

SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF LOS ANGELES

LUCIA ALVAREZ,

Plaintiff,

vs.

SOCIAL VOCATIONAL SERVICES, INC., a  
California corporation; and Does 1 through 100,

Defendants.

Case No. 19STCV46789

**NOTICE OF PENDENCY OF  
CLASS ACTION AND  
PROPOSED SETTLEMENT**

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

***Why should you read this notice?***

The Court has granted preliminary approval of a proposed class action settlement (the “Settlement”) in *Lucia Alvarez et al v. Social Vocational Services, Inc. et. al.*, Case No. 19STCV46789 (the “Lawsuit”). Because your rights may be affected by the Settlement, it is important that you read this notice carefully.

You may be entitled to money from this Settlement. SVS’s records show that you were employed at SVS as an hourly, non-exempt employee who did not execute an arbitration agreement in California at some point in time between December 30, 2015 through January 5, 2021. The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment.

***What is this case about?***

Plaintiff Lucia Alvarez (“Plaintiff Alvarez”) brought this Lawsuit against SVS, seeking to assert claims on behalf of all current and former non-exempt, hourly employees of Defendant Social Vocational Services, Inc. who did not execute an arbitration agreement and worked in California at any time from December 20, 2015 through January 5, 2021.

Plaintiff Alvarez is known as the “Class Representative,” and her attorneys, who also represent the interests of all Settlement Class Members, are known as “Class Counsel.”

The Lawsuit alleges that SVS failed to pay Settlement Class Members all minimum and overtime wages, failed to provide to Settlement Class Members all required meal and rest periods, and failed to provide Settlement Class Members with itemized wage statements in compliance with California law. The Lawsuit also alleges that SVS failed to timely pay all wages owed to Settlement Class Members upon their separation of employment from SVS. As a result of the foregoing alleged violations, Plaintiff also alleges that SVS failed to provide accurate, itemized wage statements and engaged in unfair business practices. Plaintiff Alvarez and Plaintiff Alexandra M. Delgadillo (Alvarez and Delgadillo collectively “Plaintiffs”) also allege that SVS is liable for civil penalties under the Labor Code Private Attorney General Act.

SVS denies that it has done anything wrong. SVS further denies that it owes Settlement Class Members any wages, restitution, penalties, or other damages. However, to avoid additional expense, inconvenience, and interference with its business operations, SVS and Plaintiffs has agreed to settle the Lawsuit on the terms summarized in this Notice. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of SVS, which expressly denies all liability. The Court has not ruled on the merits of Plaintiffs’ claims.

**If you are still employed by SVS, your decision about whether to participate in the Settlement will not affect your employment. California law and SVS’ policies strictly prohibit unlawful retaliation. SVS will not take any**

adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class Member because of the Settlement Class Member's decision to either participate or not participate in the Settlement.

### ***Who are the Attorneys?***

<p>Attorneys for the Plaintiff Alvarez / Settlement Class Members:</p> <p><b>LIDMAN LAW, APC</b> Scott M. Lidman <a href="mailto:slidman@lidmanlaw.com">slidman@lidmanlaw.com</a> Elizabeth Nguyen <a href="mailto:enguyen@lidmanlaw.com">enguyen@lidmanlaw.com</a> <a href="mailto:mmoore@lidmanlaw.com">mmoore@lidmanlaw.com</a> 2155 Campus Drive, Suite 150 El Segundo, California 90245 Tel: (424) 322-4772 Fax: (424) 322-4775 <a href="http://www.lidmanlaw.com">www.lidmanlaw.com</a></p> <p><b>HAINES LAW GROUP, APC</b> Paul K. Haines <a href="mailto:phaines@haineslawgroup.com">phaines@haineslawgroup.com</a> 2155 Campus Drive, Suite 150 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 <a href="http://www.haineslawgroup.com">www.haineslawgroup.com</a></p> <p>Attorneys for Plaintiff Delgadillo/Settlement Class Members</p> <p><b>MELMED LAW GROUP P.C.</b> Martin Sullivan <a href="mailto:ms@melmedlaw.com">ms@melmedlaw.com</a> Jonathan Melmed <a href="mailto:jm@melmedlaw.com">jm@melmedlaw.com</a> 1180 South Beverly Drive, Suite 610 Los Angeles, California 90035 Tel: (310) 824-3828 Fax: (310) 862-6851 <a href="https://www.melmedlaw.com/">https://www.melmedlaw.com/</a></p>	<p>Attorneys for Defendant Social Vocational Services, Inc.</p> <p><b>ROXBOROUGH POMERANCE NYE &amp; ADREANI, LLP</b> Michael B. Adreani <a href="mailto:mba@rpnalaw.com">mba@rpnalaw.com</a> Marina N. Vitek <a href="mailto:mnv@rpnalaw.com">mnv@rpnalaw.com</a> 5820 Canoga Ave., Suite 250 Woodland Hills, California 91367 Tel: (818) 992-9999 Fax: (818) 992-9991 <a href="https://rpnalaw.com/">https://rpnalaw.com/</a></p>
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### ***What are the terms of the Settlement?***

On **March 22, 2023**, the Court preliminarily certified the following subclasses, for settlement purposes only:

- A. Minimum Wage and Overtime Class: All current and former non-exempt, hourly employees of Defendant Social Vocational Services, Inc. who did not execute an arbitration agreement and worked in California at any time from December 30, 2015 through January 5, 2021.
- B. Meal and Rest Period Class: All current and former non-exempt, hourly employees of Defendant Social Vocational Services, Inc. who did not execute an arbitration agreement and worked in California at any time from April 12, 2017 through January 5, 2021;
- C. Wage Statement Class: All current and former non-exempt, hourly employees of Defendant Social Vocational Services, Inc. who did not execute an arbitration agreement and worked in California at any time from December 30, 2018 through January 5, 2021; and

- D. Waiting Time Penalties Class: All former non-exempt, hourly employees of Defendant Social Vocational Services, Inc. who did not execute an arbitration agreement and worked in California and who separated their employment at any time from December 30, 2016 through January 5, 2021.

Settlement Class Members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against SVS as described below.

SVS has agreed to pay \$1,000,000 (the "Gross Settlement Amount") to fully resolve all claims in the Lawsuit, which includes payments to Settlement Class Members, attorneys' fees and expenses, payment to the Labor Workforce Development Agency ("LWDA"), settlement administration costs, the Class/PAGA Representatives' Service Awards and monies to be paid to the LWDA. SVS' share of payroll taxes associated with any wage payments to Settlement Class Members shall be paid by SVS separately from, and in addition to, the Gross Settlement Amount.

The Settlement Agreement provides for deductions from the Gross Settlement Amount for Settlement Administration Costs (up to \$28,000.00), attorneys fees (estimated to be \$333,333.33), costs (not to exceed \$25,000), Class/PAGA Representative Service Awards (\$7,500.00 to each Plaintiff) and PAGA penalties (in the amount of \$300,000.00 for payment to the Labor & Workforce Development Agency in the amount of \$225,000.00 and payment to the PAGA employees in the amount of \$75,000.00).

Calculation of Individual Settlement Class Members' Settlement Award. After deducting the Court-approved amounts above, the balance of the Gross Settlement Amount will form the Net Settlement Amount ("NSA"), which will be distributed to all Settlement Class Members who do not submit a valid and timely Request for Exclusion (described below). The NSA is estimated at approximately \$299,444.89, to be shared among an estimated 2,633 Settlement Class Members.

The NSA will be divided as follows:

- i. Fifty Percent (50%) of the NSA shall be designated as the "Minimum Wage/Overtime Amount" Each participating Settlement Class member who was employed by Defendant at any time during the Minimum Wage/Overtime Class Period, shall receive a portion of the Minimum Wage/Overtime Amount proportionate to the number of workweeks worked during the Minimum Wage/Overtime Class Period, the numerator of which is the Settlement Class member's gross number of workweeks worked during this period, and the denominator of which is the total number of Workweeks worked by all participating Settlement Class members during this period.
- ii. Thirty Percent (30%) of the NSA shall be designated as the "Meal and Rest Period Amount" Each participating Settlement Class member who was employed by Defendant at any time during the Meal and Rest Period Class Period, shall receive a portion of the Meal and Rest Period Amount proportionate to the number of workweeks worked during the Meal and Rest Period Class Period, the numerator of which is the Settlement Class member's gross number of workweeks worked during this period, and the denominator of which is the total number of Workweeks worked by all participating Settlement Class members during this period.
- iii. Ten Percent (10%) of the NSA shall be designated as the "Wage Statement Amount" Each participating Settlement Class member who was employed by Defendant at any time during the Wage Statement Class Period, shall receive a portion of the Wage Statement Amount proportionate to the number of Workweeks worked during the Wage Statement Class Period, the numerator of which is the Settlement Class member's gross number of workweeks worked during this period, and the denominator of which is the total number of workweeks worked by all participating Settlement Class members during this period.
- iv. Ten Percent (10%) of the NSA shall be designated as the "Waiting Time Amount" Each participating Settlement Class member who separated their employment from Defendant during the Waiting Time Class Period shall receive an equal, pro-rata share of the Waiting Time Amount. The total amount designated as "Waiting Time Amount" shall be divided equally among each Settlement Class member who separated their employment during the Waiting Time Class Period.

In addition, Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00) of the PAGA Penalties has been designated as the "PAGA Amount" as described above. Each PAGA Employee, which is defined as a "current and former non-exempt, hourly employees of Defendant Social Vocational Services, Inc. who worked for Defendant in California at

any time from May 23, 2018 through January 5, 2021, shall receive a portion of the PAGA Amount proportionate to the number of pay periods that he or she worked during this PAGA Period which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the PAGA Employee's number of pay periods worked as a non-exempt employee during this time period, and the denominator of which is the total number of pay periods worked by all PAGA Employees.

Payments to Settlement Class Members. If the Court grants final approval of the Settlement, Settlement Awards will be mailed to all Settlement Class Members who did not submit a valid and timely Request for Exclusion.

Payment by SVS of Gross Settlement Amount. With the exception of the Settlement Administrator's fees, if required by the Settlement Administrator, the Gross Settlement Amount shall be deposited by Defendant into a qualified settlement fund set up by the Settlement Administrator for the benefit of participating Settlement Class members. Defendant agrees to deposit the Gross Settlement Amount with the Settlement Administrator within thirty (30) calendar days after the "Effective Date" which is defined as the latter of: (a) the Court's final approval of the settlement if no objections by or on behalf of Settlement Class members have been filed; (b) the time for appeal has expired if an objection has been filed and no appeal has been filed or withdrawn; or (c) the final resolution of any appeal that has been filed.

Within ten (10) calendar days following Defendant's deposit of the Gross Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate Settlement Award amounts and provide the same to counsel for the Parties for review and approval. Within seven (7) calendar days of approval by counsel for the Parties, the Settlement Administrator will prepare and mail Settlement Awards, less applicable taxes and withholdings, to participating Settlement Class members.

Each member of the Settlement Class who receives a Settlement Award must cash the check(s) within 180 days from the date the Settlement Administrator mails it/them. Any funds payable to Settlement Class members whose checks were not cashed within 180 days after mailing will escheat to the California Secretary of State - Unclaimed Property Fund under the unclaimed property laws in the name of the Settlement Class member.

Allocation and Taxes. For tax purposes, each Settlement Award shall be allocated as follows: sixty-seven percent (67%) as penalties and interest; and thirty-three percent (33%) as wages. The Settlement Administrator will be responsible for issuing to participating Settlement Class Members IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. Settlement Class Members are responsible for the proper income tax treatment of the Individual Settlement Awards. The Settlement Administrator, SVS and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class Members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement, the Settlement Class, and each Settlement Class Member who has not submitted a timely and valid Request for Exclusion, will fully and forever completely release and discharge SVS, and all of its past and present officers, directors, shareholders, managers, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, and its respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys (collectively the "Released Parties"), from all claims, demands, rights, liabilities and causes of action that were pled in the operative Complaint in the Action, or which could have been pled in the operative Complaint in the Action based on the factual allegations therein, that arose during the Class Periods described in paragraph 1 above, including but not limited to the following claims: a) failure to pay all overtime wages owed; (b) failure to pay all minimum wages owed; (c) failure to provide meal periods, or premium pay for non-compliant meal periods; (d) failure to authorize and permit rest periods, or premium pay for non-compliant rest periods; (e) failure to issue accurate, itemized wage statements; (f) failure to pay all wages upon termination; and (g) all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories described above (collectively, the "Released Claims"). The time period for the release of the various Released Claims shall be the same time periods as the applicable Class Periods described in above.

PAGA Release and PAGA Employees. If the Court approves the Settlement, all PAGA Employees will release and forever discharge all claims, demands, rights, liabilities and causes of action for penalties under California Labor Code Private Attorneys General Act of 2004 against the Released Parties based on (as alleged in the letter to the Labor & Workforce Development Agency ("LWDA") May 23, 2019, any supplement(s) thereto, and the Fourth Amended Complaint for: (a) failure to pay all overtime wages owed; (b) failure to pay all minimum wages owed; (c) failure to

pay all overtime wages owed; (c) failure to provide meal periods, or premium pay for non-compliant meal periods; (d) failure to authorize and permit rest periods, or premium pay for non-complaint rest periods; (e) failure to provide accurate, itemized wage statements; and (f) failure to timely pay wages upon separation of employment (collectively, “PAGA Released Claims”). The PAGA Period and the time period of the PAGA Released Claims is defined as the time period of May 23, 2018 through January 5, 2021 (“PAGA Period”).

**You cannot submit a Request for Exclusion from the PAGA Release.**

The release identified herein shall be effective following Defendant’s payment of the Gross Settlement Amount in full.

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of Judgment.

***How can I claim money from the Settlement?***

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of workweeks you worked during one or more of the applicable Class Periods (as explained above), and as stated in the accompanying Notice of Settlement Award. You also will be bound by the Settlement, including the release of claims stated above.

***What other options do I have?***

Dispute Information in Notice of Settlement Award. Your award is based on the proportionate number of workweeks you worked during the Class Periods. The information contained in SVS’ records regarding all of these factors, along with your estimated Settlement Award, is listed on the accompanying Notice of Settlement Award. If you disagree with the information in your Notice of Settlement Award, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Settlement Award. Any disputes, along with supporting documentation, must be postmarked no later than **August 21, 2023**. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class Members. The Settlement Administrator’s decision regarding any dispute will be final.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a written “Request for Exclusion from the Class Action Settlement” letter or card postmarked no later than August 21, 2023, with your name, address, telephone number, last four digits of your social security number, and your signature. The Request for Exclusion should state something to the effect that you want to opt out of the settlement.

Send the Request for Exclusion directly to the Settlement Administrator at ILYM Group, Inc., P.O. Box 2031, Tustin, CA 92781. Any person who files a timely Request for Exclusion from the Settlement shall, upon receipt by the Settlement Administrator, no longer be a Settlement Class Member, shall be barred from participating in any portion of the Settlement, and shall receive no benefits from the Settlement. **Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

You will still receive a portion of the PAGA Amount if you submit a Request for Exclusion.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you may mail a written objection to the Settlement Administrator. Your written objection must include your name, address, as well as contact information for any attorney representing you regarding your objection, the case name and number, each specific reason for your objection, and any legal or factual or evidence you may have in support of your objection. Written objections must be postmarked on or before August 21, 2023.

If you choose to object to the Settlement, you may also appear at the Final Approval Hearing scheduled for September 19, 2023, at 10:00 a.m., in Department SSC-14 of the Los Angeles County Superior Court, located at 312 N. Spring Street, Los Angeles, California 90012. You have the right to appear either remotely, in person or through your own attorney at this hearing. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before **August 21, 2023**. All objections or other correspondence must state the name and number of the case, which is *Lucia Alvarez v. Social Vocational Services, Inc., et al.*, Los Angeles County Superior Court Case No. 19STCV46789.

Any Settlement Class Member who elects to appear personally at the Court for any reason related to this Lawsuit must comply with the Court's social distancing and mandatory face covering requirements, as well as other orders related to COVID-19. All such rules and orders can be located at the Court's website: <https://www.sb-court.org/general-information/information-regarding-court-reopening-plans>

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class Members who do not object.

#### ***What is the next step?***

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on September 19, 2023, at 10:00 a.m., in Department SSC-14 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses and the Service Awards to Plaintiffs. The Final Approval Hearing may be postponed without further notice to Settlement Class Members. **You are not required to attend the Final Approval Hearing, although any Settlement Class Member is welcome to attend the hearing.**

Any changes to date, time, or location of the Final Approval Hearing will be posted on the Settlement Administrator's website (<http://www.ilymgroup.com/SocialVocationalServices>). Notice of the Court's final judgment will also be posted on the Settlement Administrator's website.

#### ***How can I get additional information?***

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the Los Angeles County Superior Court, located at 111 N. Hill Street, Los Angeles, California 90012, during regular court hours. Due to COVID, appointments are required for clerk's office services. Please visit the Court's website at [http://www.lacourt.org/newsmedia/uploads/142020529162327NR\\_Clerks\\_Office\\_05\\_29\\_20-FINAL.pdf](http://www.lacourt.org/newsmedia/uploads/142020529162327NR_Clerks_Office_05_29_20-FINAL.pdf) and <https://www.lacourt.org/> for information on how to make an appointment in the Clerk's Office. You may also contact Class Counsel using the contact information listed above for more information.

**PLEASE DO NOT CALL OR WRITE THE COURT FOR INFORMATION  
ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS.  
DIRECT ALL QUESTIONS TO THE SETTLEMENT ADMINISTRATOR.**

ILYM Group, Inc.  
P.O. Box 2031  
Tustin, CA 92781  
Telephone: (888) 250-6810

#### ***REMINDER AS TO TIME LIMITS***

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is **August 21, 2023**. These deadlines will be strictly enforced.

**BY ORDER OF THE COURT ENTERED ON MARCH 22, 2023.**

**PLEASE KEEP THE SETTLEMENT ADMINISTRATOR ADVISED ON ANY CHANGE OF ADDRESS**