Electronically Filed by Superior Court of California, County of Orange, 09/24/2021 03:00:00 PM.
30-2018-00988742-CU-OE-CXC - ROA # 185 - DAVID H. YAMASAKI, Clerk of the Court By Georgina Ramirez, Deputy Clerk.

BIBIYAN LAW GROUP
A Professional Corporation
David D. Bibiyan (Cal. Bar No. 287811)
david@tomorrowlaw.com
Diego Aviles (Cal. Bar No. 315533)
diego@tomorrowlaw.com
8484 Wilshire Boulevard, Suite 500
Beverly Hills, California 90211
Telephone: (310) 438-5555; Facsimile: (310) 300-1705

MELMED LAW GROUP P.C.
Martin Sullivan (Cal. Bar No. 274279)
ms@melmedlaw.com
Jonathan Melmed (Cal. Bar No. 290218)
jm@melmedlaw.com
1180 South Beverly Drive, Suite 610
Los Angeles, California 90035
Telephone: (310) 824-3828 Facsimile: (310) 862-6851

Attorneys for Plaintiffs, KIMBERLY PENCE and LISA BALDERAS, on behalf of themselves and all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

KIMBERLY PENCE and LISA BALDERAS, on behalf of themselves and all others similarly situated,

Plaintiffs,

v.

SOBER LIVING BY THE SEA, INC., a California corporation; ACADIA HEALTHCARE COMPANY, INC., a Delaware Corporation; CRC HEALTH, LLC, a Delaware Limited Liability Company; and DOES 1 through 100, inclusive,

Defendants.

CASE NO.: 30-2018-00988742-CU-OE-CXC

[Assigned for all purposes to the Hon. Randall J. Sherman, Dept. CX105]

~~AMENDED~~ ~~[PROPOSED]~~ **ORDER GRANTING FINAL APPROVAL OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT, APPLICATION FOR ATTORNEYS' FEES AND COSTS, AND ENHANCEMENT AWARDS**

This matter having come before the Court on August 27, 2021 for a final approval hearing pursuant to the Order of this Court dated March 26, 2021, granting preliminary approval ("Preliminary Approval Order") of the class and representative action settlement upon the terms set forth in the Class and Representative Action Settlement Agreement and Release of Claims, the First Amendment to the Settlement Agreement; and the Second Amendment to the Settlement Agreement (collectively, "Settlement Agreement") submitted in support of Motion for Preliminary Approval of the Class and Representative Action Settlement and Certifying Class for Settlement Purposes; and due and adequate notice having been given to the Class Members as required in the Preliminary Approval Order; and the Court having considered all papers filed and proceedings had herein and otherwise being fully informed and good cause appearing therefor, it is hereby **ORDERED, ADJUDGED AND DECREED THAT:**

1. The Motion for Final Approval of Class Action and Representative Action Settlement; Service Awards to Plaintiffs; Settlement Administration Costs; and Reasonable Attorneys' Fees and Costs is hereby granted in its entirety.

2. All terms used herein shall have the same meaning as defined in the Settlement Agreement.

3. This Court has jurisdiction over the subject matter of this litigation and over all Parties to this litigation, including all Class Members.

4. For settlement purposes only, the Court certifies the following class: all current and former non-exempt, hourly-paid employees who worked for Acadia Healthcare Company, Inc., its affiliates and subsidiaries, including without limitation Sober Living By The Sea, Inc. and CRC Health, LLC (collectively, "Defendants") at any time from April 25, 2014 through September 7, 2020 ("Class Period" or "Settlement Period") in California ("Class Members" or "Settlement Class Members").

5. By operation of the entry of the Final Approval Order and Judgment, Plaintiffs and each Settlement Class Member who does not opt out of the Settlement shall release the Released Parties upon Final Approval and payment by the Third-Party Administrator of the Gross Settlement Amount and Employers' Taxes, from any and all claims, debts, liabilities, demands,

obligations, penalties, premium pay, guarantees, costs, expenses, attorney's fees, damages, actions or causes of action of whatever kind or nature, that were alleged or could have been alleged based on the facts alleged in the Actions, and those alleged in any PAGA Notices filed with the Labor Workforce & Development Agency by Kimberly Pence or Lisa Balderas, in addition to a release of claims under Labor Code section 2802, during the Settlement Period.

The released claims include, but are not limited to, any and all claims, debts, liabilities, demands, obligations, guarantees, penalties, costs, expenses, attorney's fees, damages, action or causes of action, contingent or accrued for, which relate to the allegations and claims asserted in the complaints filed in the Actions, and in any PAGA Notices, including without limitation claims for: (1) failure to provide meal periods (Cal. Lab. Code §§ 204, 223, 226.7, 512, and 1198); (2) failure to provide rest breaks (Cal. Lab. Code § 204, 223, 226.7, and 1198); (3) failure to pay hourly or minimum wages (Cal. Lab. Code §§ 223, 510, 1194, 1194.2, 1197, 1197.1, and 1198); (4) failure to provide accurate wage statements (Cal. Lab. Code § 226(a)); (5) failure to timely pay all final wages (Cal. Lab. Code §§ 201, 202, and 203); (6) unfair competition in connection with the allegations brought in the Actions (Cal. Bus. & Prof. Code §§ 17200, *et seq*.); and (7) claims for failure to reimburse business expenses (Cal. Lab. Code § 2802). It also includes, for the PAGA Period (*i.e.*, April 11, 2017 through September 7, 2020), claims brought under the Private Attorneys General Act ("PAGA") arising from the factual allegations in the Actions or any PAGA Notices filed by Plaintiffs, or either of them (Cal. Lab. Code §§ 2698, *et seq*.), whether or not Participating Class Members opt out of the Settlement.

6. The Released Parties are Acadia Healthcare Company, Inc., its affiliates and subsidiaries, including without limitation Sober Living, and their predecessors, successors, subsidiaries, parent companies, other corporate affiliates, and assigns, and each and all of their current or former subsidiaries, parents, affiliates, predecessors, insurers, agents, servants, employees, successors, assigns, officers, officials, directors, attorneys, personal representatives, registered representatives, executors, and shareholders, including their respective pension, profit sharing, savings, health, and other employee benefits plans of any nature, the successors of such

plans, and those plans' respective current or former trustees and administrators, agents, employees, and fiduciaries, and any other persons acting by, through, under or in concert with any of them.

7. Distribution of the Notice of Settlement of Class Action Lawsuit ("Class Notice") directed to the Class Members as set forth in the Settlement Agreement and the other matters set forth herein have been completed in conformity with the Preliminary Approval Order, including individual notice to all Class Members who could be identified through reasonable effort, and was the best notice practicable under the circumstances. This Class Notice provided due and adequate notice of the proceedings and of the matters set forth therein, including the proposed class settlement set forth in the Settlement Agreement, to all persons entitled to such Class Notice, and the Class Notice fully satisfied the requirement of due process.

8. Twelve (12) Class Members opted out of the Settlement and zero Class Members objected to the Settlement. The names of the Class Members who opted out of the Settlement are: Tencia Beavers Sanchez, Lajoy Brown, Tina Gavriiloglou, Sarah Goff, Desiree McGee, Luis Morales, Ferdinandus Nahak, Stevie Neal, Vanessa Ochoa, Adam Potash, Andrew Romine, and Karina Schwab.

9. The Court further finds that the Settlement is fair, reasonable and adequate and that plaintiff Kimberly Pence and plaintiff Lisa Balderas ("Plaintiffs") have satisfied the standards and applicable requirements for final approval of class action settlement under California law, including the provisions of Code of Civil Procedure section 382 and Federal Rules of Civil Procedure, rule 23, approved for use by the California state courts in *Vasquez v. Superior Court* (1971) 4 Cal.3d 800, 821.

10. This Court hereby approves the class settlement set forth in the Settlement Agreement and finds that the settlement is, in all respects, fair, adequate and reasonable, and directs the parties to effectuate the settlement according to its terms. The Court finds that the settlement has been reached as a result of intensive, serious and non-collusive arm's length negotiations. The Court further finds that the Parties have conducted extensive and costly investigation and research and counsel for the parties are able to reasonably evaluate their respective positions. The Court also finds that settlement at this time will avoid additional

substantial costs, as well as avoid the delay and risks that would be presented by the further prosecution of this action. The Court has noted the significant benefits to the Class Members under the settlement. The Court also finds that the class is properly certified as a class for settlement purposes only.

11. Nothing contained in this Settlement Agreement shall be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendants. Each of the Parties has entered into this Settlement Agreement with the intention to avoid further disputes and litigation, and the attendant inconvenience and expense. This Settlement Agreement shall be inadmissible in evidence in any action or proceeding, except an action or proceeding to approve, interpret, or enforce its terms.

12. The Court approves Kimberly Pence and Lisa Balderas as Class and Private Attorneys General Act representatives.

13. The Court approves David D. Bibiyan of Bibiyan Law Group, P.C.; and Martin Sullivan and Jonathan Melmed of Melmed Law Group, P.C. as Class Counsel.

14. The Court approves Phoenix as the Settlement Administrator.

15. The Settlement Agreement provides for a "Gross Settlement Amount" of $3,850,000.00. From the Gross Settlement Amount, individual settlement payments to Class Members; Court approved attorneys' fees of $1,283,333.33 and costs of $39,982.32; Settlement Administrator costs of $25,000.00; Service Awards to Kimberly Pence and Lisa Balderas of $7,500.00 and $6,000, respectively; and payment to the Labor and Workforce Development Agency ("LWDA") for PAGA penalties in the amount of $22,500.00 will be deducted and reflect the Net Settlement Amount. The payment of the settlement funds by Defendants, as well as the payment of individual settlement checks to Participating Class Members, will be made as set forth in the Settlement Agreement.

16. The Court hereby awards Class Counsel attorneys' fees in the total amount of $1,283,333.33, which is one-third of the Gross Settlement Amount and to be deducted therefrom. In addition, the Court awards Class Counsel reimbursement of their costs of $39,982.32 to be deducted from the Gross Settlement Amount. Attorneys' fees and costs will be paid by the

Settlement Administrator from the Gross Settlement Amount as set forth in the Settlement Agreement. In approving the payment of attorneys' fees, the Court finds that the Settlement conferred a significant benefit on the Class and the necessity and financial burden of private enforcement of California labor laws makes an attorney fee award to Plaintiffs' Class Counsel appropriate. The amount of this award is based on the lodestar analysis, subject to a reasonable multiplier, for awarding reasonable attorney's fees and costs and is reasonable, fair and eminently justified. In setting an award of attorneys' fees, costs and expenses, this Court has considered the following factors: (a) the time and labor required; (b) preclusion of other employment; (c) the contingent nature of the cases; (d) the experience, reputation and ability of Plaintiffs' Counsel and the skill they displayed in the litigation; (e) the reasonable hourly rate of attorneys' fees assessed by Class Counsel associated with prosecution of this Class Action, to wit: (f) the results achieved and benefits conferred on the Settlement Class; and (g) the reaction of Settlement Class Members. (*See, e.g. Serrano v. Priest* (1977) 20 Cal.3d 25, 49; *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1810 fn. 21.)

17. The Court hereby approves service awards to Plaintiffs in the amount of $13,500.00 ($7,500 to Kimberly Pence and $6,000 to Lisa Balderas) in consideration for their time, effort and risk incurred on behalf of the Settlement Class, and for providing a general release and releasing unknown claims pursuant to Civil Code section 1542. The Service Awards will be paid to Plaintiffs by the Settlement Administrator from the Gross Settlement Amount as set forth in the Settlement Agreement.

18. The Court hereby approves the Settlement Administrator's cost in the amount of $25,000.00. The Settlement Administrator (Phoenix) shall be paid the cost of administration of the settlement from the Gross Settlement Amount.

19. Except as expressly provided herein, the Parties each shall bear all of their own fees and costs in connection with this matter.

20. The Settlement Administrator shall issue Individual Settlement Payments no later than twenty (20) calendar days after the Effective Date. Any checks from this distribution that are not cashed within one-hundred-eighty (180) calendar days from the date of the mailing of the

checks shall be cancelled and said cancellation shall not affect the validity of the Release of claims provided for herein and the Settlement Class Member shall be deemed to, nevertheless, be bound by the Release of claims provided herein. As soon as practicable after the 180-day check cashing period, the Settlement Administrator shall prepare for the Parties a Final Report — a document summarizing relevant events to date and advising the total dollar amount paid to Settlement Class Members, the status of any uncashed checks, and any amount remaining in the Qualified Settlement Fund. The Parties will request the Court to order that all funds represented by uncashed settlement checks, plus any accrued interest, be tendered to Legal Aid at Work , 180 Montgomery St., Suite 600, San Francisco, California 94104, as a *cy pres* recipient.

21. The Court finds that the class settlement on the terms set forth in the Settlement Agreement was made in good faith, and constitutes a fair, reasonable and adequate compromise of the released claims against Defendants.

22. A Final Report Hearing is hereby scheduled for May 27, 2022 at 10:00 a.m. in Department CX105 of the Superior Court of California, County of Orange. At least 16 ~~five (5)~~ calendar days prior to the hearing, the parties shall file a declaration confirming that the claims have been paid and that administration of all of the terms and conditions of the class action settlement have been completed. Should the Court find that the Declaration has sufficiently evidenced full and complete administration of the class action settlement, the OSC hearing will have a tentative ruling to which the parties may submit without appearance ~~go off calendar~~.

23. Without affecting the finality of the Judgment in any way, this Court hereby retains continuing jurisdiction over the interpretation, implementation and enforcement of the settlement and all orders and judgments entered in connection therewith.

IT IS SO ORDERED.

Dated: **September 24, 2021**

Randall J. Sherman
Judge of the Superior Court

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen years and not a party to the within action; my business address is 8484 Wilshire Blvd, Suite 500, Beverly Hills, California 90211.

On September 21, 2021, I caused a true and correct copy of the foregoing document(s) described as ***AMENDED*** [PROPOSED] **ORDER GRANTING FINAL APPROVAL OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT, APPLICATION FOR ATTORNEYS' FEES AND COSTS, AND ENHANCEMENT AWARDS** to be served by electronic transmission to the below referenced electronic e-mail address as follows:

SEYFARTH SHAW LLP
Michael J. Burns
mburns@seyfarth.com
Andrew M. McNaught
amcnaught@seyfarth.com
560 Mission Street,
31st Floor
San Francisco, California 94105

Attorneys for Defendants Sober Living by the Sea, Inc., Acadia Healthcare Company, Inc. and CRC Health, LLC

MELMED LAW GROUP
Martin Sullivan
ms@melmedlaw.com
Jonathan Melmed
jm@melmedlaw.com
1180 South Beverly Drive
Suite 610
Los Angeles, California 90035

Co-Counsel for Plaintiffs Kimberly Pence and Lisa Balderas

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on September 21, 2021 at Beverly Hills, California.

*/s/ **Cynthia Guerrero***
Cynthia Guerrero