

AMENDED CLASS ACTION AND PAGA SETTLEMENT AGREEMENT
Delgado v. Akua Behavioral Health, Inc. (Case No. 22STCV13591)
Silva v. Akua Behavioral Health, Inc. (Case No. 30-2022-01272105-CU-OE-CXC)

This Amended Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs Richard Silva and Alicia Delgado (“Plaintiffs”) and Defendant Akua Behavioral Health, Inc. (“Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” refers collectively to the court actions entitled *Alicia Delgado v. Akua Behavioral Health, Inc.* (Los Angeles County Superior Court Case No. 22STCV13591, “Delgado Action”) and *Richard Silva v. Akua Behavioral Health, Inc.* (Orange County Superior Court Case No. 30-2022-01272105-CU-OE-CXC, “Silva Action”).
- 1.2. “Administrator” means Apex Class Action LLC, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 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 Employees” means all current and former non-exempt employees of Defendant employed by Defendant in the State of California at any time during the PAGA Period.
- 1.5. “Class” means all current and former non-exempt employees of Defendant that were employed in the state of California at any time during the Class Period.
- 1.6. “Class Counsel” means S. Emi Minne and Jill J. Parker of Parker & Minne, LLP, Arby Aiwazian, Joanna Ghosh, and Ryan Slinger of Lawyers for Justice, P.C., and Donald Potter of Law Office of Donald Potter.
- 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 a complete list of all Class Members and Aggrieved Employees that Defendant shall provide to the Settlement Administrator, which shall include all Class Members’ and Aggrieved Employees’: (1) full name; (2) last known home address; (3) last known telephone number; (4) social security number; (5) start and end dates of active employment as a non-exempt employee of Defendant in the State of California; (6) total Workweeks during the Class Period; (7) total Workweeks during the PAGA Period; and (8) any other information required by the Settlement Administrator in order to effectuate the terms of the Settlement.

- 1.9. "Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non- Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. "Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11. "Class Notice" means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English and Spanish in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12. "Class Period" means the period commencing on April 22, 2021, and ending on June 15, 2024.
- 1.13. "Class Representative Service Payment" means the payment to Plaintiffs for initiating the Actions and providing services in support of the Actions.
- 1.14. "Court" means the Superior Court of California, County of Los Angeles.
- 1.15. "Defendant" means named Defendant Akua Behavioral Health, Inc.
- 1.16. "Defense Counsel" means Avi Attal and David Goodman of Kahana & Feld LLP.
- 1.17. "Effective Date" means the later of the following dates: (a) if no timely objections are filed or if all objections are withdrawn, the date upon which the Court enters Final Approval; (b) if an objection is filed and not withdrawn, the date for filing an appeal and no such appeal being filed; or (c) if any timely appeals are filed, the date of the resolution (or withdrawal) of any such appeal in a way that does not alter the terms of the settlement.
- 1.18. "Final Approval" means the Court's order granting final approval of the Settlement.
- 1.19. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.
- 1.20. "Final Judgment" means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.21. "Gross Settlement Amount" means Nine Hundred Thousand Dollars and Zero Cents (\$900,000.00) which is the total amount Defendant agrees to pay under the Settlement, except as provided in the Escalator Clause set forth in Paragraph 9. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payments and the Administrator's Expenses. The Gross Settlement

Amount does not include Defendant's share of any employer-side taxes and withholdings, which will be calculated by the Administrator and separately paid for by Defendant.

- 1.22. "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.23. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.24. "Judgment" means the judgment entered by the Court based upon the Final Approval.
- 1.25. "LWDA" means the California Labor and Workforce Development Agency.
- 1.26. "LWDA PAGA Payment" means the 75% of the PAGA Penalties to be paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.27. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.28. "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.29. "PAGA Period" means the period commencing on April 22, 2021, and ending on June 15, 2024.
- 1.30. "PAGA" means the Labor Code Private Attorneys General Act of 2004 (Labor Code §§ 2698. et seq.).
- 1.31. "PAGA Notices" collectively refers to the notice letter submitted to the LWDA and Defendant by Plaintiff Richard Silva on April 22, 2022 and to the notice letter submitted to the LWDA and Defendant by Plaintiff Alicia Delgado on July 15, 2022.
- 1.32. "PAGA Penalties" means the total amount the Parties have agreed to allocate in order to settle claims arising under PAGA, of which 75% shall be allocated to the LWDA for the LWDA PAGA Payments, and 25% shall be allocated the Aggrieved Employees as Individual PAGA Payments.

- 1.33. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.34. "Plaintiffs" means Plaintiffs Richard Silva and Alicia Delgado, the named plaintiffs in the Actions.
- 1.35. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.
- 1.36. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.37. "Released Class Claims" means the claims being released as described in Paragraph 6.2.
- 1.38. "Released PAGA Claims" means the claims being released as described in Paragraph 6.3.
- 1.39. "Released Parties" means Defendant Akua Behavioral Health, Inc. and its past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.
- 1.40. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.41. "Response Deadline" means the date that is sixty (60) calendar days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may mail, fax, or email Requests for Exclusion, written Objections to the Settlement, or Workweek challenges to the Administrator. The Response Deadline for Requests for Exclusion, Objections, and Workweek challenges will be extended fourteen (14) calendar days for any Class Member whose Class Notice is remailed by Administrator, unless the 14th day after remailing falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline may also be extended by express agreement between Class Counsel and Defense Counsel.
- 1.42. "Settlement" means the disposition of the Actions affected by this Agreement and the Judgment.
- 1.43. "Workweek" means any week during which a Class Member or Aggrieved worked for Defendant for at least one day, during the Class Period.

2. RECITALS.

- 2.1. On April 22, 2022, Plaintiff Richard Silva provided written notice to the LWDA and Defendant of his intent to seek civil penalties pursuant to PAGA for Defendant's alleged violations of California Labor Code §§ 201, 202, 203, 204, 226(a), 225.7, 510, 512(a),

1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802.

- 2.2. On April 25, 2022, Plaintiff Alicia Delgado filed a putative class action complaint against Defendant alleging the following causes of action: (1) Failure to Pay All Wages Due in Violation of Cal. Labor Code §§ 204, 510, 1194 & 1198; (2) Meal Period Violations (Cal. Lab. Code §§ 512, 226.7); (3) Rest Period Violations (Cal. Lab. Code § 226.7); (4) Failure to Reimburse for Business Expenses (Cal. Labor Code § 2802); (5) Failure to Provide Accurate Itemized Statements in Violation of Cal. Labor Code §§ 226(a)-(g); (6) Waiting Time Penalties (Cal. Lab. Code §§ 201-203); and (7) Unfair Competition.
- 2.3. On July 15, 2024, Plaintiff Alicia Delgado provided written notice to the LWDA and Defendant of her intent to seek civil penalties pursuant to PAGA for Defendant's alleged violations of California Labor Code §§ 201, 202, 203, 204, 226(a), 225.7, 510, 512(a), 1174(d), 1194, and 2802.
- 2.4. On July 27, 2022, Plaintiff Richard Silva initiated a civil action against Defendant alleging a single cause of action under PAGA predicated on the following Labor Code violations: (1) Failure to Pay Overtime (Cal. Labor Code §§ 510 and 1198); (2) Failure to Provide Meal Periods (Cal. Labor Code §§ 226.7 and 512(a)); (3) Failure to Provide Rest Periods (Cal. Labor Code § 226.7); (4) Failure to Pay Minimum Wages (Cal. Labor Code § 1194, 1197, and 1197.1); (5) Failure to Timely Pay Wages Upon Termination (Cal. Labor Code §§ 201 and 202); (6) Failure to Timely Pay Wages During Employment (Cal. Labor Code § 204); (7) Failure to Provide Complete and Accurate Wage Statements (Cal. Labor Code § 226(a)); (8) Failure to Keep Complete and Accurate Payroll Records (Cal. Labor Code § 1174); and (9) Failure to Reimburse Necessary Business-Related Expenses.
- 2.5. On October 31, 2022, Plaintiff Alicia Delgado filed a Second Amended Complaint in the *Delgado* Action adding a cause of action under PAGA.
- 2.6. Defendant denies the allegations in the Actions and PAGA Notices, denies any failure to comply with the laws identified in the Actions and PAGA Notices, and denies any and all liability for any of the causes of action pled and facts asserted in the Actions and PAGA Notices.
- 2.7. Following the filing of the Actions, the Parties met and conferred with respect to potential resolution of the Actions, and agreed to engage in private mediation. Prior to mediation, Class Counsel diligently investigated the claims against Defendant, including any and all applicable defenses and the applicable law. This investigation included, *inter alia* the exchange of both informal discovery, review of numerous corporate policies and practices, and analysis of a 25% sampling of the time and payroll records for the Class and Aggrieved Employees. Class Counsel's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*, 48 Cal.App.4th 1794, 1801 (1998) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 129-130 (2008).
- 2.8. On April 16, 2024, the Parties participated in a private mediation with Lynn Frank, Esq., a respected mediator with extensive experience in complex wage and hour litigation. Ms. Frank's supervision of the mediation and negotiations was critical in managing the

expectations of the Parties, and in providing a useful and neutral analysis of the case to both Parties. On or about June 17, 2024, the Parties executed a Memorandum of Understanding, the material terms of which are now fully memorialized in this Agreement.

- 2.9. The settlement discussions leading to this Agreement were conducted at arms-length, and this Agreement is the result of an informed and detailed analysis of Defendant's potential liability in relation to the costs and risks associated with continued litigation. Based on data produced pursuant to informal discovery, as well as Class Counsel's own independent investigation and evaluation, Plaintiffs and Class Counsel believe that the Settlement for the consideration and terms set forth in this Agreement is fair, reasonable and adequate, and is in the best interests of the Class, the Aggrieved Employees, and the State of California.
- 2.10. The Court has not granted class certification. However, solely for purposes of Settlement of the Actions, the Parties stipulate and agree that the requirements for establishing class certification with respect to the Class have been satisfied, and stipulate and agree to certification of the Class. The Parties further agree to the designation of Parker & Minne, LLP, Lawyers for Justice, P.C., and Law Office of Donald Potter as counsel for the Class. Should the Agreement not be approved or is terminated, the fact that the Parties were willing to stipulate to class certification as part of the Agreement shall have no bearing on, and shall not be admissible in connection with, the issue of whether a class should be certified in a non-settlement context in this Action.
- 2.11. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. GLOBAL SETTLEMENT PROCEEDINGS.

- 3.1. Filing of Third Amended Complaint in *Delgado* Action. In order to facilitate global resolution of the Actions, the Parties have agreed to allow Plaintiffs to file a Third Amended Complaint in the *Delgado* Action adding Plaintiff Richard Silva as a named Plaintiff, and adding allegations related to alleged misclassification and violation of Labor Code §§ 1197, 1197.2, and 2800. A stipulation and proposed order reflecting the Parties' agreement regarding the filing of a Third Amended Complaint in the *Delgado* Action shall be filed on or before the date Plaintiffs file their Motion for Preliminary Approval. Plaintiffs shall seek approval of the Agreement in the *Delgado* Action in the Los Angeles County Superior Court. If this Agreement is not approved by the Los Angeles County Superior Court, the stipulated Third Amended complaint shall be deemed null and void, and the Second Amended complaint shall be reinstated as the operative complaint in the *Delgado* Action.
- 3.2. Dismissal of the *Silva* Action. Following Final Approval of the Settlement and entry of the Final Judgment, Plaintiff Richard Silva and Defendant shall stipulate to dismiss the *Silva* Action without prejudice.

4. MONETARY TERMS.

- 4.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay Nine Hundred Thousand Dollars and Zero Cents (\$900,000.00) as the Gross Settlement Amount. The Gross Settlement Amount is exclusive of any employer-side payroll taxes, which Defendant shall separately pay in addition to the Gross Settlement Amount. Defendant shall fund the Gross Settlement Amount in accordance with the installment plan stated in Paragraph 5.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 4.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
- 4.2.1. To Plaintiffs: Class Representative Service Payments of Five Thousand Dollars and Zero Cents (\$5,000.00) to Plaintiff Richard Silva and of Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00) to Plaintiff Alicia Delgado. The Class Representative Service Payments shall be in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as Participating Class Members and Aggrieved Employees. Defendant will not oppose Plaintiffs' request for Class Representative Service Payments that do not exceed these amounts. As part of the motion for the Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves Class Representative Service Payments less than the amounts requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payments.
- 4.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than thirty-five percent (35%) of the Gross Settlement Amount, which is currently estimated to be Three Hundred Fifteen Thousand Dollars and Zero Cents (\$315,000.00) and a Class Counsel Litigation Expenses Payment of not more than Thirty Thousand Dollars and Zero Cents (\$30,000.00). Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Class Counsel Fees Payment shall be allocated between Class Counsel as follows: 40% to Parker & Minne, LLP; 40% to Lawyers for Justice, PC; and 20% to Law Office of Donald Potter. Released Parties shall have no liability to Class Counsel arising

from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

4.2.3. To the Administrator: An Administrator Expenses Payment not to exceed Fifteen Thousand Dollars and Zero Cents (\$15,000.00) except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$15,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

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

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

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

4.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of Fifty Thousand Dollars and Zero Cents (\$50,000.00) shall be paid from the Gross Settlement Amount for settlement of claims arising under PAGA. 75% of the PAGA Penalties (i.e., \$37,500.00) shall be allocated to the LWDA PAGA Payment. and 25% of the PAGA Penalties (i.e., \$12,500.00) shall be allocated to the Individual PAGA Payments to Aggrieved Employees.

4.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (i.e., \$12,500.00) by the total number of Workweeks worked by

all Aggrieved Employees during the PAGA Period and (b) multiplying the result by the number of Workweeks worked by each individual Aggrieved Employee during the PAGA Period. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

- 4.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

5. SETTLEMENT FUNDING AND PAYMENTS.

- 5.1. Class Workweeks. Based on a review of its records to date, Defendant represents that there are approximately 541 Class Members who collectively worked a total of 20,000 Workweeks between April 22, 2021 and April 16, 2024. The total Class Members and Workweeks are expected to be proportionately higher due to the dates of the actual Class Period.
- 5.2. Class Data. Not later than fourteen (14) calendar days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 5.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount and Defendant's share of any employer-side payroll taxes over a series of twenty-four (24) installment payments as follows:
- 5.3.1. Defendant shall make eight (8) monthly installment payments of \$20,000.00 ("2024 Installments") into an interest-bearing Qualified Settlement Fund ("QSF") established by the Settlement Administrator. The first 2024 Installment shall be deposited by Defendant into the QSF by no later than May 31, 2024 (or, if the Settlement Administrator requires additional time to establish the QSF, within three (3) business days following establishment of the QSF). All remaining 2024 Installments shall be deposited by Defendant into the QSF by no later than the last day business day of each subsequent month, with the final 2024 Installment deposited by no later than December 31, 2024. Regardless of when payment commences, Defendant shall deposit a

total of \$160,000.00 into the QSF by no later than December 31, 2024.

5.3.2. Commencing in 2025, Defendant shall make sixteen (16) monthly installment payments of \$46,250.00 (“2025-2026 Installments”) into the QSF. The first 2025-2026 Installment shall be deposited by Defendant into the QSF by no later than January 31, 2025. All remaining 2025-2026 Installments shall be deposited by Defendant into the QSF by no later than the last day business day of each subsequent month, with the final 2025-2026 Installment, plus any amounts owed by Defendant for employer-side payroll taxes, deposited by Defendant into the QSF by no later than June 30, 2026.

5.3.3. Any interest earned on the 2024 Installments and 2025-2026 Installments prior to disbursement of the Gross Settlement Amount (less any applicable fees and charges associated with the establishment and maintenance of the QSF) shall be used to pay Defendant’s share of employer-side payroll taxes. If any additional interest remains following payment of employer-side payroll taxes, such amounts shall be credited towards the Gross Settlement Amount. Defendant may, in its sole discretion, prepay any amounts it chooses into the QSF without penalty.

5.4. Stipulated Judgment in the Event of Default on Installment Payments. Should Defendant fail to timely make any of the installment payments set forth in paragraphs 5.3.1 and 5.3.2 above, Defendant shall be in default of its debt under the terms of this Agreement. Defendant shall have the opportunity to timely cure a default within seven (7) business days from when notice of default is delivered by submitting the necessary installment payment to the Administrator. If Defendant does not cure a default within seven (7) business days, then Defendant shall owe the entire outstanding balance of the Gross Settlement Amount, due immediately and payable to the Administrator. Plaintiffs, after providing notice to Defendant and to Defendant’s Counsel of the default and expiration of a cure period of seven (7) business days, may apply by regularly noticed motion to have a stipulated judgment, substantially in the form attached hereto as Exhibit B, entered in the Actions in favor of Plaintiffs, the Participating Class Members, Aggrieved Employees, and State of California against Defendant in the amount of the outstanding balance on the Gross Settlement Amount, plus pre-judgment interest on the amount due at the legal rate, post-judgment interest at the legal rate, and attorneys’ fees and costs incurred in the enforcement and collection of the Judgment. In the alternative, Plaintiffs may, at their sole discretion, move by regularly scheduled motion to vacate the Final Judgment previously entered by the Court.

5.5. Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendant fully funds the Gross Settlement Amount and all applicable employer-side payroll taxes, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payments shall not precede disbursement of Individual Class Payments and Individual

PAGA Payments.

- 5.5.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date when the check will be voided, which shall be 180 calendar days after the date of mailing. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
 - 5.5.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within three (3) business days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced that is requested by the Class Member prior to the void date.
 - 5.5.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).
 - 5.5.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.
- 6. RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount and all employer-side payroll taxes, Plaintiffs, Class Members, Aggrieved Employees, and the State of California will release claims against all Released Parties as follows:
- 6.1 Plaintiffs' Release. In addition to the release of claims set forth in paragraphs 6.2 and 6.3, below, Plaintiffs, on behalf of themselves only, shall release and discharge Released Parties from all claims with Defendant, including all claims alleged in the Actions.

Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them. Specifically, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of California Civil Code section 1542, which provides:

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

Notwithstanding the foregoing, the release of claims by Plaintiffs specifically excludes: (1) any claims or actions to enforce this Agreement; and (2) any claims Plaintiffs have or may have that are not waivable by law, including claims for vested benefits, unemployment insurance, disability, social security, workers compensation, and the right to receive benefits under any retirement plan. This release also expressly excludes any and all individual claims brought by Plaintiff Alicia Delgado against Defendant in the civil action entitled *Alicia Delgado v. Akua Behavioral Health, Inc.*, Los Angeles County Superior Court Case No. 23STCV02166.

- 6.2 Release by Participating Class Members: Plaintiffs and all Participating Class Members shall release Released Parties from all claims, rights, demands, liabilities and causes of action that are alleged, or reasonably could have been alleged based on the facts and claims asserted in the operative complaint in the Actions including the following claims: (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums); (4) Violation of California Labor Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201, 202 and 203 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements); (7) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses); (8) Misclassification of Status; and (9) claims for unfair or unlawful business practices under California Business & Professions Code sections 17200, et seq. which are predicated on violations of Labor Code sections 201, 202, 203, 226(a), 226.7, 510, 512(a), 1194, 1197, 1197.1, 1198, 2800, and 2802. This release is limited to claims arising during the Class Period. Except as set forth in Section 6.3 of this Agreement, Participating Class Members do not release any other claims against Released Parties, 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.
- 6.3 Release by Aggrieved Employees and the LWDA. Plaintiffs, Aggrieved Employees, and the LWDA shall release Released Parties from any and all claims for the recovery for civil penalties, attorneys' fees and costs permissible under PAGA which Plaintiffs and/or the Aggrieved Employees had, or may claim to have, against Released Parties, arising out of

the violations alleged in the operative complaints in the Actions and/or the PAGA Notices, including failure to pay overtime compensation, failure to pay minimum wages, failure to provide compliant meal and rest breaks, failure to pay meal and rest period premiums, failure to pay all wages owed at discharge or resignation; failure to timely pay wages during employment; failure to provide complete and accurate wage statements; failure to keep complete and accurate payroll records; failure to reimburse necessary business-related expenses; misclassification of status; and violations of Labor Code sections 201, 202, 203, 204, 226(a), 226.3, 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2698, *et seq.*, 2800, and 2802. This release is limited to claims arising during the PAGA Period.

7. MOTION FOR PRELIMINARY APPROVAL. Plaintiffs will prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approvals.

- 7.1 Responsibility of Defendant and Defense Counsel. Within three (3) court days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed Declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and Defendant shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.
- 7.2 Responsibilities of Plaintiffs and Class Counsel. Plaintiffs and Class Counsel are responsible for expeditiously finalizing and filing the Motion for Preliminary Approval; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval to the Administrator.
- 7.3 Defendant’s Agreement Not to Oppose Motion for Preliminary Approval. Plaintiff shall provide to Defendant’s counsel drafts of the Motion for Preliminary Approval at least 10 days before its intended filing. Plaintiff may file the Motion upon either receipt of formal approval by Defendant’s counsel or 10 days after providing the proposed papers if no response is received. To the extent that any issues/changes are raised by Defendant to the proposed papers within 10 days, the Parties shall make all efforts to resolve those issues in good faith. Any further disagreement regarding the form of the drafts shall be submitted to Lynn Frank for determination, whose determination shall be binding. So long as this procedure is followed, Defendant agrees that it will not oppose Plaintiffs’ Motion for Preliminary Approval or delay the hearing thereon. This is a material term of the Agreement and any delay or opposition by Defendant, if this procedure is properly followed, will be grounds for Plaintiffs to withdraw from the Agreement. The Parties agree that, if Plaintiff withdraws, the Agreement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Plaintiff will remain responsible for paying all Settlement Administration Expenses incurred to that point.

- 7.4 Duty to Cooperate. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns. If the Parties are unable to resolve any dispute regarding modifications to this Agreement needed to obtain Preliminary Approval, they will submit their disputes to Lynn Frank, Esq. for resolution, whose determination shall be binding.

8. SETTLEMENT ADMINISTRATION.

- 8.1 Selection of Administrator. The Parties have jointly selected Apex Class Action LLC to serve as the Administrator and verified that, as a condition of appointment, Apex Class Action LLC agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 8.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.
- 8.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 8.4 Notice to Class Members.
- 8.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, and Workweeks in the Class Data.
- 8.4.2 Using best efforts to perform as soon as possible, and in no event later than fourteen (14) calendar days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice in both English and Spanish substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 8.4.3 Not later than three (3) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS

does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

8.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks, and Requests for Exclusion will be extended an additional fourteen (14) calendar days beyond the sixty (60) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed, unless the 14th day after re-mailing falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline may also be extended by express agreement between Class Counsel and Defense Counsel. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

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

8.5 Requests for Exclusion (Opt-Outs).

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

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

determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

8.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 6.2 and 6.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

8.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.3 of this Agreement and are eligible for an Individual PAGA Payment.

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

8.7 Objections to Settlement.

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

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

calendar days for Class Members whose Class Notice was re-mailed).

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

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

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

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

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

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

8.8.5 Administrator's Declaration. Not later than seven (7) calendar days before the date by which Plaintiffs are required to file their Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and

compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notices, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

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

9. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.** Based on its records, Defendant estimated that, between April 22, 2021 and April 16, 2024, there were 541 Class Members who worked a total of 20,000 Workweeks ("Certified Workweek Count"). Should the qualifying Workweeks worked by the Class Members during this period (i.e., April 22, 2021 to April 16, 2024) ultimately increase by more than 10% of the Certified Workweek Count (i.e., by more than 2,000 Workweeks), Defendant shall increase the Gross Settlement Amount on a pro-rata basis equal to the percentage increase in the number of Workweeks worked by the Class Members above 10% of the Certified Workweek Count (e.g., if the number of Workweeks increases by 11% to 22,000 Workweeks, the Gross Settlement Amount will increase by 1% to \$909,000.00).
10. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members, Defendant may, but is not obligated to, elect to withdraw from the Agreement. The Parties agree that, if Defendant withdraws, the Agreement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect. Defendant shall meet and confer with Class Counsel before withdrawing from the Agreement pursuant to this provision.
11. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide to Defendant's counsel

drafts of the Motion for Final Approval at least 10 days before its intended filing. Plaintiff may file the Motion upon either receipt of formal approval by Defendant's counsel or 10 days after providing the proposed papers if no response is received. To the extent that any issues/changes are raised by Defendant to the proposed papers within 10 days, the Parties shall make all efforts to resolve those issues in good faith. Any further disagreement regarding the form of the drafts shall be submitted to Lynn Frank for determination, whose determination shall be binding. So long as this procedure is followed, Defendant agrees that it will not oppose Plaintiffs' Motion for Final Approval.

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

11.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payments and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph. If the Parties are unable to resolve any dispute regarding modifications to this Agreement needed to obtain Final Approval, they will submit their disputes to Lynn Frank, Esq. for resolution, whose determination shall be binding.

11.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement pursuant to Code of Civil Procedure 664.6 and California Rules of Court, Rule 3.769 solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

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

11.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a

material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment. Any additional Administration Expenses reasonably incurred after remittitur shall be paid from the Gross Settlement Amount. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

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

13. ADDITIONAL PROVISIONS.

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

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

respond only that “the matter was resolved,” or words to that effect. This paragraph does not restrict Class Counsel’s communications with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

- 13.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel’s ability to communicate with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.
- 13.4 Neutral Employment Reference. Defendant agrees that it will adopt a neutral reporting policy regarding any future employment references related to Plaintiffs. In the event that any potential or future employers of Plaintiffs request a reference regarding Defendants’ employment of Plaintiffs, Defendant shall only provide the requested Plaintiffs’ dates of employment, job titles during employment, and final rate of pay. Defendant shall not refer to the Action or the Settlement.
- 13.5 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 13.6 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 13.7 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 13.8 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 13.9 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendant, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

- 13.10 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by counsel for all Parties, and approved by the Court.
- 13.11 Enforcement Action. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.
- 13.12 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 13.13 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 13.14 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. Accordingly, this Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 13.15 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 13.16 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.
- 13.17 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 13.18 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

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

To Plaintiffs:

S. Emi Minne (emi@parkerminne.com)
Jill J. (jill@parkerminne.com)
PARKER & MINNE, LLP
700 S. Flower Street, Suite 1000
Los Angeles, California 90017
Telephone: (310) 882-6833
Fax: (310) 889-0822

Arby Aiwarzian (arby@calljustice.com)
Joanna Ghosh (joanna@calljustice.com)
Ryan M. Slinger (r.slinger@calljustie.com)
LAWYERS FOR JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91023
Telephone: (818) 265-1020
Fax: (818) 265-1021

Donald Potter (dp@donpotterlaw.com)
LAW OFFICE OF DONALD POTTER
144 N. Lake Ave., Suite 800
Pasadena, California 91101-1857
Telephone: (626) 744-1555
Fax: (626) 389-0592

To Defendant:

Avi M. Attal (aattal@kahanafeld.com)
David Goodman (dgoodman@kahanafeld.com)
KAHANA & FELD LLP
2603 Main Street, Suite 900
Irvine, California 92615
Telephone (949) 812-4781
Fax: (949) 245-7597


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

13.21 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 commencing from April 16, 2024 for the entire period of this settlement process.

[Remainder of page intentionally left blank – Signatures on following page.]

APPROVED AS TO CONTENT:

Dated: 04/28/2025

By: 
Richard Silva (Apr 28, 2025 16:01 PDT)
Plaintiff Richard Silva

Dated:

By: _____
Plaintiff Alicia Delgado


Dated:

By: _____
Name: _____
Title: _____
For Defendant Akua Behavioral Health, Inc.

APPROVED AS TO FORM:

Dated: 04/28/2025

PARKER & MINNE, LLP

By: 
S. Emi Minne
Attorneys for Plaintiff Richard Silva

Dated:

LAW OFFICE OF DONALD POTTER

By: _____
Donald Potter
Attorneys for Plaintiff Alicia Delgado

Dated:

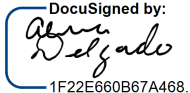
KAHANA & FELD, LLP

By: _____
Avi Attal
Attorney for Defendant
Akua Behavioral Health, Inc.

Dated:

By: _____
Plaintiff Richard Silva

Dated: 5/1/2025

By:  _____
Plaintiff Alicia Delgado

Dated:

By: _____
Name: _____
Title: _____
For Defendant Akua Behavioral Health, Inc.

APPROVED AS TO FORM:

Dated:

PARKER & MINNE, LLP

By: _____
S. Emi Minne
Attorneys for Plaintiff Richard Silva

Dated: 4/28/2025

LAW OFFICE OF DONALD POTTER

By:  _____
Donald Potter
Attorneys for Plaintiff Alicia Delgado

Dated:

KAHANA & FELD, LLP

By: _____
Avi Attal
Attorney for Defendant
Akua Behavioral Health, Inc.

Dated:

By: _____
Plaintiff Richard Silva

Dated:

By: _____
Plaintiff Alicia Delgado

Dated: May 13, 2025

By: Kenny Dewan
Kenny Dewan (May 13, 2025 08:49 PDT)
Name: Kenny Dewan
Title: CEO
For Defendant Akua Behavioral Health, Inc.

APPROVED AS TO FORM:

Dated:

PARKER & MINNE, LLP

By: _____
S. Emi Minne
Attorneys for Plaintiff Richard Silva

Dated:

LAW OFFICE OF DONALD POTTER

By: _____
Donald Potter
Attorneys for Plaintiff Alicia Delgado

Dated: May 13, 2025

KAHANA & FELD, LLP

By: Cecilia Hong
Cecilia Hong (May 13, 2025 11:06 PDT)
~~Avi Attal~~ Cecilia Hong
Attorney for Defendant
Akua Behavioral Health, Inc.

EXHIBIT A

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

Delgado, et al. v. Akua Behavioral Health, Inc. (Case No. 22STCV13591)

***The Superior Court for the State of California 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 (“Action”) against Akua Behavioral Health, Inc. (“Defendant”) for alleged wage and hour violations. The Action was filed by former employees of Defendant, Alicia Delgado and Richard Silva (“Plaintiffs”) and seeks payment of unpaid wages, penalties, and restitution for a class of non-exempt employees (“Class Members”) who worked for Defendant during the Class Period (April 22, 2021, to June 14, 2024). The Action also seeks to recover civil penalties under the Labor code Private Attorneys General Act of 2004 (“PAGA”) for all non-exempt employees who worked for Defendant during the PAGA Period (April 22, 2021, to June 14, 2024) (“Aggrieved Employees”).

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

Based on Defendant’s records, **your Individual Class Payment is estimated to be \$_____ (less withholding) and your Individual PAGA Payment is estimated to be \$_____**. The actual amount you may receive likely will be different and will depend on a number of factors.

The above estimates are based on Defendant’s records showing that **you worked _____ workweeks** during the Class Period and PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. 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 Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

If you worked for Defendant 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 Defendant.

(2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the 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. You will, however, preserve your right to personally pursue Class Period wage claims against Defendant, and you remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendant 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>You Don't Have to Do Anything to Participate in the Settlement</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 Defendant that are covered by this Settlement (Released Claims).</p>
<p>You Can Opt-out of the Class Settlement but not the PAGA Settlement</p> <p>The Opt-out Deadline is _____</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. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).</p>
<p>Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement</p> <p>Written Objections Must be Submitted by _____</p>	<p>All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement that you think is unfair or unreasonable. See Section 7 of this Notice.</p>

You Can Participate in the _____ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), 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.
You Can Challenge the Calculation of Your Workweeks Written Challenges Must be Submitted by	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and PAGA Period. The number of Workweeks that you worked during the Class Period and PAGA Period according to Defendant's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former non-exempt employees of Defendant. The Action alleges that Defendant violated California labor laws by failing to provide employees with meal and rest periods and associated premium pay, failing to pay minimum wages and overtime compensation, misclassifying employees as salaried, failing to timely pay employees all wages owed upon termination of their employment, failing to provide accurate wage statements, failing to reimburse employees for necessary business expenses, and engaging in unfair business practices. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the Labor Code Private Attorneys General Act of 2004 (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiffs are represented by attorneys in the Action: Parker & Minne, LLP, Lawyers for Justice, P.C., and Law Office of Donald Potter ("Class Counsel.")

Defendant strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

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

So far, the Court has made no determination whether Defendant or Plaintiffs are correct on the merits. In the meantime, Plaintiff and Defendant hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an to end the case by agreement (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 ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and Defendant 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, Defendant does not admit any violations or concede the merit of any claims.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant 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 preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. Defendant Will Pay \$900,000.00 as the Gross Settlement Amount (Gross Settlement). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement over a series of installment payments to be completed by June 30, 2026. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendant will complete funding of the Gross Settlement by June 30, 2026. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs 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 \$315,000.00 (35% of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$30,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment. Class Counsel have agreed that any attorneys' fees ultimately approved by the Court will be allocated as follows: 40% to Lawyers *for* Justice, PC; 40% to Parker & Minne, LLP; and 20% to Law Office of Donald Potter.
 - B. Up to \$5,000.00 to Plaintiff Richard Silva and \$2,500.00 to Plaintiff Alicia Delgado for Class Representative Service Payments for filing the Action, working with Class Counsel and representing the Class. A Class Representative Service Payments will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payments and any Individual PAGA Payments.
 - C. Up to \$15,000.00 to the Administrator for services administering the Settlement.
 - D. Up to \$50,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

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.

3. Taxes Owed on Payments to Class Members. Plaintiffs and Defendant are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to interest and penalties (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as 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 Plaintiffs and Defendant have agreed to these 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.

4. 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 Controller's Unclaimed Property Fund in your name. If the monies represented by your check are sent to the Controller’s Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.
5. 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 notify the Administrator in writing, not later than _____, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendant arising during the PAGA Period based on claims alleged in the Action.

6. 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 enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.
7. Administrator. The Court has appointed a neutral company, Apex Class Action, LLC (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, 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.
8. Participating Class Members’ Release. After the Judgment is final and Defendant has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members shall release Released Parties from all claims, rights, demands, liabilities and causes of action that are alleged, or reasonably could have been alleged based on the facts and claims asserted in the operative complaint in the Action including the following claims: (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums); (4) Violation of California Labor Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201, 202 and 203 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements); (7) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses); (8) Violation of Labor Code section 226.8 (misclassification penalties); and (9) claims for unfair or unlawful business practices under California Business & Professions Code sections 17200, et seq. which are predicated on violations of Labor Code sections 201, 202, 203, 226(a), 226.7, 510, 512(a), 1194, 1197, 1197.1, 1198, 2800, and 2802. This release is limited to claims arising during the Class Period. Except as set forth in Section 6.3 of this Agreement, Participating Class Members do not release any other claims against Released Parties, 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.

9. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendant has paid the Gross Settlement and separately paid the employer-side payroll taxes, all Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from 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 Defendant or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement. Specifically, Aggrieved Employees will be bound by the following release:

Aggrieved Employees and the LWDA shall release Released Parties from any and all claims for the recovery for civil penalties, attorneys' fees and costs permissible under PAGA which Plaintiffs and/or the Aggrieved Employees had, or may claim to have, against Released Parties, arising out of the violations alleged in the operative complaints in the Action and/or the PAGA Notices, including failure to pay overtime compensation, failure to pay minimum wages, failure to provide compliant meal and rest breaks, failure to pay meal and rest period premiums, failure to pay all wages owed at discharge or resignation; failure to timely pay wages during employment; failure to provide complete and accurate wage statements; failure to keep complete and accurate payroll records; failure to reimburse necessary business-related expenses; misclassification of status; and violations of Labor Code sections 201, 202, 203, 204, 226(a), 226.3, 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2698, *et seq.*, 2800, and 2802. This release is limited to claims arising during the PAGA Period.

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 worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$12,500.00 by the total number of Workweeks worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by the number of Workweeks worked by each individual Aggrieved Employee during the PAGA Period.
3. Workweek Challenges. The number of Workweeks you worked during the Class Period and PAGA Period, as recorded in Defendant's records, is stated in the first page of this Notice. You have until ____ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks and/or Pay Periods based

on Defendant's records as accurate 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 Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. After the Gross Settlement is fully funded, the Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members. After the Gross Settlement is fully funded, 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 (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. 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, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Delgado v. Akua Behavioral Health, Inc.*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by _____, 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. A Participating Class Member who disagrees with any aspect of the Agreement may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is _____.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Delgado v. Akua Behavioral Health, Inc.* and include your name, current address, telephone number, and approximate dates of employment for Defendant and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. 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 _____ at (time) in Department 9 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, 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) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website _____ 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 Defendant and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to Apex Class Action LLC's website at _____ (url) _____. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. 22STCV13591. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

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

Class Counsel:

S. Emi Minne (emi@parkeminne.com)
Jill J. (jill@parkeminne.com)
PARKER & MINNE, LLP
Telephone: (310) 882-6833

Arby Aiwarzian (arby@calljustice.com)
Joanna Ghosh (joanna@calljustice.com)
Ryan M. Slinger (r.slinger@calljustice.com)
LAWYERS FOR JUSTICE, PC

Telephone: (818) 265-1020
Donald Potter (dp@donpotterlaw.com)
LAW OFFICE OF DONALD POTTER
Telephone: (626) 744-1555

Settlement Administrator: Name of Company:
Email Address:
Mailing Address:
Telephone:
Fax Number:

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 Unclaimed Property Fund (https://sco.ca.gov/search_upd.html) for instructions on how to retrieve the funds

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.

EXHIBIT B

Donald Potter (SBN 192735)
dp@donpotterlaw.com
LAW OFFICE OF DONALD POTTER
155 North Lake Avenue, Suite 800
Pasadena, California 91101
Tel.: (626) 744-1555/ Fax: (626) 389-0592

Attorneys for Plaintiff ALICIA DELGADO

[Additional counsel listed on next page]

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

ALICIA DELGADO and RICHARD SILVA,
individually and on behalf of all others similarly-
situated,

Plaintiff,

vs.

AKUA BEHAVIORAL HEALTH, INC., a
corporation; and DOES 1 to 20, inclusive,

Defendants.

Case No.: 22STCV13591

*Assigned for all purposes to the Honorable
Elaine Lu, Dept. 9*

**STIPULATION FOR ENTRY OF
JUDGMENT OR IN THE ALTERNATIVE
TO VACATE FINAL APPROVAL ORDER
AND JUDGMENT; [PROPOSED] ORDER**

Complaint Filed: April 22, 2022
Trial Date: Not set

Arby Aiwarzian (SBN 269827)
arby@calljustice.com
Joanna Ghosh (SBN 272479)
joanna@calljustice.com
LAWYERS *for* JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Tel.: (818) 265-1020 / Fax: (818) 265-1021

S. Emi Minne (SBN 253179)
emi@parkermminne.com
Jill J. Parker (SBN 274230)
jill@parkermminne.com
PARKER & MINNE, LLP
700 S. Flower Street, Suite 1000
Los Angeles, CA 90017
Tel.: (310) 882-6833 / Fax: (310) 889-0822

Attorneys for Proposed Plaintiff RICHARD SILVA

Avi M. Attal (SBN 251633)
aattal@kahanafeld.com
David M. Goodman (SBN 244846)
dgoodman@kahanafeld.com
KAHANA & FELD, LLP
2603 Main Street, Suite 900
Irvine, California 92614
Tel.: (949) 812-4781 / Fax: (949) 245-7597

Attorneys for Defendant
AKUA BEHAVIORAL HEALTH, INC.

STIPULATION

Plaintiffs Alicia Delgado and Richard Silva (“Plaintiffs”) and Defendant Akua Behavioral Health, Inc. (“Defendant”) (collectively, the “Parties”), by and through their respective counsel of record, hereby stipulate as follows:

WHEREAS, on April 22, 2024, Plaintiff Alicia Delgado filed a putative wage and hour class action lawsuit against Defendant entitled *Alicia Delgado v. Akua Behavioral Health, Inc.*, Los Angeles County Superior Court Case No. 22STCV13591 (the “*Delgado Action*”).

WHEREAS, on July 27, 2022, Plaintiff Richard Silva filed a representative action against Defendant pursuant to the Labor Code Private Attorneys General Act of 2004, Cal. Labor Code §§ 2698, et seq. (PAGA”) entitled *Richard Silva v. Akua Behavioral Health, Inc.*, Orange County Superior Court Case No. 30-2022-01272105-CE-OE-CXC (the “*Silva Action*”).

WHEREAS, on April 16, 2023, Plaintiff, Defendant and Richard Silva participated in global mediation with Lynn Frank, Esq., which led an agreement to settle all potential class and representative PAGA claims alleged in the *Delgado* and *Silva* Actions on a global basis.

WHEREAS, in order to effectuate and facilitate global settlement proceedings, the Parties stipulated to allow the filing a Third Amended Complaint *Delgado Action* in order to add Richard Silva as a named plaintiff and to add an additional cause of action for misclassification

WHEREAS, the Parties have entered into a Class Action and PAGA Settlement Agreement (“Settlement Agreement”), setting forth in detail the terms of their agreement to settle all potential class and representative PAGA claims alleged in the *Delgado* and *Silva* Actions.

WHEREAS, pursuant to the terms of the Settlement Agreement, and subject to court approval, Defendant shall pay a gross amount of Nine Hundred Thousand Dollars and Zero Cents (\$900,000.00, “Gross Settlement Amount”), plus any applicable employer-side payroll taxes), which shall be funded by Defendant over the course of twenty-four (24) monthly installment payments.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED AS FOLLOWS:

1. Defendant shall fully fund the Gross Settlement Amount and Defendant’s share of any employer-side payroll taxes over a series of twenty-four (24) installment payments as follows:

a. Defendant shall make eight (8) monthly installment payments of \$20,000.00

1 (“2024 Installments”) into an interest-bearing Qualified Settlement Fund (“QSF”)
2 established by the Settlement Administrator. The first 2024 Installment shall be
3 deposited by Defendant into the QSF by no later than May 31, 2024 (or, if the
4 Settlement Administrator requires additional time to establish the QSF, within
5 three (3) business days following establishment of the QSF). All remaining 2024
6 Installments shall be deposited by Defendant into the QSF by no later than the last
7 day business day of each subsequent month, with the final 2024 Installment
8 deposited by no later than December 31, 2024. Regardless of when payment
9 commences, Defendant shall deposit a total of \$160,000.00 into the QSF by no
10 later than December 31, 2024.

11 b. Commencing in 2025, Defendant shall make sixteen (16) monthly installment
12 payments of \$46,250.00 (“2025-2026 Installments”) into the QSF. The first 2025-
13 2026 Installment shall be deposited by Defendant into the QSF by no later than
14 January 31, 2025. All remaining 2025-2026 Installments shall be deposited by
15 Defendant into the QSF by no later than the last day business day of each
16 subsequent month, with the final 2025-2026 Installment, plus any amounts owed
17 by Defendant for employer-side payroll taxes, deposited by Defendant into the
18 QSF by no later than June 30, 2026.

19 2. In the event that any of the 2024 Installments and 2025-2026 Installments are not
20 made deposited into the QSF in accordance with the payment schedules set forth above, Plaintiffs
21 or their counsel shall concurrently send a Notice of Default by U.S. Certified Mail, return receipt
22 requested, to Defendant’s corporate headquarters, located at 20271 SW birch Street, Suite 200,
23 Newport Beach, California 92660 to the attention of Kenny Dewan, and separately to Kahana &
24 Feld LLP, 2603 Main Street, Suite 900, Irvine, California 92614, to the attention of Defendant’s
25 counsel, Avi Attal and David Goodman. If for any reason Mr. Attal and/or Mr. Goodman are no
26 longer representing Defendant at the time the Notice of Default is issued, this shall not be grounds
27 to invalidate the issuance of the Notice of Default. Defendant may notify Plaintiff of a change of
28 address for Defendant’s corporate headquarters or of a change in its attorney by providing written

notice to each Plaintiffs' counsel, sent by certified mail, as follows: Parker & Minne, LLP, 700 S. Flower Street, Suite 1000, Los Angeles, California 90017 (attention S. Emi Minne); Lawyers *for* Justice, 410 Arden Avenue, Suite 203, Glendale, California 91203 (attention Arby Aiwasian); and Law Office of Donald Potter (attention Donald Potter), 155 North Lake Avenue, Suite 800, Pasadena, California 91101. Defendant shall have seven (7) business days from the date of the delivery of the Notice of Default to cure the default ("Cure Period").

3. If Defendant fails to cure its default within the Cure Period, Defendant shall owe the entire outstanding balance of the Gross Settlement Amount, due immediately and payable to the Settlement Administrator. In such an event, Plaintiffs may move by regularly scheduled motion to have this Stipulation for Entry of Judgment entered in this case in favor of Plaintiffs, the Class Members, the Aggrieved Employees, and the State of California in the amount of the entire outstanding balance of the Gross Settlement Amount, plus pre-judgment interest on the amount due at the legal rate, post-judgment interest at the legal rate, and attorneys' fees and costs incurred in the enforcement and collection of the Judgment. Such Judgment shall be entered upon successful motion by any Judge or Commissioner in the Superior Court for the State of California, County of Los Angeles. In the alternative, Plaintiffs may move by regularly scheduled motion to vacate the Final Approval Order and Judgment previously entered by the Court.

4. The Parties agree that this Court shall retain jurisdiction over the Parties under Code of Civil Procedure section 664.6 and California Rules of Court, Rule 3.769.

5. As a condition of settlement, Defendant agrees to execute this Stipulation for Entry of Judgment for filing with the Court in the instance of an uncured default; and

IT IS SO STIPULATED

Dated:

PARKER & MINNE, LLP

By:

S. Emi Minne
Attorneys for Plaintiff

1 Dated:

LAW OFFICE OF DONALD POTTER

2
3 By:

Donald Potter
Attorneys for Plaintiff Jeanette Delgado

4
5
6 Dated:

KAHANA & FELD, LLP

7
8 By:

Avi M. Attal
Attorneys for Defendant

[PROPOSED] JUDGMENT

The Court, having received and reviewed the Parties' Joint Stipulation for Entry of Judgment or in the Alternative to Vacate Final Approval order and Judgment, and by reasons of Defendant's default with regard to their payment obligations under the Parties' Class Action and PAGA Settlement Agreement ("Settlement Agreement"), IT IS HEREBY ORDERS, ADJUDGED AND DECREED AS FOLLOWS:

Judgment in the amount of \$_____, representing the outstanding balance of the Gross Settlement Amount owed by Defendant Akua Behavior Health, Inc. under the Settlement Agreement, plus pre-judgment interest, post-judgment interest and attorney's fees and costs accrued from _____ in the amount of \$_____ is hereby entered in favor of Plaintiffs Alicia Delgado and Richard Silva, the Class Members as defined in the Settlement Agreement, the Aggrieved Employees as defined in the Settlement Agreement, and the State of California against Defendant Akua Behavioral Health, Inc. Amounts owed under this Judgment are due immediately and shall be deposited into the Qualified Settlement Fund established by the Settlement Administrator.

IT IS SO ORDERED. LET JUDGMENT BE ENTERED ACCORDINGLY.

Dated:

Honorable Elaine Lu
JUDGE OF THE SUPERIOR COURT