service Payment using IRS Form 1099. Plaintiff  
17 assumes full responsibility and liability for employee taxes owed on the Class  
18 Representative Service Payment.

19 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3)  
20 of the Gross Settlement Amount, which is currently estimated to be \$110,000.00,  
21 and a Class Counsel Litigation Expenses Payment of not more than \$25,000.00.  
22 Defendant will not oppose requests for these payments provided that do not exceed  
23 these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel  
24 Fees Payment and Class Litigation Expenses Payment no later than sixteen (16)  
25 court days prior to the Final Approval Hearing. If the Court approves a Class  
26 Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less  
27 than the amounts requested, the Administrator will allocate the remainder to the  
28 Net Settlement Amount for distribution to Participating Class Members. Released

1 Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel  
2 arising from any claim to any portion any Class Counsel Fee Payment and/or Class  
3 Counsel Litigation Expenses Payment. The Administrator will pay the Class  
4 Counsel Fees Payment and Class Counsel Expenses Payment using one or more  
5 IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes  
6 owed on the Class Counsel Fees Payment and the Class Counsel Litigation  
7 Expenses Payment and holds Defendant harmless, and indemnifies Defendant,  
8 from any dispute or controversy regarding any division or sharing of any of these  
9 Payments.

10 3.2.3. To the Administrator: An Administration Expenses Payment not to exceed  
11 \$15,000.00 except for a showing of good cause and as approved by the Court. To  
12 the extent the Administration Expenses are less or the Court approves payment less  
13 than \$15,000.00, the Administrator will retain the remainder in the Net Settlement  
14 Amount for distribution to Participating Class Members.

15 3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by  
16 (a) dividing the Net Settlement Amount by the total number of Workweeks worked  
17 by all Participating Class Members and (b) multiplying the result by each  
18 Participating Class Member's individual Workweeks.

19 3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each Participating  
20 Class Member's Individual Class Payment will be allocated to settlement  
21 of wage claims (the "Wage Portion"). The Wage Portions are subject to  
22 tax withholding and will be reported on an IRS W-2 Form. Of the  
23 remainder of each Participating Class Member's Individual Class Payment,  
24 40% will be allocated to settlement of claims for interest and 40% for  
25 penalties (the "Non-Wage Portion"). The Non-Wage Portions are not  
26 subject to wage withholdings and will be reported on IRS 1099 Forms.  
27 Participating Class Members assume full responsibility and liability for any  
28 employee taxes owed on their Individual Class Payment.

1                   3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual  
2                   Class Payments. Non-Participating Class Members will not receive any  
3                   Individual Class Payments. The Administrator will retain amounts equal  
4                   to their Individual Class Payments in the Net Settlement Amount for  
5                   distribution to Participating Class Members on a pro rata basis.

6                   3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of  
7                   \$20,000.00 to be paid from the Gross Settlement Amount, with 75% (\$15,000.00)  
8                   allocated to the LWDA PAGA Payment and 25% (\$5,000.00) allocated to the  
9                   Individual PAGA Payments.

10                  3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a)  
11                  dividing the amount of the Aggrieved Employees' 25% share of PAGA  
12                  Penalties (\$5,000.00) by the total number of PAGA Pay Periods worked  
13                  by all Aggrieved Employees during the PAGA Period and (b) multiplying  
14                  the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved  
15                  Employees assume full responsibility and liability for any taxes owed on  
16                  their Individual PAGA Payment. The Administrator will report the  
17                  Individual PAGA Payments on IRS 1099 Forms.

18                  3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested,  
19                  the Administrator will allocate the remainder to the Net Settlement Amount  
20                  for distribution to Participating Class Members.

21                  **4. SETTLEMENT FUNDING AND PAYMENTS.**

22                  4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records  
23                  as of September 28, 2023, Defendant estimates there are 580 Class Members who  
24                  collectively worked a total of 35,163 Workweeks, and 580 Aggrieved Employees who  
25                  collectively worked a total 17,296 of PAGA Pay Periods.

26                  4.2. Class Data. Not later than 15 days after the Court grants Preliminary Approval of the  
27                  Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in  
28                  the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the

1 Administrator must maintain the Class Data in confidence, use the Class Data only for  
2 purposes of this Settlement and for no other purpose, and restrict access to the Class Data  
3 to Administrator employees who need access to the Class Data to effect and perform under  
4 this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if  
5 it discovers that the Class Data omitted Class Member identifying information and to  
6 provide corrected or updated Class Data as soon as reasonably feasible. Without any  
7 extension of the deadline by which Defendant must send the Class Data to the  
8 Administrator, the Parties and their respective counsel will expeditiously use best efforts,  
9 in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted  
10 Class Data.

11 4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement  
12 Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll  
13 taxes owed on the Wage Portion of Individual Class Payments, by transmitting the funds  
14 to the Administrator in three equal installments, or as close to equal as possible, as follows:  
15 (1) first payment on the later of January 31, 2024 or Defendant's receipt of the notice of  
16 entry of the Court's Final Approval; (2) January 31, 2025; and (3) October 31, 2025.

17 4.4. Payments from the Gross Settlement Amount. Within 14 calendar days after Defendant  
18 fully funds the Gross Settlement Amount and Defendant's share of payroll taxes, the  
19 Administrator will mail checks for all Individual Class Payments, all Individual PAGA  
20 Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class  
21 Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class  
22 Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the  
23 Class Counsel Litigation Expenses Payment, and the Class Representative Service  
24 Payment shall not precede disbursement of Individual Class Payments and Individual  
25 PAGA Payments.

26 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or  
27 Individual PAGA Payments and send them to the Class Members via First Class  
28 United States Postal Mail ("USPS") Mail, postage prepaid. The face of each check

1 shall prominently state the date (not less than 180 days after the date of mailing)  
2 when the check will be voided (the “Void Date”). The Administrator will cancel  
3 all checks not cashed by the Void Date. The Administrator will send checks for  
4 Individual Settlement Payments to all Participating Class Members (including  
5 those for whom their Class Notice was returned undelivered). The Administrator  
6 will send checks for Individual PAGA Payments to all Aggrieved Employees  
7 (including Non-Participating Class Members who qualify as Aggrieved  
8 Employees, and including those for whom their Class Notice was returned  
9 undelivered). The Administrator may send Participating Class Members a single  
10 check combining the Individual Class Payment and the Individual PAGA Payment.  
11 Before mailing any checks, the Settlement Administrator must update the  
12 recipients’ mailing addresses using the National Change of Address Database.

13 4.4.2. The Administrator must conduct a Class Member Address Search for all other  
14 Class Members whose checks are returned undelivered without USPS forwarding  
15 address. Within 7 calendar days of receiving a returned check, the Administrator  
16 must re-mail checks to the USPS forwarding address provided or to an address  
17 ascertained through the Class Member Address Search. The Administrator need  
18 not take further steps to deliver checks to Class Members whose checks are  
19 returned as undelivered a second time. However, the Administrator shall promptly  
20 send a replacement check to any Class Member whose original check was lost or  
21 misplaced, as requested by said Class Member prior to the Void Date.

22 4.4.3. For any Class Member whose Individual Class Payment check or Individual  
23 PAGA Payment check is uncashed and cancelled after the Void Date, the  
24 Administrator shall transmit the funds represented by such checks to the California  
25 State Controller’s Unclaimed Property Fund in the name of the Class Member,  
26 thereby leaving no “unpaid residue” subject to the requirements of California Code  
27 of Civil Procedure § 384(b).

28 4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall

1 not obligate Defendant to confer any additional benefits or make any additional  
2 payments to Class Members (such as 401(k) contributions or bonuses) beyond  
3 those specified in this Agreement.

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

8 5.1. Plaintiff's Release. Plaintiff, on her behalf and on behalf of her respective former and  
9 present spouses, representatives, agents, attorneys, heirs, administrators, successors, and  
10 assigns generally, releases and discharges Released Parties from all claims, transactions,  
11 or occurrences that occurred during the Class Period, including, but not limited to: (a) all  
12 claims that were alleged, or reasonably could have been alleged based on the facts  
13 contained, in the Plaintiff's Third Amended Complaint; (b) all PAGA claims that were  
14 alleged, or reasonably could have been alleged based on facts contained, in the Third  
15 Amended Complaint and Plaintiff's PAGA Notice; and (c) all claims related to or arising  
16 from her employment with Defendant ("Plaintiff's Release"). Plaintiff's Release does not  
17 extend to any claims or actions to enforce this Agreement, or to any claims for vested  
18 benefits, unemployment benefits, disability benefits, social security benefits, workers'  
19 compensation benefits that arose at any time, or based on occurrences outside the Class  
20 Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or  
21 in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees,  
22 nonetheless, that Plaintiff's Release shall be and remain effective in all respects,  
23 notwithstanding such different or additional facts or Plaintiff's discovery of them.

24 5.1.1. Plaintiff's Waiver of Rights Under California Civil Code § 1542. For purposes of  
25 Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions,  
26 rights, and benefits, if any, of Section 1542 of the California Civil Code, which  
27 reads: A general release does not extend to claims that the creditor or releasing  
28 party does not know or suspect to exist in his or her favor at the time of executing

1 the release and that, if known by him or her, would have materially affected his or  
2 her settlement with the debtor or released party.

3 5.2. Release by Participating Class Members. All Participating Class Members, on behalf of  
4 themselves and on behalf of their respective former and present representatives, agents,  
5 attorneys, heirs, administrators, successors, and assigns, release the Released Parties from  
6 all claims, transactions, or occurrences that occurred during the Class Period and that were  
7 alleged, or reasonably could have been alleged based on the facts contained, in the Third  
8 Amended Complaint. Except as set forth in Section 5.3 of this Agreement, Participating  
9 Class Members do not release any other claims, including claims for vested benefits,  
10 wrongful termination, violation of the Fair Employment and Housing Act, unemployment  
11 insurance, disability, social security, workers' compensation, or claims based on facts  
12 occurring outside the Class Period.

13 5.3. Release by Aggrieved Employees. All Participating Class Members who are Aggrieved  
14 Employees and all Non-Participating Class Members who are Aggrieved Employees, on  
15 behalf of themselves and on behalf of their respective former and present representatives,  
16 agents, attorneys, heirs, administrators, successors, and assigns, are deemed to release the  
17 Released Parties from all claims, transactions, or occurrences that occurred during the  
18 PAGA Period and that were alleged, or reasonably could have been alleged based on the  
19 facts contained, in the Third Amended Complaint and Plaintiff's PAGA Notice.

20 **6. MOTION FOR PRELIMINARY APPROVAL.**

21 Plaintiff agrees to prepare and file a motion for preliminary approval ("Motion for  
22 Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals,  
23 and Defendant agrees not to oppose said Motion for Preliminary Approval.

24 6.1. Defendant's Declaration in Support of Preliminary Approval. Within 21 calendar days of  
25 the full execution of this Agreement, Defendant and Defendant Counsel will prepare and  
26 deliver to Class Counsel (1) a signed Declaration from Defendant and (2) a signed  
27 Declaration from Defense Counsel disclosing all facts relevant to any actual or potential  
28 conflicts of interest with the proposed Administrator. In their Declarations, Defense

1 Counsel and Defendant shall aver that they are not aware of any other pending matter or  
2 action asserting claims that will be extinguished or adversely affected by the Settlement.

3 6.2. Plaintiff's Responsibilities. Plaintiff will prepare all documents necessary for obtaining  
4 Preliminary Approval, including: (i) a notice, and memorandum in support, of the Motion  
5 for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar*  
6 and a request for approval of the PAGA Settlement under Labor Code § 2699(f)(2)); (ii) a  
7 proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a  
8 proposed Class Notice; (iv) a signed declaration from Plaintiff confirming willingness and  
9 competency to serve as the Class Representative, and disclosing all facts relevant to any  
10 actual or potential conflicts of interest with Class Members and/or the Administrator; (v) a  
11 signed declaration from Class Counsel attesting to its competency to represent the Class  
12 Members; its transmission to the LWDA of all necessary PAGA documents (initial notice  
13 of violations [Labor Code § 2699.3(a)], Operative Complaint [Labor Code § 2699(l)(1)],  
14 and this Agreement [Labor Code § 2699(l)(2)]; (vi) a redlined version of the Parties'  
15 Agreement showing all modifications made ready for filing with the Court; and (vii) all  
16 facts relevant to any actual or potential conflict of interest with Class Members and/or the  
17 Administrator. In their Declarations, Plaintiff and Class Counsel shall aver that they are  
18 not aware of any other pending matter or action asserting claims that will be extinguished  
19 or adversely affected by the Settlement.

20 6.3. Responsibilities of Counsel. Class Counsel is responsible for expeditiously finalizing and  
21 filing the Motion for Preliminary Approval no later than 60 days after the full execution of  
22 this Agreement. Class Counsel and Defense Counsel are jointly responsible for conferring  
23 over and obtaining a prompt hearing date for the Motion for Preliminary Approval, and for  
24 appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class  
25 Counsel is responsible for delivering the Court's Preliminary Approval to the  
26 Administrator.

27 6.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for  
28 Preliminary Approval and/or the supporting declarations and documents, Class Counsel



1 and Defense Counsel will expeditiously work together on behalf of the Parties by meeting  
2 in person or by telephone, and in good faith, to resolve the disagreement. If the Court does  
3 not grant Preliminary Approval or conditions Preliminary Approval on any material  
4 change to this Agreement, Class Counsel and Defense Counsel will expeditiously work  
5 together on behalf of the Parties by meeting in person or by telephone, and in good faith,  
6 to modify the Agreement and otherwise satisfy the Court's concerns.

7 **7. SETTLEMENT ADMINISTRATION.**

8 7.1. Selection of Administrator. The Parties have jointly selected Apex Class Action  
9 Administration to serve as the Administrator and verified that, as a condition of  
10 appointment, Apex Class Action Administration agrees to be bound by this Agreement  
11 and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the  
12 Administration Expenses Payment. The Parties and their Counsel represent that they have  
13 no interest or relationship, financial or otherwise, with the Administrator other than a  
14 professional relationship arising out of prior experiences administering settlements.

15 7.2. Employer Identification Number. The Administrator shall have and use its own Employer  
16 Identification Number for purposes of calculating payroll tax withholdings and providing  
17 reports state and federal tax authorities.

18 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets  
19 the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation  
20 § 468B-1.

21 7.4. Notice to Class Members.

22 7.4.1. No later than three (3) business days after receipt of the Class Data, the  
23 Administrator shall notify Class Counsel that the list has been received and state  
24 the number of Class Members, PAGA Members, Workweeks, and PAGA Pay  
25 Periods in the Class Data.

26 7.4.2. Using best efforts to perform as soon as possible, and in no event later than 14  
27 calendar days after receiving the Class Data, the Administrator will send to all  
28 Class Members identified in the Class Data, via First Class USPS mail, the Class

1 Notice substantially in the form attached to this Agreement as **Exhibit A**. The first  
2 page of the Class Notice shall prominently estimate the dollar amounts of any  
3 Individual Class Payment and/or Individual PAGA Payment payable to the Class  
4 Member, and the number of Workweeks and (if applicable) PAGA Pay Periods  
5 used to calculate these amounts. Before mailing Class Notices, the Administrator  
6 shall update Class Member addresses using the National Change of Address  
7 database.

8 7.4.3. Not later than three (3) business days after the Administrator's receipt of any Class  
9 Notice returned by the USPS as undelivered, the Administrator shall re-mail the  
10 Class Notice using any forwarding address provided by the USPS. If the USPS  
11 does not provide a forwarding address, the Administrator shall conduct a Class  
12 Member Address Search, and re-mail the Class Notice to the most current address  
13 obtained. The Administrator has no obligation to make further attempts to locate  
14 or send Class Notice to Class Members whose Class Notice is returned by the  
15 USPS a second time.

16 7.4.4. The deadlines for Class Members' written objections, Challenges to Workweeks  
17 and/or PAGA Pay Periods, and Requests for Exclusion will be extended an  
18 additional fourteen (14) calendar days beyond the forty-five (45) calendar days  
19 otherwise provided in the Class Notice for all Class Members whose Class Notice  
20 is re-mailed. The Administrator will inform the Class Member of the extended  
21 deadline with the re-mailed Class Notice.

22 7.4.5. If the Administrator, Defendant, Defense Counsel, Plaintiff, or Class Counsel is  
23 contacted by or otherwise discovers any persons who believe they should have  
24 been included in the Class Data and should have received Class Notice, the Parties  
25 will expeditiously meet and confer in person or by telephone, and in good faith, in  
26 an effort to agree on whether to include them as Class Members. If the Parties  
27 agree, such persons will be Class Members entitled to the same rights as other Class  
28 Members, and the Administrator will send, via email or overnight delivery, a Class

1 Notice requiring them to exercise options under this Agreement not later than  
2 fourteen (14) calendar days after receipt of Class Notice, or the deadline date  
3 provided in the Class Notice, whichever is later.

4 7.5. Requests for Exclusion (Opt-Outs).

5 7.5.1. Class Members who wish to exclude themselves (*i.e.*, opt-out of) the Class  
6 Settlement must send the Administrator, by fax, email, or mail, a signed and written  
7 Request for Exclusion. A Request for Exclusion is a letter from a Class Member  
8 or his/her representative that reasonably communicates the Class Member's  
9 election to be excluded from the Settlement, identifies the Action, and includes the  
10 Class Member's identifying information (name, last four digits of his or her Social  
11 Security Number, address, email address, and telephone number) for verification  
12 purposes. To be valid, a Request for Exclusion must be timely faxed, emailed, or  
13 postmarked by the Response Deadline.

14 7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it fails  
15 to contain all the information specified in the Class Notice. The Administrator shall  
16 accept any Request for Exclusion as valid if the Administrator can reasonably  
17 ascertain the identity of the person as a Class Member and the Class Member's  
18 desire to be excluded. The Administrator's determination shall be final and not  
19 appealable or otherwise susceptible to challenge. If the Administrator has reason  
20 to question the authenticity of a Request for Exclusion, the Administrator may  
21 demand additional proof of the Class Member's identity. The Administrator's  
22 determination of authenticity shall be final and not appealable or otherwise  
23 susceptible to challenge.

24 7.5.3. Every Class Member who does not submit a timely and valid Request for  
25 Exclusion is deemed to be a Participating Class Member under this Agreement,  
26 entitled to all benefits and bound by all terms and conditions of the Settlement,  
27 including the Participating Class Member's Releases under Paragraphs 5.2 and 5.3  
28 of this Agreement, regardless whether the Participating Class Member actually

1 receives the Class Notice or objects to the Settlement.

2 7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a  
3 Non-Participating Class Member and shall not receive an Individual Class  
4 Payment or have the right to object to the class action components of the  
5 Settlement. Nonetheless, because future PAGA claims are subject to claim  
6 preclusion upon entry of the Final Judgment, Non-Participating Class Members  
7 who are Aggrieved Employees are bound by the Release identified in Paragraph  
8 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

9 7.6. Challenges to Calculation of Workweeks and/or PAGA Pay Periods. Each Class Member  
10 shall until the Response Deadline to challenge the individual number of Class Workweeks  
11 and (if any) PAGA Pay Periods allocated to the Class Member in the Class Notice. The  
12 Class Member may challenge the allocation by communicating with the Administrator via  
13 fax, email, or mail. The Administrator must encourage the challenging Class Member to  
14 submit supporting documentation. In the absence of any contrary documentation, the  
15 Administrator is entitled to presume that the Workweeks and/or PAGA Pay Periods  
16 contained in the Class Notice is/are correct so long as it/they is/are consistent with the Class  
17 Data. The Administrator's determination of each Class Member's allocation of  
18 Workweeks and/or PAGA Pay Periods shall be final and not appealable or otherwise  
19 susceptible to challenge. The Administrator shall promptly provide copies of all challenges  
20 to calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class  
21 Counsel and the Administrator's determination of the challenges.

22 7.7. Objections to Settlement.

23 7.7.1. Only Participating Class Members may object to the class action components of  
24 the Settlement and/or this Agreement, including contesting the fairness of the  
25 Settlement and/or the amounts requested for the Class Counsel Fees Payment,  
26 Class Counsel Litigation Expenses Payment, and/or Class Representative Service  
27 Payment.

28 7.7.2. Participating Class Members who wish to object to the Class Settlement may send

1 the Administrator, by fax, email, or mail, a signed and written objection by the  
2 Response Deadline. In addition or in the alternative, Participating Class Members  
3 may object by appearing in Court (or hire an attorney to appear in Court on their  
4 behalf) to present verbal objections at the Final Approval Hearing. A written  
5 objection is a letter from a Participating Class Member or his/her representative  
6 that reasonably communicates what the Participating Class Member objects to and  
7 the reason(s) for the objection, facts supporting the objection, identifies the Action,  
8 and includes the Participating Class Member's approximate dates of employment  
9 for Defendant and identifying information (name, last four digits of his or her  
10 Social Security Number, address, email address, and telephone number) for  
11 verification purposes. To be valid, a written objection must be timely faxed,  
12 emailed, or postmarked by the Response Deadline.

13 7.7.3. Non-Participating Class Members have no right to object to any of the class action  
14 components of the Settlement.

15 7.8. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be  
16 performed or observed by the Administrator contained in this Agreement or otherwise.

17 7.8.1. Website, Email Address, and Toll-Free Number. The Administrator will establish  
18 and maintain and use an internet website to post information of interest to Class  
19 Members, including the date, time, and location for the Final Approval Hearing  
20 and copies of the Settlement Agreement; the Class Notice; the Motion for  
21 Preliminary Approval; the Preliminary Approval; the Motion for Final Approval  
22 and/or the Motion for Class Counsel Fees Payment, Class Counsel Litigation  
23 Expenses Payment, and Class Representative Service Payment; the Final  
24 Approval; and the Final Judgment. The Administrator will also maintain and  
25 monitor an email address and a toll-free telephone number to receive Class  
26 Member calls, faxes, and emails.

27 7.8.2. Requests for Exclusion (Opt-outs), Exclusion List, and Objections. The  
28 Administrator will promptly review, on a rolling basis, Requests for Exclusion and

1 written objections to ascertain their validity and/or timeliness. Not later than seven  
2 (7) calendar days after the expiration of the Response Deadline for submitting  
3 Requests for Exclusion or written objections, the Administrator shall email a list to  
4 Class Counsel and Defense Counsel containing (a) the names and other identifying  
5 information of Class Members who have timely submitted valid Requests for  
6 Exclusion (“Exclusion List”) or written objections; (b) the names and other  
7 identifying information of Class Members who have submitted invalid Requests  
8 for Exclusion or written objections; and (c) copies of all Requests for Exclusion  
9 from Settlement or written objections submitted (whether valid or invalid).

10 7.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written  
11 reports to Class Counsel and Defense Counsel that, among other things, tally the  
12 number of: Class Notices mailed or re-mailed, Class Notices returned undelivered,  
13 Requests for Exclusion (whether valid or invalid, timely or untimely) received,  
14 objections received (whether timely or untimely), and challenges to Workweeks  
15 and/or PAGA Pay Periods received and/or resolved. The Weekly Reports must  
16 include provide the Administrator’s assessment of the validity and/or timeliness of  
17 Requests for Exclusion or written objections, and attach copies of any Requests for  
18 Exclusion and written objections received.

19 7.8.4. Workweek and/or PAGA Pay Period Challenges. The Administrator has the  
20 authority to address and make final decisions consistent with the terms of this  
21 Agreement on all Class Member challenges over the calculation of Workweeks  
22 and/or PAGA Pay Periods. The Administrator’s decision shall be final and not  
23 appealable or otherwise susceptible to challenge.

24 7.8.5. Administrator’s Declaration. Not later than fourteen (14) calendar days before the  
25 date by which Plaintiff is required to file the Motion for Final Approval of the  
26 Settlement, the Administrator will provide to Class Counsel and Defense Counsel  
27 a signed declaration suitable for filing in Court attesting to its due diligence and  
28 compliance with all of its obligations under this Agreement, including, but not

1 limited to, its mailing of Class Notice, the Class Notices returned as undelivered,  
2 the re-mailing of any Class Notices, attempts to locate Class Members, the total  
3 number of Requests for Exclusion from Settlement received (both valid or invalid,  
4 timely or untimely), the number of written objections (both timely and untimely),  
5 and attach copies of any Requests for Exclusion and written objections received.  
6 The Administrator will supplement its declaration as needed or requested by the  
7 Parties and/or the Court. Class Counsel is responsible for filing the Administrator's  
8 declaration(s) in Court.

9 7.8.6. Final Report by Settlement Administrator. Within ten (10) calendar days after the  
10 Administrator disburses all funds in the Gross Settlement Amount, the  
11 Administrator will provide Class Counsel and Defense Counsel with a final report  
12 detailing its disbursements by employee identification number only of all payments  
13 made under this Agreement. At least ten (10) calendar days before any deadline  
14 set by the Court, the Administrator will prepare and submit to Class Counsel and  
15 Defense Counsel, a signed declaration suitable for filing in Court attesting to its  
16 disbursement of all payments required under this Agreement. Class Counsel is  
17 responsible for filing the Administrator's declaration in Court.

18 **8. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE.**

19 Based on its records, Defendant estimates that, as of September 28, 2023, there are 580 Class  
20 Members and 35,163 total Workweeks during the Class period. In the event that the actual total  
21 Workweeks exceeds this estimate by 10% (*i.e.*, if the actual total Workweeks is more than 38,679), then  
22 the Gross Settlement Amount shall be increased proportionally by the number of Workweeks in excess of  
23 38,679 multiplied by a Workweek value of \$9.91. (The Parties agreed upon this Workweek value by  
24 dividing the originally agreed-upon Gross Settlement Amount [\$330,000.00] by the estimated Workweek  
25 count [35,163].) However, Defendant, at its sole discretion, has the option, rather than increase the Gross  
26 Settlement Amount, to select an end date to the Class Period, such that the total Workweek count does  
27 not exceed 38,679.  
28

1     **9.     DEFENDANT’S RIGHT TO WITHDRAW.**

2             If the number of valid and timely Requests for Exclusion identified in the Exclusion List exceeds  
3     10% of the total of all Class Members, Defendant may, but is not obligated to, elect to withdraw from the  
4     Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void *ab initio*, have no  
5     force or effect whatsoever, and that neither Party will have any further obligation to perform under this  
6     Agreement; provided, however, Defendant will remain responsible for paying all Settlement  
7     Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its  
8     election to withdraw not later than seven (7) calendar days after the Administrator sends the final Exclusion  
9     List to Defense Counsel; late elections will have no effect.

10    **10.    MOTION FOR FINAL APPROVAL.**

11            Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will  
12    file a motion for final approval of the Settlement that includes a request for approval of the PAGA  
13    settlement under Labor Code § 2699(l), a Proposed Final Approval Order, and a proposed Final Judgment  
14    (collectively, the “Motion for Final Approval”). Plaintiff shall provide drafts of these documents to  
15    Defense Counsel not later than seven (7) calendar days prior to filing the Motion for Final Approval.  
16    Defense Counsel shall provide any input, edits, and/or response to these drafts not later than two (2)  
17    calendar days prior to Plaintiff’s deadline to file the Motion for Final Approval; if Defense Counsel does  
18    not provide any input, edits, and/or response to the drafts within this time frame, Plaintiff may proceed  
19    with finalizing and filing the Motion for Final Approval. Class Counsel and Defense Counsel will  
20    expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements  
21    concerning the Motion for Final Approval.

22            10.1.   Response to Objections. Each Party retains the right to respond to any objection raised by  
23                a Participating Class Member, including the right to file responsive documents in Court no  
24                later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered  
25                or accepted by the Court.

26            10.2.   Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval  
27                on any material change to the Settlement (including, but not limited to, the scope of release  
28                to be granted by Class Members), the Parties will expeditiously work together in good faith



1 to address the Court's concerns by revising the Agreement as necessary to obtain Final  
2 Approval. The Court's decision to award less than the amounts requested for the Class  
3 Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation  
4 Expenses Payment, and/or Administration Expenses Payment shall not constitute a  
5 material modification to the Agreement within the meaning of this Paragraph.

6 10.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Final Judgment,  
7 the Court will retain jurisdiction over the Parties, the Action, and the Settlement solely for  
8 purposes of (i) enforcing this Agreement and/or Final Judgment, (ii) addressing settlement  
9 administration matters, and (iii) addressing such post-Judgment matters as are permitted  
10 by law.

11 10.4. Waiver of Right to Appeal. Provided the Final Judgment is consistent with the terms and  
12 conditions of this Agreement, specifically including the Class Counsel Fees Payment and  
13 Class Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their  
14 respective counsel, and all Participating Class Members who did not object to the  
15 Settlement as provided in this Agreement, waive all rights to appeal from the Final  
16 Judgment, including all rights to post-Judgment and appellate proceedings, the right to file  
17 motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The  
18 waiver of appeal does not include any waiver of the right to oppose such motions, writs, or  
19 appeals. If an objector appeals the Final Judgment, the Parties' obligations to perform  
20 under this Agreement will be suspended until such time as the appeal is finally resolved  
21 and the Judgment becomes final, except as to matters that do not affect the amount of the  
22 Net Settlement Amount.

23 10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the  
24 reviewing Court vacates, reverses, or modifies the Final Judgment in a manner that requires  
25 a material modification of this Agreement (including, but not limited to, the scope of  
26 release to be granted by Class Members), this Agreement shall be null and void. The Parties  
27 shall nevertheless expeditiously work together in good faith to address the appellate court's  
28 concerns and to obtain Final Approval and entry of Final Judgment, sharing, on a 50-50

1 basis, any additional Administration Expenses reasonably incurred after remittitur. An  
2 appellate decision to vacate, reverse, or modify the Court’s award of the Class  
3 Representative Service Payment or any payments to Class Counsel shall not constitute a  
4 material modification of the Final Judgment within the meaning of this Paragraph, as long  
5 as the Gross Settlement Amount remains unchanged.

6 **11. AMENDED JUDGMENT.**

7 If any amended judgment is required under Code of Civil Procedure § 384, the Parties will work  
8 together, and in good faith, to jointly prepare and file a proposed amended judgment.

9 **12. ADDITIONAL PROVISIONS.**

10 12.1. No Admission of Liability, Class Certification, or Representative Manageability for Other  
11 Purposes. Defendant has contended and continues to contend that the allegations in the  
12 Action, including the Third Amended Complaint and PAGA Notice, have no merit and  
13 do not give rise to liability. Defendant denies all of the allegations in Plaintiff’s Third  
14 Amended Complaint and PAGA Notice and in the Action, including specifically that it  
15 has violated any federal, state, or local law. Defendant maintains that it has complied in  
16 good faith with California wage and hour law and dealt fairly and legally with Plaintiff  
17 and the Class Members and Aggrieved Employees. Nonetheless, Defendant has  
18 concluded that further proceedings in the Action would be protracted and expensive, and  
19 that the Action be fully and finally settled in the manner and upon the terms and  
20 conditions set forth in this Agreement in order to dispose of burdensome and protracted  
21 litigation. This settlement is a compromise of such highly disputed claims. Defendant has  
22 agreed to settle the Action on the terms and conditions set forth in this Agreement for the  
23 sole purpose of avoiding the burden, expense, and uncertainty of continuing the Action.  
24 Nothing in this Agreement is intended or should be construed as an admission by  
25 Defendant that any of the allegations in the Action, including the Third Amended  
26 Complaint and/or PAGA Notice have merit or that Defendant has any liability for any  
27 claims asserted; nor should it be intended or construed as an admission by Plaintiff that  
28 Defendant’s defenses in the Action have merit. The Parties agree that class certification

1 and representative treatment is for purposes of this Settlement only. If, for any reason, the  
2 Court does grant Preliminary Approval or Final Approval or enter Final Judgment,  
3 Defendant reserves the right to contest certification of any class for any reasons, Defendant  
4 reserves all available defenses to the claims in the Action, and Plaintiff reserves the right  
5 to move for class certification on any grounds available and to contest Defendant's  
6 defenses. The Settlement, this Agreement, and the Parties' willingness to settle the Action  
7 will have no bearing on, and will not be admissible in connection with, any litigation  
8 (except for proceedings to enforce or effectuate the Settlement and this Agreement). This  
9 Settlement and Agreement and its terms and provisions shall not be offered or received  
10 as evidence in any action or proceeding to establish any liability or admission on the part  
11 of any Defendant or other Released Party to establish the existence of any condition  
12 constituting a violation of or non-compliance with federal, state, local, or other applicable  
13 law.

14 12.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant, and  
15 Defense Counsel separately agree that, until the Motion for Preliminary Approval of  
16 Settlement is filed, they and each of them will not disclose, disseminate, and/or publicize,  
17 or cause or permit another person to disclose, disseminate, or publicize, any of the terms  
18 of the Agreement, directly or indirectly, specifically or generally, to any person,  
19 corporation, association, government agency, or other entity except: (1) to the Parties'  
20 attorneys, union representatives, accountants, or spouses, on a need to know basis with all  
21 of whom will be instructed to keep this Agreement confidential; (2) counsel in a related  
22 matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in  
23 response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued  
24 by a state or federal government agency. Each Party agrees to immediately notify each  
25 other Party of any judicial or agency order, inquiry, or subpoena seeking such information.  
26 Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly  
27 or indirectly, initiate any conversation or other communication, before the filing of the  
28 Motion for Preliminary Approval, with any third party regarding this Agreement or the

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

5 12.3. No Promotion. Plaintiff and Class Counsel agree that they will not promote, market,  
6 advertise, or discuss publicly, including on any website or through social media, issuing  
7 any press releases, initiating any contact with the press, responding to any press inquiry, or  
8 having any communication with the press about this Action, including the facts and claims  
9 alleged therein, and/or the fact, amount, or terms of the Settlement. Nothing in this  
10 paragraph shall be construed to restrict Class Counsel’s ability to communicate with Class  
11 Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

12 12.4. Integrated Agreement. Upon execution by all Parties and their respective counsel, this  
13 Agreement, together with its attached Exhibit A, shall constitute the entire agreement  
14 between the Parties relating to the Settlement, superseding any and all oral representations,  
15 warranties, covenants, or inducements made to, by, and/or between any Party.

16 12.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and  
17 represent that they are authorized by Plaintiff and Defendant, respectively, to take all  
18 appropriate action required or permitted to be taken by such Parties pursuant to this  
19 Agreement to effectuate its terms, and to execute any other documents reasonably required  
20 to effectuate the terms of this Agreement, including any amendments to this Agreement  
21 and/or Class Notice.

22 12.6. Cooperation. The Parties and their respective counsel will cooperate with each other and  
23 use their best efforts, in good faith, to implement the Settlement by, among other things,  
24 modifying the Settlement Agreement and/or Class Notice, and submitting supplemental  
25 evidence and/or points and authorities as requested by the Court. In the event the Parties  
26 are unable to agree upon the form or content of any document necessary to implement the  
27 Settlement, or on any modification of the Agreement and/or Class Notice that may become  
28 necessary to implement the Settlement, the Parties will seek the assistance of a mediator

1 and/or the Court for resolution.

2 12.7. No Prior Assignments. The Parties separately represent and warrant that they have not,  
3 directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer,  
4 or encumber to any person or entity and portion of any liability, claim, demand, action,  
5 cause of action, or right released and discharged by the Party in this Settlement.

6 12.8. No Tax Advice. Neither Plaintiff, Class Counsel, Defendant, nor Defense Counsel are  
7 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be  
8 relied upon as such within the meaning of United States Treasury Department Circular 230  
9 (31 CFR Part 10, as amended) or otherwise.

10 12.9. Modification of Agreement. This Agreement, and all parts of it, may be amended,  
11 modified, changed, or waived only by an express written instrument signed by all Parties  
12 or their representatives, and approved by the Court.

13 12.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the  
14 benefit of, the successors of each of the Parties.

15 12.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be  
16 governed by and interpreted according to the internal laws of the state of California,  
17 without regard to conflict of law principles.

18 12.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of  
19 this Agreement. This Agreement will not be construed against any Party on the basis that  
20 the Party was the drafter or participated in the drafting.

21 12.13. Confidentiality. To the extent permitted by law, all agreements made and orders entered  
22 during Action and in this Agreement relating to the confidentiality of information shall  
23 survive the execution of this Agreement.

24 12.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to  
25 Evidence Code § 1152, and all copies and summaries of the Class Data provided to Class  
26 Counsel by Defendant in connection with the mediation, other settlement negotiations, or  
27 in connection with the Settlement, may be used only with respect to this Settlement, and  
28 no other purpose, and may not be used in any way that violates any existing contractual

1 agreement, statute, or rule of court. Not later than ninety (90) days after the date when the  
2 Court discharges the Administrator’s obligation to provide a Declaration confirming the  
3 final pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions  
4 of the Class Data received from Defendant unless, prior to the Court’s discharge of the  
5 Administrator’s obligation, Defendant makes a written request to Class Counsel for the  
6 return, rather than the destructions, of the Class Data.

7 12.15. Headings. The descriptive heading of any section or paragraph of this Agreement is  
8 inserted for convenience of reference only and does not constitute a part of this Agreement.

9 12.16. Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be  
10 to calendar days. In the event any date or deadline set forth in this Agreement falls on a  
11 weekend or federal legal holiday, such date or deadline shall be on the first business day  
12 thereafter.

13 12.17. Notice. All notices, demands, or other communications between the Parties in connection  
14 with this Agreement will be in writing and deemed to have been duly given as of the third  
15 (3rd) business day after mailing by USPS mail, or the day sent by email or messenger,  
16 addressed as follows:

17 To Plaintiff:  
18 Kane Moon  
19 Allen Feghali  
20 Charlotte Mikat-Stevens  
21 **MOON LAW GROUP, PC**  
22 1055 W. Seventh St., Sute 1880  
23 Los Angeles, California 90017  
24 Telephone: (213) 232-3128  
25 Facsimile: (213) 232-3125  
26 E-mail: kmoon@moonlawgroup.com  
27 E-mail: afeghali@moonlawgroup.com  
28 E-mail: cmikat-stevens@moonlawgroup.com

To Defendant:  
Shirley C. Wang (SBN 187635)  
swang@saberlaw.com  
Ren M. Kuan (SBN 332674)  
rkuan@saberlaw.com  
**SABER LAW GROUP**  
101 Howard Street, Suite 400  
San Francisco, California 94105  
Telephone: (415) 278-1400  
Facsimile: (415) 278-1404

12.18. Execution in Counterparts. This Agreement may be executed in one or more counterparts  
by facsimile, electronically (e.g., DocuSign), or email which for purposes of this  
Agreement shall be accepted as an original. All executed counterparts and each of them  
will be deemed to be one and the same instrument if counsel for the Parties will exchange

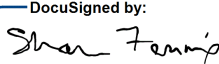
between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

12.19. 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 California Code of Civil Procedure § 583.330, the date to bring a case to trial under Code of Civil Procedure § 583.310 shall be extended for the entire period of this settlement process.

**IT IS SO AGREED AND UNDERSTOOD BY:**

**Plaintiff & Class Representative:**


Dated: 11/16/2023

DocuSigned by:  
  
By: \_\_\_\_\_  
4FB0059253D94F7...  
Sharon Fennix

**AGREED AS TO FORM BY:**

**Plaintiff's Counsel:**

Dated: 11/16/2023

MOON LAW GROUP, PC  
By:  \_\_\_\_\_  
Kane Moon  
Allen Feghali  
Charlotte Mikat-Stevens  
*Attorneys for Plaintiff*

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**IT IS SO AGREED AND UNDERSTOOD BY:**

**Defendant:**

Dated: November 21, 2023

Tenderloin Housing Clinic, Inc.

By:   
Tabitha Allen

Signature

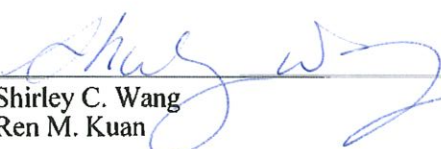
Deputy Director of Tenderloin Housing Clinic, Inc.  
Title

**AGREED AS TO FORM BY:**

**Defendant's Counsel:**

Dated: Nov. 22, 2023

SABER LAW GROUP

By:   
Shirley C. Wang  
Ren M. Kuan  
*Attorneys for Defendant*



# EXHIBIT A

**COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR  
FINAL COURT APPROVAL**

*Fennix v. Tenderloin Housing Clinic, Inc.*

San Francisco Superior Court Case No. CGC-20-584834 (Consolidated with Case No. CGC-20-587419)

*The Superior Court for the State of California, County of San Francisco authorized this Notice. Read it carefully! It is not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.*

**You may be eligible to receive money** from an employee class action lawsuit *Fennix v. Tenderloin Housing Clinic, Inc.* (the “Action”) for alleged wage and hour violations against the named defendant, Tenderloin Housing Clinic, Inc. (“Defendant” or “THC”). The Action was filed by a former THC employee, Sharon Fennix (“Plaintiff” and together with Defendant, the “Parties”), and seeks payment of (1) back wages and other relief for a class of all hourly-paid, non-exempt employees of Defendant who worked in California during the Class Period (June 9, 2020 through September 25, 2023) (“Class Members”); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all hourly-paid, non-exempt employees of Defendant who worked in California during the PAGA Period (June 9, 2020 through September 25, 2023) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring THC to fund Individual Class Payments to Class Members, and (2) a PAGA Settlement requiring THC to fund Individual PAGA Payments to Aggrieved Employees and pay penalties to the California Labor and Workforce Development Agency (the “LWDA”).

Based on THC’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ [REDACTED] (less withholding) and your Individual PAGA Payment is estimated to be \$ [REDACTED]**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to THC’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period and therefore aren’t an Aggrieved Employee.)

The above estimates are based on THC’s records showing that **you actually worked [REDACTED] workweeks** during the Class Period and that **you actually worked [REDACTED] pay periods** during the PAGA Period. If you believe that you worked more workweeks and/or pay periods during either period, you can submit a challenge. See Section 4 of this Notice for instructions on how to submit a challenge.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. However, the Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or don’t act. You will be deemed to have carefully read and understood this Notice. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires THC to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against THC.

If you worked for THC during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don’t have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against THC.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting a written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment; however, you will preserve your right to personally pursue Class Period wage claims against THC. Also, even if you opt-out, if you are an Aggrieved Employee, you will still receive an Individual PAGA Payment and give up your right to assert PAGA Period penalty claims against THC. You cannot opt-out of the PAGA portion of the Settlement.

**THC will not retaliate against you for any actions you take with respect to the proposed Settlement.**

## SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

<p><b>You Don't Have to Do Anything to Participate in the Settlement</b></p>	<p>If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against THC that are covered by this Settlement. See Section 3 of this Notice.</p>
<p><b>You Can Opt-out of the Class Settlement but not the PAGA Settlement</b></p> <p><b>The Opt-out Deadline is</b>  <span style="background-color: cyan; color: black;">[REDACTED]</span></p>	<p>If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.</p> <p>You cannot opt-out of the PAGA portion of the proposed Settlement. THC must pay Individual PAGA Payments to all Aggrieved Employees, and the Aggrieved Employees must give up their rights to pursue Released PAGA Claims (defined in Section 3 of this Notice).</p>
<p><b>Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement</b></p> <p><b>Written Objections Must be Submitted by</b>  <span style="background-color: cyan; color: black;">[REDACTED]</span></p>	<p>All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.</p>
<p><b>You Can Participate in the</b>  <span style="background-color: cyan; color: black;">[REDACTED]</span> <b>Final Approval Hearing</b></p>	<p>The Court’s Final Approval Hearing is scheduled to take place on <span style="background-color: cyan; color: black;">[REDACTED]</span> at <span style="background-color: cyan; color: black;">[REDACTED]</span> a.m./p.m. You don't have to attend, though you have the right to appear (or hire an attorney at your own cost to appear on your behalf), in person, by telephone, or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.</p>
<p><b>You Can Challenge the Calculation of Your Workweeks and/or Pay Periods</b></p> <p><b>Written Challenges Must be Submitted by</b>  <span style="background-color: cyan; color: black;">[REDACTED]</span></p>	<p>The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you actually worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you actually worked according to THC’s records is stated on the first page of this Notice and specifically excludes paid time off where you performed no work, including but not limited to, holidays, PTO, administrative and other leaves of absences. If you disagree with either of these numbers, you must challenge it by <span style="background-color: cyan; color: black;">[REDACTED]</span>. See Section 4 of this Notice.</p>

### 1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former THC employee. The Action accuses THC of violating California laws by (1) failing to pay minimum and straight time wages [Cal. Lab. Code §§ 1194, 1194.2, and 1197], (2) failing to provide meal periods [Cal. Lab. Code §§ 226.7, 512], (3) failing to authorize and permit rest breaks [Cal. Lab. Code §§ 226.7, 512], (4) failing to indemnify necessary business expenses [Cal. Lab. Code § 2802], (5) failing to timely pay final wages at termination [Cal. Lab. Code §§ 201-203], (6) failing to provide accurate itemized wage statements [Cal. Lab.

Code § 226], and (7) engaging in unfair business practices [Cal. Bus. & Prof. Code §§ 17200, et seq.]. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act [Cal. Lab. Code §§ 2698, et seq.] (“PAGA”). In this Action, Plaintiff is represented by the attorneys of Moon Law Group, PC (“Class Counsel”).

THC strongly denies and continues to deny violating any laws, failing to pay any wages, or wrongdoing of any kind associated with the claims in the Action. THC also denies that, for any purpose other than settling this lawsuit, the Action is appropriate for class treatment. THC contends it complied with all applicable laws, including, among other things, that it complied at all times with the California Labor Code, the California Business and Professions Code, and all other applicable laws. The Court has made no ruling and will make no ruling on the merits of the Action and its allegations and claims.

## **2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?**

So far, the Court has made no determination whether THC or Plaintiff is correct on the merits. In the meantime, Plaintiff and THC hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an agreement to end the case (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (the “Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and THC have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, THC does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) THC has agreed to pay a fair, reasonable, and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court has preliminarily approved the proposed Settlement as fair, reasonable, and adequate, has authorized this Notice, and has scheduled a hearing to determine whether to finally approve the proposed Settlement and enter a final judgment.

## **3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?**

1. THC will pay at least \$330,000.00 as the Gross Settlement Amount (the “Gross Settlement”). THC has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, a Class Representative Service Payment, Class Counsel’s attorney’s fees and expenses, an Administration Expenses Payment, and PAGA penalties to the LWDA. Assuming the Court grants Final Approval, THC will fund the Gross Settlement, as well as the amounts necessary to fully pay THC’s share of payroll taxes owed on the Wage Portion (defined below) of Individual Class Payments, by transmitting the funds to an Administrator in three equal installments, or as close to equal as possible, as follows: (1) first payment on the later of January 31, 2024 or THC’s receipt of the notice of entry of the Court’s Final Approval; (2) January 31, 2025; and (3) October 31, 2025.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
  - A. Up to one-third (1/3) of the Gross Settlement Amount, which is currently estimated to be \$110,000.00, and up to \$25,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

- B. Up to \$7,500.00 as an award to Plaintiff for filing the Action, working with Class Counsel, and representing the Class. The Class Representative Service Payment will be the only money Plaintiff will receive other than Plaintiff's Individual Class Payment and Individual PAGA Payment.
- C. Up to \$15,000.00 to the Administrator (identified below) for services administering the Settlement.
- D. Up to \$20,000.00 for PAGA Penalties, allocated as 75% (\$15,000.00) to the LWDA's PAGA Payment and as 25% (\$5,000.00) in Individual PAGA Payments to Aggrieved Employees based on their PAGA Period Pay Periods. See Section 4 of this Notice.

Participating Class Members have the right to object to the above amounts. The Court will consider all objections.

- 3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks. See Section 4 of this Notice.
- 4. Taxes Owed on Payments to Class Members. Of each Individual Class Payment, the Parties are asking the Court to approve an allocation of 20% as taxable wages (the "Wage Portion"), and the remaining 40% as interest and 40% as penalties (the "Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. THC will separately pay employer payroll taxes it owes on the Wage portion. The Individual PAGA Payments are counted as 100% penalties, rather than wages, for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and THC have agreed to these tax allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

- 5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the "Void Date"). If you don't cash it by the Void Date, your check will be automatically cancelled, and the monies will be deposited with the California State Controller's Unclaimed Property Fund in your name. If the monies represented by your uncashed check is sent to the Controller's Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.
- 6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you send a written and signed Request for Exclusion to the Administrator. The Request for Exclusion should be a letter from you or your representative setting forth your name, last four digits of your Social Security Number, address, email address, telephone number, and a simple statement explaining your election to be excluded from the Settlement. Excluded Class Members ("Non-Participating Class Members") will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against THC. The Request for Exclusion must be faxed, emailed, or mailed no later than [REDACTED] (the "Response Deadline"). If mailing your Request for Exclusion, it must be postmarked by the Response Deadline to be considered timely. The Administrator's contact information is contained in Section 9 of this Notice.

You cannot opt-out of the PAGA portion of the Settlement. Non-Participating Class Members still remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against THC based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a final Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. The Parties have agreed that, in either case, the Settlement will be void: THC will not pay any money and Class Members will not release any claims against THC.
8. Administrator. The Court has appointed a neutral company, Apex Class Action Administration (the “Administrator”), to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion and written objections. The Administrator will also decide any Class Member challenges over Workweeks and/or Pay Periods, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
9. Released Class Claims by Participating Class Members. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Participating Class Members will be legally barred from asserting any of the Released Class Claims (defined immediately below). This means that unless you opted out by validly and timely excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of another lawsuit against the Released Parties (defined below) for wages based on the Class Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release (the “Released Class Claims”):

All Participating Class Members, on behalf of themselves and on behalf of their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from all claims, transactions, or occurrences that occurred during the Class Period and that were alleged, or reasonably could have been alleged based on the facts contained, in the Third Amended Complaint. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

The “Released Parties” are as follows: Defendant Tenderloin Housing Clinic and its current and former parents, subsidiaries, affiliates, joint ventures, directors, officers, shareholders, owners, employees, agents, attorneys, insurers, predecessors, successors, and assigns, and any other person acting by, through, or under Defendant.

10. Released PAGA Claims by Aggrieved Employees. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Aggrieved Employees will be barred from asserting any of the Released PAGA Claims (defined immediately below), whether or not they opt-out of the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against the Released Parties (defined above) based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees will be bound by the following release (the “Released Class Claims”):

All Participating Class Members who are Aggrieved Employees and all Non-Participating Class Members who are Aggrieved Employees, on behalf of themselves and on behalf of their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, are deemed to release the Released Parties from all claims, transactions, or occurrences that occurred during the PAGA Period and that were alleged, or reasonably could have been alleged based on the facts contained, in the Third Amended Complaint and Plaintiff’s PAGA Notice.

#### 4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks actually worked by all Participating Class Members during the Class Period, and (b) multiplying the result by the number of Workweeks actually worked by each individual Participating Class Member during the Class Period, with both the numerator and denominator specifically excluding paid time off where the Participating Class Member(s) performed no work, including but not limited to, holidays, PTO, administrative and other leaves of absences. Your estimated Individual Class Payment is stated on the first page of this Notice.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$5,000.00 by the total number of Pay Periods actually worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by the number of Pay Periods actually worked by each individual Aggrieved Employee during the PAGA Period, with both the numerator and denominator specifically excluding paid time off where the Aggrieved Employee(s) performed no work, including but not limited to, holidays, PTO, administrative and other leaves of absences. Your estimated Individual PAGA Payment (if any) is stated on the first page of this Notice.
3. Workweek and/or Pay Period Challenges. The number of Class Workweeks you actually worked during the Class Period and the number of PAGA Pay Periods you actually worked during the PAGA Period, as recorded in THC’s records, are stated in the first page of this Notice. You have until [REDACTED] (the “Response Deadline”) to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by sending a signed and written letter to the Administrator via mail, email, or fax. If mailing your letter, it must be postmarked by the Response Deadline to be considered timely. Section 9 of this Notice has the Administrator’s contact information.

You should support your challenge by including copies of pay stubs or other records in your letter to the Administrator. The Administrator will accept THC’s calculation of your Workweeks and/or Pay Periods based on THC’s records unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and THC’s Counsel. The Administrator’s decision is final. You can’t appeal or otherwise challenge the Administrator’s final decision.



## 5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member, including those who also qualify as an Aggrieved Employee. Each check will combine the Individual Class Payment and the Individual PAGA Payment (if any).
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement.

**Your check will be sent to the same address where this Notice was sent. If you change your address, be sure to notify the Administrator as soon as possible so that your check is mailed to your current address.** Section 9 of this Notice has the Administrator's contact information.

## 6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, last four digits of Social Security Number, address, email address, telephone number, and a simple statement that you do not want to participate in the Settlement. Your contact information is for verification purposes. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to sign your request and identify the Action as Fennix v. Tenderloin Housing Clinic, Inc. (Case No. CGC-20-584834). You must make the request yourself. If someone else makes the request for you, it will not be valid. **You must fax, email, or postmark your request to be excluded to the Administrator by [REDACTED], or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

## 7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what the Parties are asking the Court to approve. At least 16 court days before the Final Approval Hearing scheduled for [REDACTED], Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Attorneys' Fees, Litigation Expenses, and Service Award stating: (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses, and (ii) the amount Plaintiff is requesting as a Class Representative Service Payment. Upon reasonable request, Class Counsel (whose contact information is stated in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's website ([REDACTED]) or the Court's website at (<https://sf.courts.ca.gov/online-services/case-information>).

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Attorneys' Fees, Litigation Expenses, and Service Award may wish to object, for example, that the proposed Settlement is unfair or that the amounts requested by Class Counsel and/or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is [REDACTED].** Your written objection should explain what you object to, why you object, and include any facts that support your objection. Make sure you identify the Action as Fennix v. Tenderloin Housing Clinic, Inc. (Case No. CGC-20-584834) and include your name, last four digits of Social Security Number, address, email address, telephone number, and approximate dates of employment for THC. You should also sign the objection. Section 9 of this Notice has the Administrator's contact information.

In addition to sending a written objection or in the alternative, a Participating Class Member can object (or personally retain a lawyer to object at his or her own cost) by attending the Final Approval Hearing and presenting a verbal objection. You (or your attorney) should be ready to tell the Court what you object to, why you object,



and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

## 8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [REDACTED] at [REDACTED] : [REDACTED] a.m./p.m. in Department 610 of the San Francisco Superior Court, located at 400 McAllister Street, San Francisco, CA 94102. At the Hearing, the Judge will decide whether to grant Final Approval of the proposed Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, the LWDA, and the Administrator. The Court will invite comment from objectors, Class Counsel, and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend at your own expense) either personally, telephonically, or virtually via CourtCall (<https://www.courtall.com>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You can check the Administrator's website at [REDACTED] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

## 9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything THC and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment, or any other Settlement or documents in the Action is to go to Court's website (<https://sf.courts.ca.gov/online-services/case-information>) and enter the Case Number for the Action (Case No. CGC-20-584834). You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below. You can also make an appointment to personally review court documents in the Clerk's Office at the Civic Center Courthouse by calling (415) 551-4000.

### **DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.**

#### **Class Counsel:**

Name of Attorneys: Kane Moon, Allen Feghali, and Charlotte Mikat-Stevens

Email Addresses: [kmoon@moonlawgroup.com](mailto:kmoon@moonlawgroup.com), [afeghali@moonlawgroup.com](mailto:afeghali@moonlawgroup.com), and [cmikat-stevens@moonlawgroup.com](mailto:cmikat-stevens@moonlawgroup.com)

Name of Firm: Moon Law Group, PC

Mailing Address: 1055 West Seventh Street, Suite 1880, Los Angeles, CA 90017

Telephone: (213) 232-3128

#### **Settlement Administrator:**

Name of Company: Apex Class Action Administration

Email Address: [REDACTED]

Mailing Address: [REDACTED]

Telephone: [REDACTED]

Fax Number: [REDACTED]

## 10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the Void Date on the face of the original check. If your check is already void, you

should consult the California State Controller's Unclaimed Property Fund (<https://ucpi.sco.ca.gov/>) for instructions on how to retrieve your monies.

#### **11. WHAT IF I CHANGE MY ADDRESS?**

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address. Otherwise, your check will be sent to the same address where this Notice was sent.