

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

LaVeda Scott v. HumanGood et al.

Case No. CIVDS2016835

Superior Court of California, San Bernardino County

If you worked as a nonexempt employee of HumanGood, HumanGood NorCal, HumanGood SoCal, HumanGood Fresno, and HumanGood Affordable Housing in California at any time during the period April 6, 2016, through June 2, 2022, you may be entitled to receive money from a class action settlement.

The Superior Court of California, County of San Bernardino, authorized this Class Notice.

This is not a solicitation from a lawyer.

PLEASE READ THIS CLASS NOTICE CAREFULLY. YOUR LEGAL RIGHTS ARE AFFECTED BY IT.

- The settlement resolves a class-action lawsuit, LaVeda Scott v. HumanGood, et al. (the "Lawsuit"), which alleges Defendants: (1) Failed to Provide Rest Periods; (2) Failed to Provide Meal Periods; (3) Failed to Pay or Timely Pay Earned Wages; (4) Failed to Pay Sick Pay Wages; (5) Failed to Provide Compliant Wage Statements; (6) Engaged in Unfair or Unlawful Business Practices; and (7) Violated the California Labor Code under the Private Attorneys General Act. Defendants vigorously deny the claims in the Lawsuit and contends that they fully complied with all applicable laws. The Court has not made any determination of the validity of the claims in the Lawsuit.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

Table with 2 columns: Option and Description. Options include: DO NOTHING AND RECEIVE PAYMENT, OPT OUT OF THE SETTLEMENT, and OBJECT TO THE SETTLEMENT.

- The \$3,750,000 Gross Settlement Amount will be used to settle claims of all Settlement Class Members. The amount of each Settlement Class Member's individual settlement payment will be determined by the number of weeks the Settlement Class Member worked in California from April 6, 2016 through June 2, 2022 ("Class Period"), as well as the number of weeks worked from April 6, 2019 through June 2, 2022 (the "PAGA Period"). Settlement Class Members who worked during the PAGA Period are referred to below as "PAGA Members." The Court has preliminarily approved this settlement. A final fairness hearing addressing the fairness, adequacy, and reasonableness of the Settlement will be held on February 14, 2023, to determine whether the Settlement should receive the Court's final approval. Lawyers for the Class Members will be asking the Court to award \$1,250,000 to be paid out of the settlement (one-third of the Gross Settlement Amount) as attorneys' fees for investigating the facts, litigating the case, and negotiating the settlement, as well as actual costs incurred during the case. They also will ask the Court to approve a service award in the amount of \$10,000 to Plaintiff, who assisted in litigating this case for the benefit of all Class Members, and who will also provide a general release of claims. Any questions? Read on or visit www.phoenixclassaction.com/scott-v-humangood/.

BASIC INFORMATION

1. Why did I get this Class Notice package?

Defendants' records show that you work, or previously worked, for Defendants in California as a nonexempt employee during the Settlement Period. You were sent this Class Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options before the Court decides whether to finally approve the settlement. If the Court approves the settlement and then any objections and appeals are resolved, a "Settlement Administrator" appointed by the Court will make the payments described in this Notice. This Notice explains the Lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

2. What is this Lawsuit about?

Plaintiff in this Lawsuit, LaVeda Scott, alleged that during the Settlement Period, Defendants violated California law and failed to provide legally compliant meal periods, failed to provide legally-compliant rest breaks, failed to pay and timely pay all earned wages, failed to pay and timely pay all sick pay wages, and failed to provide legally-compliant wage statements. As noted above, Defendants deny each of these allegations and contends that Plaintiff's claims have no merit whatsoever. A copy of the most recent version of the complaint may be found at www.phoenixclassaction.com/scott-v-humangood/.

3. Why is this a class action?

In a class action, one or more people called Class Representatives make allegations on behalf of other people whom they allege have similar claims. All these people comprise a Class and are referred to as Class Members, except those who decide to exclude themselves from the Class. One court resolves the issues for all Class Members.

4. Why is there a settlement?

The Parties disagree on the probable outcome of the case with respect to liability and damages. The Plaintiff believes the claims asserted against Defendants are valid and could be proven if the case went to trial. Defendants believe the Plaintiff's claims have no merit and that they would not prevail if the case went to trial. The Defendants further contend that, other than in the context of this settlement, the case is not suitable for class treatment. The Court has not decided in favor of the Plaintiff or the Defendants. There has been no trial in this case. Instead, both sides recognize the risks, expenses, and disruption that are associated with continued litigation, and they have therefore chosen to resolve their differences by entering into a settlement. The Parties entered into this settlement after arms-length negotiations while using the services of an experienced and neutral mediator. The Plaintiff and Class Counsel believe that this settlement is fair and reasonable and is in the best interests of all Class Members.

5. What is a class action settlement?

The Court must approve the terms of the settlement described below as fair and reasonable to the class. Once approved, the settlement will affect all Class Members except those who choose to opt out. This Class Notice explains your legal rights, the terms of the settlement, what you must do to participate, and the amount of money you may get. Please read this entire Class Notice carefully.

6. How do I know if I am a Class Member?

If you fit the following description then you are a Class Member: Nonexempt employees who worked for HumanGood, HumanGood NorCal, HumanGood SoCal, HumanGood Fresno, or HumanGood Affordable Housing in California during the Settlement Period.

7. Are there exceptions to being included?

You are not a Class Member if you were not employed by Defendants as a nonexempt employee in California during the Settlement Period. You are also not a Class member if you were part of the class action settlement in *Haji v. Be.Group*, San Diego Superior Court Case No. 37-2017-00025918-CU-OE-CTL, and did not perform work for any of the Defendants after September 28, 2018. You can also choose to be excluded from this settlement by opting out of this settlement, in which case you will not be a Settlement Class Member.

8. I'm still not sure if I am a Class Member. What should I do?

You may contact the Settlement Administrator for further information, or you may also contact Class Counsel at the phone number provided in Section 22 of this Notice. Or you can do nothing, and if you are entitled to a payment you will be paid. Be mindful, however, that if this Class Notice reaches you and the address where you now live is different, you should contact the Settlement Administrator and provide updated information so that any future correspondence or the settlement check itself reaches you and is not returned as an address unknown.

9. What does the settlement provide?

The Parties have agreed to settle the Lawsuit for a "Gross Settlement Amount" of Three Million Seven Hundred Fifty Thousand Dollars and No Cents (\$3,750,000). This means that the entire Gross Settlement Amount will be paid out, subject to various Court-approved deductions listed below in this Section. In addition to the Gross Settlement Amount, Defendants will bear all employer-side payroll tax payments due and payable to federal and state tax authorities as a result of this Settlement. The Gross Settlement Amount shall be deemed in satisfaction of: (1) the claims in the Lawsuit; (2) claims for attorneys' fees not to exceed one-third of the Gross Settlement Amount (\$1,250,000) and costs of Class Counsel actually incurred up to \$25,000; (3) a service payment to Plaintiff not to exceed \$10,000; (4) all costs of third-party settlement administration not expected to exceed \$45,000 or such other amount approved by the Court; and (5) payment to the Labor and Workforce Development Agency of \$450,000 as its share of the PAGA civil penalties.

10. How was payment calculated?

The funds payable to Settlement Class Members will be divided up pro rata using the following formulas:

From the Gross Settlement Amount, payments will be made to the Class Counsel, the Class Representative, and the Settlement Administrator, and \$600,000 shall be designated as "PAGA Penalties". What remains after these payments are made is called the "Net Settlement Amount," depending on the final Court-approved deductions as discussed above. The Net Settlement Amount shall be paid pro rata to each Settlement Class Member based on the number of weeks worked by the Settlement Class Member in California during the Settlement Period (but excluding any weeks before September 18, 2018, for any members of the *Haji v. Be.Group* settlement class). The PAGA Penalties shall be distributed as follows: 75% (\$450,000) shall be paid to the Labor and Workforce Development Agency, and the remaining 25% (\$150,000) shall be paid pro rata to each PAGA Member based on the number of weeks worked by the PAGA Member in California during the PAGA Period.

11. How much will I get from the settlement?

Defendants' records indicate that you worked <Class Weeks> weeks as a nonexempt employee of Defendants during the Settlement Period. Defendants' records indicate that you worked <PAGA Weeks> weeks as a nonexempt employee of Defendants during the PAGA Period. Based on these records, your estimated payment as a Settlement Class Member would be \$<EstimatedAmt>.

Class Members who do not opt-out will be paid out of the Net Settlement Amount. One-fifth of each Settlement Payment will be designated for alleged unpaid wages, for which an IRS Form W-2 shall be issued. The remaining four-fifths of each Individual Settlement Payment will be designated for interest and penalties, for which an IRS Form 1099 shall be issued.

If you believe you had a different number of weeks worked than the number referenced above, you may dispute your calculation by providing written documentation to the Settlement Administrator supporting your position on or before December 23, 2022. Your dispute must contain: your full name, address, signature, and last four digits of your Social Security number; and any facts supporting your dispute, along with any supporting materials confirming that the weeks attributed to you are incorrect. If you do not dispute your weeks worked calculation and do not opt out of the settlement, you will be bound by the settlement and receive a settlement payment. The Settlement Administrator's determination of disputes will be final and non-appealable. **In other words, if you are a Class Member, you do not need to take any action to receive the settlement payment set forth above.**

12. When would I get my payment?

As set forth in Section 18, below, the Court will hold a hearing on February 14, 2023, to decide whether to approve the settlement. If the Court approves the settlement, after that there may be appeals if anyone has filed a timely objection. It is always uncertain when these objections and appeals can be resolved, and resolving them can take time. To check on the progress of the settlement, you may call the Settlement Administrator at (800) 523-5773 or contact Class Counsel (see Question 22 for contact info.). *Please be patient.*

13. What claims am I releasing?

Upon the court's final approval of the class settlement and entry of final judgment, each Settlement Class Member shall be deemed to have released Defendants and all of their present and former parent companies, subsidiaries, divisions, related, or affiliated companies, and their officers, directors, employees, agents, attorneys, insurers, successors, and assigns (collectively the "Released Parties"), from

any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorney's fees, damages, actions or causes of action which are alleged, or reasonably could have been alleged based on the facts and claims asserted in the operative complaint filed in this action, including without limitation to, claims for restitution and other equitable relief, claims for unpaid wages, unpaid overtime wages, meal/rest period penalties, waiting time penalties, unfair business practices, failure to provide accurate wage statements, declaratory relief, accounting, injunctive relief, civil penalties brought under the Labor Code Private Attorneys General Act of 2004 (Labor Code Section 2698 et seq.), claims for penalties of any nature whatsoever arising out of the Released Claims, or any other benefit claimed on account of allegations and claims which are reasonably related to the allegations and claims asserted in the operative complaint filed in this action and thus could have been asserted. This release shall apply to claims arising at any point during the Settlement Period. The release shall exclude claims for vested benefits, wrongful termination, unemployment insurance, disability, workers' compensation, claims arising while classified as exempt from overtime, claims outside of the Settlement Period, or any other claim or right that as a matter of law cannot be waived or released.

14. Do I have a lawyer in this case?

The Court has appointed Diversity Law Group, P.C. to represent you and all the other Class Members in this action. Class Counsel will be compensated from the Gross Settlement Amount as discussed in this Class Notice. If you want to be represented by your own lawyer, you may hire one at your own expense.

15. How will the lawyers be paid?

Class Counsel will ask the Court to approve payment of \$1,250,000 (one-third of the Gross Settlement Amount) to them for attorneys' fees, as well as their actual costs up to \$25,000. The fees will pay Class Counsel for investigating the facts, litigating the case and negotiating and finalizing the settlement. Defendants have agreed not to oppose Class Counsel's application for these fees and expenses. The Court may choose to award less than the amount requested by Class Counsel. All other payments to the Plaintiff and to the Settlement Administrator also come from the Gross Settlement Amount.

16. How can I opt out of this settlement?

You can opt out of this settlement and retain your rights. To do so, you must prepare and submit in writing your signed and dated statement that you want to be excluded from the settlement. You must include your name, address and last four digits of your social security number; the name of the case and the case number, and a clear statement that you seek to be excluded from the Settlement. Your written statement must be received or mailed to the Settlement Administrator, Phoenix Settlement Administrators, and be postmarked no later than December 23, 2022, or it will not be considered, and you will still remain a Settlement Class Member, and be bound by the settlement. Phoenix Settlement Administrators' address is listed in section 23, below.

17. How do I tell the Court that I do not agree with the settlement?

If you do not opt out, you can object to the settlement if you do not agree with it. You should give reasons why you think the Court should not approve the settlement and the Court will consider your views. To object, and to have the Court hear your views, you should send a letter saying that you object to the settlement and give your reasons. Be sure to include your name, address and last four digits of your social security number, case name and number, and provide both the legal and the factual reasons you object to the settlement and indicate whether you intend to appear at the Final Fairness Hearing. Your objection is to be mailed to the Settlement Administrator, Phoenix Settlement Administrators, and must be postmarked no later than December 23, 2023. Phoenix Settlement Administrators' address is listed in section 23, below.

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you do not have to appear at the hearing.

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

The Court will hold a Fairness Hearing on February 14, 2023, in Department S26 of the San Bernardino County Superior Court. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections and they have been properly lodged, the Court will consider them. The Judge will listen to people who attend the hearing and who do not opt out. The Court may also decide how much to pay to Class Counsel. At or after the hearing, the Court will decide whether to approve the settlement. We do not know how long this decision will take.

19. Do I have to 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 sent an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but that is not required.

20. May I speak at the hearing?

If you wish to speak at the Final Approval Hearing, you may appear at the scheduled Final Approval Hearing. You cannot speak at the hearing if you have excluded yourself from the Settlement.

21. What happens if I do nothing at all?

You will be a member of the settlement class. You will be bound by the release as set forth under question 13. Once the Settlement is finally approved by the Court, and the necessary deadlines have passed, you will be mailed your settlement check.

GETTING MORE INFORMATION

22. Are there more details about the settlement?

This Class Notice summarizes the proposed settlement. You may call or contact the Settlement Administrator or Class Counsel if you would like more information about the case. The pleadings and other records in this litigation, including the Settlement Agreement, may be also obtained on the settlement website here: www.phoenixclassaction.com/scott-v-humangood/. The pleadings and other records in this litigation may be examined online on the San Bernardino County Superior Court's website, at <https://cap.sb-court.org/search>. After arriving at the website, enter the case number (CIVDS2016835) as the case number and click 'SEARCH.' Images of every document filed in the case may be purchased at a minimal charge. Class Counsel may be reached at:

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23. How do I get more information?

You may visit, www.phoenixclassaction.com/scott-v-humangood/ or call the Settlement Administrator at (800) 523-5773, or Class Counsel above, or write to the Settlement Administrator at P.O. Box 7208, Orange, CA 92863.

PLEASE DO NOT CONTACT THE COURT OR DEFENDANT WITH INQUIRIES.