

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ORANGE

JEREMIAH COSTELLO and ALICIA
CALVERT, individuals, on behalf of
themselves and on behalf of all person
similarly situated, and on behalf of the State of
California. as private attorney generals,

Plaintiffs,

vs.

SHC SERVICES, INC., a corporation; and
DOES 1 through 50, inclusive,

Defendants.

CASE NO.: 30-2024-01409847-CU-OE-CXC

**ORDER GRANTING MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Judge: Hon. Melissa R. McCormick
Dept.: CX105

Action Filed: June 26, 2024

This matter came before the Honorable Melissa R. McCormick of the Superior Court of the State of California, in and for the County Orange, on August 20, 2026 for the motion by Plaintiffs Jeremiah Costello and Alicia Calvert ("Plaintiffs") for preliminary approval of the class and PAGA settlement with Defendant SHC Services, Inc. ("Defendant"). The Court, having considered the briefs, and all declarations and other documents presented in support of the motion, grants the motion as follows:

PRELIMINARY APPROVAL ORDER

1 1. The Court grants preliminary approval of the Settlement based upon the terms set
2 forth in the Class Action and PAGA Settlement Agreement attached hereto as Exhibit #1, as
3 modified by the Amendment to the Class Action and PAGA Settlement Agreement attached
4 hereto as Exhibit #2 (together, the “Settlement,” the “Agreement” or the “Settlement Agreement”).
5 This is based on the Court’s determination that the Settlement set forth in the Agreement is within
6 the range of possible final approval. This Order incorporates by reference the definitions in the
7 Agreement, and all terms defined therein shall have the same meaning in this Order as set forth in
8 the Agreement.

9 2. The Gross Settlement Amount is \$490,000.00. The Court preliminarily approves
10 the following deductions from the Gross Settlement Amount: (1) Class Counsel Attorneys’ Fees
11 not exceed to \$147,000; (2) Class Counsel Litigation Expenses not to exceed \$40,000; (3)
12 Settlement Administration fees not to exceed \$12,650; (4) a Class Representative Service Payment
13 to each Plaintiff not to exceed \$5,000 (not to exceed \$10,000 total); and (5) total PAGA Penalties
14 of \$68,205 to be allocated 75% (\$51,153.75) to the California Labor and Workforce Development
15 Agency (“LWDA”) and 25% (\$17,051.25) to the Aggrieved Employees as their Individual PAGA
16 Payments.

17 3. Based on a review of all of the declarations and other documents submitted in
18 support of the motion and the Settlement, it appears to the Court on a preliminary basis that the
19 Settlement is fair, adequate and reasonable to the Class.

20 4. The Court orders the Parties, their counsel and the Administrator to carry out their
21 duties and obligations in accordance with terms of the Agreement.

22 5. The Court preliminarily appoints Plaintiffs as the representatives of the Class. The
23 Court preliminarily appoints Norman B. Blumenthal, Kyle R. Nordrehaug, Aparajit Bhowmik,
24 Nicholas J. De Blouw, Jeffrey S. Herman, Sergio J. Puche, of Blumenthal Nordrehaug Bhowmik
25 De Blouw LLP, and Ryan Stygar of Centurion Trial Attorneys, APC, as Class Counsel for the
26 Class.

27 6. A Final Approval Hearing on the question of whether the Settlement should be
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1 finally approved as fair, reasonable and adequate as to all Class Members is scheduled for January
2 21, 2027 at 2:00 p.m. in Department CX105 of the Orange County Superior Court. Other matters
3 for determination at the Final Approval Hearing shall include whether the Final Approval Order
4 and Judgment should be entered herein; and whether the plan of allocation contained in the
5 Agreement should be approved as fair, adequate and reasonable to the Class Members. The
6 motion for final approval and for attorneys' fees, costs and service awards shall be heard at the
7 Final Approval Hearing and the papers are to be filed with the Court and served on all counsel no
8 later than sixteen (16) court days before the hearing.

9 7. Plaintiffs shall serve this Order on the LWDA.

10 8. For settlement purposes only, the Court conditionally certifies the Class, which
11 consists of the External Class, defined as: "all individuals who were employed by Defendant and
12 classified as a non-exempt clinician employee who worked assignments for Defendant in
13 California at any time during the External Class Period, excluding those who signed an arbitration
14 agreement"; and the Internal Class, defined as: "all individuals who were employed by Defendant
15 in California and classified as an exempt recruiter employee at any time during the Internal Class
16 Period, excluding those who signed an arbitration agreement". The "External Class Period" is
17 February 8, 2022 through April 6, 2025, and the "Internal Class Period" is June 26, 2020 through
18 April 6, 2025.

19 9. "Aggrieved Employees" means all Internal Aggrieved Employees and External
20 Aggrieved Employees. The Internal Aggrieved Employees are defined as: "All individuals who
21 were employed by Defendant in California and classified as an exempt recruiter employee at any
22 time during the PAGA Period (June 26, 2023 through April 6, 2025)." The External Aggrieved
23 Employees are defined as: "All individuals who were employed by Defendant and classified as a
24 non-exempt clinician employee who worked assignments for Defendant in California at any time
25 during the PAGA Period (June 26, 2023 through April 6, 2025)."

26 10. The Court hereby preliminarily appoints Apex Class Action as Administrator.
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11. The Court hereby approves, as to form and content, the Notice of Class Action and PAGA Settlement and its attached forms (the “Class Notice” or the “Notice Packet”) attached hereto as Exhibit #3. The Court finds that the Class Notice appears to fully and accurately inform the Class of all material elements of the proposed Settlement, Class Members’ right to be excluded from the Class by submitting a written opt-out request, and each member’s right and opportunity to object to the Settlement. The Court further finds that the distribution of the Class Notice substantially in the manner and form set forth in the Agreement and this Order meets the requirements of due process, is the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all persons entitled thereto. The Court orders the mailing of the Class Notice by first class mail, pursuant to the terms and implementation schedule set forth in the Agreement.

12. The Court may continue the date of the final approval hearing and all dates provided for in the Agreement without further notice to Class Members.

13. The Action is stayed, and all trial and related pre-trial dates are vacated, subject to further orders of the Court at the Final Approval Hearing.

14. Pursuant to California Code of Civil Procedure section 664.6, the Court retains jurisdiction to construe, interpret, implement and enforce the Agreement, to hear and resolve any contested challenge to a claim for settlement benefits, and to supervise and adjudicate any dispute arising from or in connection with the distribution of settlement benefits.

IT IS SO ORDERED.

Dated: August 26, 2026

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MELISSA R. MCCORMICK
JUDGE OF THE SUPERIOR COURT

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EXHIBIT #1

PRELIMINARY APPROVAL ORDER

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3 **CLASS ACTION AND PAGA SETTLEMENT AGREEMENT**

4 This Class Action and PAGA Settlement Agreement ("Agreement") is made by and
5 between plaintiffs Jeremiah Costello and Alicia Calvert ("Plaintiffs") and defendant SHC
6 Services, Inc., ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as
7 the "Parties," or individually as "Party."

8 **1. DEFINITIONS**

9 In addition to other terms defined in this Agreement, the terms below have the following
10 meaning in this Agreement:

- 11 1.1. "Action" collectively means the Plaintiffs' lawsuits alleging wage and hour violations
12 against Defendant captioned: (1) *Jeremiah Costello and Alicia Calvert v. SHC Services, Inc.*, Case No. 30-2024-01409847-CU-OE-CXC, initiated on June 26, 2024, and
13 pending in Superior Court of the State of California, County of Orange; and (2)
14 *Jeremiah Costello and Alicia Calvert v. SHC Services, Inc.*, Case No. 24-CV-081362,
15 PAGA Notice sent on April 8, 2024, Amended PAGA Notice sent on June 26, 2024,
16 filed on June 26, 2024, and pending in Superior Court of the State of California,
17 County of Alameda. As part of this Agreement, the Parties stipulated to the filing of a
18 First Amended Class and Representative Action Complaint ("FAC") in the first filed
19 Class Action in Orange County that contains all parties and claims originally filed in
20 the PAGA Action filed in Alameda County.
- 21 1.2. "Administrator" means Apex Class Action LLC, the neutral entity the Parties have
22 agreed to appoint to administer the Settlement.
- 23 1.3. "Administration Expenses Payment" means the amount the Administrator will be paid
24 from the Gross Settlement Amount to reimburse its reasonable fees and expenses in
25 accordance with the Administrator's "not to exceed" bid submitted to the Court in
26 connection with Preliminary Approval.
- 27 1.4. "Aggrieved Employees" collectively means all Internal Aggrieved Employees and
28 External Aggrieved Employees.
- 1.5. "Class" collectively means the Internal Class and the External Class.
- 1.6. "Class Counsel" means Norman B. Blumenthal, Kyle R. Nordrehaug, Aparajit
Bhowmik, Nicholas J. De Blouw, Jeffrey S. Herman, Sergio J. Puche, of Blumenthal
Nordrehaug Bhowmik De Blouw LLP ("BNBD") and Ryan Stygar of Centurion Trial
Attorneys, APC ("Centurion").
- 1.7. "Class Counsel Fees Payment" and "Class Counsel Litigation Expenses Payment"
mean the amounts to be paid to Class Counsel for fees and expenses, respectively, as
approved by the Court, to compensate Class Counsel for their legal work in connection
with the Action, including their pre-filing investigation, their filing of the Action, all
related litigation activities, all Settlement work, all post-Settlement compliance
procedures, and related litigation expenses billed in connection with the Action.

- 1.8. "Class Data" means Class Member and Aggrieved Employee identifying information in Defendant's possession including their name, last-known mailing address, Social Security number, email address (if known and available to Defendant), and number of Pay Periods for Class Members and number of PAGA Pay Periods for Aggrieved Employees.
- 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 by use of available email addresses, phone numbers, social security numbers, credit reports, LinkedIn and Facebook.
- 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, without material variation, attached as composite Exhibit A and incorporated by reference into this Agreement along with, respectively, a Request for Exclusion form, Objection form, and Dispute form substantively in the forms attached hereto as Exhibit A.
- 1.12. "Class Period" collectively means the applicable External Class Period and Internal Class Period.
- 1.13. "Class Representatives" means the named Plaintiffs in the Operative Complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.14. "Class Representative Service Payment(s)" means the service payments made to the Plaintiffs as Class Representatives in order to compensate for initiating the Action, performing work in support of the Action, undertaking the risk of liability for Defendant's expenses, and for the general release of all claims by the Plaintiffs.
- 1.15. "Court" means the Superior Court of California, County of Orange.
- 1.16. "Defendant" means SHC Services, Inc.
- 1.17. "Defense Counsel" means Sarah Kroll-Rosenbaum, Anthony D. Shardellati, Nancy Sotomayor, and Jade T. White of Akerman LLP.
- 1.18. "Effective Date" means the date when the Settlement becomes final. The Settlement becomes final sixty-five (65) days after the date when the Final Approval Order and

Judgment in this Lawsuit is entered, unless there is an appeal. If there is an appeal, the Effective Date will be the date on which (a) all such appeals have been dismissed; or (b) the appropriate Court of Appeals has entered a final judgment affirming the Final Approval Order and Judgment, which (i) is no longer subject to any further appellate challenge, or (ii) has been affirmed by the California Supreme Court, whichever is earlier.

1.19. "External Aggrieved Employees" means all individuals who were employed by Defendant and classified as a non-exempt clinician employee who worked assignments for Defendant in California at any time during the PAGA Period.

1.20. "External Class" means all individuals who were employed by Defendant and classified as a non-exempt clinician employee who worked assignments for Defendant California at any time during the External Class Period, excluding those who signed an arbitration agreement.

1.21. "External Class Period" means the period of time from February 8, 2022 through April 6, 2025.

1.22. "Final Approval" means the Court's order granting final approval of the Settlement substantially in the form attached hereto as Exhibit C to this Agreement and incorporated by reference into this Agreement.

1.23. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement to determine whether to approve finally and implement the terms of this Agreement and enter the Judgment.

1.24. "Gross Settlement Amount" means Four Hundred and Ninety Thousand Dollars (\$490,000) which is the total amount to be paid by Defendant as provided by this Agreement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments, the Administration Expenses Payment, and all legally required employment tax payments, except any employer-side taxes. This Gross Settlement Amount is an all-in amount without any reversion to Defendant, and excludes any employer payroll taxes, if any, due on the portion of the Individual Class Payments allocated to wages which shall not be paid from the Gross Settlement and shall be the separate additional obligation of Defendant.

1.25. "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Pay Periods worked during the Class Period.

1.26. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.24. "Internal Aggrieved Employees" means all individuals who were employed by Defendant in California and classified as an exempt recruiter employee at any time during the PAGA Period.

1.25. "Internal Class" means all individuals who were employed by Defendant in California and classified as an exempt recruiter employee at any time during the Internal Class Period, excluding those who signed an arbitration agreement.

1.26. "Internal Class Period" means the period of time from June 26, 2020 through April 6, 2025.

1.27. "Judgment" means the judgment entered by the Court based upon Final Approval substantially in the form attached hereto as Exhibit C to this Agreement and incorporated by reference into this Agreement.

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

1.29. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.30. "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 Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The Net Settlement Amount is to be paid to Participating Class Members as Individual Class Payments.

1.31. "Non-Participating Class Member" means a Class Member who opts out of the Class Settlement by submitting a valid and timely Request for Exclusion to the Administrator.

1.32. "PAGA Pay Period" means any pay period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.33. "PAGA Period" means the period of time from June 26, 2023 through April 6, 2025.

1.34. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.35. "PAGA Notice(s)" means the Plaintiff Jeremiah Costello's April 8, 2024 letter to Defendant and the LWDA and Plaintiffs' June 26, 2024 amended letter to Defendant

and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.36. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$17,051.25) and the 75% to LWDA (\$51,153.75) in settlement of PAGA claims.

1.37. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion.

1.38. "Pay Period" means any pay period during the Class Period in which a Class Member worked for Defendant as a Class Member for at least one day.

1.39. "Plaintiffs" mean Jeremiah Costello and Alicia Calvert, the named plaintiffs in the Action.

1.40. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement, substantially in the form attached hereto as Exhibit B to this Agreement and incorporated by this reference herein.

1.41. "Released Class Claims" means all claims as pled in the Operative Complaint that occurred during the Class Period, or claims that could have been alleged based on the facts of the Operative Complaint that occurred during the Class Period, including claims for (1) unfair competition, (2) failure to pay minimum wages, (3) failure to pay overtime, (4) failure to provide meal periods, (5) failure to provide rest periods, (6) failure to provide accurate wage statements, (7) failure to reimburse for required expenses, (8) failure to provide wages when due, and (9) failure to pay sick wages based on the allegations in the Operative Complaint. Released Class Claims also include any and all wage and hour claims that were asserted or could have been asserted based on the factual allegations contained in the Operative Complaint, and any and all claims that could have been asserted based on facts pled alleging misclassification of the exemption status of the Internal Class, through the Internal Class Period. This Release also includes any and all claims that occurred during the Class Period alleged or that could have been alleged based on the facts of the Operative Complaint for unpaid wages, economic damages, non-economic damages, any other damages, civil or statutory penalties, waiting time penalties, liquidated damages, and all other associated damages and/or penalties, including claims under Labor Code sections 201, 202, 203, 226, 226.7, 510, 512, 1194, 2802, all applicable IWC Wage Orders, Business and Professions Code section 17200 et seq. Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or Class claims based on facts occurring outside the Class Period.

1.42. "Released PAGA Claims" means all claims as pled in the PAGA Notices and Operative Complaint for civil penalties in violation of California Labor Code section

2698, et seq., based on the allegations in the PAGA Notices and Operative Complaint, as well as any and all PAGA claims that were asserted or could have been asserted based on the factual allegations contained in the Operative Complaint and PAGA Notices, through the PAGA Period. This also includes any and all PAGA claims alleged or that could have been alleged based on the facts of Plaintiffs' PAGA Notices or Operative Complaint that occurred during the PAGA Period for civil penalties under Labor Code section 2698, Labor Code sections 201, 202, 203, 204 et seq., 210, 218, 221, 226(a), 226.7, 227.3, 246, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2100 et seq., 2802, California Code of Regulations, Title 8, Section 11040, Subdivision 5(A)-(B), California Code of Regulations, Title 8, Section 1 1070(14) (Failure to Provide Seating), and all applicable IWC Wage Orders. The Released PAGA Claims do not include underlying wage and hour claims, claims for wrongful termination, discrimination, unemployment insurance, disability and worker's compensation, and PAGA claims outside of the PAGA Period.

1.43. "Released Parties" means: Defendant, its corporate parent, and all other entities affiliated with it or them (individually and collectively, the "SHC Entities"), and the SHC Entities' respective and collective owners, agents, attorneys, insurers, past, present, and future divisions, affiliates, DBAs (if any), predecessors, successors, shareholders, officers, directors, managers, employees, trustees, representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents, subsidiaries, managed service providers, healthcare facility clients, any and all facilities where External Class Members, External Aggrieved Employees, Internal Class Members, and Internal Aggrieved Employees performed work for Defendant, any and all entities that operate those facilities, any and all alleged joint employers, privies, and/or any and all persons and/or corporate entities acting by, through, under, or in concert with any of them, including any and all alleged joint employers.

1.44. "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.

1.45. "Response Deadline" means forty-five (45) calendar days after the Administrator mails Class Notice Packet to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) submit Requests for Exclusion from the Settlement, or (b) submit his or her Objection to the Settlement. Class Members to whom Class Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired. No member of the Class who is also a member of the PAGA groups may opt-out of the resolution of the PAGA claim (i.e., the Judgment on this Settlement will have res judicata effect as to the PAGA claim for all members of the Class, regardless of whether those members opt-out of the settlement), and every member of Class (including any opt-outs) who worked at least one pay period during the PAGA Period will receive a pro rata payment from the Aggrieved Employees' 25% portion of the PAGA Penalties.

1.46. "Settlement" means the disposition of the Action and all related claims effectuated by this Agreement and the Judgment.

2. RECITALS

The Class Action

2.1. On June 26, 2024 Plaintiffs filed a Class Action Complaint against Defendant in the Superior Court of the State of California, County of Orange (the "Class Action"). Plaintiffs' Class Action complaint asserted claims that Defendant:

- (a) Violated California Business and Professions Code § 17200 et seq.;
- (b) Failed to pay minimum wages in violation of California Labor Code §§ 1194, 1197 & 1197.1;
- (c) Failed to pay overtime wages in violation of California Labor Code § 510, et seq.;
- (d) Failed to provide required meal periods in violation of California Labor Code §§ 226.7 & 512 and the applicable IWC Wage Order;
- (e) Failed to provide required rest periods in violation of California Labor Code §§ 226.7 & 512 and the applicable IWC Wage Order;
- (f) Failed to provide accurate itemized wage statements in violation of California Labor Code § 226;
- (g) Failed to reimburse employees for required expenses in violation of California Labor Code § 2802;
- (h) Failed to provide wages when due in violation of California Labor Code §§ 201, 202 and 203; and
- (i) Failed to pay sick pay wages in violation of California Labor Code §§ 201-204, 233, 246.

The PAGA Action

2.3. On June 26, 2024, Plaintiffs filed a separate Representative Action Complaint against Defendant in the Superior Court of the State of California, County of Alameda (the "PAGA Action"). Plaintiffs' Representative Action Complaint asserted one cause of action against Defendant for Civil Penalties Pursuant to Labor Code §§ 2699, et seq. for violations of Labor Code §§ 201, 202, 203, 204, et seq., 210, 218, 221, 226(a), 226.7, 227.3, 246, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2100, et seq., 2802, California Code of Regulations, Title 8, Section 11040, Subdivision 5(A)-(B), California Code of Regulations, Title 8, Section 11740(14) (failure to provide seating), and the applicable Wage Order(s).

Pleading Amendments

2.4. As part of this Agreement, the Parties stipulated to the filing of a First Amended Class and Representative Action Complaint ("FAC") in the Class Action that contains all

parties and claims originally filed in the PAGA Action. The FAC shall be the operative complaint in the Action (the "Operative Complaint"), which was filed on May 27, 2025.

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

Mediation and Settlement

2.6. On February 6, 2025, the Parties participated in an all-day mediation presided over by Steve Mehta, Esq., a respected mediator of wage and hour representative and class actions. Following the mediation, each side, represented by its respective counsel, was able to agree to settle the Action based upon a mediator's proposal, which was memorialized in the form of a Memorandum of Understanding. This Agreement replaces and supersedes the Memorandum of Understanding and any other agreements, understandings, or representations between the Parties.

2.7. Prior to mediation, Plaintiffs obtained sufficient documents and information to sufficiently investigate the claims such that Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.8. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant that the claims in the Action of Plaintiffs or the Class have merit or that Defendant bears any liability to Plaintiffs or the Class on those claims or any other claims, or as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree to certification of the Class for purposes of this Settlement only. If for any reason the Settlement does not become effective, Defendant reserves the right to contest certification of any class for any reason and reserves all available defenses to the claims in the Action.

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

3. MONETARY TERMS

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay Four Hundred and Ninety Thousand Dollars (\$490,000.00) and no more as the Gross Settlement Amount. This amount is all-inclusive of all payments contemplated in this resolution, excluding any employer-side payroll taxes on the portion of the Individual Class Payments allocated to wages which shall be separately paid by Defendant to the Administrator. Defendant has no obligation to pay

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4 the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in
5 Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross
6 Settlement Amount without asking or requiring Participating Class Members or
7 Aggrieved Employees to submit any claim as a condition of payment. None of the Gross
8 Settlement Amount will revert to Defendant.

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10 3.2. Payments from the Gross Settlement Amount. Subject to the terms and conditions of
11 this Agreement, the Administrator will make the following payments out of the Gross
12 Settlement Amount, in the amounts specified by the Court in the Final Approval.

13 (a) To Plaintiffs: Class Representative Service Payments to the Class Representatives of
14 not more than \$15,000 each (in addition to any Individual Class Payment and any
15 Individual PAGA Payment the Class Representatives are entitled to receive as a
16 Participating Class Member). Defendant will not oppose Plaintiffs' request for Class
17 Representative Service Payments that do not exceed this amount. As part of the
18 motion for Class Counsel Fees Payment and Class Litigation Expenses Payment,
19 Plaintiffs will seek Court approval for any Class Representative Service Payments
20 no later than sixteen (16) court days prior to the Final Approval Hearing. If the
21 Court approves Class Representative Service Payments less than the amounts
22 requested, the Administrator will retain the remainder in the Net Settlement Amount.
23 The Administrator will pay the Class Representative Service Payments using IRS
24 Form 1099. Plaintiffs assume full responsibility and liability for employee taxes
25 owed on the Class Representative Service Payments.

26 (b) To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3)
27 of the Gross Settlement Amount, which is currently estimated to be \$163,333, and a
28 Class Counsel Litigation Expenses Payment of not more than \$40,000. The Class
Counsel Fees Payment shall be allocated among Class Counsel as follows: 88.5% to
BNBD, and 11.5% to Centurion. Defendant will not oppose requests for these
payments provided that 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. Released
Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel
arising from any claim to any portion 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.

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4 (c) To the Administrator: An Administration Expenses Payment not to exceed \$13,915
5 except for a showing of good cause and as approved by the Court. To the extent the
6 Administration Expenses Payment is less or the Court approves payment less than
7 \$13,915, the Administrator will retain the remainder in the Net Settlement Amount
8 for distribution to Participating Class Members.

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10 (d) To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of
11 \$68,205 to be paid from the Gross Settlement Amount, with 75% (\$51,153.75)
12 allocated to the LWDA PAGA Payment and 25% (\$17,051.25) allocated to the
13 Individual PAGA Payments.

14 i. The Administrator will calculate each Individual PAGA Payment by (a) dividing
15 the amount of the Aggrieved Employees' 25% share of PAGA Penalties
16 (\$17,051.25) by the total number of PAGA Pay Periods worked by all Aggrieved
17 Employees during the PAGA Period and (b) multiplying the result by each
18 Aggrieved Employee's PAGA Pay Periods. For the avoidance of doubt, the
19 amount of the Individual PAGA Payment that each member of the relevant
20 PAGA Group will be eligible to receive from the Aggrieved Employees' 25%
21 portion of the PAGA Penalties will be determined on a pro rata basis by
22 reference to the total number of pay periods each member of the relevant PAGA
23 Group worked during the relevant PAGA Period, compared against the overall
24 number of pay periods worked by the other members of that PAGA Group
25 during the relevant PAGA Period. Aggrieved Employees assume full
26 responsibility and liability for any taxes owed on their Individual PAGA
27 Payment.

28 ii. 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.

(e) To Each Participating Class Member: An Individual Class Payment calculated by (a)
dividing the Net Settlement Amount by the total number of Pay Periods worked by
all Participating Class Members during the Class Period(s) and (b) multiplying the
result by each Participating Class Member's Pay Periods. For the avoidance of
doubt, Individual Class Payments distributed to the External Class members will be
made on a pro rata basis, derived from the number of pay periods worked during the
External Class Period, while Individual Class Payments distributed to the Internal
Class members will be made on a pro rata basis, derived from the number of pay
periods worked during the Internal Class Period.

i. 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. 80% of each Participating Class
Member's Individual Class Payment will be allocated to settlement of claims for

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4 non-wages, expense reimbursement, interest and penalties (the "Non-Wage
5 Portion"). The Non-Wage Portions are not subject to wage withholdings and will
6 be reported on IRS 1099 Forms. Participating Class Members assume full
7 responsibility and liability for any employee taxes owed on their Individual
8 Class Payment.

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

16 17 18 4. SETTLEMENT FUNDING

19 4.1. Class Pay Periods and Aggrieved Employee PAGA Pay Periods. The Gross Settlement
20 Amount is based on the following figures and assumes a 15% margin of error. Based on
21 its records, Defendant has represented that the:

- 22 (a) Approximately 435 External Class Members collectively worked approximately
23 7,027 Pay Periods during the External Class Period, as of February 6, 2025, which
24 the Parties assume will increase pro rata through the end of the External Class
25 Period.
26 (b) Approximately 23 Internal Class Members collectively worked approximately 631
27 Pay Periods during the Internal Class Period, as of February 6, 2025, which the
28 Parties assume will increase pro rata through the end of the Internal Class Period.
29 (c) Approximately 775 External Aggrieved Employees worked approximately 12,992
30 PAGA Pay Periods during the PAGA Period, as of February 6, 2025, which the
31 Parties assume will increase pro rata through the end of the PAGA Period.
32 (d) Approximately 26 Internal Aggrieved Employees worked approximately 649 PAGA
33 Pay Periods during the PAGA Period, as of February 6, 2025, which the Parties
34 assume will increase pro rata through the end of the PAGA Period.

35 4.2. Class Data. Not later than 28 days after the Court grants Preliminary Approval of the
36 Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a
37 Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the
38 Administrator must maintain the Class Data in confidence, use the Class Data only for
39 purposes of this Settlement and for no other purpose, and restrict access to the Class
40 Data to Administrator employees who need access to the Class Data to effect and
41 perform under this Agreement. Defendant has a continuing duty to immediately notify
42 Class Counsel if it discovers that the Class Data omitted Class Member identifying
43 information and to provide corrected or updated Class Data as soon as reasonably
44 feasible. Without any extension of the deadline by which Defendant must send the Class

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4 Data to the Administrator, the Parties and their counsel will expeditiously use best
5 efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or
6 omitted Class Data.

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9 4.3. Funding of the Gross Settlement Amount. Defendant shall fully fund the Gross
10 Settlement Amount and also fund the amounts necessary to fully pay Defendant's share
11 of payroll taxes by transmitting the funds to the Administrator no later than thirty (30)
12 days after the Effective Date.

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15 **5. PAYMENTS FROM THE GROSS SETTLEMENT AMOUNT**

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17 5.1. Within fourteen (14) days after Defendant funds the Gross Settlement Amount, the
18 Administrator will mail checks for all Individual Class Payments, all Individual PAGA
19 Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the
20 Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the
21 Class Representative Service Payment.

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23 5.2. The Administrator will issue checks for the Individual Class Payments and/or
24 Individual PAGA Payments and send them to the Class Members via First Class U.S.
25 Mail, postage prepaid. The face of each check shall prominently state the "void date",
26 which is one hundred eighty (180) days after the date of mailing, when the check will be
27 voided. The Administrator will cancel all checks not cashed by the void date. The
28 Administrator will send checks for Individual Class 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 Administrator must update the recipients' mailing addresses using the
National Change of Address Database. If a Participating Class Member's or Aggrieved
Employee's check is not cashed within one hundred twenty (120) days after its last
mailing to the affected individual, the Administrator will also send the individual a
notice informing him or her that unless the check is cashed by the void date, it will
expire and become non-negotiable, and offer to replace the check if it was lost or
misplaced but not cashed.

19 5.3. The Administrator must conduct a Class Member Address Search for all other Class
20 Members whose checks are returned undelivered without a USPS forwarding address.
21 Within seven (7) days of receiving a returned check the Administrator must re-mail
22 checks to the USPS forwarding address provided or to an address ascertained through
23 the Class Member Address Search. The Administrator need not take further steps to
24 deliver checks to Class Members whose re-mailed checks are returned as undelivered.
25 The Administrator shall promptly send a replacement check to any Class Member

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4 whose original check was lost or misplaced, requested by the Class Member prior to the void date.

5 5.4. For any Class Member whose Individual Class Payment check or Individual PAGA
6 Payment check is uncashed and cancelled after the void date, the Administrator shall
7 transmit the funds represented by such checks to the California Controller's Unclaimed
8 Property Fund in the name of the Class Member thereby leaving no "unpaid residue"
9 subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

10 5.5. The payment of Individual Class Payments and Individual PAGA Payments shall not
11 obligate Defendant to confer any additional benefits or make any additional payments to
12 Class Members (such as 401(k) contributions or bonuses) beyond those specified in this
13 Agreement.

14 **6. RELEASE OF CLAIMS.** Effective on the date when Defendant fully funds the entire
15 Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion
16 of the Individual Class Payments, Plaintiffs, Participating Class Members, Aggrieved
17 Employees, the State of California, and the LWDA will release claims against all Released
18 Parties as follows:

19 6.1. Plaintiffs' Release. Plaintiffs and their respective former and present spouses,
20 representatives, agents, attorneys (including Class Counsel), heirs, administrators,
21 successors, and assigns generally, release and discharge Released Parties from all
22 claims, transactions, or occurrences that occurred during the Class Period, including, but
23 not limited to: (a) all claims that were, or reasonably could have been, alleged, based on
24 the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or
25 reasonably could have been, alleged based on facts contained in the Operative
26 Complaint, Plaintiffs' PAGA Notice(s) ("Plaintiffs' Release"). For the avoidance of
27 doubt, Plaintiffs release the Released Parties from the Released Class Claims and the
28 Released PAGA Claims. In addition, upon approval of the settlement, Plaintiffs will
individually release the Released Parties from any and all known and unknown claims
they have or may have against them through the date of their signatures on the
Memorandum of Understanding. Plaintiffs' Release does not extend to any claims or
actions to enforce this Agreement, or to any claims for vested benefits, unemployment
benefits, disability benefits, social security benefits, or workers' compensation benefits
that arose at any time, or based on occurrences outside the Class Period. 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 agree, nonetheless,
that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding
such different or additional facts or Plaintiffs' discovery of them.

(a) Plaintiffs' Waiver of Rights Under Civil Code Section 1542. For purposes of
Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights,
and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

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10 6.2. Release by Participating Class Members. All Participating Class Members, on behalf of
11 themselves and their respective former and present representatives, agents, attorneys,
12 spouses, heirs, administrators, successors, and assigns, release Released Parties from the
13 Released Class Claims.

14
15 6.3. Release of PAGA Claims. All Aggrieved Employees and the LWDA are deemed to
16 release, on behalf of themselves and their respective former and present representatives,
17 agents, attorneys, spouses, heirs, administrators, successors, and assigns, the Released
18 Parties from the Released PAGA Claims. There shall be no right to opt-out of the
19 settlement for members of the PAGA groups and the Judgment on this settlement will
20 have res judicata effect as to the PAGA claim for all members of the PAGA groups.
21 Moreover, this Agreement shall be effective to adjudicate and release the claims and/or
22 rights of the LWDA to recover civil penalties against Defendant for Labor Code or
23 Wage Order violations suffered by any of the PAGA group members which are
24 premised upon the facts and allegations in the PAGA Notices and Operative Complaint,
25 as well as any and all claims for civil penalties that were asserted or could have been
26 asserted based on the factual allegations contained in the PAGA Notices and Operative
27 Complaint (i.e., the Judgment on this settlement will have res judicata effect as to those
28 claims of the LWDA, whether pursued directly by the LWDA or by a representative
pursuant to PAGA).

7. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare and
file a motion for preliminary approval ("Motion for Preliminary Approval") that complies
with the Court's procedures and instructions.

7.1. Defendant's Responsibilities. Within fourteen (14) days of the full execution of this
Agreement, Defendant will prepare and deliver to Class Counsel a signed Declaration
disclosing all facts relevant to any actual or potential conflicts of interest with the
Administrator. In the Declaration, 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. Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all
documents necessary for obtaining Preliminary Approval, including: (i) a draft of the
notice, and memorandum in support, of the Motion for Preliminary Approval that
includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of
the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft
proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii)
a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching
its "not to exceed" bid for administering the Settlement and attesting to its willingness to

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4 serve; competency; operative procedures for protecting the security of Class Data;
5 amounts of insurance coverage for any data breach, defalcation of funds or other
6 misfeasance; all facts relevant to any actual or potential conflicts of interest with Class
7 Members; and the nature and extent of any financial relationship with Plaintiffs, Class
8 Counsel or Defense Counsel; (v) a signed declaration from Plaintiffs confirming
9 willingness and competency to serve and disclosing all facts relevant to any actual or
10 potential conflicts of interest with Class Members, and/or the Administrator; (v) a
11 signed declaration from each Class Counsel firm attesting to its competency to represent
12 the Class Members; its timely transmission to the LWDA of all necessary PAGA
13 documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative
14 Complaint (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor Code section
15 2699, subd. (1)(2)); and (vi) all facts relevant to any actual or potential conflict of
16 interest with Class Members, the Administrator. In their Declarations, Plaintiffs and
17 Class Counsel shall aver that they are not aware of any other pending matter or action
18 asserting claims that will be extinguished or adversely affected by the Settlement.

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20 7.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible
21 for expeditiously finalizing and filing the Motion for Preliminary Approval after the full
22 execution of this Agreement; obtaining a prompt hearing date for the Motion for
23 Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for
24 Preliminary Approval. Class Counsel is responsible for delivering the Court's
25 Preliminary Approval to the Administrator.

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27 7.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
28 Preliminary Approval and/or the supporting declarations and documents, Class Counsel
and Defense Counsel will expeditiously work together on behalf of the Parties by
meeting in person or by telephone, and in good faith, to resolve the disagreement. If the
Court does not grant Preliminary Approval or conditions Preliminary Approval on any
material change to this Agreement, Class Counsel and Defense Counsel will
expeditiously work together on behalf of the Parties by meeting in person or by
telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's
concerns.

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 Administrator's duties will include preparing, printing, and mailing the Class
Notice Packet to all Class Members; conducting a National Change of Address search to
update Class Member addresses before mailing the Class Notice Packets; re-mailing
Class Notice Packets that are returned to the Class Member's new address; setting up a
toll-free telephone number and email and a fax number to receive communications from

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4 Class Members; receiving and reviewing for validity completed Requests for Exclusion;
5 providing the Parties with weekly status reports about the delivery of Class Notice
6 Packets and receipt of Requests for Exclusion, objections and disputes; calculating
7 Individual Class Payments and Individual PAGA Payments; issuing the checks to
8 effectuate the payments due under the Settlement; issuing the tax reports required under
9 this Settlement; and otherwise administering the Settlement pursuant to this Agreement.
10 The Parties and their Counsel represent that they have no interest or relationship,
11 financial or otherwise, with the Administrator other than a professional relationship
12 arising out of prior experiences administering settlements.

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14 8.2. Employer Identification Number. The Administrator shall have and use its own
15 Employer Identification Number for purposes of calculating payroll tax withholdings
16 and providing reports state and federal tax authorities.

17 8.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that
18 meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury
19 Regulation section 468B-1.

20 8.4. Notice to Class Members.

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

25 (b) Using best efforts to perform as soon as possible, and in no event later than fourteen
26 (14) days after receiving the Class Data, the Administrator will send to all Class
27 Members identified in the Class Data, via first-class United States Postal Service
28 ("USPS") mail, the Class Notice 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 Pay Periods and PAGA Pay Periods (if
applicable) used to calculate these amounts. Before mailing Class Notices, the
Administrator shall update Class Member addresses using the National Change of
Address database.

(c) Not later than seven (7) 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.

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4 (d) The deadlines for Class Members' written objections, Challenges to Pay Periods
5 and/or PAGA Pay Periods, and Requests for Exclusion will be extended an
6 additional fourteen (14) days beyond the Response Deadline provided in the Class
7 Notice for all Class Members whose notice is re-mailed. The Administrator will
8 inform the Class Member of the extended deadline with the re-mailed Class Notice.

9
10 (e) If the Administrator, the Parties, Defense Counsel or Class Counsel is contacted by
11 or otherwise discovers any persons who believe they should have been included in
12 the Class Data and should have received Class Notice, the Parties will expeditiously
13 meet and confer in person or by telephone, and in good faith, in an effort to agree on
14 whether to include them as Class Members. If the Parties agree, such persons will be
15 Class Members entitled to the same rights as other Class Members, and the
16 Administrator will send, via email or overnight delivery, a Class Notice requiring
17 them to exercise options under this Agreement not later than fourteen (14) days after
18 receipt of Class Notice, or the deadline dates in the Class Notice, which ever are
19 later.

20 **8.5. Requests for Exclusion (Opt-Outs)**

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

(b) 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.

(c) 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 Paragraph 6.2 of the Agreement,

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4 regardless whether the Participating Class Member actually receives the Class
Notice or objects to the Settlement.

5 (d) Every Class Member who submits a valid and timely Request for Exclusion is a
6 Non-Participating Class Member and shall not receive an Individual Class Payment
7 or have the right to object to the class action components of the Settlement. Because
8 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. If a Class Member submits both a Request for
Exclusion and an objection, only the Request for Exclusion will be accepted, and the
objection will be void.

9 8.6. Challenges to Calculation of Pay Periods. Each Class Member shall have until the
10 Response Deadline (plus an additional fourteen [14] days for Class Members whose
11 Class Notice is re-mailed) to challenge the number of Class Pay Periods and PAGA Pay
12 Periods (if any) allocated to the Class Member in the Class Notice. The Class Member
13 may challenge the allocation by communicating with the Administrator via fax, email or
14 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 Pay Periods 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 Pay Periods and/or PAGA Pay
Periods shall be final and not appealable or otherwise susceptible to challenge. The
Administrator shall promptly provide copies of all challenges to the calculation of Pay
Periods and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the
Administrator's determination as to the challenges

15 8.7. Objections to Settlement.

16 (a) Only Participating Class Members may object to the class action components of the
17 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 Payment.

18 (b) Participating Class Members may send written objections to the Administrator, by
19 fax, email, or mail. In the alternative, or in addition to a written objection,
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
20 Class Member who elects to send a written objection to the Administrator must do
so not later than the Response Deadline (plus an additional fourteen [14] days for
Class Members whose Class Notice was re-mailed).

21 (c) Non-Participating Class Members have no right to object to any of the class action
22 components of the Settlement. If a Class Member submits both a Request for

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4 Exclusion and an objection, only the Request for Exclusion will be accepted, and the
objection will be void.

5 8.8. Administrator Duties. The Administrator has a duty to perform or observe all tasks to
6 be performed or observed by the Administrator contained in this Agreement or
otherwise.

7 (a) Website, Email Address and Toll-Free Number. The Administrator will establish
8 and maintain and use an internet website to post information of interest to Class
9 Members including the date, time and location for the Final Approval Hearing and
10 copies of the Settlement Agreement, Motion for Preliminary Approval, the
Preliminary Approval, 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.

11 (b) Request for Exclusion (Opt-Outs) and Exclusion List. The Administrator will
12 promptly review on a rolling basis Requests for Exclusion to ascertain their validity.
13 Not later than seven (7) days after the expiration of the deadline for submitting
14 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; and (c) copies of all Requests for
Exclusion from Settlement submitted (whether valid or invalid).

15 (c) Pay Period and/or PAGA Pay Period Challenges. The Administrator has the
16 authority to address and make final decisions consistent with the terms of this
Agreement on all Class Member challenges over the calculation of Pay Periods
and/or PAGA Pay Periods. The Administrator's decision shall be final and not
appealable or otherwise susceptible to challenge.

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

21 (e) Administrator's Declaration. Not later than seven (7) days before the date by which
22 Plaintiffs are required to file the Motion for Final Approval of the Settlement, the

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4 Administrator will provide to Class Counsel and Defense Counsel, a signed
5 declaration suitable for filing in Court attesting to its due diligence and compliance
6 with all of its obligations under this Agreement, including, but not limited to, its
7 mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of
8 Class Notices, attempts to locate Class Members, the total number of Requests for
9 Exclusion from Settlement it received (both valid or invalid), the number of written
10 objections and attach the Exclusion List. The Administrator will supplement its
11 declaration as needed or requested by the Parties and/or the Court. Class Counsel is
12 responsible for filing the Administrator's declaration(s) in Court.

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14 (f) Final Report by Administrator. Within ten (10) days after the Administrator
15 disburses all funds of the Gross Settlement Amount, the Administrator will provide
16 Class Counsel and Defense Counsel with a final report detailing its disbursements
17 by employee identification number only of all payments made under this
18 Agreement. At least seven (7) days before any deadline set by the Court, the
19 Administrator will prepare, and submit to Class Counsel and Defense Counsel, a
20 signed declaration suitable for filing in Court attesting to its disbursement of all
21 payments required under this Agreement. Class Counsel is responsible for filing the
22 Administrator's declaration in Court. If a second declaration attesting to the
23 distribution of uncashed checks is required, the Administrator shall provide this
24 second declaration at least seven (7) days before any deadline for a second
25 declaration and Class Counsel shall be responsible for filing the second declaration
26 with the Court.

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28 **9. CLASS SIZE MODIFICATION AND ESCALATOR CLAUSE.** The pay period figures
set forth in paragraph 4.1 above are estimates based on Defendant's records and extrapolated
through to February 6, 2025. If, after accounting for pro rata growth from February 6, 2025
through the last day of the Class Period and PAGA Period, the collective number of Pay
Periods worked by the Class and Aggrieved Employees increases by more than 10%, the
Gross Settlement Amount will be increased proportionally. In other words, after accounting
for pro rata growth, if the excess is 11%, the Gross Settlement Amount will increase by 1%,
if the excess is 17%, the Gross Settlement Amount will increase by 7%.

10. DEFENDANT'S RIGHT TO WITHDRAW. If the number of valid Requests for
Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members,
Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties
agree that, if Defendant withdraws, the Settlement 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
Administration Expenses incurred as of the date Defendant makes this election to withdraw.
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.
Invalid Requests for Exclusion will have no effect on this threshold for an election.

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4 **11. MOTION FOR FINAL APPROVAL.** Unless otherwise ordered by the Court, not later
5 than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiffs will
6 file in Court, a motion for final approval of the Settlement that includes a request for
7 approval of the PAGA settlement under Labor Code section 2699(1), a Proposed Final
8 Approval Order and a proposed Judgment (collectively "Motion for Final Approval").
9 Plaintiffs shall provide drafts of these documents to Defense Counsel not later than seven
10 (7) days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel
11 will expeditiously meet and confer and in good faith, to resolve any disagreements
12 concerning the Motion for Final Approval.

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14 **11.1. Response to Objections.** Each Party retains the right to respond to any objection raised
15 by a Participating Class Member, including the right to file responsive documents in
16 Court no later than five (5) court days prior to the Final Approval Hearing, or as
17 otherwise ordered or accepted by the Court.

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19 **11.2. Duty to Cooperate.** If the Court does not grant Final Approval or conditions Final
20 Approval on any material change to the Settlement (including, but not limited to, the
21 scope of release to be granted by Class Members), the Parties will expeditiously work
22 together in good faith to address the Court's concerns by revising the Agreement as
23 necessary to obtain Final Approval. The Court's decision to award less than the amounts
24 requested for a Class Representative Service Payment, Class Counsel Fees Payment,
25 Class Counsel Litigation Expenses Payment and/or Administration Expenses Payment
26 shall not constitute a material modification to the Agreement within the meaning of this
27 paragraph.

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29 **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 under
C.C.P. section 664.6 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 the 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.

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4 11.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
5 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a
6 material modification of this Agreement (including, but not limited to, the scope of
7 release to be granted by Class Members), this Agreement shall be null and void. The
8 Parties shall nevertheless expeditiously work together in good faith to address the
9 appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing,
on an equal basis, any additional Administration Expenses reasonably incurred at the
time of remittitur. 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. If the Court fails to
approve this settlement for any reason, the settlement shall be considered void *ab initio*
and shall be of no force or effect whatsoever, and shall not be referred to or utilized for
any purpose whatsoever.

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

12 13. **ADDITIONAL PROVISIONS**

13 13.1. No Admission of Liability, Class Certification or Representative Manageability for
14 Other Purposes. This Agreement represents a compromise and settlement of highly
15 disputed claims. Nothing in this Agreement is intended or should be construed as an
16 admission by Defendant that any of the allegations in the Operative Complaint have
17 merit or that Defendant has any liability for any claims asserted; nor should it be
18 intended or construed as an admission by Plaintiffs that Defendant's defenses in the
19 Action 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 Judgment pursuant to this Agreement,
Defendant reserves the right to contest certification of any class for any reasons, and
Defendant reserves all available defenses to the claims in the Action, and Plaintiffs
reserves 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).

20 13.2. Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant
21 and Defense Counsel separately agree that, until the Motion for Preliminary Approval of
22 Settlement is filed, they and each of them will not disclose, disseminate and/or
23 publicize, or cause or permit another person to disclose, disseminate or publicize, any of
24 the terms of the Agreement directly or indirectly, specifically or generally, to any
25 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, any with 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 have not and 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. 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.

13.5. 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.

13.6. 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 first seek the assistance of a mediator and then the Court for resolution.

13.7. 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.

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4 13.8. Tax Advice. Neither Plaintiffs, Class Counsel, Defendant nor Defense Counsel are
5 providing any advice regarding taxes or taxability, nor shall anything in this Settlement
6 be relied upon as such within the meaning of United States Treasury Department
7 Circular 230 (31 CFR Part 10, as amended) or otherwise.

8 13.9. Modification of Agreement. This Agreement, and all parts of it, may be amended,
9 modified, changed, or waived only by an express written instrument signed by all
10 Parties or their representatives, and approved by the Court.

11 13.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure
12 to the benefit of, the successors of each of the Parties.

13 13.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be
14 governed by and interpreted according to the internal laws of the state of California,
15 without regard to conflict of law principles.

16 13.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation
17 of this Agreement. This Agreement will not be construed against any Party on the basis
18 that the Party was the drafter or participated in the drafting.

19 13.13. Confidentiality. To the extent permitted by law, all agreements made, and orders
20 entered during Action and in this Agreement relating to the confidentiality of
21 information shall survive the execution of this Agreement.

22 13.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to
23 Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to
24 Class Counsel by Defendant in connection with the mediation, other settlement
25 negotiations, or in connection with the Settlement, may be used only with respect to this
26 Settlement, and no other purpose, and may not be used in any way that violates any
27 existing contractual agreement, statute, or rule of court. Not later than ninety (90) days
28 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.

13.15. 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.

13.16. 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.

13.17. 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 and the Class:

Norman B. Blumenthal
Kyle R. Nordrehaug
Blumenthal Nordrehaug Bhowmik De Blouw LLP
2255 Calle Clara
La Jolla, CA 92037
Tel.: (858) 551-1223
Fax: (858) 551-1232
E-Mail: norm@bamlawca.com
kyle@bamlawca.com

To Defendant:

Sarah Kroll-Rosenbaum
Anthony D. Sbardellati
Jade T. White
Akerman LLP
633 West Fifth Street, Suite 6400
Los Angeles, California 90071
Tel.: (213) 688-9500
Fax: (213) 627-6342
E-Mail: sarah.kroll-rosenbaum@akerman.com
anthony.sbardellati@akerman.com
jade.white@akerman.com

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

13.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process until the earlier of the Effective Date or the date this Agreement shall no longer be of any force or effect.

13.20. Fair Settlement. The Parties, Class Counsel and Defense Counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and

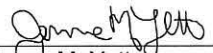
have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, both current and potential.

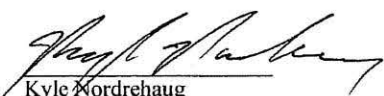
14. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: 06/13/2025 
Jeremiah Costello (Jun 13, 2025 15:20 PDT)
Plaintiff Jeremiah Costello

Dated: 06/19/2025 
Alicia Calvert (Jun 19, 2025 11:54 CDT)
Plaintiff Alicia Calvert

Dated: 6/23/2025 
Jenna M. Yott [name]
For Defendant SHC Services, Inc.,

Dated: 6/19/25 
Kyle Nordrehaug
Blumenthal Nordrehaug Bhowmik De Blouw LLP
Attorney for Plaintiff

Dated: 06/19/2025 
Ryan Stygar (Jun 19, 2025 10:24 PDT)
Ryan Stygar
Centurion Trial Attorneys, APC
Attorney for Plaintiff

Dated: 06/23/2025 
Sarah Kroll-Rosenbaum
Anthony D. Sbardellati
Jade T. White
Akerman LLP
Attorney for Defendant

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EXHIBIT #2

1 **BLUMENTHAL NORDREHAUG BHOWMIK**
2 **DE BLOUW LLP**

3 Norman B. Blumenthal (State Bar #068687)
4 Kyle R. Nordrehaug (State Bar #205975)
5 Aparajit Bhowmik (State Bar #248066)
6 2255 Calle Clara
7 La Jolla, CA 92037
8 Telephone: (858)551-1223
9 Facsimile: (858) 551-1232

10 Attorneys for Plaintiffs

11 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
12 **COUNTY OF ORANGE**

13 **JEREMIAH COSTELLO and ALICIA**
14 **CALVERT**, individuals, on behalf of
15 themselves and on behalf of all person
16 similarly situated, and on behalf of the State of
17 California. as private attorney generals,

18 Plaintiffs,

19 vs.

20 **SHC SERVICES, INC.**, a corporation; and
21 **DOES 1 through 50**, inclusive,

22 Defendants.

CASE NO.: 30-2024-01409847-CU-OE-CXC

**AMENDMENT TO CLASS ACTION AND
PAGA SETTLEMENT AGREEMENT**

Hearing Date: August 20, 2026
Hearing Time: 2:00 p.m.

Judge: Hon. Melissa R. McCormick
Dept.: CX105

Action Filed: June 26, 2024
Trial Date: Not Set

23 **IT IS HEREBY STIPULATED AND AGREED** by and between Plaintiffs Jeremiah
24 Costello and Alicia Calvert ("Plaintiffs") and Defendant SHC Services, Inc. ("Defendant")
25 (collectively "the Parties"), to amend and modify the Class Action and PAGA Settlement
26 Agreement (the "Agreement") and the exhibits thereto, filed on August 27, 2025 as Exhibit 1 to
27 the Declaration of Kyle Nordrehaug [ROA #59], with this Amendment to the Class Action and
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AMENDMENT TO CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

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1 PAGA Settlement Agreement ("Amendment").

2 WHEREAS, on November 13, 2025 and April 9, 2026, the Court ruled on the motion for
3 preliminary approval of the class and PAGA settlement in the Agreement and ordered the Parties
4 to make certain revisions to the Agreement, the Class Notice, and the Proposed Preliminary
5 Approval Order;

6 WHEREAS, paragraphs 13.5 and 13.9 of the Agreement provides for the Parties'
7 representatives to modify the Agreement in writing and to execute documents required to
8 effectuate the terms of this Agreement including any amendments to this Agreement;

9 WHEREAS, the Parties agree to modify the "Released Class Claims" definition in the
10 Agreement at paragraph 1.41 to make the revisions ordered by the Court such that paragraph 1.41
11 shall read as follows:

12 1.41. "Released Class Claims" means all claims as pled in the Operative Complaint that
13 occurred during the Class Period, or claims that reasonably could have been alleged based
14 on the facts alleged in the Operative Complaint that occurred during the Class Period,
15 including claims for (1) unfair competition, (2) failure to pay minimum wages, (3) failure
16 to pay overtime, (4) failure to provide meal periods, (5) failure to provide rest periods, (6)
17 failure to provide accurate wage statements, (7) failure to reimburse for required
18 expenses, (8) failure to provide wages when due, and (9) failure to pay sick wages based
19 on the allegations in the Operative Complaint. Class Members do not release any other
20 claims, including claims for vested benefits, wrongful termination, violation of the Fair
21 Employment and Housing Act, unemployment insurance, disability, social security,
22 workers' compensation, or Class claims based on facts occurring outside the Class Period.

23 WHEREAS, the Parties agree to modify the "Released PAGA Claims" definition in the
24 Agreement at paragraph 1.42 to make the revisions ordered by the Court such that paragraph 1.42
25 shall read as follows:

26 1.42. "Released PAGA Claims" means all claims as pled in the PAGA Notices and Operative
27 Complaint for civil penalties in violation of California Labor Code section 2698, et seq.,
28 based on the allegations in the PAGA Notices and Operative Complaint, as well as any
and all PAGA claims for civil penalties that were asserted or reasonably could have been
asserted based on the factual allegations contained in the Operative Complaint and PAGA
Notices, through the PAGA Period. The Released PAGA Claims do not include
underlying wage and hour claims, claims for wrongful termination, discrimination,
unemployment insurance, disability and worker's compensation, and PAGA claims
outside of the PAGA Period.

WHEREAS, the Parties agree to modify the "Released Parties" definition in the Agreement at

AMENDMENT TO CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

1 paragraph 1.43 to make the revisions ordered by the Court such that paragraph 1.43 shall read as
2 follows:

3 1.43. "Released Parties" means: Defendant, SHC Holdco, Inc., and the Defendant's owners,
4 past, present, and future divisions, predecessors, successors, shareholders, officers,
5 directors, managers, employees, assigns, parents, and subsidiaries.

6 WHEREAS, the Parties agree to modify the "Response Deadline" definition in the
7 Agreement at paragraph 1.45 to make the revisions ordered by the Court such that paragraph 1.45
8 shall read as follows:

9 1.45. "Response Deadline" means sixty (60) calendar days after the Administrator mails
10 Class Notice Packet to Class Members and Aggrieved Employees, and shall be the last
11 date on which Class Members may: (a) submit Requests for Exclusion from the
12 Settlement, (b) submit disputes as to Workweeks and or PAGA Pay Periods, or (c) submit
13 his or her Objection to the Settlement. Class Members to whom Class Notice Packets are
14 resent after having been returned undeliverable to the Administrator shall have an
15 additional fourteen (14) calendar days beyond the Response Deadline has expired. No
16 member of the Class who is also a member of the PAGA groups may opt-out of the
17 resolution of the PAGA claim (i.e., the Judgment on this Settlement will have res judicata
18 effect as to the PAGA claim for all members of the Class, regardless of whether those
19 members opt-out of the settlement), and every member of Class (including any opt-outs)
20 who worked at least one pay period during the PAGA Period will receive a pro rata
21 payment from the Aggrieved Employees' 25% portion of the PAGA Penalties.

22 WHEREAS, the Parties agree to modify the "Administration Expenses Payment" in the
23 Agreement at paragraph 3.2(c) to provide that the Administration Expenses Payment shall not
24 exceed \$12,650;

25 WHEREAS, the Parties agree to modify the "RELEASE OF CLAIMS" in the Agreement
26 at paragraph 6 to delete the reference to "the State of California and the LWDA";

27 WHEREAS, the Parties agree to modify the "Release of PAGA Claims" in the Agreement at
28 paragraph 6.3 to delete the sentences as ordered by the Court such that paragraph 6.3 shall read as
follows:

6.3 Release of PAGA Claims. All Aggrieved Employees and the LWDA are deemed to
release, on behalf of themselves and their respective former and present representatives,
agents, attorneys, spouses, heirs, administrators, successors, and assigns, the Released
Parties from the Released PAGA Claims. There shall be no right to opt-out of the
settlement for members of the PAGA groups and the Judgment on this settlement will
have res judicata effect as to the PAGA claim for all members of the PAGA groups.

AMENDMENT TO CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

1 WHEREAS, the Parties agree to modify the "Challenges to Calculations of Pay Periods" in
2 the Agreement at paragraph 8.6 to make the revisions ordered by the Court such that paragraph 8.6
3 shall read as follows:

4 8.6. Challenges to Calculation of Pay Periods. Each Class Member shall have until the
5 Response Deadline (plus an additional fourteen [14] days for Class Members
6 whose Class Notice is re-mailed) to challenge the number of Class Pay Periods and
7 PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The
8 Class Member may challenge the allocation by communicating with the
9 Administrator via fax, email or mail by sending end the Administrator, by fax,
10 email, or mail, a signed written Dispute Form not later than the Response Deadline
11 (plus an additional fourteen [14] days for Class Members whose Class Notice is re-
12 mailed). The Administrator must encourage the challenging Class Member to
13 submit supporting documentation. In the absence of any contrary documentation,
14 the Administrator is entitled to presume that the Pay Periods contained in the Class
15 Notice are correct so long as they are consistent with the Class Data. The Parties
16 shall file with the Court all disputes submitted by Class Members, the evidence
17 submitted, and the resolution of the disputes. Although the Administrator may
18 make the initial decision regarding claim disputes, the Court may review any
19 decision made by the Administrator regarding a claim dispute. The Administrator
20 shall promptly provide copies of all challenges to the calculation of Pay Periods
21 and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the
22 Administrator's determination as to the challenges.

23 WHEREAS, the Parties agree to modify the "Pay Period and/or PAGA Pay Period
24 Challenges" in the Agreement at paragraph 8.8(c) to make the revisions ordered by the Court such
25 that paragraph 8.8(c) shall read as follows:

26 8.8(c) Pay Period and/or PAGA Pay Period Challenges. The Administrator will address
27 and make decisions consistent with the terms of this Agreement on all Class
28 Member challenges over the calculation of Pay Periods and/or PAGA Pay Periods.
The Parties shall file with the Court all disputes submitted by Class Members, the
evidence submitted, and the resolution of the disputes. Although the Administrator
may make the initial decision regarding disputes, the Court may review any
decision made by the Administrator regarding a dispute.

WHEREAS, the Parties have agreed to modify the contact information for Defendant's
counsel in the "Notice" at paragraph 13.17 of the Agreement to reflect counsel's current firm and
contact information;

AMENDMENT TO CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

1 WHEREAS, the Parties have agreed to modify the Class Notice attached to the Agreement
2 as Exhibit A to be consistent with the above amendments, and the revised Class Notice to be
3 approved by the Court is attached hereto as Exhibit A;

4 WHEREAS, the Parties have agreed to modify the Proposed Order Granting Motion for
5 Preliminary Approval attached to the Agreement as Exhibit B to be consistent with the above
6 amendments, and the revised Proposed Order Granting Motion for Preliminary Approval to be
7 approved by the Court is attached hereto as Exhibit B. As requested by the Court, the revised
8 Proposed Order also includes a paragraph regarding Court's continuing jurisdiction pursuant to
9 CCP § 664.6 and CRC 3.769(h) and information regarding proposed disbursements from Gross
10 Settlement Amount for attorneys' fees, litigation costs, administration costs, service awards, and
11 PAGA penalties;

12 WHEREAS, the Parties have agreed to modify the Proposed Final Approval Order and
13 Judgment attached to the Agreement as Exhibit C to be consistent with the above amendments,
14 and the revised Proposed Final Approval Order and Judgment to be used is attached hereto as
15 Exhibit C.

16 NOW THEREFORE, the Parties agree to modify and amend the Agreement at paragraphs
17 1.41, 1.42, 1.43, 1.45, 3.2(c), 6, 6.3, 8.6, 8.8(c), and 13.27 as set forth above and to revise Exhibits
18 A, B and C to the forms attached hereto.

20 Dated: 08/03/2026

Jeremiah Costello
Jeremiah Costello (Aug 3, 2026 15:38:16 PDT)
Plaintiff Jeremiah Costello

23 Dated: _____

Plaintiff Alicia Calvert

26 Dated: _____

[name]
For Defendant SHC Services, Inc.,

AMENDMENT TO CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

1 WHEREAS, the Parties have agreed to modify the Class Notice attached to the Agreement
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3 approved by the Court is attached hereto as Exhibit A;

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5 Preliminary Approval attached to the Agreement as Exhibit B to be consistent with the above
6 amendments, and the revised Proposed Order Granting Motion for Preliminary Approval to be
7 approved by the Court is attached hereto as Exhibit B. As requested by the Court, the revised
8 Proposed Order also includes a paragraph regarding Court's continuing jurisdiction pursuant to
9 CCP § 664.6 and CRC 3.769(h) and information regarding proposed disbursements from Gross
10 Settlement Amount for attorneys' fees, litigation costs, administration costs, service awards, and
11 PAGA penalties;

12 WHEREAS, the Parties have agreed to modify the Proposed Final Approval Order and
13 Judgment attached to the Agreement as Exhibit C to be consistent with the above amendments,
14 and the revised Proposed Final Approval Order and Judgment to be used is attached hereto as
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17 1.41, 1.42, 1.43, 1.45, 3.2(c), 6, 6.3, 8.6, 8.8(c), and 13.27 as set forth above and to revise Exhibits
18 A, B and C to the forms attached hereto.

20 Dated: _____
21 Plaintiff Jeremiah Costello

23 Dated: 08/07/2026 AAADm
24 Alicia Calvert (Aug 7, 2026 08:08:58 PDT)
25 Plaintiff Alicia Calvert

26 Dated: _____
27 _____ [name]
28 For Defendant SHC Services, Inc.,

AMENDMENT TO CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

1 WHEREAS, the Parties have agreed to modify the Class Notice attached to the Agreement
2 as Exhibit A to be consistent with the above amendments, and the revised Class Notice to be
3 approved by the Court is attached hereto as Exhibit A;

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5 Preliminary Approval attached to the Agreement as Exhibit B to be consistent with the above
6 amendments, and the revised Proposed Order Granting Motion for Preliminary Approval to be
7 approved by the Court is attached hereto as Exhibit B. As requested by the Court, the revised
8 Proposed Order also includes a paragraph regarding Court's continuing jurisdiction pursuant to
9 CCP § 664.6 and CRC 3.769(h) and information regarding proposed disbursements from Gross
10 Settlement Amount for attorneys' fees, litigation costs, administration costs, service awards, and
11 PAGA penalties;

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13 Judgment attached to the Agreement as Exhibit C to be consistent with the above amendments,
14 and the revised Proposed Final Approval Order and Judgment to be used is attached hereto as
15 Exhibit C.

16 NOW THEREFORE, the Parties agree to modify and amend the Agreement at paragraphs
17 1.41, 1.42, 1.43, 1.45, 3.2(c), 6, 6.3, 8.6, 8.8(c), and 13.27 as set forth above and to revise Exhibits
18 A, B and C to the forms attached hereto.

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20 Dated: _____
21 Plaintiff Jeremiah Costello

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23 Dated: _____
24 Plaintiff Alicia Calvert

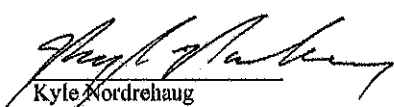
25
26 Dated: August 4, 2026 Jenna Yott
27 Jenna Yott (Aug 4, 2026 10:30:10 PDT)
28 Jenna Yott of Supplemental Health Care
For Defendant SHC Services, Inc.

AMENDMENT TO CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

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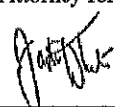
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Dated: August 7, 2026



Kyle Nordrehaug
Blumenthal Nordrehaug Bhowmik De Blouw LLP
Attorney for Plaintiffs

Dated: August 4, 2026



Sarah Kroll-Rosenbaum
Anthony D. Sbardellati
Jade T. White
Grove Law LLP
Attorney for Defendant

AMENDMENT TO CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

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EXHIBIT #3

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

*Costello vs. SHC Services, Inc., Superior Court of the
State of California, County of Orange, Case No. 30-2024-01409847-CU-OE-CXC*

*A court authorized this notice. This is not a solicitation.
This is not a lawsuit against you, and you are not being sued.*

To: All individuals who were employed by Defendant SHC Services, Inc. ("Defendant") and classified as a non-exempt clinician employee who worked assignments for Defendant in California at any time during the External Class Period, (February 8, 2022 through April 6, 2025) and did not sign an arbitration agreement, and all individuals who were employed by Defendant in California and classified as an exempt recruiter employee at any time during the Internal Class Period (June 26, 2020 through April 6, 2025) and did not sign an arbitration agreement

The Superior Court of the State of California, County of Orange has granted preliminary approval of a proposed settlement of the above-captioned action. Because your rights may be affected by this settlement, please read this Court Approved Notice of Class Action and PAGA Settlement and Hearing Date for Final Court Approval ("Class Notice") carefully. The purpose of this Class Notice is to provide a description of the claims alleged in the action, the key terms of the settlement, and your rights and options with respect to the settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do not have to do anything. Your estimated Individual Class Payment is: \$<< __ >>. See the explanation in Section 5 below. After final approval by the Court, the payment will be mailed to you at the same address as this Class Notice. In exchange for the settlement payment, you will release claims against the Defendant as detailed in Section 4 below. If your address has changed, you must notify the Administrator as explained in Section 6 below.
Exclude Yourself The Response Deadline is _____.	To exclude yourself, you must send a written request for exclusion to the Administrator as provided below. If you request exclusion, you will receive no money from the class action portion of the Settlement and you will not be bound by the class action portion of the Settlement. If you are an Aggrieved Employee and exclude yourself, you will still be paid your share of the PAGA Penalties and will remain subject to the release of the Released PAGA Claims regardless of whether you submit a request for exclusion. Instructions are set forth in Section 7 below.
Object The Response Deadline is _____.	If you do not agree with the settlement, you may write to the Administrator and/or appear at the Final Approval Hearing to make an oral objection. The Court's Final Approval Hearing is scheduled to take place on January 21, 2027 at 2:00 p.m., at the Orange County Superior Court, located at 751 West Santa Ana Blvd., Santa Ana, CA 92701, before Hon. Melissa R. McCormick in Department CX105.

Directions regarding Objections are provided in Section 8 below.

YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE READ THIS CLASS NOTICE CAREFULLY.

1. Why did I receive this Class Notice?

On June 26, 2024 Plaintiffs filed a Class Action Complaint against Defendant in the Superior Court of the State of California, County of Orange (the "Class Action"). The Class Action asserted the following class claims against Defendant: unfair competition, failure to pay minimum wages, failure to pay overtime wages, failure to provide required meal periods, failure to provide required rest periods, failure to provide accurate itemized wage statements, failure to reimburse employees for required expenses, failure to provide wages when due, and failure to pay sick pay wages.

Separately, June 26, 2024, Plaintiffs filed a separate Representative Action Complaint against Defendant in the Superior Court of the State of California, County of Alameda (the "PAGA Action"). Plaintiffs' Representative Action Complaint asserted one cause of action against Defendant for Civil Penalties Pursuant to Labor Code §§ 2699, et seq. for violations of Labor Code §§ 201, 202, 203, 204, et seq., 210, 218, 221, 226(a), 226.7, 227.3, 246, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2100, et seq., 2802, California Code of Regulations, Title 8, Section 11040, Subdivision 5(A)-(B), California Code of Regulations, Title 8, Section 11740(14) (failure to provide seating), and the applicable Wage Order(s).

As part of this Settlement, the Parties stipulated to the filing of a First Amended Class and Representative Action Complaint in the Class Action that contains all parties and claims originally filed in the PAGA Action. The First Amended Class and Representative Action Complaint is the operative complaint in the Action (the "Operative Complaint"), and was filed on May 27, 2025.

Pursuant to a court order, you are hereby notified that Plaintiffs and Defendant have reached a proposed class action settlement (the "Settlement") of the above-captioned action pending in the Superior Court of the State of California, in and for the County of Orange (the "Court"). The Honorable Melissa R. McCormick has been assigned as the judge overseeing the action and Settlement.

The Court held a hearing on [REDACTED]. After the hearing, the Court granted Preliminary Approval of the Settlement. The Court conditionally certified the Class for settlement purposes only and directed that you receive this Class Notice to provide a summary of the Settlement so that you may better understand your rights and options under the Settlement. Capitalized terms in this Class Notice are defined herein and/or in the Parties' Class Action and PAGA Settlement Agreement, as modified by the Amendment to the Class Action and PAGA Settlement Agreement attached hereto as Exhibit #2 (collectively the "Agreement").

You have received this Class Notice because you have been identified as a member of the Class and may be entitled to receive money from this Settlement. The Class means the Internal Class and the External Class. The Class Period collectively means the applicable External Class Period and Internal Class Period.

The Internal Class is defined as:

All individuals who were employed by Defendant in California and classified as an exempt recruiter employee at any time during the Internal Class Period, excluding those who signed an arbitration agreement.

The Internal Class Period is June 26, 2020 through April 6, 2025.

The External Class is defined as:

All individuals who were employed by Defendant and classified as a non-exempt clinician employee who worked assignments for Defendant in California at any time during the External Class Period, excluding those who signed an arbitration agreement.

The External Class Period is February 8, 2022 through April 6, 2025.

The “Aggrieved Employees” collectively means all Internal Aggrieved Employees and External Aggrieved Employees. The Internal Aggrieved Employees are defined as:

All individuals who were employed by Defendant in California and classified as an exempt recruiter employee at any time during the PAGA Period (June 26, 2023 through April 6, 2025).

The External Aggrieved Employees are defined as:

All individuals who were employed by Defendant and classified as a non-exempt clinician employee who worked assignments for Defendant in California at any time during the PAGA Period (June 26, 2023 through April 6, 2025). It is important that you read this Class Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

In the Operative Complaint, Plaintiffs allege the following class claims against Defendant: (1) unfair competition; (2) failure to pay minimum wages; (3) failure to pay overtime wages; (4) failure to provide meal periods; (5) failure to provide rest periods; (6) failure to provide accurate itemized statements; (7) failure to reimburse employees for required expenses; (8) failure to provide wages when due; and, (9) failure to pay sick pay wages. The Operative Complaint also alleges a representative claim under the California Private Attorneys General Act, Cal. Labor Code §§ 2698, *et seq.* (“PAGA”) for civil penalties based upon the above alleged violations.

Defendant expressly denies any wrongdoing or legal liability arising out of the claims alleged in the Operative Complaint. Defendant wishes to settle these claims only to avoid costly, disruptive, and time-consuming litigation. The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that Plaintiffs’ claims in the lawsuit have merit, that it has any liability to Plaintiffs or the group of individuals that Plaintiffs seeks to represent in this lawsuit, or that it engaged in any wrongdoing.

The Court has not made any determination as to whether Plaintiffs’ claims have any merit. In other words, the Court has not determined whether any laws have been violated, nor has it decided in favor of Plaintiffs or Defendant. Instead, both sides agreed to resolve the Action with no decision or admission of who is right or wrong.

The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved the Plaintiffs to serve as the Class Representatives, and the law firms Blumenthal Nordrehaug Bhowmik De Blouw LLP and Centurion Trial Attorneys, APC to serve as Class Counsel. In granting preliminary approval of the Settlement, the Court has determined that there is sufficient evidence that the proposed Settlement is fair, adequate, and reasonable, and that any final determination of those issues will be made at the Final Approval Hearing concerning the Settlement.

3. **What are the terms of the Settlement?**

Gross Settlement Amount. Defendants have agreed to pay an "all in" amount of Four Hundred Ninety Thousand Dollars (\$490,000.00) to fund the settlement of the Action.

Amounts to be Paid From the Gross Settlement Amount. The Settlement provides for certain payments to be made from the Gross Settlement Amount as follows, which will be subject to final Court approval, and which will be deducted from the Gross Settlement Amount before Individual Class Payments are made to Class Members who do not submit a valid and timely Request for Exclusion ("Participating Class Members"):

- **Administration Expenses Payment.** Payment to the Administrator, not to exceed \$12,650, for expenses, including notifying the Class Members of the Settlement, distributing Individual Class Payments and tax forms, and handling questions about the Settlement.
- **Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment.** Payment to Class Counsel of reasonable attorneys' fees not to exceed \$147,000, and an additional amount to reimburse actual litigation costs incurred by the Plaintiffs not to exceed \$40,000. The Class Counsel Fees Payment shall be apportioned among Class Counsel as follows: 88.5% to Blumenthal Nordrehaug Bhowmik De Blouw LLP and 11.5% to Centurion Trial Attorneys, APC. Class Counsel has been prosecuting these claims on behalf of Plaintiffs and the Class on a contingency fee basis (that is, without being paid any money) and has been paying all litigation costs and expenses.
- **Class Representative Service Payments.** Class Representative Service Payments in an amount not to exceed \$5,000 each to the Plaintiffs (total not to exceed \$10,000), subject to Court approval, to compensate Plaintiffs for services on behalf of the Class in initiating and prosecuting the claims, and for the risks Plaintiffs undertook.
- **PAGA Penalties.** A payment of \$68,205 relating to the claim for penalties under PAGA, 75% (\$51,153.75) allocated to the LWDA PAGA Payment and 25% (\$17,051.25) allocated to the "Individual PAGA Payments" to the Aggrieved Employees calculated by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$17,051.25) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods.
 - The "PAGA Period" is June 26, 2023 through April 6, 2025.
 - "Aggrieved Employees" means all individuals who were employed by Defendant and classified as a non-exempt clinician employee who worked assignments for Defendant in California at any time during the PAGA Period and all individuals who were employed by Defendant in California and classified as an exempt recruiter employee at any time during the PAGA Period.
 - As part of the resolution of the PAGA claim through this PAGA Payment, Aggrieved Employees will release all Released PAGA Claims for civil penalties as set forth below.

Calculation of Payments to Class Members ("Individual Class Payments").

The "Net Settlement Amount" means the total sum available for payout to Participating Class Members, which equals the Gross Settlement Amount minus the above-described Class Representative Service Payments, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, the PAGA Penalties, and the Administration Expenses Payment. The Net Settlement Amount is estimated to be at least \$175,812. The

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3 Administrator will pay an Individual Class Payment from the Net Settlement Amount to each Participating
4 Class Member. The Individual Class Payment for each Participating Class Member will be calculated by (a)
5 dividing the Net Settlement Amount by the total number of Pay Periods worked by all Participating Class
6 Members during the Class Period(s) and (b) multiplying the result by each Participating Class Member's Pay
7 Periods. Individual Class Payments distributed to the External Class members will be made on a pro rata basis,
8 derived from the number of pay periods worked during the External Class Period, while Individual Class
9 Payments distributed to the Internal Class members will be made on a pro rata basis, derived from the number
10 of pay periods worked during the Internal Class Period. "Pay Period" means any pay period during the Class
11 Period in which a Class Member worked for Defendant as a Class Member for at least one day. The number of
12 Pay Periods allocated to Class Members will be based on Defendant's records. However, Class Members may
13 challenge the allocation as explained below.

14 Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final
15 approval of the Settlement and entering Judgment.

16 **4. What Do I Release Under the Settlement?**

17 Released Class Claims. Effective on the date when Defendant fully funds the entire Gross Settlement Amount
18 and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, all
19 Participating Class Members, on behalf of themselves and their respective former and present representatives,
20 agents, attorneys, spouses, heirs, administrators, successors, and assigns, release Released Parties from the
21 Released Class Claims. The "Released Class Claims" are all claims as pled in the Operative Complaint that
22 occurred during the Class Period, or claims that reasonably could have been alleged based on the facts alleged
23 in the Operative Complaint that occurred during the Class Period, including claims for (1) unfair competition,
24 (2) failure to pay minimum wages, (3) failure to pay overtime, (4) failure to provide meal periods, (5) failure to
25 provide rest periods, (6) failure to provide accurate wage statements, (7) failure to reimburse for required
26 expenses, (8) failure to provide wages when due, and (9) failure to pay sick wages based on the allegations in
27 the Operative Complaint. Class Members do not release any other claims, including claims for vested benefits,
28 wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability,
social security, workers' compensation, or Class claims based on facts occurring outside the Class Period.

This means that, if you do not timely exclude yourself from the Settlement, you cannot sue, continue to sue, or
be part of any other lawsuit against the Released Parties for the Released Class Claims resolved by this
Settlement. It also means that all of the Court's orders in the Action will apply to you and legally bind you.

Released PAGA Claims. Effective on the date when Defendant fully funds the entire Gross Settlement Amount
and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, all Aggrieved
Employees and the LWDA are deemed to release, on behalf of themselves and their respective former and
present representatives, agents, attorneys, spouses, heirs, administrators, successors, and assigns, the Released
Parties from the Released PAGA Claims. The "Released PAGA Claims" are all claims as pled in the PAGA
Notices and Operative Complaint for civil penalties in violation of California Labor Code section 2698, et seq.,
based on the allegations in the PAGA Notices and Operative Complaint, as well as any and all PAGA claims for
civil penalties that were asserted or reasonably could have been asserted based on the factual allegations
contained in the Operative Complaint and PAGA Notices, through the PAGA Period. The Released PAGA
Claims do not include underlying wage and hour claims, claims for wrongful termination, discrimination,
unemployment insurance, disability and worker's compensation, and PAGA claims outside of the PAGA
Period.

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3 "Released Parties" collectively mean: Defendant, SHC Holdco, Inc., and the Defendant's owners, past, present,
4 and future divisions, affiliates, predecessors, successors, shareholders, officers, directors, managers, employees,
5 trustees, administrators, assigns, partners, parents, and subsidiaries.

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8 **5. How much will my payment be?**

9 Defendant's records reflect that you have << ____ >> Pay Periods during the External Class Period (February 8,
10 2022 through April 6, 2025) and/or Internal Class Period (June 26, 2020 through April 6, 2025).

11 **Although the exact share of the Net Settlement Amount cannot be precisely calculated at this time, based
12 on this information, your estimated Individual Class Payment is << ____ >>.**

13 **[if applicable - In addition, your estimated Individual PAGA Payment is << ____ >>.]**

14 If you wish to challenge the information set forth above, then you must submit a written, signed dispute
15 challenging the information along with supporting documents, to the Administrator at the address provided in
16 this Class Notice no later than the Response Deadline, which is ____ [sixty (60) days after the
17 mailing of the Class Notice or an additional 14 days in the case of re-mailing]. You may also fax the dispute to
18 ____ or email the dispute to ____ by no later than the Response Deadline.

19 Any dispute should include credible written evidence and will be resolved by the Administrator (which the
20 Court may review). A Dispute Form is included with this Class Notice.

21 **Tax Matters.** Each Participating Class Member's Individual Class Payment will be apportioned as follows: (1)
22 twenty percent (20%) shall be allocated to alleged wages for which an IRS Form W-2 will issue and which shall
23 be subject to tax withholdings customarily made from an employee's wages and all other authorized and
24 required withholdings; and (2) eighty percent (80%) shall be allocated to settlement of claims for
25 non-wages, expense reimbursement, interest and penalties, not subject to wage withholdings, for which an IRS
26 Form 1099 will issue. One hundred percent (100%) of the Individual PAGA Payments for Aggrieved
27 Employees shall be allocated to penalties and not subject to wage withholdings. An IRS Form 1099 will issue
28 for these payments.

Neither Class Counsel nor Defense Counsel intend anything contained in this Class Notice to constitute advice
regarding taxes or taxability. The tax issues for each Participating Class Member and each Aggrieved
Employee are unique to him/her, and each Participating Class Member/Aggrieved Employee may wish to
consult a tax advisor concerning the tax consequences of the payments received under the Settlement. The
Participating Class Members/Aggrieved Employees assume full responsibility and liability for any taxes owed
on any payments received.

6. How can I get a payment?

To get money from the Settlement, **you do not have to do anything.** A check for your Individual Class
Payment, and any Individual PAGA Payment (if applicable), will be mailed automatically to the same address
as this Class Notice. If your address is incorrect or has changed, you must notify the Administrator. The
Administrator is: Apex Class Action, ____ (800) ____.

If the Court grants final approval of the Settlement and enters Judgment on the Settlement, and there are no
objections or appeals, your Settlement payment will be mailed approximately four months after final approval.
If there are objections or appeals the payments will be delayed because resolving them can take time, usually
more than a year. Please be patient.

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3 **7. What if I don't want to be a part of the Settlement?**

4 If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out."
5 **If you opt out, you will receive NO money from the Class Settlement, and you will not be bound by its**
6 **terms, which means you will retain your right to sue the Defendant as to the Released Class Claims**
7 **resolved by this Settlement.** However, Aggrieved Employees who opt out will still be paid their Individual
8 PAGA Payment and will remain bound by the release of the Released PAGA Claims regardless of their request
9 for exclusion and even if they do not cash their check.

10 To opt out, you must mail to the Administrator, by First Class Mail, a written, signed and dated request to opt-
11 out postmarked no later than the Response Deadline which is _____ [sixty (60) days after the mailing
12 of the Class Notice or an additional 14 days in the case of re-mailing]. You may also fax your request for
13 exclusion to _____ or email the request for exclusion to _____ by no later than
14 the Response Deadline. A Request for Exclusion form is included with this Class Notice. The Request for
15 Exclusion should state in substance: "I wish to be excluded from the Class in the *Costello vs. SHC Services, Inc.*
16 lawsuit." The Request for Exclusion must state the Class Member's full name, address, telephone number, and
17 the name and number of the case, which is *Costello vs. SHC Services, Inc.*, Case No. 30-2024-01409847-CU-
18 OE-CXC. The request to opt-out must be completed by you. No other person may opt-out for a living member
19 of the Class.

20 The address for the Administrator is _____. Absent good cause found
21 by the Court, written requests for exclusion that are faxed, emailed, or postmarked after _____, or
22 are incomplete or unsigned will be rejected, and those Class Members will remain bound by the Settlement and
23 the release(s) described above.

24 **8. How do I tell the Court that I don't agree with the Settlement?**

25 Any Class Member who has not opted out and believes that the Settlement should not be finally approved by
26 the Court for any reason may object to the proposed Settlement, either in writing or in person. Objections that
27 are in writing must state (1) the Class Member's full name, current address, last four digits of his or her Social
28 Security number, and signature; and (2) the name and number of the case, which is *Costello vs. SHC Services,*
Inc., in the Superior Court of the State of California, County of Orange, Case No. 30-2024-01409847-CU-OE-
CXC. An Objection form is included with this Notice.

All written objections must be mailed to the Administrator at _____, postmarked no later than the
Response Deadline of _____ [sixty (60) days after the mailing of the Class Notice or an additional
14 days in the case of re-mailing]. You may also fax the objection to _____ or email the objection to
_____ by no later than this Response Deadline.

Alternatively, or in addition to a written objection, Class Members may appear at the Final Approval Hearing
either in person or through your own attorney. If you appear through your own attorney, you are responsible for
hiring and paying that attorney. At this time, the Court now hears matters both in person and remotely through
Zoom through the court's online check-in process. Please check the Court's website for current information
and instructions concerning appearances and how to view Court proceedings: <https://www.occourts.org/media-relations/civil.html>.

To object to the Settlement, you must not opt out, and if the Court approves the Settlement despite your
objection, you will be bound by the terms of the Settlement in the same way as Class Members who do not
object and you will still be mailed a check for your Individual Class Payment and any Individual PAGA
Payment owed. If the Court denies approval, no settlement payments will be sent out and the lawsuit will

continue. Absent good cause found by the Court, any Class Member who does not object in the manner provided in this Class Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

9. Who are the attorneys representing the Parties?

The addresses for Parties' counsel are as follows:

Class Counsel:

Norman Blumenthal
Kyle Nordrehaug
Blumenthal Nordrehaug Bhowmik De Blouw LLP
2255 Calle Clara
La Jolla, CA 92037
Tel: 858-551-1223 / Fax: 858-551-1232
Email: kyle@bamlawca.com
Website: www.bamlawca.com

Counsel for Defendant:

Sarah Kroll-Rosenbaum
Anthony D. Sbardellati
Jade T. White
Grove Law LLP
10000 Washington Blvd., Sixth Floor
Culver City, CA 90232

12. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at 2:00 p.m. on January 21, 2027, in Department CX105 of the Superior Court of California, County of Orange, 751 West Santa Ana Blvd., Santa Ana, CA 92701, before Hon. Melissa R. McCormick. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

13. How do I get more information about the Settlement?

You may contact the Administrator or contact Class Counsel for more information. The Administrator's contact information is as follows:

Administrator:

Name of Company: Apex Class Action

Email Address: _____

Mailing Address: _____

Telephone Number: _____

Fax Number: _____

Settlement Website: _____

This Class Notice summarizes the proposed Settlement. More details are in the Agreement. You may receive a copy of the Agreement, the Final Judgment or other key documents by going to The Administrator's website at <<_____>> where they will be posted as they become available. The Judgment will be posted on the Administrator's website for at least 180 days. You may also get more details by examining the Court's file via the Civil Case and Document Access for the California Superior Court for the County of Orange (<https://www.occourts.org/online-services/case-access/>) and entering the Case No. 30-2024-01409847.

PLEASE DO NOT CALL THE COURT ABOUT THIS CLASS NOTICE.

IMPORTANT:

- You must inform the Administrator of any change of address to ensure receipt of your Settlement payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Administrator will pay all unclaimed funds to the paid to the California Controller's Unclaimed Property Fund in the name of the Participating Class Member where the funds may be claimed at https://www.sco.ca.gov/upd_msg.html.
- If your check is lost or misplaced, you should contact the Administrator immediately to request a replacement.

OBJECTION FORM

USE THIS FORM ONLY IF YOU WANT TO OBJECT TO THE SETTLEMENT. TO OBJECT TO THE TERMS OF THE SETTLEMENT, YOU MUST SIGN AND COMPLETE THIS FORM ACCURATELY, INCLUDING YOUR FULL NAME, CURRENT ADDRESS, LAST FOUR DIGITS OF YOUR SOCIAL SECURITY NUMBER, AND YOUR SIGNATURE. YOU MUST MAIL THIS FORM BY FIRST CLASS U.S. MAIL TO THE ADMINISTRATOR (APEX CLASS ACTION) AT THE ADDRESS BELOW, EMAIL THIS FORM TO <<____>>, OR FAX THIS FORM TO _____. THE DEADLINE TO EMAIL, FAX OR POSTMARK VIA MAIL YOUR WRITTEN OBJECTION IS _____.

[] I OBJECT to the *Costello vs. SHC Services, Inc.* Settlement for the following reasons:

(Print Your Name)

(Signature)

(Date)

(Your Address)

(Cite/State/ Zip Code)

(Print Last Four Digits of SSN)

Submit your fully completed and signed Objection Form as follows:

MAIL FAX OR EMAIL TO THE ADMINISTRATOR NOT LATER THAN _____ TO:
Costello vs. SHC Services, Inc. Administrator
c/o Apex Class Action, [address], [Fax], [Email]

DISPUTE FORM

*Costello vs. SHC Services, Inc., Superior Court of the
State of California, County of Orange, Case No. 30-2024-01409847-CU-OE-CXC*

Indicate Name/Address Changes, if any:

<<Name>>

<<Address>>

<<City>>, <<State>> <<Zip Code>>

XX - XX - _ _ _ _

The amount of your estimated Individual Class Payment is based upon the Pay Periods you worked during the applicable Class Period based on Defendant's company records, as set forth below and in the Class Notice you received. "Pay Period" means any pay period during the Class Period in which a Class Member worked for Defendant as a Class Member for at least one day. The amount of your estimated Individual PAGA Payment is based upon the PAGA Pay Periods you worked during the applicable PAGA Period based on Defendant's company records as set forth below and in the Class Notice you received. "PAGA Pay Period" means any pay period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

I. YOUR COMPENSABLE PAY PERIODS DURING THE CLASS PERIOD

Defendant's records show that during the Class Period, you worked as an External Class Member and/or as an Internal Class Member in California, which qualifies you as a Class Member, and your total number of pay periods during the applicable Class Period are:

<<NUMBER OF PAY PERIODS>>.

II. YOUR ESTIMATED INDIVIDUAL CLASS PAYMENT

Based upon the above numbers of Pay Periods listed above, your estimated pre-tax Individual Class Payment is

<<INSERT>>.

III. YOUR COMPENSABLE PAY PERIODS DURING THE PAGA PERIOD

Defendant's records show that during the PAGA Period, you [did or did not] work as an Aggrieved Employee, and your total number of pay periods during the applicable PAGA Period are:

<<NUMBER OF PAY PERIODS>>.

IV. YOUR ESTIMATED INDIVIDUAL PAGA PAYMENT

Based upon the above numbers of PAGA Pay Periods listed above, your estimated pre-tax Individual PAGA Payment is

<<INSERT>>.

V. CHALLENGE TO PAY PERIODS WORKED

If you believe that the number of pay periods stated above is correct, you do not have to do anything.

If you wish to dispute the number of pay periods worked listed above, you must complete and postmark, email or fax this Dispute Form, and provide all supporting information and/or documentation, to the Administrator by

<<RESPONSE DEADLINE>>.

QUESTIONS? CALL APEX CLASS ACTION TOLL FREE AT [NUMBER]
Please do not call the Court directly

I wish to dispute the number of pay periods listed above. I believe the correct amount of my pay periods during the External Class Period or Internal Class Period is _____. I believe the correct amount of my pay periods during the PAGA Period is _____. I have also included information and/or documentary evidence that support my dispute. I declare under penalty of perjury under the laws of the State of California that the information I provided in this Dispute Form is true and correct.

Dated: _____

Signature: _____

Print or Type Name: _____

**THIS DISPUTE FORM MUST BE SIGNED, DATED, AND EMAILED, FAXED OR MAILED BY
FIRST CLASS U.S. MAIL, POSTMARKED, NO LATER THAN [INSERT DATE] TO:**

Costello vs. SHC Services, Inc. Administrator
c/o Apex Class Action, address, Fax: _____, Email: _____

QUESTIONS? CALL APEX CLASS ACTION TOLL FREE AT [NUMBER]
Please do not call the Court directly

PRELIMINARY APPROVAL ORDER

REQUEST FOR EXCLUSION FORM

***Costello vs. SHC Services, Inc., Superior Court of the
State of California, County of Orange, Case No. 30-2024-01409847-CU-OE-CXC***

I confirm that I have received the Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval, which describes my rights and the options I may take in response to the parties' proposed Settlement in the above-referenced lawsuit.

By signing and returning this Request for Exclusion Form, I confirm that I wish to be removed from the proposed Class, that I do not want to participate as a Class Member, and that I do not want to be included in the proposed Class Settlement.

I understand and acknowledge that, by signing and submitting this form: (1) I will **not** receive any money from the proposed Class Settlement except my portion, if any, of the civil penalties that is allocated in settlement of the California Labor Code Private Attorney General Act of 2004 claim alleged by Plaintiffs; (2) I will not be bound by the class portion of the proposed Settlement (Released Class Claims) and will only be bound by the release of the Released PAGA Claims; and (3) I will not have any right to object to the proposed Settlement.

**THIS EXCLUSION FORM MUST BE SIGNED, DATED, AND EMAILED, FAXED OR
MAILED BY FIRST CLASS U.S. MAIL, POSTMARKED,
NO LATER THAN [INSERT DATE] TO:
Costello vs. SHC Services, Inc. Administrator
c/o Apex Class Action**

address

Fax:

Email:

Name: _____

Address: _____

Telephone Number: _____

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

(Sign your name here) _____

Date _____

PRELIMINARY APPROVAL ORDER