

1 AARON C. GUNDZIK (STATE BAR NO. 132137)
REBECCA G. GUNDZIK (State Bar No. 138446)
2 GARTENBERG GELFAND HAYTON LLP
15260 Ventura Blvd., Suite 1920
3 Sherman Oaks, CA 91403
Telephone: (213) 542-2100
4 Facsimile: (213) 542-2101

5 MARSHALL A. CASKEY (State Bar No. 65410)
DANIEL M. HOLZMAN (State Bar No. 176663)
6 N. CORY BARARI (State Bar No. 295306)
CASKEY & HOLZMAN
7 24025 Park Sorrento, Ste. 400
Calabasas, CA 91302
8 Telephone: (818) 657-1070
Facsimile: (818) 297-1775

9 Attorneys for Plaintiffs Marcos Guillen and Christine
10 Knapp, individually
and on behalf of all others similarly situated

11 [Counsel continued on next page]

12
13 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
14 **FOR THE COUNTY OF LOS ANGELES**

15 MARCOS GUILLEN, individually and on
behalf of all others similarly situated,

16 Plaintiff,

17 vs.

18 GRASSHOPPER HOUSE LLC, a California
Limited Liability Company; GRASSHOPPER
19 HOUSE PARTNERS LLC, a California Limited
Liability Company; FEDERAL RECOVERY
20 SYSTEMS LLC, a California Limited Liability
Company; 6390 MEADOWS COURT LLC, a
21 California Limited Liability Company; 6390A
MEADOWS COURT LLC, a California Limited
22 Liability Company; PASSAGES TEEN
CENTER LLC, a California Limited Liability
23 Company; PASSAGES SILVER STRAND
LLC, a California Limited Liability Company;
24 PASSAGES VENICE, LLC f/k/a PASSAGES
MALIBU PHP, LLC, a California
25 Limited Liability Company; PAX PRENTISS,
an individual; CHRIS PRENTISS, an individual;
26 and DOES 1 through 25, inclusive,

27 Defendants.

28 Kyle Todd (State Bar No. 286370)

Case No. BC685116

[With Reference to Case No. BC653867]

*Assigned for all purposes to Hon. Amy D.
Hogue, SSC-7*

**STIPULATION OF CLASS ACTION
SETTLEMENT**

Complaint Filed: November 30, 2017

1 LAW OFFICES OF KYLE TODD
1055 West Seventh Street, Suite 1920
2 Los Angeles, CA 90017-2906
Telephone: (323) 208-9171
3 Facsimile: (323) 693-0822

4 Attorneys for Plaintiff Myra Tapia, individually
and on behalf of all others similarly situated

5
6 GEORGE W. ABELE (State Bar No. 149846)
georgeabele@paulhastings.com
PAUL HASTINGS LLP
7 515 South Flower Street, 25th Floor
Los Angeles, CA 90071
8 Telephone: (213) 683-6000
Facsimile: (213) 683-0705

9 Attorneys for Defendants
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1 **STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE**

2 IT IS HEREBY STIPULATED, by and between Plaintiffs Marcos Guillen, Christine
3 Knapp, and Myra Tapia (“Plaintiffs”), on behalf of themselves, as representatives of the State of
4 California, and the Settlement Class Members, on the one hand, and Defendants Grasshopper
5 House, LLC, Grasshopper House Partners, LLC, Federal Recovery Systems, LLC, 6390
6 Meadows Court LLC, 6390A Meadows Court, LLC, Passages Teen Center, LLC, Passages Silver
7 Strand LLC, Passages Venice, LLC f/k/a Passages Malibu PHP, LLC (collectively, “Passages”),
8 Pax Prentiss and Chris Prentiss (hereinafter, along with Passages, collectively the “Defendants”),
9 on the other hand, and subject to the approval of the Court, that the above-captioned Lawsuit is
10 hereby being compromised and settled pursuant to the terms and conditions set forth herein (the
11 “Stipulation” or “Agreement”).

12 **I. INTRODUCTION AND SUMMARY OF SETTLEMENT TERMS**

13 This action was brought by Plaintiffs, individually and on behalf of (1) all individuals who
14 worked for Defendants as independent contractors in California during the applicable Class
15 Period, as defined below, as well as (2) all individuals who were employed by Defendants in
16 California as non-exempt employees and/or therapists, clinicians, counselors, trainers, or
17 instructors classified as exempt/salaried employees during the applicable Class Period, as defined
18 below. In their Second Amended Complaint,¹ Plaintiffs allege causes of action against
19 Defendants for (1) failure to pay wages owed, (2) failure to pay overtime, (3) inaccurate wage
20 statements, (4) failure to provide meal and rest breaks, (5) failure to provide paid sick leave, (6)
21 failure to reimburse necessary expenditures, (7) unfair business practices, (8) failure to pay final
22 wages, (9) failure to pay all wages by appropriate pay period, (10) failure to give written notice of
23 rate of pay and regular payday, (11) alter ego/single enterprise liability, and (12) civil penalties
24 under the Private Attorneys General Act (PAGA).

25 Under the terms of the Settlement and after final approval and entry of judgment pursuant
26 to California Rule of Court 3.769, Passages will pay a gross settlement amount of one million

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28 ¹ As part of this Agreement, the Parties stipulated to the filing of a Second Amended Complaint pursuant to and for purposes of this Agreement only.

1 four hundred twenty thousand dollars (\$1,420,000) (“Gross Settlement Amount”), plus the
2 employer’s share of payroll taxes. The Settlement will be administered by a third-party
3 settlement administrator with experience administering class action settlements of this type. Until
4 distribution, the Gross Settlement Amount will be held in a Qualified Settlement Fund established
5 by the Settlement Administrator. This is an opt-out settlement, and Class Members (as defined in
6 Section II) will receive a settlement payment unless they opt-out of the Settlement. Settlement
7 Class Members shall not be required to submit a claim form.

8 The Parties agree that the following disbursements will be made from the Gross
9 Settlement Amount, subject to Court approval at the Final Fairness and Approval Hearing:

10 A. Settlement Administration Costs, estimated to be \$12,750.

11 B. Class Counsel’s Attorneys’ Fees, to be approved by the Court, in an amount not to
12 exceed \$473,333.33, which is one-third of the Gross Settlement Amount;

13 C. Class Counsel’s Costs, as approved by the Court, in an amount not to exceed
14 \$25,000;

15 D. A Service and Release Award to the Representative Plaintiffs in the amount of
16 \$10,000 each as payment for their time and efforts in pursuing this Action, and for the broader
17 release and other covenants that they will be providing to Defendants;

18 E. A payment of \$15,000 to the California Labor and Workforce Development
19 Agency (“LWDA”), which is 75% of the total PAGA allocation of \$20,000. The other 25% of
20 the PAGA allocation (\$5,000) will be distributed to the Non-Exempt Class and Independent
21 Contractor Class Members as set forth herein.

22 F. The remainder of the Gross Settlement Amount (the “Net Settlement Amount”)
23 will be distributed to Settlement Class Members based on the methodology discussed in section
24 IV.J.1-4, below. It is estimated that the Net Settlement Amount will be approximately \$863,917,
25 after deductions for Class Counsel’s Attorneys’ Fees, Class Counsel’s Costs, Settlement
26 Administration Costs, the Service and Release Awards, and the payment to the LWDA.

1 Defendants represent that the Independent Contractor Class, as defined in Section II
2 below, consisted of 170 members as of October 15, 2019, and further represent that the Non-
3 Exempt Class, as defined in Section II below, consisted of 812 members as of October 15, 2019.

4 **II. DEFINITIONS**

5 As used in this Stipulation, the following terms shall have the meanings set forth below:

6 A. “Actions” means the putative class and representative action pending in Los
7 Angeles County Superior Court titled *Guillen v. Grasshopper House LLC, et al.*, Los Angeles
8 Superior Court Case Number BC685116 and *Tapia v. Passages Malibu PHP, LLC, et al.*, Los
9 Angeles Superior Court Case Number BC653867.

10 B. “Agreement” or “Stipulation” means this Stipulation of Class Action Settlement.

11 C. “Class Counsel” means Aaron C. Gundzik and Rebecca G. Gundzik, Gartenberg
12 Gelfand Hayton LLP, 15260 Ventura Blvd, Suite 1920, Sherman Oaks, CA 91403, (213) 542-
13 2100, Daniel M. Holzman, Caskey & Holzman, 24025 Park Sorrento, Ste. 400, Calabasas, CA
14 91302, (818) 657-1070, and Kyle Todd, Law Offices of Kyle Todd, 1055 West Seventh Street,
15 Suite 1920, Los Angeles, CA 90017-2906, (323) 208-9171.

16 D. “Class Counsel’s Attorneys’ Fees” means the amount to be paid to Class Counsel
17 from the Gross Settlement Amount for attorneys’ fees, subject to Court approval at the Final
18 Fairness and Approval Hearing. Class Counsel may seek up to one-third of the Gross Settlement
19 Amount, which is \$473,333.33, for Class Counsel’s Attorney’s Fees.

20 E. “Class Counsel’s Costs” means the amount to be reimbursed to Class Counsel
21 from the Gross Settlement Amount for their reasonable costs and expenses incurred in the Action,
22 subject to Court approval at the Final Fairness and Approval Hearing. Class Counsel’s Costs will
23 not exceed \$25,000.

24 F. “Class Data” means each Class Member’s (a) full legal name; (b) social security
25 number; (c) last known address; (d) telephone number and/or e-mail address, if available; (e)
26 dates he or she worked in California for Defendants as either an independent contractor or in a
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1 non-exempt/hourly position; and (f) compensable settlement units (as described below) for
2 members of the Independent Contractor Class.

3 G. “Class Member” is a person who is a member of the Independent Contractor Class
4 and/or the Non-Exempt Class.

5 H. “Class Period” means the period from March 13, 2013 through the earlier of: (i)
6 the Date of Preliminary Approval of the Parties’ settlement, inclusive; or (ii) December 4, 2019.

7 I. “Complaint” means the Second Amended Complaint on file in *Guillen v.*
8 *Grasshopper House LLC, et al.*, Los Angeles Superior Court Case Number BC685116.²

9 J. “Court” means the Superior Court of the State of California, in and for the County
10 of Los Angeles, where the Action is pending.

11 K. “Day” means calendar day, except that any action or deadline that falls on a
12 Saturday, Sunday, or legal holiday shall be extended to the next court day.

13 L. “Defendants’ Counsel” means George Abele, Paul Hastings LLP, 515 South
14 Flower Street, 25th Floor, Los Angeles, CA 90071, (213) 683-6000.

15 M. “Effective Date” means the date that the Settlement has been finally approved by
16 the Court and the earlier of (1) the date that the California Court of Appeal has rendered a final
17 judgment affirming the Court’s final approval without material modification and the date for
18 further appeal has passed without further appeal; or (2) the date that the California Court of
19 Appeal has rendered a final judgment affirming the Court’s final approval without material
20 modification and the further appeals have been resolved without material modification of the final
21 approval order; or (3) sixty-five (65) days after the entry of an order by the Court granting final
22 approval of the Settlement.

23 N. “Employer’s Withholding Share” means Defendants’ share of all federal, state,
24 and local taxes and required withholdings, including without limitation, FICA, Medicare tax,
25 FUTA, and state unemployment taxes.

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27 ² The parties have agreed that upon the filing of the Second Amended Complaint, Plaintiff Myra Tapia will dismiss
28 her lawsuit in Case No. BC653867 without prejudice and shall concurrently file the declaration required pursuant to
California Rules of Court, Rule 3.770.

1 O. “Final Approval Order” means the Order Granting Final Approval of Class Action
2 Settlement and Judgment entered by the Court.

3 P. “Final Fairness and Approval Hearing” means the hearing on Plaintiffs’ Motion
4 for Final Approval of Class Action Settlement at which the Court will be asked to give final
5 approval to the settlement terms set forth herein and to enter judgment.

6 Q. “Gross Settlement Amount” means the non-reversionary maximum of one million
7 four hundred twenty thousand dollars (\$1,420,000) which Passages will pay under this
8 Settlement. The Parties intend that the claims of all Settlement Class Members are settled for no
9 more than the Gross Settlement Amount, inclusive of attorneys’ fees, costs, and expenses directly
10 related to the Actions (which includes all such fees and costs incurred to date, as well as all such
11 fees and costs incurred in documenting the settlement, providing any notices required as part of
12 the settlement, securing court approval of the settlement including any and all motions related
13 thereto, administering the settlement, and obtaining a judgment in the action), Plaintiffs’ Service
14 and Release Awards, the payment to the California Labor and Workforce Development Agency
15 (“LWDA”), and all costs of administration, including Settlement Administration Costs. This
16 Settlement does not establish a fund from which claims will be paid, within the meaning of
17 California Code of Civil Procedure section 384.

18 R. “Independent Contractor Class” means all individuals who have worked for
19 Defendants as independent contractors in California during the applicable Class Period, as
20 defined herein.

21 S. “Net Settlement Amount” means the amount remaining from the Gross Settlement
22 Amount after payments of Court-approved Class Counsel’s Attorney’s Fees and Class Counsel’s
23 Costs, Service and Release Awards to the Representative Plaintiffs, employee-side share of
24 employment/payroll taxes, Settlement Administration Costs, payment to the LWDA, and PAGA
25 Penalties Payment.

26 T. The “Non-Exempt Class” means all individuals who were employed by
27 Defendants in California as (1) non-exempt employees and/or (2) therapists, clinicians,
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1 counselors, trainers, or instructors classified as exempt/salaried employees during the applicable
2 Class Period, as defined herein.

3 U. "Notice of Settlement" means the "Notice of Proposed Class Action Settlement
4 and Final Approval Hearing," the form of which is attached hereto as Exhibit A.

5 V. "Objection to Settlement" means any written objection to this Settlement mailed,
6 faxed, or emailed to the Settlement Administrator or filed with the Court, as set forth in the
7 Notice of Settlement, within the time limitations set forth in this Stipulation.

8 W. "PAGA Class Period" means the period from February 23, 2016 through the
9 earlier of: (i) the Date of Preliminary Approval of the Parties' settlement, inclusive; or (ii)
10 December 4, 2019.

11 X. "PAGA Settlement Amount" means \$20,000 of the Gross Settlement Amount that
12 the Parties intend to as a settlement of Plaintiffs' PAGA claims. Seventy-five percent (75%) of
13 the PAGA Settlement Amount, which is \$15,000, will be paid to the LWDA. The remaining 25%
14 of the PAGA Settlement Amount, which is \$5,000, will be distributed to the Non-Exempt Class
15 and Independent Contractor Class Members as.

16 Y. "PAGA Penalties Payment" means the amount payable to each Non-Exempt Class
17 and Independent Contractor Class Member for the release of his or her Released PAGA Claims,
18 regardless of whether the class member objects, opts out or otherwise excludes himself or herself
19 from the Released Claims. The amount of the PAGA Penalties Payment shall be calculated as set
20 forth in Paragraph IV.J(4).

21 Z. "Parties" means the Representative Plaintiffs on behalf of themselves and all
22 members of the Independent Contractor Class and Non-Exempt Class and Defendants.

23 AA. "Preliminary Approval Date" is the date that the Court grants preliminary approval
24 of this Settlement pursuant to California Rule of Court 3.769(c).

25 BB. "Qualified Settlement Fund" or QSF means a federally insured bank account to be
26 established by the Settlement Administrator into which all payments from Defendants related to
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1 this Settlement will be deposited and from which all payments authorized by the Court will be
2 made. The QSF will be established prior to Defendants’ deposit of the Gross Settlement Amount.

3 CC. As determined by the Court, “Released Claims” means release any and all federal
4 and California state law wage-and-hour claims, rights, demands, liabilities, and/or causes of
5 action of every nature and description, whether known or unknown, arising from or related to any
6 and all claims that were asserted or could have been asserted based on the facts alleged in the
7 Actions, including, without limitation, statutory, constitutional, contractual, and/or common law
8 claims for wages, reimbursements, damages, unpaid costs, penalties (including penalties under
9 the California Labor Code’s Private Attorneys General Act of 2004, as amended, California
10 Labor Code section 2699 *et seq.*), liquidated damages, punitive damages, interest, attorneys’ fees,
11 litigation costs, restitution, or equitable relief. The Released Claims include, without limitation,
12 California Labor Code sections 201, 201.3, 202, 203, 204, 210, 216, 218.5, 218.6, 226, 226.2,
13 226.3, 226.7, 246, 510, 512, 558, 1174(d), 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802,
14 2810.5, 2804 and 2699, and any federal counterparts, and California Business and Professions
15 Code section 17200, *et seq.*

16 DD. “Released Parties” means Defendants and all of their respective current and former
17 parents, subsidiaries, predecessors and successors, and affiliated entities, and each of their
18 respective officers, directors, employees, partners, shareholders, and agents, and any other
19 successors, assigns, or legal representatives, including, without limitation, Passages Venice, LLC
20 f/k/a Passages Malibu PHP, LLC, Grasshopper House, LLC, Grasshopper House Partners, LLC,
21 Federal Recovery Systems LLC, 6390 Meadows Court, LLC, 6390A Meadows Court, LLC,
22 Passages Teen Center, LLC, Passage Silver Strand, LLC, Surfrider Malibu, LLC, Passages
23 Beverlywood, LLC, Passages Brentwood, LLC, Passages Ventura Outpatient, LLC, Passages
24 Ventura Sober Living, LLC, Pax Prentiss, or Chris Prentiss.

25 EE. “Representative Plaintiffs” means Marcos Guillen, Christine Knapp and Myra
26 Tapia.

1 FF. "Request for Exclusion" means a written and signed request by a member of either
2 the Independent Contractor Class and/or Non-Exempt Class to be excluded from the Settlement
3 that is submitted in accordance with the procedure set forth herein, also known as an "opt-out
4 request."

5 GG. "Service and Release Awards" means the payments to be made to the
6 Representative Plaintiffs from the Gross Settlement Amount for their service to the Classes and
7 for the broader general release that they are providing to Defendants, which is in addition to
8 whatever payments they otherwise would be entitled to receive as members of the Classes.
9 Plaintiffs will request that the Court approve Service and Release Awards to each of them in the
10 amount of no more than \$10,000 each. The Service and Release Awards are subject to Court
11 approval. Any portion of the requested Service and Release Awards that is not awarded to
12 Plaintiffs shall revert to the Net Settlement Amount and be distributed to Class Members as
13 provided in this Agreement.

14 HH. "Settlement" means the disposition of the Actions and all related claims
15 effectuated by this Agreement.

16 II. "Settlement Administration Costs" means the fees and costs incurred or charged
17 by the Settlement Administrator in connection with the execution of its duties under this
18 Agreement including, but not limited to fees and costs associated with: (1) establishing and
19 maintaining the QSF; (2) preparing, issuing and/or monitoring reports, filings, and notices
20 (including the cost of printing and mailing all notices and other documents to the Class Members)
21 required to be prepared in the course of administering the Settlement; (3) computing the amount
22 of the settlement payments, taxes, and any other payments to be made under this Agreement; (4)
23 calculating and handling inquiries about the calculation of individual settlement payments; (5)
24 establishing and operating a settlement payment center website, address, and phone number to
25 receive Class Members' inquiries about the Settlement; (6) providing a due diligence declaration
26 for submission to the Court prior to the final approval hearing; (7) printing and providing
27 Settlement Class Members and the Plaintiffs with W-2 and 1099 forms as required under this
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1 Agreement and applicable law; (8) preparing, issuing, and filing any tax returns and information
2 returns and any other filings required by any governmental taxing authority or other governmental
3 agency; and (9) for such other tasks as the Parties mutually agree or the Court orders the
4 Settlement Administrator to perform. The Settlement Administration Costs will not exceed
5 \$12,750. Settlement Administration Costs will be paid out of the Gross Settlement Amount.

6 JJ. "Settlement Administrator" refers to Phoenix Class Action Administration
7 Solutions.

8 KK. "Settlement Class" means all members of the Independent Contractor Class and/or
9 Non-Exempt Class who have not submitted a timely and complete Request for Exclusion.

10 LL. "Settlement Class Member" is a person who is a member of the Settlement Class.

11 MM. "Response Deadline" means the date sixty (60) days after the Settlement
12 Administrator mails Notice Packets to Settlement Class Members and the last date on which
13 Settlement Class Members may: (a) postmark, fax, or email Requests for Exclusion; or (b)
14 postmark, fax, or email Objections to the Settlement Administrator and/or file them with the
15 Court.

16 NN. "Released PAGA Claims" means any and all individual and representative claims
17 that could have been assessed upon and collected from the Released Parties under PAGA,
18 including any and all claims for unpaid wages of whatever kind or nature recoverable under
19 PAGA, whether known or unknown, arising during the PAGA Class Period based on the facts
20 alleged in the Actions including but not limited to California Labor Code sections 201, 201.3,
21 202, 203, 204, 210, 216, 218.5, 218.6, 226, 226.3, 226.7, 226.8, 246, 247.5, 248.5, 256, 510, 512,
22 515, 558, 558.1, 1174(d), 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802, 2804, 2810.5,
23 and any resulting claim for attorneys' fees and costs under PAGA.

24 **III. BACKGROUND**

25 During the Class Period, Defendants operated rehabilitation clinics in California.
26 Plaintiffs contend that they and other individuals who worked for Defendants and were treated as
27 independent contractors were misclassified and were actually employees and, as a result, were
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1 denied the compensation, rest and meal breaks, reimbursements and other benefits that they were
2 entitled to as employees. They further allege that non-exempt employees and therapists,
3 clinicians, counselors, trainers, or instructors classified as exempt/salaried were not treated
4 correctly under California Labor Law and were not provided with all of the compensation and
5 meal and rest breaks to which they were entitled. Defendants deny all of Plaintiffs' claims and
6 contends, among other things, that all members of the Independent Contractor Class and Non-
7 Exempt Class were properly paid for all work within the required time frame as well as sick leave
8 pay, that all expenses incurred by Class Members were reimbursed, and that Class Members were
9 provided with compliant meal and rest breaks.

10 The Parties have undertaken significant investigation and discovery during the
11 prosecution of the Actions. Such discovery and investigation include extensively interviewing
12 the Representative Plaintiffs and other Class Members, Defendants' production and Plaintiff's
13 counsel's review of personnel records, policies, as well as time records for a sample of Class
14 Members during the Class Period, and other detailed information relevant to the Class Members'
15 claims. Counsel for the Parties have investigated the law as applied to the facts discovered
16 regarding the alleged claims of the Independent Contractor Class and the Non-Exempt Class, the
17 potential defenses thereto, and the potential damages claimed by the Classes, including the review
18 of the records produced by Defendants to Class Counsel for the purposes of mediation and with
19 an eye towards class certification.

20 The Parties' attorneys have engaged in extensive discussions about the strengths and
21 weaknesses of the claims and defenses in the Actions. On June 19, 2019, the Representative
22 Plaintiffs and Class Counsel, and Defendants and Defendants' Counsel, attended an arm's length
23 mediation session before an experienced and well-regarded class action mediator, Hon. Carl
24 West. The mediation resulted in the principle elements of this Agreement.

25 Plaintiffs and Class Counsel recognize the expense and length of continued proceedings
26 necessary to litigate their disputes through trial and through any possible appeals. Plaintiffs have
27 also taken into account the uncertainty and risk of the outcome of further litigation, and the
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1 difficulties and delays inherent in such litigation. Plaintiffs and Class Counsel are also aware of
2 the burdens of proof necessary to establish liability for the claims asserted in the Actions, both
3 generally and in response to Defendants' defenses thereto (many of which have been shared
4 during the course of the Parties' extensive settlement negotiations), and potential difficulties in
5 establishing damages and entitlement to monetary recovery for the Settlement Class Members.
6 Plaintiffs and Class Counsel have also taken into account Defendants' agreement to enter into a
7 settlement that confers substantial relief upon Settlement Class Members based on the terms set
8 forth herein. Based on the foregoing, Plaintiffs and Class Counsel have determined that the
9 Settlement set forth in this Agreement is a fair, adequate, and reasonable settlement, and is in the
10 best interests of the Settlement Class Members

11 Similarly, Defendants have concluded that any further defense of this litigation would be
12 protracted and expensive for all Parties. Substantial amounts of time, energy, and resources of
13 Defendants have been and, unless this Settlement is made, will continue to be devoted to the
14 defense of the claims asserted by Plaintiffs. Defendants have also taken into account the risks of
15 further litigation in reaching its decision to enter into this Settlement. Despite continuing to
16 contend that it is not liable for any of the claims set forth by Plaintiffs in the Actions, Defendants
17 have, nonetheless, agreed to settle in the manner and upon the terms set forth in this Agreement to
18 put to rest the claims as set forth in the Actions.

19 This Settlement contemplates: (i) entry of an order preliminarily approving the Settlement
20 and approving certification of a provisional Independent Contractor Class and the Non-Exempt
21 Class for settlement purposes only, contingent upon final approval of the Settlement; (ii)
22 dissemination of a notice to members of the Classes about the settlement; (iii) entry of a Final
23 Approval Order granting final approval of the Settlement; and (iv) entry of final judgment. Under
24 the terms of this Settlement, the maximum amount payable by Passages shall not exceed the
25 Gross Settlement Amount of one million four hundred twenty thousand dollars (\$1,420,000).
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1 **IV. SETTLEMENT APPROVAL AND IMPLEMENTATION PROCEDURE**

2 **A. Preliminary Approval of Settlement**

3 As soon as practicable, Class Counsel and Defendants' Counsel will submit this
4 Stipulation to the Court for preliminary approval. Such submission will include such motions,
5 pleadings, and evidence as may be required for the Court to determine that this Agreement is fair
6 and reasonable, as required by California Code of Civil Procedure section 382 and California
7 Rule of Court 3.769, including a motion filed by Class Counsel requesting that the Court enter a
8 preliminary approval order. Class Counsel will provide Defendants' counsel with the opportunity
9 to review and comment on all drafts of all papers to be filed in connection with the Motion for
10 Preliminary Approval (notice of motion, memorandum of points and authorities and declarations)
11 at least four days before filing such motion with the Court. Plaintiffs' Motion for Preliminary
12 Approval will also include a proposed order that is mutually agreed-upon by the Parties, through
13 their respective counsel. Defendants shall not oppose Class Counsel's motion for preliminary
14 approval of the settlement to the extent it is consistent with the terms and conditions of this
15 Agreement. Defendants may, however, provide a written response to any characterization of the
16 law or facts contained in the motion for preliminary approval.

17 The Parties have agreed to the certification of the Classes for the sole purposes of
18 effectuating this Settlement. Should the Settlement be terminated for any reason, or should the
19 Settlement not be approved by the Court or the judgment not become final, the fact that the
20 Parties were willing to stipulate to class certification as part of the Settlement will have no
21 bearing on, and will not be admissible in connection with, the issue of whether either class should
22 be certified in a non-settlement context in this Action (or any other lawsuit and/or arbitration),
23 and in any of those events, Defendants expressly reserve the right to oppose class certification.
24 Additionally, if the Settlement does not become final, this Agreement and all negotiations, court
25 orders, and proceedings related thereto shall be without prejudice to the rights of all Parties
26 hereto, and evidence relating to the Agreement and all negotiations shall not be admissible in the
27 Action or otherwise. The Parties further agree that if, for any reason, the Settlement is not
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1 approved, the certification for purposes of this Settlement will have no force or effect and will be
2 immediately revoked.

3 Should the Court decline to conditionally certify the Classes or to preliminarily approve
4 all material aspects of the Settlement, the Settlement will be null and void, and the Parties will
5 have no further obligations under it.

6 If the Court grants preliminary approval but does not grant final approval of the
7 Settlement, then the preliminary approval order shall be vacated in its entirety, unless the Court
8 orders otherwise.

9 **B. Cooperation**

10 The Parties agree to fully cooperate with each other to accomplish the terms of this
11 Agreement, including but not limited to, execution of such documents and to take such other
12 reasonably necessary actions to implement the terms of this Agreement. No party, nor any of its
13 attorneys or agents, shall solicit or encourage any Class Member to opt out of or object to the
14 Settlement.

15 **C. Notice of Settlement**

16 Within twenty (20) calendar days following an order granting preliminary approval of the
17 Settlement, Defendants will provide the Settlement Administrator with the Class Data in an
18 electronic format acceptable to the Settlement Administrator. At the same time, Defendants will
19 provide the Class Data, without Class Member names, contact information and social security
20 numbers, to Class Counsel. This information will remain confidential and will not be disclosed to
21 anyone, except as required to applicable taxing authorities, pursuant to Defendants' express
22 written authorization, by order of the Court, or as otherwise provided for in this Agreement.

23 Using the Class Data, the Settlement Administrator will: (1) confirm the number of
24 members of the Independent Contractor Class and the Non-Exempt Class and shall advise Class
25 Counsel, (2) finalize and print the Notice of Settlement in English and Spanish; (3) check all
26 addresses against the National Change of Address database; and (4) within ten (10) calendar days
27 of receiving the Class Data, send to each Class Member via First-Class United States mail an
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1 English version of the Notice of Settlement to the most recent address known for each member of
2 the Classes. It will be conclusively presumed that, if an envelope so mailed has not been returned
3 within thirty (30) days of the mailing, the Class Member received the Notice of Settlement.

4 **D. Re-Sending Class Notices**

5 In the event that Defendants' Counsel or Class Counsel becomes aware of new addresses
6 for any member of either the Independent Contractor Class or the Non-Exempt Class, prior to the
7 filing of the motion for final approval, such information must immediately be communicated to
8 the Settlement Administrator. The Settlement Administrator will then re-send a Notice of
9 Settlement to the Independent Contractor Class Member or Non-Exempt Class Member at the
10 new address.

11 For any Notice of Settlement that is returned as undeliverable, the Settlement
12 Administrator will perform a utility database search or other skip trace. The returned Notices of
13 Settlement will be re-mailed to the new addresses obtained for such Class Members. Such
14 searching and re-mailing will be completed within five (5) business days of the date that Notices
15 of Settlement were originally returned as undeliverable. Notwithstanding anything to the contrary
16 in this Stipulation and absent approval from the Parties, through their counsel, any Notice of
17 Settlement that is mailed or re-mailed after the original mailing date will provide for a response
18 deadline that is fourteen (14) calendar days thereafter or until the Response Deadline has expired,
19 whichever is later, to mail, fax, or email the Request for Exclusion, or file and serve a Notice of
20 Objection. Notice of Settlements that are resent shall inform the recipient of this adjusted
21 deadline. Unless otherwise agreed by the Parties, a Request for Exclusion shall be deemed valid
22 only if it is signed by the Class Member and postmarked or fax or email stamped on or before the
23 adjusted deadline.

24 **E. Requests for Exclusion (Opt-Outs)**

25 Any member of the Independent Contractor Class or Non-Exempt Class who wishes to be
26 excluded from the Settlement must notify the Settlement Administrator in writing of his or her
27 desire to be excluded by mailing his or her own written statement to the Settlement Administrator
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1 that clearly expresses such desire and is signed by such Class Member. Any such statement shall
2 include the case name (*Guillen v. Grasshopper House LLC*), Class Member's name (and former
3 names, if any), current address, telephone number, and last four numbers of the Class Member's
4 social security number. To be valid, the Request for Exclusion must be postmarked on or before
5 the Response Deadline, provided, however, for any Notice of Settlement that is mailed or re-
6 mailed after the original mailing date, the deadline to request exclusion will be fourteen (14)
7 calendar days thereafter or until the Response Deadline has expired, whichever is later. Any
8 Class Member who submits a valid and timely request to be excluded from the Settlement will
9 not be entitled to any recovery under the Settlement, except for the PAGA Penalties Payment, and
10 will not be bound by the terms of the Settlement, except for the Released PAGA Claims, or have
11 any right to object, appeal or comment thereon. Any funds originally designated for a Class
12 Member who opts-out of the settlement will be distributed on a pro-rata basis to the other
13 members of the Classes in accordance with the terms of this Agreement.

14 Any Class Member who fails to submit a timely, complete, and valid Request for
15 Exclusion shall be bound by all terms of the Settlement and any Final Judgment entered in this
16 Lawsuit if the Settlement is approved by the Court. The date of the postmark on the Request for
17 Exclusion, either based on the date on the return mailing envelope, date of the fax stamp, or date
18 of email transmission, shall be the exclusive means used to determine whether a Request for
19 Exclusion has been timely submitted. Under no circumstances shall the Settlement Administrator
20 have the authority to extend the deadline for Class Members to file a Request for Exclusion.

21 The releases provided for in this Agreement shall conclusively preclude any Settlement
22 Class Member from asserting any of the Released Claims against any of the Released Parties in
23 any judicial, administrative, or arbitral forum.

24 The Settlement Administrator shall promptly provide Class Counsel and Defendants'
25 Counsel with copies of all Requests for Exclusion that it receives.
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1 **F. Declaration of Compliance**

2 No later than five (5) calendar days after the Response Deadline, the Settlement Administrator
3 shall provide Class Counsel and Defendants’ Counsel with a declaration attesting to completion
4 of the notice process set forth in this Section IV, including the number of notices sent and
5 returned, an explanation of efforts to resend undeliverable notices, a complete list of all members
6 of the Settlement Class who have timely submitted Requests for Exclusion and a copy of all
7 Requests for Exclusion. The Declaration shall be filed with the Court by Class Counsel along
8 with their papers requesting final approval of the Settlement.

9 **G. Sufficient Notice**

10 Compliance with the procedures described in this Section IV shall constitute due and
11 sufficient notice to Class Members of this Settlement and of the Final Fairness and Approval
12 Hearing, shall satisfy the requirements of due process, and nothing else shall be required of the
13 Representative Plaintiffs, Class Counsel, Defendants, Defendants’ Counsel, or the Settlement
14 Administrator to provide notice of the Settlement and the Final Fairness and Approval Hearing.

15 **H. Objections to Settlement**

16 **1. Deadline for Objections**

17 Any member of either the Independent Contractor Class or Non-Exempt Class wishing to
18 object to the approval of this Settlement must submit a written statement of objection by
19 following the procedure set forth in the Notice of Settlement by the Response Deadline; provided,
20 however, for any Notice of Settlement that is mailed or re-mailed after the original mailing date
21 the deadline to object will be the earlier of (1) ten (10) days prior to the Final Fairness and
22 Approval Hearing and (2) 60 days from the date of re-mailing. The Notice of Objection must be
23 signed by the Settlement Class Member and state: (1) the basis of the objection, (2) include any
24 papers and briefs in support of the objection, (3) refer to the case (*Guillen v. Grasshopper House*
25 *LLC, et al.* At no time shall any of the Parties or their counsel seek to solicit or otherwise
26 encourage Class Members to file or serve written objections to the Settlement, or to opt out of the
27 Settlement, or to appeal from the Order and Final Judgment. Class Counsel shall not represent
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1 any Settlement Class Members with respect to any such objections. A Class Member who does
2 not submit a valid and timely Request for Exclusion and who objects to the Settlement will still
3 be considered a Settlement Class Member.

4 **2. Response to Objections**

5 Class Counsel and Defendants' Counsel shall file any written objections from
6 Class Members submitted to the Settlement Administrator in accordance with this Agreement,
7 and Class Counsel's and Defendants' Counsel's responses to such objections, at least five (5)
8 court days before the Final Fairness and Approval Hearing.

9 **3. Waiver of Appeal**

10 Any Class Member who does not timely submit an objection to the Settlement and/or does
11 not comply with any other substantive or procedural obligations imposed by law, waives any and
12 all rights to appeal the Final Approval Order and Judgment, including all rights to any post-
13 judgment proceeding and appellate proceeding such as a motion to vacate the judgment, motion
14 for new trial, and extraordinary writs.

15 **4. Right to Rescind**

16 **a. Defendants' Right to Rescind**

17 Defendants may rescind the settlement within seven business days of learning that more
18 than (1) 5% of the Independent Contractor Class Members opted out according to the settlement
19 administrator's final report; or (2) 10% of the Non-Exempt Class Members opted out according to
20 the settlement administrator's final weekly report provided prior to last date for Plaintiffs to file
21 their motion for final approval of the Settlement. If Defendants exercise their option to terminate
22 this Settlement, Defendants shall pay all settlement administration costs incurred up to the date of
23 termination.

24 **b. Plaintiffs' Right to Rescind**

25 If, as reflected in the Class Data delivered to the Settlement Administrator, (1) the total
26 number of members of the Independent Contractor Class (as reported in the Class Data) exceeds
27 5% of the number of Independent Contractor Class members recited in Section I.F of the
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1 Agreement or (2) the total number of members of the Non-Exempt Class (as reported in the Class
2 Data) exceeds 10% of the number of Non-Exempt Class members recited in Section I.F of this
3 Agreement, Plaintiffs may rescind the settlement within seven business days of learning either of
4 the above facts.

5 If Plaintiffs exercise their option to terminate this Settlement, Plaintiffs shall pay all
6 settlement administration costs incurred up to the date of termination.

7 **I. Final Fairness and Approval Hearing**

8 On or before the date set by the Court, Class Counsel will file a Motion for Final
9 Approval of this settlement pursuant to California Rule of Court 3.769. Class Counsel will
10 provide Defendants' counsel with the opportunity to review and comment on all drafts of all
11 papers to be filed in connection with the Motion for Final Approval (notice of motion,
12 memorandum of points and authorities and declarations) at least five business days before filing
13 such motion with the Court. Plaintiffs' Motion for Final Approval will also include a proposed
14 order that is mutually agreed-upon by the Parties, through their respective counsel. Defendants
15 shall not oppose Class Counsel's Motion for Final Approval of the settlement to the extent it is
16 consistent with the terms and conditions of this Agreement. Defendants may, however, provide a
17 written response to any characterization of the law or facts contained in the motion for
18 preliminary approval.

19 At a reasonable time following the Response Deadline, the Court shall hold the Final
20 Approval Hearing in order to: (1) determine whether the Court should give this Settlement final
21 approval; (2) determine whether Class Counsel's application for attorneys' fees and costs, and
22 request for the Service and Release Payments to the Representative Plaintiffs, should be granted;
23 (3) determine whether the Court should approve the payment of fees to the Settlement
24 Administrator and the PAGA Settlement Amount and (4) consider any timely Objections to
25 Settlement, including Class Counsel's and Defendants' Counsel's responses thereto. At the Final
26 Fairness and Approval Hearing, the Representative Plaintiffs, Class Counsel, and Defendants'
27 Counsel shall ask the Court to give final approval to this Settlement. Upon final approval, the
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1 Court shall enter a Final Approval Order (in a form submitted by Class Counsel and approved by
2 Defendants' Counsel) which has the effect of adjudicating all claims set forth in the Complaint
3 and implementing the release of Released Claims, as set forth in this Agreement. The Final
4 Approval Order will be posted on the Settlement Administrator's website. The posting of the
5 Final Approval Order on the Settlement Administrator's website will constitute notice of entry of
6 the judgment, as required by California Rule of Court 3.771(b).

7 **J. Settlement Payments to Settlement Class Members**

8 Payments under this Settlement Agreement shall be made by the Settlement Administrator
9 as follows, subject to Court approval at the Final Fairness and Approval Hearing.

10 **1. Allocation between Classes**

11 Based on their investigation, discovery, and strengths and weakness of the respective
12 claims, the Parties have agreed that seventy-five percent (75%) of the Net Settlement Amount
13 shall be distributed to the members of the Independent Contractor Class and twenty-five percent
14 (25%) of the Net Settlement Amount shall be distributed to member of the Non-Exempt Class.

15 The Settlement Administrator, on Defendants' and Class Counsel's collective behalf, shall
16 have the authority and obligation to make payments, credits, and disbursements, including
17 payments and credits in the manner set forth herein, to Settlement Class Members calculated in
18 accordance with the methodology set out in this Agreement and orders of the Court.

19 The Parties acknowledge and agree that the formula used to calculate individual
20 settlement payments does not imply that all the elements of damages alleged in the Actions are
21 not being considered. The formulas set forth below were devised as practical and logistical tools
22 to simplify the settlement process.

23 **2. Calculation of Payments to the Non-Exempt Class:**

24 Settlement Class Members in the Non-Exempt Class will be paid based on the number of
25 compensable weeks worked by each Settlement Class Member in the Non-Exempt Class in
26 relation to the total number of compensable weeks worked by all participating members of the
27 Non-Exempt Class.

1 Compensable weeks will be the sum of all workweeks that Settlement Class Members in
2 the Non-Exempt Class worked during the Class Period. The dollars per compensable workweek
3 (“Workweek Value”) will be calculated by dividing the total weeks worked by all Settlement
4 Class Members in the Non-Exempt Class Members during the Class Period into the Net
5 Settlement Amount allocated to the Non-Exempt Class Members. The Workweek Value for each
6 class member will be multiplied by the number of compensable work weeks a Settlement Class
7 Member in the Non-Exempt Class worked during the Class Period to determine the distribution,
8 prior to legal deductions, for each Settlement Class Member in the Non-Exempt Class (the "Non-
9 Exempt Individual Settlement Payment"). The Non-Exempt Individual Settlement Payment will
10 be reduced by any required legal deductions for each Settlement Class Member. No benefit,
11 including but not limited to 401(k), shall increase or accrue as a result of any payment made as a
12 result of this settlement.

13 **3. Calculation of Payments to the Independent Contractor Class:**

14 Compensable settlement units will be the sum of all income that Settlement Class
15 Members in the Independent Contractor Class earned as an independent contractor during the
16 Class Period. The dollars per settlement unit (“Settlement Unit Value”) will be calculated by
17 dividing the total income for all Settlement Class Members in the Independent Contractor Class
18 during the Class Period into the Net Settlement Amount allocated to the Independent Contractor
19 Class Members. The Settlement Unit Value will be multiplied by the total income of a Settlement
20 Class Member in the Independent Contractor Class during the Class Period to determine the
21 distribution, prior to legal deductions, for that Settlement Class Member in the Independent
22 Contractor Class, minus the gross amount of any Pick-Up Stix settlement payment made to the
23 Independent Contractor Class Member, if any (the “Independent Contractor Individual Settlement
24 Payment”). The Independent Contractor Individual Settlement Payment will be reduced by any
25 required legal deductions for each Settlement Class Member. No benefit, including but not
26 limited to 401(k), shall increase or accrue as a result of any payment made as a result of this
27 settlement.

1 **4. Calculation of PAGA Penalties Payment:**

2 The PAGA Penalties Payments payable to each Non-Exempt Class and Independent
3 Contractor Class Member shall be determined as follows: Compensable Pay Periods will be the
4 sum of all pay periods Non-Exempt Class and Independent Contractor Class Members worked at
5 Passages during the PAGA Class Period. The dollars per Compensable Pay Period (“Pay Period
6 Value”) will be calculated by dividing the PAGA Settlement Amount by the total Compensable
7 Pay Periods. The Pay Period Value will be multiplied by the number of Compensable Pay
8 Periods worked as a member of the Non-Exempt Class or Independent Contractor Class during
9 the PAGA Class Period to determine the distribution for that Non-Exempt Class or Independent
10 Contractor Class Member. The PAGA Penalties Payments will be paid out without reduction for
11 any taxes or other withholdings.

12 **5. Inclusion of Total Compensation and Compensable Weeks in Notice of**
13 **Settlement**

14 The Notice of Settlement sent to each member of the Non-Exempt Class shall state the
15 amount of the Non-Exempt Class member’s compensable weeks, as reflected in the Class Data.
16 The Notice of Settlement sent to each member of the Independent Contractor Class shall state the
17 amount of total compensation paid to the Independent Contractor Class member during the Class
18 Period, as reflected in the Class Data, as well as the amount, if any, paid to the Independent
19 Contractor Class member in connection with Defendants’ settlement campaign. Each Notice of
20 Settlement shall also include an estimate of the settlement payment to be made to the Non-
21 Exempt Class member and/or Independent Contractor Class Member as a member of the
22 Settlement Classes, as calculated by the Settlement Administrator. The estimated settlement
23 payment included in the Notice of Settlement will be calculated by assuming that no members of
24 the Classes will be excluded from the Settlement.

25 **6. Eligibility**

26 All members of the Classes who do not exclude themselves (or opt-out) of the Settlement
27 will receive a settlement payment from Defendants, distributed through the Settlement
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1 Administrator.

2 **7. Disputes about Compensable Workweeks and/or Total Compensation**

3 If a member of the Non-Exempt Class disagrees with the number of compensable
4 workweeks, as stated in his or her Notice of Settlement, he or she may dispute that figure by
5 informing the Settlement Administrator of the number of compensable workweeks in dispute and
6 submitting supporting documentation (such as, without limitation, payroll or time keeping
7 records, and paycheck stubs) prior to the Response Deadline. If there is a dispute, the Settlement
8 Administrator will consult with Class Counsel and Defendants' Counsel to determine whether an
9 adjustment is warranted. The Settlement Administrator shall have the sole discretion to
10 determine any such disputes. However, Defendants' records will be presumed determinative.

11 Likewise, if an Independent Contractor Class Member disagrees with the amount of total
12 compensation paid to her or him, as stated in her or his Notice of Settlement, she or he may
13 dispute that figure by informing the Settlement Administrator of the amount of total
14 compensation in dispute and submitting supporting documentation (such as, without limitation,
15 payroll or time keeping records, 1099s or payment stubs) prior to the deadline for objecting to the
16 Settlement. Independent Contractor Class members must notify the Settlement Administrator of
17 any such dispute prior to the Response Deadline. If there is a dispute, the Settlement
18 Administrator will consult with Class Counsel and Defendants' Counsel to determine whether an
19 adjustment is warranted. The Settlement Administrator shall have the sole discretion to
20 determine any such disputes. However, Defendants' records will be presumed determinative.

21 **8. Allocation of Settlement Payments**

22 Payment to each Settlement Class Member shall be allocated as follows: thirty-five
23 percent (35%) shall be attributed to wages, to be reported on a W-2 form and sixty-five percent
24 (65%) as penalties, liquidated damages, and interest. The amount of penalties, liquidated
25 damages and interest will be reported on an IRS Form 1099.

1 **9. Payment of Payroll Taxes**

2 The amount paid to each Settlement Class Member attributable to wages shall be subject
3 to all applicable taxes and other withholdings and shall be net of the Settlement Class Member’s
4 share of all federal, state, and local taxes and required withholdings, including without limitation,
5 FICA, Medicare tax, FUTA, and state unemployment taxes. The Employer’s Withholding Share
6 shall be paid by Defendants separately and in addition to Defendants’ payment of the Gross
7 Settlement Amount.

8 For each Settlement Class Member, the Settlement Administrator shall determine the
9 Employer’s Withholding Share. Information related to the Employer’s Withholding Share for
10 each Settlement Class Member shall be provided to Defendants by the Settlement Administrator.
11 If Defendants disagree with the Settlement Administrator’s determination of the Employer’s
12 Withholding Share, it will communicate with and share information reasonably necessary to reach
13 a good faith determination of the correct Employer’s Withholding Share.

14 **10. Payments to Settlement Class Members**

15 Within ten (10) days of Passages’ deposit of the Gross Settlement Amount with the
16 Settlement Administrator, the Settlement Administrator will mail the make the settlement
17 payments to Settlement Class Members based on the payment formulas set forth herein.

18 **11. Opt-In and Release of FLSA Claims**

19 Opt-in and release language regarding the release of FLSA claims will be printed on the
20 Individual Settlement Payment checks, with instructions that cashing such check constitutes
21 consent under the FLSA to opt into the collective action and to release all claims under the FLSA.
22 The language to be included will be substantially similar to the following:

23 My endorsing, cashing, or depositing of this check constitutes my consent to join the
24 lawsuit entitled *Guillen v. Grasshopper House LLC, et al.*, pending in the Superior Court
25 of the State of California for the County of Los Angeles, Case No. BC685116, pursuant to
26 the provisions of the Fair Labor Standards Act (“FLSA”), 29 U.S.C. Section 216(b), and
27 to release all claims I might have against the Released Parties under the FLSA.
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1 **K. The Settlement Administrator**

2 The Settlement Administrator will perform the duties specified in this Stipulation and any
3 other duties incidental to such obligations. The Settlement Administrator’s duties shall include,
4 without limitation: establishing the QSF, preparing and distributing the Notice of Settlement;
5 calculating and directing the disbursement of payments to Settlement Class Members, Class
6 Counsel, the Class Representatives and the LWDA; calculating and timely paying any and all
7 payroll taxes from the wages portion of the Net Settlement Amount to the appropriate tax
8 authorities, as required under this Agreement and applicable law; handling inquiries about the
9 calculation of individual settlement payments; preparing and filing any tax returns and
10 information returns and any other filings required by any governmental taxing authority or other
11 governmental agency; providing weekly status reports to the Parties’ counsel; advising
12 Defendants and Class Counsel of any Class Members who submit objections and/or requests for
13 exclusions from the Settlement; providing a due diligence declaration for submission to the Court
14 prior to the final approval hearing; printing and providing Settlement Class Members and
15 Plaintiffs with W-2 and 1099 forms as required under this Agreement and applicable law;
16 arranging for and remitting funds from any uncashed settlement payment to the designated
17 recipient, as determined by the Court; and for such other tasks as the Parties mutually agree or the
18 Court orders the Settlement Administrator to perform.

19 The Settlement Administrator shall establish a settlement payment center address,
20 telephone number and email address to receive Class Members’ inquiries about the Notice of
21 Settlement, requests to be excluded from the Settlement and settlement payments.

22 In addition, the Settlement Administrator shall establish a static website and, on the
23 website, post this stipulation, any preliminary approval order and the Final Approval Order and
24 Judgment. Posting of the Final Approval Order and Judgment on such website shall constitute
25 notice of judgment to the Settlement Class, as required by California Rule of Court 3.771(b).

1 The Parties confirm, and Class Counsel and Defendants' Counsel confirm that they do not
2 have any financial interest in the Settlement Administrator or otherwise have a relationship with
3 the Settlement Administrator that could create a conflict of interest.

4 **L. Time for Payment by Defendants**

5 Within fifteen (15) business days after the Effective Date, provided that Plaintiffs have
6 waived their right to appeal, Passages shall wire the Gross Settlement Amount and Employer's
7 Withholding Share to the Escrow Account. No distributions from the Settlement Account shall
8 occur until authorization in writing or via e-mail is provided to the Settlement Administrator by
9 Class Counsel and Defendants' counsel.

10 If, after the Court enters a Final Approval Order, Defendants fail to timely pay the amount
11 required to satisfy its payment obligation under this Stipulation, Plaintiffs may seek to collect all
12 amounts owed under the Final Approval Order and Judgment against Defendants.

13 **M. Payments to Class Counsel and the Representative Plaintiffs**

14 Within ten (10) days of Passages' deposit of the Gross Settlement Amount with the
15 Settlement Administrator, the Settlement Administrator shall make payment from the QSF to: (1)
16 Class Counsel, both the Class Counsel's Attorneys' Fees and Class Counsel's Costs, awarded to
17 Class Counsel by the Court; and (2) Plaintiffs Marcos Guillen, Christine Knapp and Myra Tapia
18 the Service and Release Awards approved by the Court. These payments will be reported on an
19 IRS Form 1099.

20 **N. Payments to the California Labor and Workforce Development Agency**

21 Subject to Court approval, twenty thousand dollars (\$20,000) of the Gross Settlement
22 Amount shall be allocated as payment of penalties under PAGA, from which twenty-five percent
23 (25%) or \$5,000, shall be distributed to Settlement Class Members as part of the Net Settlement
24 Amount and seventy-five percent (75%), which is \$15,000, shall be payable to the LWDA,
25 representing the LWDA's share of PAGA penalties. Within ten (10) days of Defendants' deposit
26 of the Gross Settlement Amount with the Settlement Administrator, the Settlement Administrator
27 will make the payment to the LWDA of \$15,000, or such other amount as approved by the Court.

1 To the extent the Court does not approve any or all of the PAGA payment sought by Class
2 Counsel, any amount disallowed by the Court will remain a portion of the Gross Settlement
3 Amount to be distributed in accordance with the terms of this Stipulation. If the Court determines
4 that a greater amount must be allocated to the PAGA Amount, it shall not affect the terms of this
5 settlement, and any portion of the increased PAGA Amount shall be paid from the Gross
6 Settlement Amount. Defendants shall not be required to pay any additional amounts if the Court
7 ultimately determines that additional funds should be allocated to the PAGA Amount.

8 **O. Un-negotiated Settlement Payment Checks**

9 If any Settlement Class Member's settlement payment check has not been negotiated sixty
10 (60) days after disbursement, the Settlement Administrator shall attempt to contact each
11 individual to advise them to cash their checks, and to offer to replace any checks reported as
12 either lost or stolen. In attempting to contact such persons, the Settlement Administrator will
13 send notices by mail to the individuals' last known addresses (as provided by Defendants) after
14 first checking those addresses against the NCOA database and utility database and by telephoning
15 or emailing such persons, in the event that Defendants provide telephone numbers and/or email
16 addresses for such persons.

17 If a Class Member's check is not cashed within 180 days, the check will be void and a
18 stop payment order may be placed on the check. In such event, the Settlement nevertheless will
19 be binding upon the Settlement Class Member. The funds represented by all uncashed settlement
20 checks will be transmitted by the Settlement Administrator to the California State Controller's
21 Office Unclaimed Property Fund in the name of the individual Settlement Class Member.

22 **P. Class Counsel Attorneys' Fees and Costs**

23 Defendants will not oppose Class Counsel's application for an award of attorneys' fees of
24 up to \$473,333.33, which is one-third of the Gross Settlement Amount.

25 Defendants will not oppose Class Counsel's application for an award of their reasonable
26 litigation expenses and costs in an amount not to exceed \$25,000.

1 Class Counsel's Attorney's Fees and Class Counsel's Costs, as awarded by the Court,
2 shall be paid from the Gross Settlement Amount.

3 This Settlement is not contingent upon the Court awarding Class Counsel any particular
4 amount in attorneys' fees and costs. In the event the Court reduces or does not approve the
5 requested Class Counsel Award and/or Class Counsel Costs, the Settlement shall remain legally
6 binding and enforceable on the Parties. To the extent the Court does not approve any or the entire
7 amount of Class Counsel's Attorney's Fees or Class Counsel's Costs, such amounts shall remain
8 part of the Gross Settlement Amount and distributed in accordance with the provisions of this
9 Stipulation.

10 Upon the payment of the Court-approved amount of Class Counsel's Attorneys' Fees and
11 Class Counsel's Costs, and except as otherwise provided by this Stipulation, Class Counsel
12 waives any claim to costs and attorneys' fees and expenses against Defendants arising from or
13 related to the Actions, including but not limited to claims based on the California Labor Code, the
14 California Code of Civil Procedure, or any other statute or law. Provided, however, nothing in
15 this Agreement shall prevent Class Counsel from seeking additional fees for enforcing the terms
16 of this Stipulation and investigating and recovering amounts owed under this Agreement.

17 **Q. Services and Release Awards to the Representative Plaintiffs**

18 The Representative Plaintiffs' Service and Release Awards, as approved by the Court,
19 shall be paid from the Gross Settlement Amount. The Representative Plaintiffs' Service and
20 Release Awards are intended as consideration for the general release of all claims, and for the
21 time, effort, risk, and burden of bringing and prosecuting this matter.

22 The Representative Plaintiffs shall be responsible for all portions of federal, state, and
23 local tax liabilities that may result from the payment of the Service and Release Awards and shall
24 hold harmless Defendants from any claim or liability for taxes, penalties, or interest arising as a
25 result of the Representative Plaintiffs' Service and Release Awards. To the extent the Court does
26 not approve any or all of the amount of the Service and Release Awards sought by Class Counsel,
27 any amount disallowed by the Court will remain a portion of the Gross Settlement Amount and be
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1 distributed in accordance with the terms of this Stipulation and the Parties agree that the
2 settlement shall remain in binding with such modification(s) and its terms will otherwise be
3 unchanged. In the event the Court reduces or does not approve the requested Representative
4 Plaintiffs' Service and Release Awards, Plaintiffs shall not have the right to revoke their
5 agreement to this Settlement, which shall remain legally binding and enforceable on the Parties.

6 **R. Taxes**

7 **1. Withholding and Reporting Requirements**

8 The Settlement Administrator shall be responsible for ensuring that all taxes required to be
9 withheld from the wage portions of each Settlement Class Member's individual settlement
10 payment, along with the Employer's Withholding Share, are timely paid to the appropriate tax
11 authorities. The Settlement Administrator shall also prepare any legally mandated tax reports, tax
12 forms, tax filings, or other tax documents required by administration of this Agreement. The
13 Settlement Administrator's responsibilities in this regard will also include the following: (a) filing
14 all Federal, state, and local employment tax returns, tax withholding returns, and any other tax
15 returns associated with the taxes, (b) timely and proper filing of all required Federal, state, and
16 local information returns (e.g., 1099s, W-2s, etc.) with the appropriate taxing authorities, and (c)
17 completion of any other steps necessary for compliance with any tax obligations of the settlement
18 fund under Federal, state and/or local law. To verify the Settlement Administrator's compliance
19 with the foregoing withholding and reporting requirements, as soon as administratively
20 practicable, the Settlement Administrator shall furnish Class Counsel and Defendants' Counsel
21 with copies of all filed tax returns and information returns (including all 1099 and W-2
22 information returns), and a final accounting adequate to demonstrate full compliance with all tax
23 withholding, payment and reporting obligations.

24 **2. Circular 230 Disclaimer And Tax Liability**

25 Each party to this Agreement (for purposes of this section, the "Acknowledging Party";
26 and each party to this Agreement other than the Acknowledging Party, and "Other Party")
27 acknowledges and agrees that: (1) no provision of this Agreement, and no written communication
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1 or disclosure between or among the Parties or their attorneys and other advisers, is or was
2 intended to be, nor shall any such communication or disclosure constitute or be construed or be
3 relied upon as, tax advice within the meaning of United States Treasury Department Circular 230
4 (31 CFR Part 10, as amended); (2) the Acknowledging Party (a) has relied exclusively upon his,
5 her, or its own, independent legal and tax advisers for advice (including tax advice) in connection
6 with this Agreement, (b) has not entered into this Agreement based upon the recommendation of
7 any other party or any attorney or advisor to any other party, and (c) is not entitled to rely upon
8 any communication or disclosure by any attorney or advisor to any other party to avoid any tax
9 penalty that may be imposed on the Acknowledging Party; and (3) no attorney or advisor to any
10 other party has imposed any limitation that protects the confidentiality of any such attorney's or
11 adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure
12 by the Acknowledging Party of the tax treatment or tax structure of any transaction, including any
13 transaction contemplated by this Agreement.

14 The Parties make no representations as to the tax treatment or legal effect of the payments
15 called for hereunder, and Settlement Class Members are not relying on any statement or
16 representation by the Parties in this regard. Settlement Class Members understand and agree that
17 they will be responsible for the payment of any taxes and penalties assessed on the payments
18 described herein.

19 **V. LIMITATIONS ON USE OF THIS SETTLEMENT**

20 **A. No Admission of Liability**

21 Neither the acceptance nor the performance by Defendants of the terms of this Stipulation
22 nor any of the related negotiations or proceedings is or shall be claimed to be, construed as, or
23 deemed a precedent or an admission by Defendants of the truth or merit of any allegations in the
24 Complaint, or that they have any liability to the Representative Plaintiffs or the Class Members
25 on their claims. Defendants deny that they have engaged in any unlawful activity, have failed to
26 comply with the law in any respect, or have any liability to anyone under the claims asserted in
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1 the Action. This Agreement is entered into solely for the purpose of compromising highly
2 disputed claims.

3 **B. Nullification**

4 With the exception of the amount of attorneys' fees and costs (Section IV.M), the amount
5 of the Representative Plaintiffs' Service and Release Awards (Section IV.N), and the amount
6 allocated to PAGA (Section IV.P), in the event: (i) the Court does not enter the Preliminary
7 Approval Order as specified herein; (ii) the Court does not grant final approval of the Settlement
8 as provided herein; (iii) the Court does not enter a Final Judgment as provided herein; or (iv) the
9 Settlement does not become final for any other reason, this Settlement Agreement shall be null
10 and void and any order or judgment entered by the Court in furtherance of this Settlement shall be
11 treated as void from the beginning. In such a case, the Parties and any funds to be awarded under
12 this Settlement shall be returned to their respective statuses as of the date and time immediately
13 prior to the execution of the initial Memorandum of Understanding, and the Parties shall proceed
14 in all respects as if this Agreement had not been executed, except that any fees already incurred
15 by the Settlement Administrator shall be paid by the Parties in equal shares. In the event an
16 appeal is filed from the Court's Final Judgment, or any other appellate review in this action is
17 sought, administration of the Settlement shall be stayed pending final resolution of the appeal or
18 other appellate review, but any fees incurred by the Settlement Administrator prior to it being
19 notified of the filing of an appeal from the Court's Final Judgment, or any other appellate review,
20 shall be paid to the Settlement Administrator by the Parties in equal shares within thirty (30) days
21 of said notification.

22 **VI. CLASS MEMBER'S RELEASE**

23 Upon entry of the Final Approval Order, and except as to such rights or claims as may be
24 created by this Settlement Agreement, the Class Members, on behalf of themselves, and each of
25 their heirs, representatives, successors, assigns, and attorneys, shall be deemed to have, and by
26 operation of the final judgment shall have, fully released and discharged the Released Parties
27 from any and all Released Claims that accrued during the Class Period. This release shall be
28

1 binding on all Class Members who have not timely submitted a valid and complete Request for
2 Exclusion, including each of their respective attorneys, agents, spouses, executors,
3 representatives, guardians ad litem, heirs, successors, and assigns, and shall inure to the benefit of
4 the Released Parties.

5 **VII. RELEASE AND COVENANTS BY THE REPRESENTATIVE PLAINTIFFS**

6 Upon Passages' deposit of the Gross Settlement Amount and all employer side taxes due
7 pursuant to the terms of the Settlement, Plaintiffs will release and discharge all Released Parties
8 from any and all claims, including but not limited to: Any and all wage-and-hour claims arising
9 under the laws of the State of California, including, without limitation, statutory, constitutional,
10 contractual, and/or common law claims for wages, damages, restitution, unreimbursed expenses,
11 equitable relief, penalties, liquidated damages, and/or punitive damages (including, without
12 limitation, claims under any applicable Industrial Welfare Commission Wage Order, the
13 California Private Attorneys General Act, or any other provision of the California Labor Code);
14 Title VII of the Civil Rights Act of 1964; 42 U.S.C. § 1981; the Americans With Disabilities Act;
15 Sections 503 and 504 of the Rehabilitation Act of 1973; the Family Medical Leave Act; the Fair
16 Labor Standards Act; the Employee Retirement Income Security Act; the Occupational Safety
17 and Health Act; the Worker Adjustment and Retraining Notification Act, as amended; the
18 California Unfair Competition Law (Cal. Bus. & Prof. Code § 17200 *et seq.*); the California Fair
19 Employment and Housing Act; any state, civil, or statutory laws, including any and all human
20 rights laws and laws against discrimination; any other federal, state, or local statutes, codes, or
21 ordinances; any common law, contract law, or tort law cause of action; and any claims for
22 interest, attorneys' fees, and/or costs.

23 The Representative Plaintiffs hereby agree that, notwithstanding § 1542 of the California
24 Civil Code, all claims that the Representative Plaintiffs may have, known or unknown, suspected
25 or unsuspected, are hereby released. Section 1542 provides:

26 **“A general release does not extend to claims that the creditor or releasing**
27 **party does not know or suspect to exist in his or her favor at the time of**
28 **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.”

1 The Representative Plaintiffs expressly waive the provisions of Section 1542 with full
2 knowledge and with the specific intent to release all known or unknown, suspected or
3 unsuspected, claims arising on or before the Effective Date of the Settlement, and therefore
4 specifically waives the provisions of any statute, rule, decision, or other source of law of the
5 United States or of any state of the United States or any subdivision of a state which prevents
6 release of unknown claims.

7 **VIII. PAGA RELEASE**

8 The Parties acknowledge and agree that Plaintiffs Tapia and Guillen were deputized by
9 the State of California, pursuant to PAGA, to negotiate and compromise the Released PAGA
10 Claims on behalf of any and all “Aggrieved Employees” as defined in Labor Code section
11 2699(c), subject to the approval procedure set forth in Labor Code section 2699(l). Therefore, as
12 of the Effective Date, all Non-Exempt Class and Independent Contractor Class Members
13 (regardless of whether they submit timely Requests for Exclusions), including Plaintiffs and any
14 other “Aggrieved Employee”, and the State of California release the Released Parties from the
15 Released PAGA Claims for the PAGA Class Period.

16 **IX. PUBLICITY**

17 Prior to filing of the Motion for Preliminary Approval, Plaintiffs and their counsel will not
18 issue any press or other media releases or have any communication with the press or media or
19 anyone other than financial advisors, retained experts, and vendors related to settlement
20 administration, regarding the Settlement. If, before the filing of the Motion for Preliminary
21 Approval, Plaintiffs or their counsel disclose to any unauthorized party (i) that a settlement has
22 been reached or (ii) any of the terms of the Settlement, except as required by law or to effect the
23 Settlement, Defendants may rescind the Settlement, rendering it null and void.

24 Following preliminary approval of the Settlement, the Representative Plaintiffs and Class
25 Counsel shall do nothing to publicize this settlement or use it for marketing purposes, including
26 on websites or on the Internet in any form of press whatsoever. Representative Plaintiffs and
27 Class Counsel also will not initiate any communications with the media about this settlement and,
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1 if contacted by the media or third parties about the Settlement, the Representative Plaintiffs and
2 Class Counsel will only discuss information publicly available. Class Counsel will take all steps
3 necessary to ensure that the Representative Plaintiffs are aware of, and will encourage them to
4 adhere to, the restriction against initiating any media comment. Nothing herein will restrict Class
5 Counsel from including publicly available information regarding this settlement in future judicial
6 submissions regarding Class Counsel's qualifications and experience.

7 **X. MISCELLANEOUS PROVISIONS**

8 **A. Amendments**

9 This Settlement Agreement may only be modified or changed by a writing signed by the
10 Parties or by their counsel.

11 **B. Integrated Agreement**

12 After this Stipulation is signed and delivered by all Parties to the Action and their counsel,
13 this Stipulation and its exhibits will constitute the entire agreement between the Parties to the
14 Action relating to the Settlement, and it will then be deemed that no oral representations,
15 warranties, covenants, or inducements have been made to any Party concerning this Stipulation or
16 its exhibits other than the representations, warranties, covenants, and inducements expressly
17 stated in this Stipulation and its exhibits.

18 **C. No Inducements**

19 Plaintiffs and Defendants acknowledge that they are entering into this Agreement as a free
20 and voluntary act without duress or undue pressure or influence of any kind or nature whatsoever
21 and that neither Plaintiffs nor Defendants have relied on any promises, representations, or
22 warranties regarding the subject matter hereof other than as set forth in this Stipulation.

23 **D. No Prior Assignment**

24 The Parties hereto represent, covenant, and warrant that they have not directly or
25 indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any
26 person or entity any portion of any liability, claim, demand, action, cause of action, or rights
27 herein released and discharged except as set forth herein.

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1 **E. No Retaliation or Advice**

2 Defendants agree not to retaliate against any Class Member, and Defendants will not
3 induce or offer any advice to any current or former employee to opt out of, or object to, the
4 Settlement.

5 **F. Attorney’s Fees**

6 To the extent that any Party institutes any legal action, arbitration, or other proceeding to
7 enforce the terms of the Settlement, the prevailing Party will be entitled to recover their
8 reasonable attorneys’ fees and costs from the other Party or Parties.

9 **G. Applicable Law**

10 All terms and conditions of this Stipulation and its exhibits will be governed by and
11 interpreted according to the laws of the State of California, without giving effect to any conflict of
12 law principles or choice of law principles.

13 **H. Entry of Judgment Pursuant to Terms of Settlement and Dismissal of *Tapia v.***
14 ***Passages Malibu PHP, LLC, et al., LASC Case No. BC653867***

15 The Parties agree that upon the Settlement of this case, the Court may enter judgment
16 pursuant to the terms of this Settlement and the Court will retain jurisdiction over the Parties to
17 enforce the Settlement until performance in full of the terms of the Settlement. The parties
18 further agree that upon the Court’s entry of judgment in this case, Representative Myra Tapia and
19 the Court will dismiss Case Number BC653867 with prejudice.

20 **I. Notices**

21 All notices, requests, demands and other communications required or permitted to be
22 given pursuant to this Agreement shall be in writing, and shall be delivered personally or by first
23 class mail to the undersigned persons at their respective addresses as set forth below:

24 //

25 //

26 //

27 //

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1 CLASS COUNSEL:

2 Aaron C. Gundzik	Daniel M. Holzman	Kyle Todd
3 Rebecca G. Gundzik	Caskey & Holzman	Law Offices of Kyle Todd
4 Gartenberg Gelfand Hayton	24025 Park Sorrento, Ste.	1055 West Seventh Street,
5 LLP	400	Suite 1920
6 15260 Ventura Blvd, Suite	Calabasas, CA 91302	Los Angeles, CA 90017-
7 1920	Telephone: (818) 657-1070	2906
8 Sherman Oaks, CA 91403	Facsimile: (818) 297-1775	Telephone: (323) 208-9171
9 Telephone: (213) 542-2100		Facsimile: (323) 693-0822
10 Facsimile: (213) 542-2101		

11 COUNSEL FOR DEFENDANTS:

12 George W. Abele
13 Paul Hastings LLP
14 515 South Flower Street, 25th Floor
15 Los Angeles, CA 90071
16 Telephone: (213) 683-6000
17 Facsimile: (213) 683-0705

18 **J. Binding on Successors**

19 This Agreement shall be binding and shall inure to the benefit of the Parties to the Action
20 and their respective successors, assigns, executors, administrators, heirs, and legal
21 representatives.

22 **K. Counterparts**

23 This Stipulation, and any amendments hereto, may be executed in any number of
24 counterparts, each of which when executed and delivered shall be deemed to be an original and
25 all of which taken together shall constitute the same instrument.

26 **L. Warranties and Representations**

27 With respect to themselves, each of the Parties to this Action and or their agent or counsel
28 represents, covenants, and warrants that they have full power and authority to enter into and
consummate all transactions contemplated by this Stipulation and have duly authorized the
execution, delivery, and performance of this Stipulation.

1 **M. Representation by Counsel**

2 The Parties to this Action acknowledge that they have been represented by counsel
3 throughout all negotiations that preceded the execution of this Stipulation, and that this
4 Stipulation has been executed with the consent and advice of counsel.

5 Class Counsel and Plaintiffs agree and represent that they are not aware of any claim that
6 could have been brought against Defendants by any person or entity, other than the claims that
7 were alleged or could have been alleged in the Actions, or could have been alleged based on the
8 facts alleged in the Actions or arising out of the circumstances giving rise to the Lawsuit.

9 Class Counsel represent that, as of the date of the execution of this Stipulation of
10 Settlement, they do not represent anyone in connection with a potential claim against Released
11 Parties, with the exception of Plaintiffs. This provision is not intended to, and shall not, restrict
12 any individual's right to the counsel of his or her choice, including Plaintiffs' counsel.

13 **N. Interim Stay Of Proceedings**

14 The Parties agree to stay all proceedings in the Actions, subject to necessary compliance
15 with the Court's orders, except such proceedings necessary to implement and complete the
16 Settlement, in abeyance pending the Final Approval Hearing to be conducted by the Court.

17 **O. Waiver of Certain Appeals**

18 The Parties agree to waive any and all appeals relating to this Settlement, or from the
19 Court's Final Approval of this Settlement, except that the Class Representative and Class Counsel
20 may appeal any reduction in the Class Counsel Award and Costs requested by Class Counsel,
21 provided that any reduction in the Class Counsel Award and Costs shall not constitute grounds to
22 terminate or void the Settlement or otherwise increase the maximum amount payable by Passages
23 under this Agreement, which shall not exceed the Maximum Settlement Amount defined herein.

24 **P. Signatories**

25 It is agreed that because the Class Members are so numerous, it is impossible or
26 impractical to have each Class Member execute this Stipulation. The Notice of Settlement will
27
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1 advise all Class Members of the binding nature of the release, and the release shall have the same
2 force and effect as if this Stipulation was executed by each member of the Settlement Class.

3 Dated: _____, 2019

4 _____
5 Defendants Grasshopper House, LLC,
6 Grasshopper House Partners, LLC, Federal
7 Recovery Systems, LLC, 6390 Meadows Court
8 LLC, 6390A Meadows Court, LLC, Passages
9 Teen Center, LLC, Passages Silver Strand
10 LLC, Passages Venice, LLC f/k/a Passages
11 Malibu PHP, LLC

12 By: _____

13 Their: _____

14 [Signatures continued on next page]

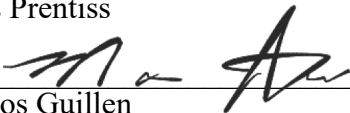
15 Dated: _____, 2019

16 _____
17 Pax Prentiss

18 Dated: _____, 2019

19 _____
20 Chris Prentiss

21 Dated: _____, 2019

22 _____
23 
24 Marcos Guillen

25 Dated: _____, 2019

26 _____
27 Christine Knapp

28 Dated: _____, 2019

29 **APPROVED AS TO FORM:**

30 DATED: October __, 2019

31 GARTENBERG GELFAND HAYTON LLP


32 By: _____
33 Rebecca G. Gundzik

34 Attorneys for Plaintiffs Marcos Guillen and
35 Christine Knapp, Individually and on behalf of
36 all others similarly situated

1 advise all Class Members of the binding nature of the release, and the release shall have the same
2 force and effect as if this Stipulation was executed by each member of the Settlement Class.

3 Dated: 10/17, 2019


4 Defendants Grasshopper House, LLC,
5 Grasshopper House Partners, LLC, Federal
6 Recovery Systems, LLC, 6390 Meadows Court
7 LLC, 6390A Meadows Court, LLC, Passages
8 Teen Center, LLC, Passages Silver Strand
9 LLC, Passages Venice, LLC f/k/a Passages
10 Malibu PHP, LLC

By: 

Their: CEO

11 [Signatures continued on next page]

12 Dated: 10/17/19, 2019


Pax Prentiss

13 Dated: 10/17/19, 2019


Chris Prentiss

14 Dated: _____, 2019

Marcos Guillen

15 Dated: _____, 2019

Christine Knapp

16 Dated: _____, 2019

Myra Tapia

21 APPROVED AS TO FORM:

22 DATED: October 21, 2019

GARTENBERG GELFAND HAYTON LLP

23
24 By: 
25 Rebecca G. Gundzik

26 Attorneys for Plaintiffs Marcos Guillen and
27 Christine Knapp, Individually and on behalf of
28 all others similarly situated

1 advise all Class Members of the binding nature of the release, and the release shall have the same
2 force and effect as if this Stipulation was executed by each member of the Settlement Class.

3 Dated: _____, 2019

4 _____
5 Defendants Grasshopper House, LLC,
6 Grasshopper House Partners, LLC, Federal
7 Recovery Systems, LLC, 6390 Meadows Court
8 LLC, 6390A Meadows Court, LLC, Passages
9 Teen Center, LLC, Passages Silver Strand
10 LLC, Passages Venice, LLC f/k/a Passages
11 Malibu PHP, LLC

12 By: _____

13 Their: _____

14 [Signatures continued on next page]

15 Dated: _____, 2019

16 _____
17 Pax Prentiss

18 Dated: _____, 2019

19 _____
20 Chris Prentiss

21 Dated: _____, 2019

22 
23 _____
24 Marcos Guillen

25 Dated: _____, 2019

26 _____
27 Christine Knapp

28 Dated: _____, 2019

29 **APPROVED AS TO FORM:**

30 DATED: October __, 2019

31 GARTENBERG GELFAND HAYTON LLP

32 By: _____
33 Rebecca G. Gundzik

34 Attorneys for Plaintiffs Marcos Guillen and
35 Christine Knapp, Individually and on behalf of
36 all others similarly situated

1 advise all Class Members of the binding nature of the release, and the release shall have the same
2 force and effect as if this Stipulation was executed by each member of the Settlement Class.

3 Dated: _____, 2019

4 _____
5 Defendants Grasshopper House, LLC,
6 Grasshopper House Partners, LLC, Federal
7 Recovery Systems, LLC, 6390 Meadows Court
8 LLC, 6390A Meadows Court, LLC, Passages
9 Teen Center, LLC, Passages Silver Strand
10 LLC, Passages Venice, LLC f/k/a Passages
11 Malibu PHP, LLC

12 By: _____

13 Their: _____

14 [Signatures continued on next page]

15 Dated: _____, 2019

16 _____
17 Pax Prentiss

18 Dated: _____, 2019

19 _____
20 Chris Prentiss

21 Dated: _____, 2019
22 10/17/2019

23 _____
24 Marcos Guillen



25 Dated: _____, 2019

26 _____
27 Christine Knapp

28 Dated: _____, 2019

Myra Tapia

29 **APPROVED AS TO FORM:**

30 DATED: October __, 2019

31 GARTENBERG GELFAND HAYTON LLP

32 By: _____
33 Rebecca G. Gundzik

34 Attorneys for Plaintiffs Marcos Guillen and
35 Christine Knapp, Individually and on behalf of
36 all others similarly situated

1 advise all Class Members of the binding nature of the release, and the release shall have the same
2 force and effect as if this Stipulation was executed by each member of the Settlement Class.

3 Dated: _____, 2019

4 _____
5 Defendants Grasshopper House, LLC,
6 Grasshopper House Partners, LLC, Federal
7 Recovery Systems, LLC, 6390 Meadows
8 Court, LLC, 6390A Meadows Court, LLC,
9 Passages Teen Center, LLC, Passages Silver
10 Strand, LLC, and Passages Malibu PHP, LLC

11 By: _____

12 Their: _____

13 [Signatures continued on next page]

14 Dated: _____, 2019

15 _____
16 Pax Prentiss

17 Dated: _____, 2019

18 _____
19 Chris Prentiss


20 Dated: _____, 2019

21 _____
22 Marcos Guillen

23 Dated: _____, 2019

24 _____
25 Christine Knapp

26 Dated: 10 / 18 / 2019, 2019

27 
28 _____
Myra Tapia

29 **APPROVED AS TO FORM:**

30 DATED: October 19, 2019

31 GARTENBERG GELFAND HAYTON LLP

32 By: _____

33 Rebecca G. Gundzik

34 Attorneys for Plaintiffs Marcos Guillen and
35 Christine Knapp, Individually and on behalf of
36 all others similarly situated

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DATED: October __, 2019

LAW OFFICES OF KYLE TODD

By: _____
Kyle Todd

Attorneys for Plaintiff Myra Tapia,
Individually and on behalf of all others
similarly situated

DATED: October 17, 2019

PAUL HASTINGS LLP

By: George W. Abele
George W. Abele

Attorneys for Defendants Grasshopper House,
LLC, Grasshopper House Partners, LLC,
Federal Recovery Systems, LLC, 6390
Meadows Court LLC, 6390A Meadows Court,
LLC, Passages Teen Center, LLC, Passages
Silver Strand LLC, Passages Venice, LLC f/k/a
Passages Malibu PHP, LLC

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DATED: October 19, 2019

LAW OFFICES OF KYLE TODD



By: _____
Kyle Todd

Attorneys for Plaintiff Myra Tapia,
Individually and on behalf of all others
similarly situated

DATED: October 19, 2019

PAUL HASTINGS LLP

By: _____
George W. Abele

Attorneys for Defendants Grasshopper House,
LLC, Grasshopper House Partners, LLC,
Federal Recovery Systems, LLC, 6390
Meadows Court, LLC, 6390A Meadows Court,
LLC, Passages Teen Center, LLC, Passages
Silver Strand, LLC, and Passages Malibu PHP,
LLC

Exhibit A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND HEARING DATE FOR COURT APPROVAL

Guillen v. Grasshopper House LLC, et al.

Los Angeles Superior Court Case Number BC685116

Attention: If you are a current or former individual who worked at a Passages rehabilitation clinic as (1) an independent contractor, (2) a non-exempt employee and/or (3) a therapist, clinician, counselor, trainer, or instructor and are or were classified as an exempt/salaried employee, you may be entitled to receive money from a class action settlement.

The California Superior Court, County of Los Angeles authorized this notice.

This is not a solicitation from a lawyer.

Passages' records show that you worked as [an independent contractor, non-exempt employee or therapist, clinician, counselor trainer or instructor] for one or more of the Passages entities in Southern California during the period March 13, 2013 through [the earlier of preliminary approval date or December 4, 2019.] Based on these records, your estimated minimum settlement payment is <<estimate amount>>.

THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY.

You are receiving this Notice because the Court has preliminarily approved a proposed settlement in a class action filed on behalf of independent contractors, non-exempt employees, and therapists, clinicians, counselors, trainers, and instructors who are or were classified as exempt/salaried employees and who worked at addiction treatment facilities commonly called Passages Malibu, Passages Ventura, Passages Venice, Passages Santa Monica or Passages Beverlywood (Los Angeles) from March 13, 2013 through [the earlier of preliminary approval date or December 4, 2019] (the "Covered Time Frame"). The proposed settlement will resolve all Released Claims (defined below) against Defendants Grasshopper House LLC, Grasshopper House Partners LLC, Federal Recovery Systems, LLC, 6390 Meadows Court LLC, 6390A Meadows Court LLC, Passages Teen Center LLC, Passages Silver Strand, LLC, Passages Venice, LLC f/k/a Passages Malibu PHP, LLC, Pax Prentiss, and Chris Prentiss (the "Defendants"), as well as affiliated entities Surfrider Malibu, LLC, Passages Beverlywood, LLC, Passages Brentwood, LLC, Passages Ventura Outpatient, LLC, Passages Ventura Sober Living, LLC,.

The Settlement resolves a class action and representative lawsuit about claims that Defendants classified workers as independent contractors that should have been treated as employees and, as a result, were denied the compensation, rest and meal breaks, reimbursements and other benefits that they were entitled to as employees. In addition, the Settlement resolves claims that Defendants did not allow Passages employees to take meal periods, did not authorize or permit rest periods, failed to pay employees for all hours worked, including overtime wages, provided unlawful wage statements, did not reimburse employees for necessary business expenses, did not timely provide wages (including final wages), violated California's Business and Professions Code and is liable for paying civil penalties under the California Private Attorney General Act ("PAGA"). Defendants deny all liability, assert that they properly compensated Passages' independent contractors and employees, provided meal periods, authorized and permitted rest periods, reimbursed necessary business expenses, have fully complied with all applicable wage and hour laws and that civil penalties under PAGA are not warranted. Defendants have entered into the Settlement solely for purposes of resolving this dispute.

The Settlement provides for settlement payments based on the workweeks and pay periods you worked at Passages during the period beginning on March 13, 2013 and ending on [the earlier of preliminary approval date or December 4, 2019].

You will automatically receive a settlement payment and will be bound by the terms of the release described below, unless you properly submit a timely Request for Exclusion from the settlement (described below). This Notice explains the proposed settlement and provides an estimate of how much money you will receive as a settlement

FOR MORE INFORMATION CALL 1-800-_____.

payment if you do not exclude yourself from the settlement. If you do not want to be part of the settlement class, then you must submit a Request for Exclusion (described below) no later than [60 days from mailing] otherwise you will be bound by the terms of the settlement. However, the Request for Exclusion does not and will not exclude you from the portion of the Settlement related to the Released PAGA Claims.

- The Court handling this case still has to decide whether to grant final approval of the Settlement. Settlement payments will only be issued if the Court grants final approval of the Settlement.
- Additional information regarding the Settlement is available through the Settlement Administrator or Class Counsel, whose contact information is provided in this notice.

BASIC INFORMATION

1. Why Did I Get This Notice?

Passages records show that:

- a. You performed work for Passages as an independent contractor during the period from March 13, 2013 to [the earlier of preliminary approval date or December 4, 2019]; and/or
- b. You were employed by Passages either as a non-exempt employee or an exempt therapist, clinician, counselor, trainer, or instructor and performed work at Passages Malibu, Passages Ventura, Passages Venice, Passages Santa Monica or Passages Beverlywood (Los Angeles) during the period from March 13, 2013 to [the earlier of preliminary approval date or December 4, 2019]

The lawsuit is known as *Guillen et al. v. Grasshopper House, LLC et al.*, and is pending in the Superior Court of California for the County of Los Angeles, Case No. BC685116 (the “Action”). Marcos Guillen, Christine Knapp, and Myra Tapia are called the Plaintiffs, and the entities and individuals they sued, Grasshopper House LLC, Grasshopper House Partners LLC, Federal Recovery Systems, LLC, 6390 Meadows Court LLC, 6390A Meadows Court LLC, Passages Teen Center LLC, Passages Silver Strand LLC, Passages Venice, LLC f/k/a Passages Malibu PHP, LLC, Pax Prentiss and Chris Prentiss, are called the Defendants. In addition, this settlement covers affiliated entities Surfrider Malibu, LLC, Passages Beverlywood, LLC, Passages Brentwood, LLC, Passages Ventura Outpatient, LLC, Passages Ventura Sober Living, LLC.

2. What is the Action about?

The Action generally involves claims under California’s wage and hour laws. Plaintiffs work or worked at Passages’ rehabilitation clinics. They allege that Plaintiffs and other workers who were classified as independent contractors were misclassified and should have been treated as employees and, as a result, were denied the compensation, rest and meal breaks, reimbursements and other benefits that they were entitled to as employees. Plaintiffs also allege that hourly employees, and salaried therapists, clinicians, counselors, trainers, and instructors were not treated correctly under California Labor Law and were not provided with all of the compensation and meal and rest breaks to which they were entitled. As a result, Plaintiffs allege they and the members of the Settlement Class (defined below) are entitled to recover unpaid wages, interest, damages, and statutory and PAGA civil penalties.

Defendants deny that they engaged in any wrongful conduct or that they violated the law in any way, and believe that Plaintiffs and the Settlement Class were properly compensated, and that its wage and hour practices were lawful. However, both Plaintiffs and Defendants believe that the Settlement is fair, adequate, and reasonable, and that it is in the best interest of the members of the Settlement Class (defined below).

3. Why is this lawsuit a class and representative action?

In a class action, someone sues on behalf of others who have similar alleged claims. The persons who sue are called the “Plaintiffs” (in this case the Plaintiffs are Marcos Guillen, Christine Knapp, and Myra Tapia). All of the people the Plaintiffs represent are a “class” or “class members.” Similarly, in a representative PAGA action, the “Plaintiffs” sue on behalf of the State of California to recover PAGA civil penalties for alleged California Labor Code violations experienced by other

FOR MORE INFORMATION CALL 1-800-_____.

class members. The settlement of PAGA civil penalties was submitted to the State of California for its review on [insert date].

The Court’s final approval of the Settlement will resolve: (i) the Released Claims (defined below) for all class members, except for those who exclude themselves from the class; and (ii) the Released PAGA Claims (defined below). On [insert date], the Honorable Amy D. Hogue issued an order conditionally certifying the Settlement Class for purposes of settlement only.

5. Who is in the Settlement Class?

The people eligible to receive a settlement payment are (1) all individuals who have worked at Passages as independent contractors in California during the Covered Time Frame, (2) all non-exempt employees who worked at Passages in California during the Covered Time Frame, and/or (3) all salaried therapists, clinicians, counselors, trainers, or instructors who worked at Passages in California during the Covered Time Frame. These three groups of people are called the “Settlement Class” or “Settlement Class Members.”

6. Why is there a settlement?

After conducting substantial investigation, including review of policies, payroll records and personnel files, both sides agreed to the Settlement to avoid the cost and risk of further litigation. The Settlement does not mean that any law was broken. Defendants deny all of the claims asserted in the Action and deny that they have violated any laws. Plaintiffs and their lawyers think the Settlement is in the best interests of all Settlement Class Members.

THE LAWYERS REPRESENTING YOU

7. Do I have a lawyer in this case?

The Court has appointed the following lawyers to serve as counsel for the Settlement Class:

Attorneys representing the class (“Class Counsel”) are:

<p>Aaron C. Gundzik GARTENBERG GELFAND HAYTON LLP 15260 Ventura Blvd., Suite 1920 Sherman Oaks, CA 91403 Telephone: (213) 542-2100 Facsimile: (213) 542-2101</p>	<p>Daniel M. Holzman CASKEY & HOLZMAN 24025 Park Sorrento, Ste. 400 Calabasas, CA 91302 Telephone: (818) 657-1070 Facsimile: (818) 297-1775</p>	<p>Kyle Todd Law Offices of Kyle Todd 1055 West Seventh Street, Suite 1920 Los Angeles, CA 90017-2906 Telephone: (323) 208-9171 Facsimile: (323) 693-0822</p>
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THE SETTLEMENT BENEFITS – WHAT YOU GET

8. What does the Settlement provide?

The following is a summary of the settlement. The specific and complete terms of the proposed Settlement are stated in the Stipulation of Class Action Settlement (“Settlement Agreement”), a copy of which is filed with the Court. You can also obtain a copy of the Settlement Agreement from Class Counsel (see contact information in Section 4 above) or review it on the following website: www._____.

Passages has agreed to pay \$1,420,000.00 to settle the claims alleged in the lawsuit. This amount is called the Gross Settlement Amount. Deducted from the Gross Settlement Amount will be settlement administration fees and costs (estimated not to exceed [INSERT], attorneys’ fees (not to exceed \$473,333.33, 33-1/3% of the Gross) Settlement Amount, attorneys’ actual costs (not to exceed \$25,000), enhancement awards to the Plaintiffs for their services as a Plaintiff and class representatives (not to exceed \$10,000 per Plaintiff), payment of payment of \$20,000.00 for PAGA civil penalties

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(the “PAGA Allocation”), and \$12,750 for the costs of administering the settlement, which will result in a maximum amount payable by Passages for distribution to Settlement Class Members (the “Net Settlement Amount”).

Your settlement award has two parts. It is comprised of your Individual Settlement Payment and your PAGA Penalties Payment, as follows:

Your Individual Settlement Payment:

Seventy-five percent (75%) of the Net Settlement Amount will be apportioned to claims brought by Settlement Class Members who worked as independent contractors at any time between March 13, 2013 through [the earlier of preliminary approval date or December 4, 2019]. If you worked as independent contractor, your payment related to this work time will be calculated as follows: Compensable Settlement Units will be the sum of all income that Settlement Class Members earned as independent contractors during the Covered Time Frame. The dollars per settlement unit (“Settlement Unit Value”) will be calculated by dividing the Compensable Settlement Units into the 75% of the Net Settlement Amount. The Settlement Unit Value will be multiplied by your individual settlement units (measured by your independent contractor income during the Covered Time Frame) to determine your distribution. Your payment will be reduced by any required legal and/or payroll-related deductions. Your payment will also be reduced by any previous settlement payment you received from Passages in connection with this Action, if any.

Twenty-five percent (25%) of the Net Settlement Amount will be apportioned to claims brought by Settlement Class Members who worked as non-exempt employees and/or salaried therapists, clinicians, counselors, trainers, or instructors.

If you worked as a non-exempt employee and/or a salaried therapist, clinician, counselor, trainers, or instructor, your payment related to this work time will be calculated as follows: Compensable Workweeks will be the sum of all workweeks that Settlement Class Members worked as non-exempt employees or salaried therapists, clinicians, counselors, trainers, or instructors during the Covered Time Frame. The dollars per compensable workweek (“Workweek Value”) will be calculated by dividing the total weeks worked by all Settlement Class Members as non-exempt employees or salaried therapists, clinicians, counselors, trainers, or instructors during the Covered Time Frame during the Covered Time Frame into 25% of the Net Settlement Amount. The Workweek Value will be multiplied by the number of compensable work weeks you worked as a non-exempt employee and/or a salaried therapist, clinician, counselor, trainers, or instructor during the Covered Time Frame to determine the distribution. Your payment will be reduced by any required legal and/or payroll-related deductions.

If you worked as both (1) an independent contractor and (2) a non-exempt employee and/or a salaried therapist, clinician, counselor, trainers, or instructor, your payment will be the total of both calculations above.

The parties recognize that your Individual Settlement Payment is for wages, interest, and penalties. The parties agree that thirty-five percent (35%) of your Individual Settlement Payment shall be reported as wages on IRS Form W-2 and its state and local equivalents, sixty-five percent (65%) shall be reported as interest and penalties on IRS Form 1099 and its state and local equivalents.

Your PAGA Penalties Payment:

The PAGA Allocation is \$20,000.00. Seventy-five percent (75%) of the PAGA Allocation (\$15,000.00) will be distributed to the State of California and the Labor and Workforce Development Agency pursuant to California Labor Code section 2698, et seq. The remaining twenty-five percent (25%) of the PAGA Allocation (\$5,000.00) will be distributed to Settlement Class Members as follows: “Compensable Pay Periods” will be the sum of all pay periods Settlement Class Members worked at Passages during the Covered Time Frame. The dollars per Compensable Pay Period (“Pay Period Value”) will be calculated by dividing twenty-five percent (25%) of the PAGA Allocation by the total Compensable Pay Periods. The Pay Period Value will be multiplied by the number of Compensable Pay Periods you worked as a member of the Settlement Class during the Covered Time Frame to determine your PAGA Penalties Payment. Your PAGA Penalties Payment will be paid out without reduction for any taxes or other withholdings.

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No benefit, including but not limited to 401(k), shall increase or accrue as a result of your Individual Settlement Payment or your PAGA Penalties Payment made as a result of this settlement.

To the extent you dispute any aspect of your Individual Settlement Payment or PAGA Penalties Payment, you must produce supporting evidence to the Settlement Administrator. Passages' records will be presumed determinative.

9. What You Will Receive Under The Settlement.

According to Defendants' records, you [worked a total of _____ weeks as a non-exempt employee and/or a salaried therapist, clinician, counselor, trainers, or instructor] [and] [earned total compensation in the amount of \$_____ as an independent contractor] between March 13, 2013 and [the earlier of preliminary approval date or December 4, 2019]. According to Defendants' records, you received a settlement payment in connection with Defendants' settlement campaign in the amount of \$_____.

Under the settlement, you will receive approximately \$_____. This amount may increase or decrease based on various factors, including the number of class members who submit Requests for Exclusion, the amounts approved by the Court for attorneys' fees and costs, settlement administration costs, service and release payments to Plaintiffs, payment to the LWDA, and disputes by other class members regarding their total compensation and/or compensable workweeks during the Covered Time Frame. **To receive your settlement payment, you do not need to do anything. You will receive a settlement payment unless you exclude yourself from the settlement.**

10. How do I get an Individual Settlement Payment and PAGA Penalties Payment?

You will automatically be sent an Individual Settlement Payment in exchange for which you will give up your rights to be part of any other lawsuit against Passages, Chris Prentiss, or Pax Prentiss involving the same or similar legal claims as the ones in this case. It will be mailed to the address where this notice was mailed (unless you timely provide a forwarding address to the Settlement Administrator, or mail a timely Request for Exclusion).

You will automatically be sent a PAGA Penalties Payment. It will be mailed to the address where this notice was mailed (unless you timely provide a forwarding address to the Settlement Administrator).

11. When will I get my payment?

The Settlement Administrator will mail out settlement checks to members of the classes after the Court grants "final approval" of the Settlement. If the Court approves the settlement after a hearing on [insert date] (see "The Court's Final Approval Hearing") below, there may be appeals. If there are any appeals, resolving them could take some time, so please be patient. . Please also be advised that you will only have 180 days after the Settlement Administrator mails your settlement check to cash it; otherwise it will be voided and the amount of your settlement payment will be sent to the California State Controller's Office Unclaimed Property Fund in your name and you will need to contact that agency to obtain your funds.

12. What is being given up for the Individual Settlement Payment and PAGA Penalties Payment?

Unless you submit a valid Request for Exclusion (described below), in exchange for the consideration provided you will release Passages Venice, LLC f/k/a Passages Malibu PHP, LLC, Grasshopper House, LLC, Grasshopper House Partners, LLC, Federal Recovery Systems LLC, 6390 Meadows Court, LLC, 6390A Meadows Court, LLC, Passages Teen Center, LLC, Passage Silver Strand, LLC, Surftrider Malibu, LLC, Passages Beverlywood, LLC, Passages Brentwood, LLC, Passages Ventura Outpatient, LLC, Passages Ventura Sober Living, LLC, Pax Prentiss, Chris Prentiss and all of their respective current and former parents, subsidiaries, predecessors and successors, and affiliated entities, and each of their respective officers, directors, employees, partners, shareholders, and agents, and any other successors, assigns, or legal representatives, including, without limitation for any and all federal and California state law wage-and-hour claims, rights, demands, liabilities, and/or causes of action of every nature and description, whether known or unknown, arising from or related to any and all claims that were asserted or could have been asserted based on the facts alleged in the Actions, including, without limitation, statutory, constitutional, contractual, and/or common law claims for wages, reimbursements, damages, unpaid costs, penalties (including penalties under the California Labor Code's Private Attorneys General Act of 2004, as amended, California Labor Code section 2699 et seq.), liquidated damages, punitive damages, interest, attorneys'

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fees, litigation costs, restitution, or equitable relief. The Released Claims include, without limitation, California Labor Code sections 201, 201.3, 202, 203, 204, 210, 216, 218.5, 218.6, 226, 226.2, 226.3, 226.7, 246, 510, 512, 558, 1174(d), 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802, 2810.5, 2804 and 2699, and any federal counterparts, and California Business and Professions Code section 17200, et seq. This release is for conduct occurring from March 13, 2013 through [the earlier of preliminary approval date or December 4, 2019]. The claims covered by this release are referred as the “Released Claims.”

Also, in exchange for the consideration provided, the State of California, Plaintiffs and the Settlement Class Members will release the Released Parties from the Released PAGA Claims. The Released PAGA Claims means any and all individual and representative claims that could have been assessed upon and collected from the Released Parties under PAGA, including any and all claims for unpaid wages of whatever kind or nature recoverable under PAGA, whether known or unknown, based on the facts alleged in the Complaint including but not limited to California Labor Code sections California Labor Code sections 201, 201.3, 202, 203, 204, 210, 216, 218.5, 218.6, 226, 226.3, 226.7, 226.8, 246, 247.5, 248.5, 256, 510, 512, 515, 558, 558.1, 1174(d), 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802, 2804, 2810.5, any resulting claim for attorneys’ fees and costs under PAGA.

13. How will the costs of the lawsuit and the Settlement be Paid?

Subject to Court approval, Class Counsel will be paid up to one third of the Gross Settlement Amount (\$473,333.33) for their attorneys’ fees and up to \$25,000.00 in costs, both of which will be paid from the Gross Settlement Amount. The Court may award less than these amounts. If lesser amounts are awarded, the differences will be included in the Net Settlement Amount.

In addition, and subject to Court approval, up to \$10,000.00 will be paid to each Plaintiff from the Gross Settlement Amount for their participation in this lawsuit and for taking on the risk of litigation. The Settlement Administrator’s costs and fees associated with administering the Settlement, estimated not to exceed \$[INSERT], also will be paid from the Gross Settlement Amount. The Court may award less than these amounts. If lesser amounts are awarded, the differences will be included in the Net Settlement Amount and will be available for distribution to Settlement Class Members.

YOUR OPTIONS

14. What rights do I have?

As a member of the settlement classes you have four options. Each option will affect your rights, which you should understand before making your decision. Your rights regarding each option, and the procedure you must follow to select each option, are explained below:

1) You Can Do Nothing.

If you do nothing, you will remain a member of one or both of the settlement classes and will receive a settlement payment. You will also be bound by the release of claims set forth in Section ___ above. The payment will remain valid and negotiable for one hundred eighty (180) days from the date of the issuance. This deadline to cash the payment shall not be extended for you absent Court Order.

2) You Can Contest the Calculation of Your Settlement Payment as Stated in this Notice.

You can contest the number of total compensation that you earned and/or the number of compensable workweeks you worked which are identified for you in Section 6 above. To do so, you must provide the Settlement Administrator with a written explanation of your position. The statement must also include your full name, current address and telephone number, and must identify this case (*Guillen v. Grasshopper House LLC, et al.*, LASC Case Number BC685116). You must provide written documentation supporting the amount of total compensation that you believe you earned and/or the number of compensable workweeks you believe that you worked; otherwise, the numbers listed above will be presumed correct. You must postmark your written statement no later than **[60 days from mailing]**. The Settlement Administrator will consider the documentation you submit and will communicate with you and the parties as necessary regarding the dispute to determine whether an adjustment is warranted before making a final determination regarding your settlement payment. The Settlement Administrator will mail you its final determination.

FOR MORE INFORMATION CALL 1-800-_____.

3) You Can Exclude Yourself from the Settlement Class.

If you do not want to remain a member of the settlement class, you can request exclusion (i.e., opt out) by sending the Settlement Administrator a written Request for Exclusion at the address specified in Section 14 below. A Request for Exclusion is a written statement unambiguously requesting to be excluded from the settlement class. The Request for Exclusion must be signed, and include the case name (*Guillen v. Grasshopper House LLC, et al.*, LASC Case Number BC685116), your name, current address and telephone number, and the last four digits of your social security number (for verification purposes). The Request for Exclusion must be signed, dated and mailed by First Class U.S. Mail, fax or e-mailed, postmarked, or otherwise time stamped no later than [+60 days from date of mailing] to:

Phoenix Class Administration Solutions
Telephone: _____
Facsimile: _____
Email: _____
Website: _____

Requests for Exclusion that do not include all required information and/or that are not timely submitted will be deemed null, void, and ineffective. If you submit a valid and timely Request for Exclusion, you will not be bound by the settlement or the release of claims in Section __ above; however, you will not receive any money under the settlement. You will also be barred from objecting to this settlement. By opting out of the settlement classes, you will retain whatever rights or claims you may have against Defendants.

The Request for Exclusion does not and will not exclude you from the Settlement of the Released PAGA Claims.¹

4) You Can Object to the Settlement.

Any Settlement Class Member may object to the proposed Settlement of the Released Statutory Claims, or any portion thereof, by submitting a written objection to the Settlement Administrator or by filing a written objection, and supporting papers, with the Court by no later than [+60 days from mailing]. The Court is located at the following address:

Superior Court of the State of California
County of Los Angeles
312 North Spring Street
Los Angeles, CA 90012

In addition, any written objection filed with the Court must also be mailed to the Settlement Administrator at the following addresses by regular U.S. Mail postmarked no later than [+60 days from date of mailing] to:

Phoenix Class Administration Solutions
[insert info]

A written objection must contain the objecting person’s full name, current address, and include all objections and the reasons therefore, and include any and all supporting papers (including, without limitation, all briefs, written evidence, and declarations). Any Settlement Class Member who files an objection remains eligible to receive his or her Individual Settlement Payment from the Settlement unless he or she submits a timely and valid Request for Exclusion.

FINAL APPROVAL HEARING ON PROPOSED SETTLEMENT

15. When and where will the Court decide whether to approve the settlement?

¹ You cannot exclude yourself from the Released PAGA claims because a PAGA representative action is brought on behalf of the State of California by an employee that has been given permission by the State of California to litigate on its behalf. Any settlement of a PAGA representative action, once approved, is binding on the State and forecloses future lawsuits by the State (or other employees acting on its behalf) that seek PAGA civil penalties for the settled alleged violations. Thus, because the claim for PAGA civil penalties belongs to the State and not individual employees, there is no mechanism for employees to exclude themselves from the Released PAGA Claims.

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The Final Approval Hearing on the fairness and adequacy of the proposed settlement, the plan of distribution, the service and release payments to the Plaintiff, and Class Counsel's request for attorneys' fees and costs, and other issues will be held on _____, 2020 at __ __.m., in Department 7 of the Los Angeles County Superior Court, Spring Street Courthouse, located at 312 N. Spring Street, Los Angeles, CA 90012. The hearing may be moved to a different date and/or time without additional notice. You may attend the Final Approval Hearing and be heard even if you do not submit an objection to the settlement. The Final Approval Hearing may be continued to another date without further notice. If you plan to attend the Final Approval Hearing, it is recommended that you contact the Settlement Administrator to confirm the date and time.

At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will also decide how much to pay Class Counsel. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

16. Do I have come to the hearing?

No. Class Counsel will answer any questions the judge may have. But you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. You may also pay (at your own expense) another lawyer to attend, but it is not required.

17. May I speak at the hearing?

If a Settlement Class Member wishes to appear at the Final Approval Hearing and orally present his or her objection to the Court, the objector's written statement should include the objector's statement of intent to appear at the Final Approval Hearing. Notwithstanding, in the discretion of the Court, any Class Member, or person purporting to object on behalf of any Class Member, may be received or considered by the Court at the Final Approval Hearing, regardless of whether a written notice of objection is filed or delivered to the Parties.

18. NON-RETALIATION

Defendants will not retaliate or take any adverse action against a class member for participating in the settlement.

ADDITIONAL INFORMATION

19. How do I get more information?

This Notice only summarizes the lawsuit and settlement. For more information, you may inspect the Court file at the Los Angeles County Superior Court, Spring Street Courthouse, located at 312 N. Spring Street, Los Angeles, CA 90012. You may also review the settlement agreement and other documents on-line at www.____ or you may contact the Settlement Administrator as follows:

Phoenix Class Administration Solutions

Telephone: _____

Facsimile: _____

Email: _____

Website: _____

You may also contact Class Counsel at the address and telephone number provided in Section 7 above. If your address changes or is different from the address on the envelope enclosing this Notice, please promptly notify the settlement administrator.

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE

FOR MORE INFORMATION CALL 1-800-_____.