

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND DATE
FOR FINAL APPROVAL HEARING**

Ramos, et al. v. Aegis Treatment Centers, LLC, et al.
(County of Los Angeles, California Superior Court Case No. 20STCV41429)

As a current or former non-exempt, hourly-paid California employee of Aegis Treatment Centers, LLC and Pinnacle Treatment Centers, Inc., you are entitled to receive money from a class action settlement.

Please read this Notice carefully. This Notice relates to a proposed settlement of class action litigation. If you are a Class Member, it contains important information about your right to receive a payment from the Settlement fund.

You have received this Notice of Class Action Settlement because the records of Aegis Treatment Centers, LLC and Pinnacle Treatment Centers, Inc. (collectively, “Defendants”) show you are a “Class Member,” and therefore entitled to a payment from this class action Settlement. Class Members are all persons who currently work or formerly worked for the Defendants as non-exempt, hourly-paid employees at any time between July 26, 2018 through August 2, 2022 (“Class Period”) in the State of California (“Class Members”).

- The settlement is to resolve a class action lawsuit, *Ramos, et al. v. Aegis Treatment Centers, LLC, et al.*, pending in the Superior Court of California for the County of Los Angeles, Case Number 21STCV43674 (the “Lawsuit”), which alleges that Defendants: (1) failed to pay overtime wages; (2) failed to pay minimum wages; failed to provide meal periods or compensation in lieu thereof; (4) failed to provide rest periods or compensation in lieu thereof; (5) failed to all wages due upon separation from employment; (6) failed to issue accurate and compliant wage statements; (7) failed to reimburse employees for business expenses; and (8) engaged in unfair competition. Based on these and other alleged Labor Code violations, Plaintiff also seeks penalties under the California Labor Code Private Attorney Generals Act (“PAGA”).
- On January 22, 2022, the Los Angeles County Superior Court granted preliminary approval of this class action settlement and ordered that all Class Members be notified of the Settlement. The Court has not made any determination of the validity of the claims in the Lawsuit. Defendants vigorously deny the claims in the Lawsuit and contends that they fully complied with all applicable laws.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

DO NOTHING AND RECEIVE PAYMENT	Get a payment and give up your legal rights to pursue claims released by the settlement of the Lawsuit.
OPT OUT OF THE SETTLEMENT	Exclude yourself from the Settlement, get no payment for settlement of the class claims, and retain your legal rights to individually pursue the class claims that would otherwise be released by the settlement of the Lawsuit. If you worked from October 23, 2019 through August 2, 2022, (“PAGA Period”) as a non-exempt, hourly-paid employee of Defendant, as well, then you will be deemed an “Aggrieved Employee” and you will still receive your share of the proceeds available from the settlement of the PAGA Released Claims, defined below, (your “Individual PAGA Payment”) even if you opt out of the class settlement.
OBJECT TO THE SETTLEMENT	If you do not opt out, you may write to the Settlement Administrator, Phoenix Settlement Administrators, about why you object to the settlement, and they will forward your concerns to counsel which will then be provided to the Court. If the Court approves the Settlement despite your objection, you will still be bound by the Settlement. You or your attorney may also address the Court during the Final Approval Hearing scheduled for June 1, 2023 at 10:30 a.m. in Department 12 of the Spring Street Courthouse of the Los Angeles County Superior Court, located at 312 N. Spring Street, Los Angeles, CA 90012.

Questions? Contact the Settlement Administrator toll free at (800) 523-5773

The Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at 10:30 a.m. on June 1, 2023, in the Spring Street Courthouse of the Los Angeles County Superior Court, located at 312 N. Spring Street, Los Angeles, CA 90012 Department 12. You are not required to attend the Hearing, but you are welcome to do so.

Why Am I Receiving This Notice?

Defendants' records show that you currently work, or previously worked, for Defendants as a non-exempt, hourly-paid employee in the State of California at some point during the Class 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.

What Is This Case About?

Ariel Orlando Ramos and Nahrain Benner were non-exempt, hourly-paid employee of Defendants. They are the "Plaintiffs" in this case and are suing on behalf of themselves and Class Members for Defendants' alleged failure to pay overtime and minimum wages, failure to provide meal periods or compensation in lieu thereof, failure to provide rest periods or compensation in lieu thereof, failure to pay all wages due upon separation from employment, failure to issue compliant and accurate wage statements, failure to reimburse employees for business expenses, and engaging in unfair competition.

Based on these and other alleged Labor Code violations, Plaintiffs also seek to recover penalties under the California Labor Code Private Attorney Generals Act.

Defendants deny all the allegations made by Plaintiffs and deny that they violated any law. The Court has made no ruling on the merits of Plaintiffs' claims. The Court has only preliminarily approved this class action settlement. The Court will decide whether to give final approval to this settlement at the Final Approval Hearing.

Summary of the Settlement Terms

Plaintiffs and Defendants have agreed to settle this case on behalf of themselves and Class Members and Aggrieved Employees for the Gross Settlement Amount of \$1,225,000.00, unless increased pursuant to the Settlement Agreement. The Gross Settlement includes: (1) Administration Costs up to \$21,000.00 (2) a service payment of up to \$7,500.00 to Plaintiff Ariel Orlando Ramos and Plaintiff Nahrain Benner each, for a total of \$15,000.00 to Plaintiffs, for their time and effort in pursuing this case and in exchange for a broader release of claims against Defendants; (3) up to 35% of the Gross Settlement Amount in attorneys' fees which, unless escalated pursuant to the Settlement Agreement, amounts to \$428,750.00; (4) up to \$25,000.00 in litigation costs to Class Counsel, according to proof; and (5) payment allocated to PAGA penalties in the amount of \$50,000.00 of the Gross Settlement Amount toward PAGA penalties. Pursuant to the PAGA, seventy-five percent (75%) of the amount allocated toward PAGA, or \$37,500.00, will be paid to the LWDA and twenty-five percent (25%), or \$12,500.00, will be distributed to Aggrieved Employees. After deducting these sums, a total of approximately not less than \$685,250.00 will be available for distribution to Class Members ("Net Settlement Amount").

The Settlement is based on Defendant's representation that there are approximately 121,761 Workweeks worked during the Class Period. In the event that it is determined that the number of Workweeks worked by Class Members during the Class Period increases by more than 10% or 12,176 Workweeks, then the Plaintiff have the right to rescind this agreement.

Distribution to Class Members

Class Members who do not opt out will receive a *pro rata* payment of the Net Settlement Amount based on the number of weeks worked by Class Members in non-exempt, hourly-paid positions for Defendants in California during the Class Period ("Eligible Workweeks"). Specifically, Class Members' payments will be calculated by dividing the number of Eligible Workweeks attributed to the Class Member by all Eligible Workweeks attributed to members of the Settlement Class, multiplied by the Net Settlement Amount. Otherwise stated, the formula for a Class Member is: (Individual's Eligible Workweeks ÷ total Settlement Class Eligible Workweeks) x Net Settlement Amount. In addition, Class Members who worked during the PAGA Period (*i.e.*, Aggrieved Employees) will receive a *pro rata* share of the \$12,500.00 allocated as PAGA penalties, whether or not they opt out, based on the number of workweeks worked by each Aggrieved Employee during the PAGA Period.

Defendants' records indicate that you worked [Eligible Workweeks] Workweeks as a non-exempt, hourly-paid employee in California during the Class Period and [Eligible Workweeks] Workweeks during the PAGA Period. Based on these records, your estimated payment as a Class Member would be [\$Estimated Award] and your estimated payment as an Aggrieved Employee would be [\$Estimated Award]. If you believe this information is incorrect and wish to dispute it, you must mail a dispute to the Settlement Administrator no later than March 25, 2023. Please include any documentation you have that you contend supports your dispute.

Questions? Contact the Settlement Administrator toll free at (800) 523-5773

Tax Reporting

100% of the payments for PAGA penalties to Aggrieved Employees will be allocated as penalties reported on IRS Form 1099. 20% of each Settlement Payment to Class Members who do not opt out will be allocated as wages and reported on an IRS Form W-2, and 80% will be allocated as penalties and interest reported on IRS Form 1099. This notice is not intended to provide legal or tax advice on your Settlement Share.

Your Options Under the Settlement

Option 1 – Do Nothing and Receive Your Payment

If you do not opt out, you are automatically entitled to your Individual Settlement Payment (*i.e.*, your share of the Net Settlement Amount) because you are a Class Member. If you do not dispute your settlement share calculation and do not opt out of the settlement, you will be bound by the entire release in the settlement and receive a your Individual Settlement Payment, as well as your Individual PAGA Payment if you are also an Aggrieved Employee. **In other words, if you are a Class Member, you do not need to take any action to receive the settlement payment(s) set forth above.**

Class Members who do not submit a valid and timely opt out (pursuant to Option 2 below), will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all “Released Claims” he or she may have or had upon final approval of this Settlement and payment by Defendants to the Settlement Administrator.

Effective only upon the entry of an Order granting Final Approval of the Settlement, entry of Judgment, and payment by Defendants to the Settlement Administrator of the full Gross Settlement Amount and Employers’ Taxes necessary to effectuate the Settlement, Plaintiffs and all Participating Class Members release any and all claims, rights, demands, damages, liabilities and causes of action (along with related claims and all associated penalties), in law or in equity, arising at any time during the Class Period and that were alleged or that reasonably could have been alleged based on the facts alleged in the Operative Complaint including: (1) all claims for failure to pay overtime wages; (2) all claims for failure to pay minimum wages; (3) all claims for failure to provide meal periods or compensation in lieu thereof; (4) all claims for failure to provide rest periods or compensation in lieu thereof; (5) all claims for failure to pay all wages due upon separation from employment; (6) all claims for failure to issue accurate and compliant wage statements; (7) all claims for failure to reimburse employees for business expenses; (8) all claims asserted through California Business & Professions Code section 17200, et seq. arising out of the Labor Code violations referenced in the Operative Complaint (the “Class Released Claims”).

For Plaintiff, Aggrieved Employees, and, to the extent permitted by law, the State of California, the release includes for the duration of the PAGA Period, all claims, rights, demands, damages, liabilities and causes of action (along with related claims and all associated penalties), in law or in equity that were or reasonably could have been asserted based on the facts alleged in the PAGA Notice, Amended PAGA Notice, and the Operative Complaint (the “PAGA Released Claims”). The Class Released Claims and PAGA Released Claims shall be referred to herein as the “Released Claims.”

“Released Parties” means Defendants and each of their past, present, and future respective subsidiaries, dba’s, affiliates, parents, insurers and reinsurers, and company-sponsored employee benefit plans of any nature and their successors and predecessors in interest, including all of their officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, attorneys, administrators, fiduciaries, trustees, and agents.

Option 2 – Opt Out of the Settlement

If you do not wish to receive your Individual Settlement Payment or release the Class Released Claims, you may exclude yourself by submitting a written request to be excluded from the Class. Your written request must expressly and clearly indicate that you do not want to participate in the Settlement, and you desire to be excluded from the Settlement. The written request for exclusion must include your name, Social Security Number, and the statement “Please exclude me from the Settlement Class in the *Ramos, et al. v. Aegis Treatment Centers, LLC, et al.* matter” or any other statement standing for the proposition that you do not wish to participate in the Settlement. Sign, date, and mail your written request for exclusion by U.S. First-Class Mail to the address below.

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863

Your written request for exclusion must be mailed to the Administrator not later than March 25, 2023.

The proposed settlement includes the settlement of the PAGA Released Claims. An employee may not request exclusion from the settlement of a PAGA claim. Thus, if the court approves the settlement, then even if you request exclusion from the settlement, if you are an Aggrieved Employee, you will still receive your Individual PAGA Payment and will be deemed to have released the PAGA Released Claims. A request for exclusion will preserve your right, if any, to individually pursue only the Class Released Claims.

Questions? Contact the Settlement Administrator toll free at (800) 523-5773

Option 3 – File an Objection to the Settlement

If you wish to object to the Settlement, you may submit an objection in writing stating why you object to the Settlement. Your written objection must provide your name, address, the last four digits of your Social Security Number, signature, a statement of whether you plan to appear at the Final Approval Hearing, and a statement of the reason(s) why you believe that the Court should not approve the Settlement. Your written objection must be mailed the Administrator no later than March 25, 2023. Please note that you cannot both object to the Settlement and opt out of the Settlement. If you exclude yourself, then your objection will be overruled. If the Court overrules your objection, you will be bound by the Settlement and will receive your Settlement Share.

Even if you don't submit a written objection, you may appear at the Final Approval Hearing and provide a verbal objection before the Court.

Final Approval Hearing

You may, if you wish, appear at the Final Approval Hearing set for June 1, 2023 at 10:30 a.m. in the Department 12 of the Spring Street Courthouse of the Los Angeles County Superior Court, located at 312 N. Spring Street, Los Angeles, CA 90012, and orally object to the Settlement, discuss your written objections with the Court and the Parties, or otherwise comment on the Settlement at your own expense. You may also retain an attorney to represent you at the Hearing at your own expense. You may also appear at the Final Approval Hearing via audio or video through the Court's LA Court Connect Website at: <https://my.lacourt.org/laccwelcome>.

If you intend to appear in person for the Final Approval Hearing, you should check the Court's current social distancing guidelines at: <https://www.lacourt.org/>. Under current guidelines, the Court strongly advises individuals appearing in person to wear face masks.

Additional Information

This Notice of Class Action Settlement is only a summary of this case and the Settlement. For a more detailed statement of the matters involved in this case and the Settlement, you may call the Settlement Administrator at (800) 523-5773 or Class Counsel, whose information appears below:

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You may also visit the Settlement Administrator's website at www.phoenixclassaction.com/aegis-treatment to gain access to key documents in this case, including the Settlement Agreement, the Order Granting Preliminary Approval of this Settlement, the Order Granting Final Approval of this Settlement, and the Final Judgment.

You may also refer to the pleadings, the Settlement Agreement, and other papers filed in this case, which may be inspected at the Spring Street Courthouse of the Los Angeles County Superior Court, located at 312 N. Spring Street, Los Angeles, CA 90012, during regular business hours of each court day. You may also obtain these documents through the Court's website at <https://www.lacourt.org/casesummary/ui/>. If you intend to inspect Court records in person, you should check the Court's current social distancing guidelines at: <https://www.lacourt.org/>. Under current guidelines, the Court strongly advises individuals appearing in person to wear face masks.

All inquiries by Class Members regarding this Notice of Class Action Settlement and/or the Settlement should be directed to the Settlement Administrator.

**PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE,
DEFENDANTS, OR DEFENDANTS' ATTORNEYS WITH INQUIRIES.**