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13	SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE COUNTY OF SAN FRANCISCO	
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16 17	CARMEN JIMENEZ MARTINEZ, an individual, on behalf of herself, and on behalf of all persons similarly situated,	CASE NO.: CGC-22-599767 [Assigned for all purposes to the Hon. Andrew Y.S. Cheng in Dept. 613]
18 19	Plaintiff,	FIRST AMENDED JOINT STIPULATION RE: CLASS ACTION
20	v.	AND REPRESENTATIVE ACTION SETTLEMENT
21	COMPASS FAMILY SERVICES., a California corporation; and DOES 1 through	ACTION FILED: May 23, 2022 TRIAL DATE: None set
22	50, inclusive,	TRIAL DATE. None set
23	Defendants.	
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This First Amended Joint Stipulation Re: Class Action and Representative Action Settlement ("Settlement," "Agreement" or "Settlement Agreement") is made by and between plaintiff CARMEN JIMENEZ MARTINEZ ("Plaintiff"), on behalf of herself and all others similarly situated and aggrieved, on one hand; and defendant COMPASS FAMILY SERVICES ("Defendant"), on the other hand, in the lawsuit entitled *Martinez v. Compass Family Services* filed in San Francisco County Superior Court, Case No. CGC-22-599767 (the "Class Action"). Plaintiff and Defendant shall be, at times, collectively referred to as the "Parties." This Agreement is intended by the Parties to fully, finally and forever resolve the claims as set forth herein, based upon and subject to the terms and conditions of this Agreement.

1. <u>DEFINITIONS</u>

- **A.** "Action" means the action entitled *Martinez v. Compass Family Services* filed in San Francisco County Superior Court, Case No. CGC-22-599767 and the related case, *Martinez v. Compass Family Services*, San Francisco County Superior Court, Case Number CGC-22-601643.
- **B.** "Aggrieved Employees" means Class Members working for Defendant, as non-exempt, hourly-paid employees during the PAGA Period in the State of California.
- C. "Class Counsel" means David D. Bibiyan, Jeffrey D. Klein, and Vedang J. Patel of Bibiyan Law Group. The term "Class Counsel" shall be used synonymously with the term "Plaintiff's Counsel."
- D. "Class Members," "Settlement Class," or "Settlement Class Members" means all persons currently or formerly employed by Defendant as non-exempt, hourly-paid employees, at any time during the Class Period in the State of California.
- E. "Class Period" means the period from May 23, 2018 through September 10, 2023, unless shortened pursuant to paragraph 17 of this Agreement.
- **F.** "Class Notice" means and refers to the notice sent to Class Members after preliminary approval of the Settlement in the manner described in Paragraph 9(A) of this Agreement.

- **G.** "Court" means the Superior Court of the State of California for the County of San Francisco.
- **H.** "Final Approval Date" means the later of: (1) the date the Court signs an Order granting final approval of this Settlement ("Final Approval") and Judgment; (2) if there is an objector, 60 days from the date of the Final Approval and Judgment; or (3) to the extent any appeals have been filed, the date on which they have been resolved or exhausted.
 - I. "Defendant" means Compass Family Services.
- J. "Effective Date" means the later of: (a) if any Class Member validly submits a Notice of Objection, the date on which the time for appeals from any Order ruling on the objections or granting Final Approval of the Settlement has run; (b) if there is an appeal of the trial court's Final Approval Order and/or Judgment in the Action, including any appeal of an award of attorneys' fees or incentive payment to the Plaintiff, the date of final affirmance of the Judgment on appeal, the date of dismissal of such appeal, the expiration of the time for a petition for review of such appeal by the California Supreme Court of the Judgment, and, if review is granted, the date of final affirmance of that Judgment following review pursuant to that grant; or (c) in the event there are no objections submitted and/or all objections submitted have been withdrawn, then sixty-one (61) calendar days after entry of trial court's Final Approval Order and Judgment in the Action.
- **K.** "Employer Taxes" means employer-funded taxes and contributions imposed on the wage portions of the Individual Settlement Payments under the Federal Insurance Contributions Act, the Federal Unemployment Tax Act, and any similar state and federal taxes and contributions required of employers, such as for unemployment insurance.
- L. "General Release" means the broader release of claims by Plaintiff, which is in addition to Plaintiff's release of claims as a Participating Class Member.
- M. "Gross Settlement Amount" means a non-reversionary fund in the sum of no more than Six Hundred Fifty Thousand Dollars and Zero Cents (\$650,000.00), which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 17 below, from which all payments for the Individual Settlement Payments to Participating Class Members,

the Court-approved amounts for attorneys' fees and reimbursement of litigation costs and expenses to Class Counsel, Settlement Administration Costs, the Service Award, the PAGA Payment and the LWDA Payment shall be paid. It expressly excludes Employer Taxes, which shall be paid by Defendant separate, apart and in addition to the Gross Settlement Amount.

- N. "Individual PAGA Payment" means a payment made to an Aggrieved Employee for his or her share of the PAGA Payment, which may be in addition to his or her Individual Settlement Share if he or she is also a Participating Class Member.
- O. "Individual Settlement Payment" means a payment to a Participating Class Member of his or her net share of the Net Settlement Amount.
- P. "Individual Settlement Share" means the gross amount of the Net Settlement Amount that a Participating Class Member is projected to receive based on the number of Workweeks that he or she worked as a Settlement Class Member during the Class Period, which shall be reflected in his or her Class Notice.
- Q. "LWDA Payment" means the payment to the State of California Labor and Workforce Development Agency ("LWDA") for its seventy-five percent (75%) share of the total amount allocated toward penalties under the PAGA, all of which is to be paid from the Gross Settlement Amount. The Parties have agreed that Thirty Thousand Dollars and Zero Cents (\$30,000.00) shall be allocated toward PAGA penalties, of which Twenty-Two Thousand and Five Hundred Dollars and Zero Cents (\$22,500.00) will be paid to the LWDA (*i.e.*, the LWDA Payment) and Seven Thousand and Five Hundred Dollars and Zero Cents (\$7,500.00) will be paid to Aggrieved Employees on a *pro rata* basis based on the Workweeks worked for Defendants as a non-exempt, hourly-paid employee in California in the PAGA Period (*i.e.* the PAGA Payment).
- R. "Net Settlement Amount" means the portion of the Gross Settlement Amount that is available for distribution to the Participating Class Members after deductions for the Courtapproved allocations for Settlement Administration Costs, a Service Award to Plaintiff, an award of attorneys' fees, reimbursement of litigation costs and expenses to Class Counsel, the LWDA Payment and the PAGA Payment.

- S. "PAGA Payment" is the 25% portion of the Thirty Thousand Dollars and Zero Cents (\$30,000.00) that is allocated toward PAGA penalties (Seven Thousand and Five Hundred Dollars and Zero Cents (\$7,500.00)) that will be paid to Aggrieved Employees on a *pro rata* basis based on the Workweeks worked as non-exempt, hourly-paid employees in California in the PAGA Period, which would be in addition to their Individual Settlement Payment if they are Participating Class Members, as well.
- T. "PAGA Period" means the period from July 9, 2021 through the end of the Class Period.
- U. "Participating Class Members" means all Settlement Class Members who do not submit a timely and valid Request for Exclusion.
- V. "Participating Individual Settlement Share" means the gross amount of the Net Settlement Amount that a Participating Class Member is eligible to receive based on the number of Workweeks that he or she worked as a Settlement Class Member during the Class Period once all opt-outs have been factored in, excluding any Individual PAGA Payment to which he or she may be entitled if he or she is also an Aggrieved Employee.
- W. "Plaintiff," "Named Plaintiff" or "Class Representative" shall refer to Plaintiff
 Carmen Jimenez Martinez.
- X. "Preliminary Approval Date" means the date on which the Court enters an Order granting preliminary approval of the Settlement.
- Y. "Released Parties" shall mean Defendant and each of its past, present and future respective subsidiaries, dba's, affiliates, parents, insurers and reinsurers, and company-sponsored employee benefit plans of any nature, and their successors and predecessors in interest, including all of their officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, attorneys, administrators, fiduciaries, trustees and agents.
- **Z.** "Response Deadline" means the deadline for Settlement Class Members to mail any Requests for Exclusion, Objections or Workweek Disputes to the Settlement Administrator, which is forty-five (45) calendar days from the date that the Class Notice is first mailed in English and Spanish by the Settlement Administrator, unless a Class Member's notice is re-mailed. In

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such an instance, the Response Deadline shall be twenty (20) calendar days from the re-mailing or forty-five (45) calendar days from the date of the initial mailing, whichever is later, in which to postmark a Request for Exclusion, Workweek Dispute or Objection. The date of the postmark shall be the exclusive means for determining whether a Request for Exclusion, Objection or Workweek Dispute was submitted by the Response Deadline.

- **AA.** "Request for Exclusion" means a written request to be excluded from the Settlement Class pursuant to Paragraph 9(C) below.
- **BB.** "Service Award" means monetary amounts to be paid to Plaintiff of up to Seven Thousand and Five Hundred Dollars and Zero Cents (\$7,500.00), which, subject to Court approval, will be paid out of the Gross Settlement Amount.
- "Settlement Administration Costs" means all costs incurred by the Settlement CC. Administrator in administration of the Settlement, including, but not limited to, translating the Class Notice to Spanish, distribution of the Class Notice to the Settlement Class in English and Spanish, calculating Individual Settlement Shares, Individual Settlement Payments, Individual PAGA Payments and Participating Individual Settlement Shares, as well as associated taxes and withholdings, providing declarations, generating Individual Settlement Payment checks and related tax reporting forms, doing administrative work related to unclaimed checks, transmitting payment to Class Counsel for the Court-approved amounts for attorneys' fees and reimbursement of litigation costs and expenses, to Plaintiff for his Service Award and to the LWDA for the LWDA Payment, providing weekly reports of opt-outs, objections and related information, and any other actions of the Settlement Administrator as set forth in this Agreement, all pursuant to the terms of this Agreement. The Settlement Administration Costs are estimated not to exceed \$7,450.00. If the actual amount of the Settlement Administration Costs is less than \$7,450.00, the difference between \$7,450 and the actual Settlement Administration Costs shall be a part of the Net Settlement Amount. If the Settlement Administration Costs exceed \$7,450, then such excess will be paid solely from the Gross Settlement Amount and Defendant will not be responsible for paying any additional funds in order to pay these additional costs.

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DD. "Settlement Administrator" means the Third-Party Administrator selected by the Plaintiff that will be responsible for the administration of the Settlement including, without limitation, translating the Class Notice in Spanish, distribution of the Individual Settlement Payments to be made by Defendant from the Gross Settlement Amount and related matters under this Agreement.

EE. "Workweeks" means the number of weeks that a Settlement Class Member worked for Defendant in a non-exempt, hourly-paid position during the Class Period in California, based on hire dates, re-hire dates (as applicable), and termination dates (as applicable).

2. <u>BACKGROUND</u>

A. On May 23, 2022, Plaintiff filed with the Labor and Workforce Development Agency ("LWDA") and served on Defendant a notice under Labor Code section 2699.3 (the "PAGA Notice") stating that he intended to serve as a proxy of the LWDA to recover civil penalties for Aggrieved Employees for various Labor Code violations.

B. On May 23, 2022, Plaintiff commenced this Action by filing a class action complaint alleging causes of action against Defendant for: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods or compensation in lieu thereof; (4) failure to provide rest periods or compensation in lieu thereof; (5) failure to pay all wages due upon separation; (6) failure to provide accurate wage statements; (7) failure to timely pay wages; (8) failure to pay for unused vested vacation time; and (9) engaging in unfair competition (the "Class Action").

C. On September 7, 2022, after 65 days passed without any communication from the LWDA, Plaintiff filed a separate representative action under PAGA in the Superior Court of California for the County of San Francisco, entitled as *Martinez v. Compass Family Services*, Case Number CGC-22-601643, for civil penalties under Labor Code sections 210, 226.3, 558, 1174.5, 1197.1 and 2699 in connection with the allegations made in the PAGA Notice (the "PAGA Action").

- **D.** On November 2, 2022, Defendants filed a Notice of Related case in the Class Action, relating the PAGA Action to the Class Action.
- E. Thereafter, the Parties agreed to confidentially exchange informal pre-mediation discovery for the sole purpose of attending an early mediation. Prior to mediation, Defendant provided: (1) a 50% sampling of time and payroll records for the approximate 159 Class Members; (2) a list of hire dates, termination dates, and rates of pay for the approximate 159 Class Members; (3) Defendant's 2021 employee handbook; (4) contact information for 50 Class Members; and (5) other relevant documents.
- **F.** On June 29, 2023, the Parties participated in mediation with Gig Kyriacou, an experienced mediator of wage and hour class and PAGA actions. With the aid of the mediator's evaluation, the Parties reached the Settlement to resolve the Class Action and PAGA Action. As part of the Settlement, the Parties hereby agree to stipulate to consolidate the Class Action and PAGA Action (hereinafter, the "Action").
- G. Class Counsel have conducted significant investigation of the law and facts relating to the claims asserted in the Action and in the PAGA Notice, and have concluded that the Settlement set forth herein is fair, reasonable, adequate and in the best interests of the Settlement Class, taking into account the sharply contested issues involved, the expense and time necessary to litigate the Action through trial and any appeals, the risks and costs of further litigation of the Action, the risk of an adverse outcome, the uncertainties of complex litigation, the information learned through informal discovery regarding Plaintiff's allegations, and the substantial benefits to be received by Settlement Class Members.
- **H.** Defendant has concluded that, because of the substantial expense of defending against the Action, the length of time necessary to resolve the issues presented herein, the inconvenience involved and the concomitant disruption to its business operations, it is in its best interest to accept the terms of this Agreement. Defendant denies each of the allegations and claims asserted against them in the Action and in the PAGA Notice. However, Defendant, nevertheless, desires to settle the Class Action and PAGA for the purpose of avoiding the burden,

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expense and uncertainty of continuing litigation, and for the purpose of putting to rest the controversies engendered by the Action.

- I. The Parties believe that the Settlement is fair, reasonable, and adequate. The Settlement was arrived at through arm's-length negotiations, taking into account all relevant factors. The Parties recognize the uncertainty, risk, expense and delay attendant to continuing the Action through trial and any appeal. Accordingly, the Parties desire to settle, compromise and discharge all disputes and claims arising from or relating to the Action fully, finally, and forever.
- J. This Agreement is intended to and does effectuate the full, final and complete resolution of all claims of Plaintiff as specified herein, Class Released Claims of Plaintiff and Participating Class Members, and all PAGA Released Claims of Plaintiff, Aggrieved Employees and the State of California, to the extent permitted by law.

3. <u>JURISDICTION</u>

The Court has jurisdiction over the Parties and the subject matter of the Action. The Action includes claims that, if proven, would authorize the Court to grant relief pursuant to the applicable statutes. After the Court has granted Final Approval of the Settlement and entered judgment, the Court shall retain jurisdiction over the Parties to enforce the terms of the judgment pursuant to California Rules of Court, rule 3.769, subdivision (h).

4. STIPULATION OF CLASS CERTIFICATION

The Parties stipulate to the certification of the Settlement Class under this Agreement for purposes of settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or entry of Judgment, or if the Judgement is set aside, overturned or reversed on appeal, Defendant reserves the right to contest certification of any class for any reason, and Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses.

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5. <u>STIPULATION TO CONSOLIDATE AND MOTIONS FOR</u> <u>APPROVAL OF SETTLEMENT</u>

The Parties hereby expressly stipulate to consolidate the Class Action and PAGA Action. The Parties hereby expressly agree that whether or not the Court grants Final Approval of the Settlement, the Class Action and PAGA Action shall remain consolidated actions.

The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals, as well as for the approval and directing of a proposed Notice of Class Action Settlement, conditionally certifying the Settlement Class for settlement purposes only, and approving the deadlines proposed by the Parties for the submission of Requests for Exclusion, Workweek Disputes and Objections. Plaintiff shall provide drafts of these documents to Defense Counsel no later than five (5) days prior to filing the Motion for Preliminary Approval. Class Counsel and Defense Counsel will expeditiously meet and confer, and in good faith, to resolve any disagreements concerning the Motion for Preliminary Approval. If and when the Court preliminarily approves the Settlement, and after administration of the Class Notice in a manner consistent with the Court's Preliminary Approval Order, Plaintiff will file in Court a motion for final approval of the Settlement that includes a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel no later than five (5) days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

The Parties may both respond to any Objections lodged to final approval of the Settlement up to five (5) court days before the Final Approval Hearing.

6. STATEMENT OF NO ADMISSION

Defendant denies any wrongdoing of any sort and further denies any liability to Plaintiff and the Settlement Class with respect to any claims or allegations asserted in the Action and the PAGA Notice. This Agreement shall not be deemed an admission by Defendant of any claims or allegations asserted in the Action or in the PAGA Notice. Except as set forth elsewhere herein,

1 in the event that this Agreement is not approved by the Court or any appellate court, is terminated, 2 3 4 5 6 7 8 9 10

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or otherwise fails to be enforceable, Plaintiff will not be deemed to have waived, limited or affected in any way any claims, rights or remedies, or defenses in the Action or in the PAGA Notice, and Defendants will not be deemed to have waived, limited or affected in any way any of their objections or defenses in the Action and in the PAGA Notice. The Parties shall not stipulate to class certification and shall be restored to their respective positions in the Action prior to the entry of this Settlement. Payment of wages under this Settlement also neither extends nor alters the Class Members' period of employment with Defendant for any purpose. 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).

7. **RELEASE OF CLAIMS**

Release by All Participating Class Members A.

Effective only upon the entry of an Order granting Final Approval of the Settlement, entry of Judgment and payment by Defendant to the Settlement Administrator of the full Gross Settlement Amount and Employers Taxes necessary to effectuate the Settlement, Plaintiff and all Participating Class Members release and discharge Released Parties from all claims that were alleged or reasonably could have been alleged based on the facts stated in the complaint filed in the Class Action, including, but not limited to: (a) all claims for unpaid wages, (b) all claims for failure to pay overtime wage; (c) all claims for failure to pay minimum wages; (d) all claims for failure to provide compliant meal periods or compensation in lieu thereof; (e) all claims for failure to provide rest periods or compensation in lieu thereof; (f) all claims for failure to pay the full amount of wages owed upon termination and/or resignation and any alleged waiting time penalties; (g) all claims for wage statement violations; (h) all claims for failure to timely pay wages; (i) all claims for failure to pay for unused vested vacation time; and (j) all claims asserted through California Business & Profession Code et seq., arising out of the Labor Code violations referenced in the complaint filed in the Class Action. (the "Class Released Claims").

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B. Release by All Aggrieved Employees

For Aggrieved Employees and, to the extent permitted by law, the State of California, the release includes for the duration of the PAGA Period, all claims asserted in the PAGA Notice and in the complaint filed in the PAGA Action, or that could have been based on the factual allegations asserted in the PAGA Notice and the complaint filed in the PAGA Action for PAGA civil penalties pursuant to Labor Code sections 210, 226.3, 558, 1197.1, and 2699 in connection with alleged violations of Labor Code sections Labor sections 200, 201, 202, 203, 204, 226, 226.7, 227.3, 510, 512, 1194, 1197, and California Code of Regulations, Title 8, section 11040 (the "PAGA Released Claims"). The Class Released Claims and PAGA Released Claims shall be referred to herein as the "Released Claims."

C. Claims Not Released

The releases above expressly exclude all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and any other claims outside of the Class Released Claims of Participating Class Members arising during the Class Period and the PAGA Released Claims of Aggrieved Employees (and, to the extent permitted by law, the State of California) arising outside of the PAGA Period.

D. General Release by Plaintiff

Effective only upon the entry of an Order granting Final Approval of the Settlement, entry of Judgment and payment by Defendant to the Settlement Administrator selected of the full Gross Settlement Amount and Employer's Taxes necessary to effectuate the Settlement, in addition to the Released Claims, Plaintiff Carmen Jimenez Martinez makes the additional following General Release: Plaintiff releases the Released Parties from all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal statute, rule, law or regulation arising out of, relating to, or in connection with any act or omission of the Released Parties through the date of full execution of this Agreement in connection with Plaintiff's employment with Defendant or termination thereof, except for any and all other claims

that may not be released as a matter of law through this Agreement. To the extent of the General Release provided herein, Plaintiff stipulates and agrees that, upon entry of an Order granting Final Approval of the Settlement, entry of Judgment and payment by Defendant to the Settlement Administrator selected of the full Gross Settlement Amount and Employer's Taxes necessary to effectuate the Settlement, she shall have expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, which provides:

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

8. <u>SETTLEMENT ADMINISTRATOR</u>

A. Plaintiff and Defendants, through their respective counsel have selected ILYM Group, Inc., to administer the Settlement, which includes, but is not limited to, translating the Class Notice to Spanish, distributing and responding to inquiries about the Class Notice, and calculating all amounts to be paid from the Gross Settlement Amount. Charges and expenses of the Settlement Administrator, currently estimated to be \$7,450.00, will be paid from the Gross Settlement Amount. If the actual amount of the Settlement Administration Costs is less than \$7,450.00, the difference between \$7,450.00 and the actual Settlement Administration Costs shall be a part of the Net Settlement Amount. If the Settlement Administration Costs exceed \$7,450.00, then such excess will be paid solely from the Gross Settlement Amount and Defendant will not be responsible for paying any additional funds in order to pay these additional costs.

9. NOTICE, WORKWEEK DISPUTE, OBJECTION AND EXCLUSION PROCESS

A. Notice to the Settlement Class Members

(1) Within fourteen (14) calendar days after the Preliminary Approval Date, Defendant's Counsel shall provide the Settlement Administrator with information with respect to each Settlement Class Member, including his or her: (1) name; (2) last known address(es) currently in Defendant's possession, custody or control; (3) last known telephone number(s)

1	currently in Defendant's possession, custody or control; (4) last known Social Security	
2	Number(s) in Defendant's possession, custody or control; and (5) the dates of employment (i.e.,	
3	hire dates and, if applicable, re-hire date(s) and/or separation date(s)) for each Settlement Class	
4	Member ("Class List"). The Settlement Administrator shall perform an address search using the	
5	United States Postal Service National Change of Address ("NCOA") database and update the	
6	addresses contained on the Class List with the newly found addresses, if any. Within seven (7)	
7	calendar days or soon thereafter of receiving the Class List from Defendant, the Settlement	
8	Administrator shall mail the Class Notice in English and Spanish to the Settlement Class	
9	Members via first-class regular U.S. Mail using the most current mailing address information	
10	available. The Settlement Administrator shall maintain the Class List and digital copies of all the	
11	Settlement Administrator's records evidencing the giving of notice to any Settlement Class	
12	Member for at least four (4) years from the Final Approval Date.	
13	(2) The Class Notice will set forth:	
14	(a) the Settlement Class Member's estimated Individual	
15	Settlement Payment and Individual PAGA Payment,	
16	and the basis for each;	
17	(b) the information required by California Rules of Court,	
18	rule 3.766, subdivision (d);	
19	(c) the material terms of the Settlement;	
20	(d) the proposed Settlement Administration Costs;	
21	(e) the definition of the Settlement Class;	
22	(f) a statement that the Court has preliminarily approved	
23	the Settlement;	
24	(g) how the Settlement Class Member can obtain	
25	additional information, including contact information	
26	for Class Counsel;	
27	(h) information regarding opt-out and objection	
28	procedures;	

- (i) the date and location of the Final Approval Hearing; and
- (j) that the Settlement Class Member must notify the Settlement Administrator no later than the Response Deadline if the Settlement Class Member disputes the accuracy of the number of Workweeks worked as set forth on his or her Class Notice ("Workweek Dispute"). If a Settlement Class Member fails to timely dispute the number of Workweeks attributed to him or her in conformity with the instructions in the Class Notice, then he or she shall be deemed to have waived any objection to its accuracy and any claim to any additional settlement payment based on different data.
- (3) If a Class Notice from the initial notice mailing is returned as undeliverable, the Settlement Administrator will attempt to obtain a current address for the Settlement Class Member to whom the returned Class Notice had been mailed, within five (5) calendar days of receipt of the returned Class Notice, by: (1) contacting the Settlement Class Member by phone, if possible, and (2) undertaking skip tracing. If the Settlement Administrator is successful in obtaining a new address, it will re-mail the Class Notice to the Settlement Class Member within three (3) business days. Further, any Class Notices that are returned to the Settlement Administrator with a forwarding address before the Response Deadline shall be promptly re-mailed to the forwarding address affixed thereto.
- (4) No later than ten (10) calendar days from the Response Deadline, the Settlement Administrator shall provide counsel for the Parties with a declaration attesting to the completion of the notice process, including the number of attempts to obtain valid mailing addresses for and re-sending of any returned Class Notices, as well as the identities, number of, and copies of all Requests for Exclusion and Objections received by the Settlement Administrator.

B. Objections

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Only Participating Class Members may object to the Settlement. In order for any Settlement Class Member to object to this Settlement in writing, or any term of it, he or she must do so by mailing a written objection to the Settlement Administrator at the address provided on the Class Notice and postmarked no later than the Response Deadline. The Settlement Administrator shall email a copy of the Objection forthwith to Class Counsel and Defendant's counsel and attach copies of all Objections to the Declaration it provides Class Counsel, which Class Counsel shall file in support of Plaintiff's Motion for Final Approval. The Objection should set forth in writing: (1) the Objector's name; (2) the Objector's address; (3) the Objector's signature; (4) a statement of whether the Objector plans to appear at the Final Approval Hearing; and (5) the reason(s) for the Objection, along with whatever legal authority, if any, the Objector asserts in support of the Objection. If a Settlement Class Member objects to the Settlement, the Settlement Class Member will remain a member of the Settlement Class and if the Court approves this Agreement, the Settlement Class Member will be bound by the terms of the Settlement in the same way and to the same extent as a Settlement Class Member who does not object. The date of mailing of the Class Notice to the objecting Settlement Class Member shall be conclusively determined according to the records of the Settlement Administrator. Settlement Class Members need not object in writing to be heard at the Final Approval Hearing; they may object or comment in person at the hearing at their own expense. Class Counsel and Defendant's Counsel may respond to any objection lodged with the Court up to five (5) court days before the Final Approval Hearing.

C. Requesting Exclusion

Any Settlement Class Member may request exclusion from (*i.e.*, "opt out" of) the Settlement by mailing a written request to be excluded from the Settlement ("Request for Exclusion") to the Settlement Administrator, postmarked on or before the Response Deadline. To be valid, a Request for Exclusion must include: (1) the Class Member's name; (2) the Class Member's signature; and (3) the following statement: "Please exclude me from the Settlement Class in the *Martinez v. Compass Family Services* matter," or any statement of similar meaning

1 standing for the proposition that the Class Member does not wish to participate in the Settlement. 2 3 4 5 6 7 8 9 10 11 12 13 14 15

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The Settlement Administrator shall immediately provide copies of all Requests for Exclusion to Class Counsel and Defendant's Counsel and shall report the Requests for Exclusions that it receives, to the Court, in its declaration to be provided in advance of the Final Approval Hearing. Any Settlement Class Member who requests exclusion using this procedure will not be entitled to receive any payment from the Settlement and will not be bound by the Settlement Agreement or have any right to object to, appeal, or comment on the Settlement. Any Settlement Class Member who does not opt out of the Settlement by submitting a timely and valid Request for Exclusion will be bound by all terms of the Settlement, including those pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if Final Approval of the Settlement is granted. A Settlement Class Member cannot submit both a Request for Exclusion and an objection. If a Settlement Class Member submits an Objection and a Request for Exclusion, the Request for Exclusion will control and the Objection will be disregarded. Settlement Class Members who worked during the PAGA Period as Aggrieved Employees that submit a valid Request for Exclusion will still be deemed Aggrieved Employees, will still receive their Individual PAGA Payments, and will be bound by the release of the PAGA Released Claims.

D. Disputes Regarding Settlement Class Members' Workweek Data

Each Settlement Class Member may dispute the number of Workweeks attributed to him or her on his or her Class Notice ("Workweek Dispute"). Any such disputes must be mailed to the Settlement Administrator by the Settlement Class Member, postmarked on or before the Response Deadline. The Settlement Administrator shall immediately provide copies of all disputes to Class Counsel and counsel for Defendant and shall immediately attempt to resolve all such disputes directly with relevant Settlement Class Member(s) with the assistance of Defendant and Class Counsel. If the dispute cannot be resolved in this manner, the Court shall adjudicate the dispute.

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10. <u>INDIVIDUAL SETTLEMENT PAYMENTS AND INDIVIDUAL</u> PAGA PAYMENTS

Individual Settlement Payments will be calculated and distributed to Participating Class Members from the Net Settlement Amount on a *pro rata* basis, based on the Participating Class Members' respective number of Workweeks worked during the Class Period. Individual PAGA Payments to Aggrieved Employees will be calculated and distributed to Aggrieved Employees from the PAGA Payment on a *pro rata* basis based on Aggrieved Employees' respective number of Workweeks worked during the PAGA Period. Specific calculations of the Individual Settlement Shares and Individual PAGA Payments to Aggrieved Employees will be made as follows:

- A. The Settlement Administrator will determine the total number of Workweeks worked by each Settlement Class Member during the Class Period ("Class Member's Workweeks"), as well as the aggregate number of Workweeks worked by all Settlement Class Members during the Class Period ("Class Workweeks"). Additionally, the Settlement Administrator will determine the total number of Workweeks worked by each Aggrieved Employee during the PAGA Period ("Aggrieved Employee's Workweeks"), as well as the aggregate number of Workweeks worked by all Aggrieved Employees during the PAGA Period ("PAGA Workweeks").
- **B.** To determine each Settlement Class Member's Individual Settlement Share, the Settlement Administrator will use the following formula: Individual Settlement Share = (Settlement Class Member's Workweeks worked ÷ Class Workweeks) × Net Settlement Amount.
- C. To determine each Participating Class Member's Participating Individual Settlement Share, the Settlement Administrator will determine the aggregate number of Workweeks worked by all Participating Class Members during the Class Period ("Participating Class Workweeks") and use the following formula: Individual Settlement Share = (Participating Class Member's Workweeks worked ÷ Participating Class Workweeks) × Net Settlement Amount.

D. The net amount of the Participating Individual Settlement Share is to be paid out to Participating Class Members by way of check and is referred to as "Individual Settlement Payment(s)".

- **E.** To determine each Aggrieved Employee's Individual PAGA Payment, the Settlement Administrator will use the following formula: Aggrieved Employee's Individual PAGA Payment = (Aggrieved Employee's Workweeks worked ÷ PAGA Workweeks) x \$7,500.00 (the PAGA Payment).
- **F.** Individual Settlement Payments and Individual PAGA Payments shall be paid to Participating Class Members and/or Aggrieved Employees by way of check. When a Participating Class Member is also an Aggrieved Employee, one check may be issued that aggregates both the Individual Settlement Payment and the Individual PAGA Payment.

11. <u>DISTRIBUTION OF PAYMENTS</u>

A. Distribution of Individual Settlement Payments

Participating Class Members will receive an Individual Settlement Payment and Aggrieved Employees will receive an Individual PAGA Payment. Individual Settlement Payment and Individual PAGA Payment checks shall remain valid and negotiable for one hundred and eighty (180) calendar days after the date of their issuance. Within seven (7) calendar days after expiration of the 180-day period, checks for such payments shall be canceled and funds associated with such checks shall be considered unpaid, unclaimed, or abandoned cash residue pursuant to Code of Civil Procedure section 384 ("Unpaid Residue"). The Unpaid Residue plus accrued interest, if any, as provided in Code of Civil Procedure section 384, shall be transmitted to Legal Aid at Work, 180 Montgomery Street, Suite 600, San Francisco, California 94104, the *cy pres* recipient, for use in San Francisco County. The Settlement Administrator shall prepare a report regarding the distribution plan pursuant to Code of Civil Procedure section 384 and the report shall be presented to the Court by Class Counsel along with a proposed amended judgment that is consistent with the provisions of Code of Civil Procedure section 384.

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B. Funding of Settlement

Except as otherwise provided by Paragraph 17 below, Defendant agrees to pay the Gross Settlement Amount and Employer Taxes, and no more than that, within ten (10) calendar days of the Effective Date, . to the Settlement Administrator pursuant to applicable state and federal tax codes and regulations, for deposit by the third party administrator into an interest-bearing qualified settlement account ("QSA") with an FDIC insured banking institution, for distribution in accordance with this Agreement and the Court's Orders, and subject to the conditions described herein.

C. Time for Distribution

Within seven (7) calendar days after payment of the full Gross Settlement Amount and Employer Taxes by Defendant, or as soon thereafter as practicable, the Settlement Administrator shall distribute all payments due from the QSA for: (1) the Service Award to Plaintiff, as specified in this Agreement and approved by the Court; (2) the Attorneys' Fees and Costs Award to be paid to Class Counsel, as specified in this Agreement and approved by the Court; (3) the Settlement Administrator Costs, as specified in this Agreement and approved the Court; (4) the LWDA Payment, as specified in this Agreement and approved by the Court; (5) Individual PAGA Payments to Aggrieved Employees, as specified in this Agreement and approved by the Court; and (6) Individual Settlement Payments to Participating Class Members, less applicable taxes and withholdings, as specified in this Agreement and approved by the Court. All interest accrued shall be for the benefit of the Class Members and distributed on a *pro rata* basis to Participating Class Members based on the number of Workweeks worked by them in the Class Period.

12. <u>ATTORNEYS' FEES AND LITIGATION COSTS</u>

Class Counsel shall apply for, and Defendant shall not oppose, an award of attorneys' fees of one-third (1/3) of the Gross Settlement Amount, which, unless escalated pursuant to Paragraph 17 of this Agreement, amounts to One Hundred Thirty-Four Thousand Seven Hundred Fifty Dollars and Zero Cents (\$216,666.67). Class Counsel shall further apply for, and Defendant shall not oppose, an application or motion by Class Counsel for reimbursement of actual costs

associated with Class Counsel's prosecution of this matter as set forth by declaration testimony in an amount up to Thirty Thousand Dollars and Zero Cents (\$30,000.00). Awards of attorneys' fees and costs shall be paid out of the Gross Settlement Amount, for all past and future attorneys' fees and costs necessary to prosecute, settle and obtain Final Approval of the settlement in Action. The "future" aspect of the amounts stated herein includes, without limitation, all time and expenses expended by Class Counsel (including any appeals therein). There will be no additional charge of any kind to either the Settlement Class Members or request for additional consideration from Defendant for such work unless, Defendant materially breach this Agreement, including any term regarding funding, and further efforts are necessary from Class Counsel to remedy said breach, including, without limitation, moving the Court to enforce the Agreement. Should the Court approve attorneys' fees and/or litigation costs and expenses in amounts that are less than the amounts provided for herein, then the unapproved portion(s) shall be a part of the Net Settlement Amount.

13. <u>SERVICE AWARD TO PLAINTIFF</u>

Named Plaintiff shall seek, and Defendant shall not oppose, a Service Award in an amount not to exceed Seven Thousand and Five Hundred Dollars and Zero Cents (\$7,500.00) to Plaintiff, for participation in and assistance with the Action. Any Service Award and additional consideration awarded and/or paid to Plaintiff shall be paid from the Gross Settlement Amount and shall be reported on an IRS Form 1099. If the Court approves the Service Award in less than the amounts sought herein, then the unapproved portion(s) shall be a part of the Net Settlement Amount.

14. TAXATION AND ALLOCATION

A. Each Individual Settlement Share shall be allocated as follows: 20% as wages (to be reported on an IRS Form W2); and 80% as interest and penalties (to be reported on an IRS Form 1099). Each Individual PAGA Payment shall be allocated entirely as penalties. The Parties agree that the employees' share of taxes and withholdings with respect to the wage portion of the Individual Settlement Share will be withheld by the Third Party Administrator from the Individual Settlement Share in order to yield the Individual Settlement Payment. The amount of

state and federal tax to be withheld or paid will be in accordance with applicable federal and state tax codes and regulations.

- **B.** Forms W-2 and/or Forms 1099 will be distributed by the Settlement Administrator at times and in the manner required by the Internal Revenue Code of 1986 (the "Code") and consistent with this Agreement.
- C. All Employer Taxes shall be paid by Defendant separate, apart, and in addition to the Gross Settlement Amount. Defendant shall remain liable to pay the employer's share of payroll taxes as described above.
- **D.** Neither Counsel for Plaintiff nor Defendant intend anything contained in this Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Agreement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended) or otherwise.

15. PRIVATE ATTORNEYS' GENERAL ACT ALLOCATION

The Parties agree to allocate Thirty Thousand Dollars and Zero Cents (\$30,000.00) of the Gross Settlement Amount toward PAGA penalties. Pursuant to the PAGA, seventy-five percent (75%) of the amount allocated toward PAGA (\$22,500.00) will be paid to the LWDA and twenty-five percent (25%) or \$7,500.00 will be distributed to Aggrieved Employees on a *pro rata* basis based upon their respective Workweeks worked as Aggrieved Employees during the PAGA Period.

16. <u>COURT APPROVAL</u>

This Agreement is contingent upon an order by the Court granting Final Approval of the Settlement, and that the LWDA does not intervene and object to the Settlement. In the event it becomes impossible to secure approval of the Settlement by the Court and the LWDA, the Parties shall be restored to their respective positions in the Action prior to entry of this Settlement. If this Settlement Agreement is voided, not approved by the Court or approval is reversed on appeal, it shall have no force or effect and no Party shall be bound by its terms except to the extent: (a) the Court reserves any authority to issue any appropriate orders when denying approval; and/or

(b) there are any terms and conditions in this Settlement Agreement specifically stated to survive the Settlement Agreement being voided or not approved, and which control in such an event.

17. <u>INCREASE IN WORKWEEKS</u>

As of June 29, 2023, based on information available at that time, and extrapolation for the time period up through the end of the proposed class period, Defendant estimated that there were no more than 20,000 Workweeks worked by Class Members during the Class Period. In the event the number of Workweeks worked by Class Members during the Class Period increases by more than 10% or 2,000 Workweeks, then the Gross Settlement Amount shall be either: (1) increased proportionally by the Workweeks worked by Class Members during the Class Period in excess of 22,000 Workweeks multiplied by the Workweek Value; or (2) at Defendant's election, the Class Period shall end on the date the number of Workweeks reached 22,000. The Workweek Value shall be calculated by dividing the originally agreed-upon Gross Settlement Amount (\$650,000.00) by 20,000 Workweeks. The Parties agree that the Workweek Value amounts to and the settlement amounts to \$32.50 per Workweek (\$650,000.00/ 20,000 Workweeks). Thus, for example, should there be 24,000 Workweeks worked by Class Members during the Class Period, and Defendant elects to increase the Gross Settlement Amount, then the Gross Settlement Amount shall be increased by \$65,000.00 ((24,000 Workweeks – 22,000 Workweeks) x \$32.50 per Workweek).

Defendant must notify Class Counsel of its election between option 1 and option 2 above, no later than ten (10) calendar days following the day it received sufficient information to determine the number of Workweeks during the Class Period has exceeded 22,000.

18. <u>DEFENDANT'S RIGHT TO WITHDRAW</u>

If the number of valid Requests for Exclusion exceeds 10% of the total of all Class Members, Defendant may, but is not obligated to, 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 Settlement Administration expenses incurred to that point. Defendant must notify Class

Counsel and the Court of its election to withdraw not later than twenty (20) days after the Administrator has informed Defense Counsel the number of Requests for Exclusion has exceeded 10%; late elections will have no effect.

19. NOTICE OF JUDGMENT

In addition to any duties set out herein, the Settlement Administrator shall provide notice of the Final Judgment entered in the Action by posting the same on its website for a period of no less than four (4) years.

20. USE AND RETURN OF CLASS DATA.

Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court.

21. NO SOLICITATION.

The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members

22. MISCELLANEOUS PROVISIONS

A. Interpretation of the Agreement

This Agreement constitutes the entire agreement between the Parties with respect to its subject matter. Except as expressly provided herein, this Agreement has not been executed in reliance upon any other written or oral representations or terms, and no such extrinsic oral or written representations or terms shall modify, vary, or contradict its terms. In entering into this Agreement, the Parties agree that this Agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence. The Agreement will be interpreted

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aspects, without regard to its conflict of law provisions. Any claim arising out of or relating to the Agreement, or the subject matter hereof, will be resolved solely and exclusively in the Superior Court of the State of California for the County of San Francisco, and Plaintiff and Defendant hereby consent to the personal jurisdiction of the Court in the Action over it solely in connection therewith. The foregoing is only limited to disputes concerning this Agreement. The Parties, and each of them, participated in the negotiation and drafting of this Agreement and had available to them the advice and assistance of independent counsel. As such, neither Plaintiff nor Defendant may claim that any ambiguity in this Agreement should be construed against the other. The Agreement may be modified only by a writing signed by counsel for the Parties and approved by the Court.

B. Further Cooperation

The Parties and their respective attorneys shall proceed diligently to prepare and execute all documents, to seek the necessary approvals from the Court, and to do all things reasonably necessary to consummate the Settlement as expeditiously as possible. The Parties agree that they will not take any action inconsistent with this Agreement, including, without limitation, encouraging Class Members to opt out of the Settlement. In the event the Court finds that any Party has taken actions inconsistent with the Settlement, including, without limitation, encouraging Class Members to opt out of the Settlement, the Court may take any corrective actions, including enjoining any Party from communicating regarding the Settlement on an ex parte basis, issuing (a) corrective notice(s), awarding monetary, issue, evidentiary and/or terminating sanctions against that Party, and/or enforcing this Agreement despite the presence of opt-outs and/or objections

C. Attorney Authorization

Class Counsel and Defendant's Counsel separately warrant and represent that they are authorized by Class Representative and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its

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terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

D. Modification of Agreement

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

E. Counterparts

The Agreement may be executed in one or more actual or non-original counterparts, all of which will be considered one and the same instrument and all of which will be considered duplicate originals.

F. Authority

Each individual signing below warrants that he or she has the authority to execute this Agreement on behalf of the Party for whom or which that individual signs.

G. No Third-Party Beneficiaries

Plaintiff, Participating Class Members, Aggrieved Employees, the State of California, Class Counsel, and Defendant are direct beneficiaries of this Agreement, but there are no third-party beneficiaries.

H. Deadlines Falling on Weekends or Holidays

To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or legal holiday, that deadline shall be continued until the following business day.

I. Jurisdiction of the Court

Pursuant to California Code of Civil Procedure section 664.6, the Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Settlement Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the settlement embodied in this Settlement Agreement and all orders and judgments entered in connection therewith.

J. Severability

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In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Defendant's Counsel and Class Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

IT IS SO AGREED:

Dated: 2/16/__, 2024

Dated: __2/19/____, 2024

Carmen Jimenez

Carmen Jimenez (Feb 16, 2024 17:28 PST)

CARMEN JIMENEZ MARTINEZ Plaintiff and Class Representative

COMPASS FAMILY SERVICES

Defendant

By: __Erica Kisch Its: _CEO and President

AGREED AS TO FORM:

Dated: February 19 , 2024

Dated: February 20 , 2024

Vedang J. Patel DAVID D. BIBIYAN

VEDANG J. PATEL
Counsel for Plaintiff CARMEN JIMENEZ
MARTINEZ

Larry A. Helfman

Daniel R. Friedenthal Larry A. Helfman Counsel for Defendant COMPASS FAMILY SERVICES