

NOTICE OF CLASS ACTION SETTLEMENT AND FINAL APPROVAL HEARING

Sutton et al v. Comprehensive Educational Services, Inc. dba ACES, Inc.
Orange County Superior Court
Case No. 30-2013-00661591

**PLEASE READ THIS ENTIRE NOTICE CAREFULLY. YOUR RIGHTS
MAY BE AFFECTED BY THE PROPOSED SETTLEMENT
DESCRIBED IN THIS NOTICE**

A court authorized this Notice. This is not a solicitation. This is not a lawsuit against you, and you are not being sued. However, your legal rights may be affected whether you act or not.

TO: All current and former employees of ACES who have held the positions of Behavioral Support Specialist (“BSS”); Behavioral Education Assistant (“BEA”); or Supervisor within the State of California at any point from July 5, 2009 through May 15, 2018.

I. WHY SHOULD I READ THIS NOTICE?

You received this Notice because your employment records indicate that you are eligible to receive a settlement payment as a Class Member under the proposed Settlement in the lawsuit titled *Sutton et al v. Comprehensive Educational Services, Inc. dba ACES, Inc.* (the “Lawsuit”) which is pending in Orange County Superior Court (the “Court”) as Case No. 30-2013-00661591.

This Notice is of a proposed settlement of a class action lawsuit and advises you of how you can either participate in this settlement to receive your share of the settlement proceeds, or how you can exclude yourself from the settlement.

II. WHAT IS THE LAWSUIT ABOUT?

Plaintiffs Amanda Sutton, Melanie Pool, Jennifer Carrillo (formerly Jennifer Leake), Sandra Nguyen, and Angel Gonzalez (the “Named Plaintiffs”) and Comprehensive Educational Services, Inc. (“ACES”) are parties to *Sutton et al v. Comprehensive Educational Services, Inc. dba ACES, Inc.*, which is pending in Orange County Superior Court (the “Court”). The Named Plaintiffs brought this action on behalf of themselves and other similarly situated employees. In summary, the Named Plaintiffs allege that ACES was obligated to pay them overtime but failed to do so; and failed to reimburse them for necessary business expenses. The Named Plaintiffs also brought related wage-and-hour claims. Specifically, the Named Plaintiffs alleged claims for (1) failure to indemnify or reimburse necessary expenditures; (2) failure to pay overtime wages; (3) failure to provide accurate itemized wage statements; (4) waiting time penalties; (5) conversion (theft of wages); and (6) violation of California’s unfair competition law (Business & Professions Code § 17200, *et seq.*).

Defendants have denied each and every allegation by the Named Plaintiffs. The Court dismissed the claim for conversion (theft of wages) but has not otherwise reached any decisions concerning the merits of the Lawsuit, and the Court has not ruled for or against the Named Plaintiffs as to the merits of any of their individual or class claims.

III. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
Do Nothing	Class Members will not have to submit a claim form to receive a settlement payment. If you desire to participate in the settlement and receive your share of the settlement proceeds, you need not do anything and will receive a settlement payment. You will be bound by the Settlement Agreement, and you will give up the claims that are released by the Settlement Agreement. See Section VII below for additional information.
Exclude Yourself	You are entitled to exclude yourself from the Settlement Class by timely submitting a valid, completed, signed Request for Exclusion Form. If you exclude yourself from the Settlement Class, you will not receive any payment under the Settlement. You will retain all of the claims that will be released by members of the Settlement Class. See Section X below for additional information.
Object	You are entitled to submit a timely written objection to the settlement. If the Settlement Agreement is approved after your objection, you will remain a member of the Settlement Class and will give up the claims that are released by the Settlement Agreement. See Section XI below for additional information.

IV. WHO IS COVERED BY THE CLASS ACTION LAWSUIT AND THE PROPOSED SETTLEMENT?

The Lawsuit is being settled as a class action. In a class action, the plaintiffs, also referred to as class representatives, sue on behalf of themselves and other persons with similar claims.

The Court has conditionally approved a class for settlement purposes only. The settlement class ("Settlement Class") is defined as follows:

All current and former employees of ACES who have held the positions of Behavioral Support Specialist ("BSS"); Behavioral Education Assistant ("BEA"); or Supervisor within the State of California at any point from July 5, 2009 through May 15, 2018.

If the Court approves the settlement, the settlement will bind all members of the Settlement Class who have not excluded themselves from the Settlement Class. The Court has not yet determined that the Lawsuit could be litigated as a class action. If the Court does not approve this settlement, the conditional class certification will have no effect or precedential value in any subsequent proceedings in the Lawsuit or in any other litigation.

V. THE PROPOSED SETTLEMENT

The proposed Settlement was negotiated with ACES by the attorneys for the Class ("Class Counsel"). Class Counsel believes that this Settlement is the best interest of the members of the Settlement Class.

The "Total Settlement Value" of this action is \$2,425,000, and consists of the Maximum Settlement Amount (as defined below) plus a total of \$175,000 already paid to certain Settlement Class Members. In exchange for the release of claims (explained in section VII, below) and dismissal of the Lawsuit with prejudice, ACES will provide the members of the Settlement Class monetary compensation in the maximum total amount of \$2,250,000 ("Maximum Settlement Amount"), less amounts awarded by the Court for attorneys' fees and costs; settlement administration expenses; and class representative payments awarded by the Court to the Named Plaintiffs. This remaining amount, payable to the Settlement Class, is the "Net Settlement Amount." The deductions from the Maximum Settlement are as follows:

1. Class Counsel's Attorneys' Fees and Costs. You do not need to pay any portion of the attorneys' fees and costs incurred in this Lawsuit. Class Counsel will ask the Court to award attorneys' fees of up to \$808,333.33 (1/3 of the Total Settlement Value), and a cost award of up to \$25,000. Class Counsel will divide the ultimate attorneys' fees award equally (or 1/3).
2. Named Plaintiffs' Service Award. Class counsel will ask the Court to authorize a Class Representative Payment of \$7,500 for each of the 5 Named Plaintiffs, for a total of \$37,500. Named Plaintiffs will also be entitled to receive their respective shares of the Net Settlement Amount.
3. Settlement Administration Costs. The Settlement Administrator will be paid no more than \$20,000 for administering the proposed settlement, which includes such work as mailing this Notice, establishing and maintaining a settlement website, calculating Settlement Class Member Payments, mailing checks and tax forms, and reporting final data to the parties and to the Court.

VI. HOW MUCH CAN I EXPECT TO RECEIVE?

Assuming the Court approves the maximum amounts sought to be deducted from the Maximum Settlement Amount, the Net Settlement Amount is estimated at \$1,359,166.67, with the average being approximately \$2,257.75 per Settlement Class Member prior to tax withholdings. The amount payable to each individual will vary, as explained below, and will be identified in the Notice of Settlement Award included with his Notice.

Individual settlement shares will be higher or lower depending on the number of workweeks that each Settlement Class Member worked as well as each Settlement Class Member's employment status (full-time or part-time). Specifically, each Settlement Class Member's Settlement Share shall be calculated by first summing (i) the number of workweeks he or she worked in a class position on a part-time basis; and (ii) the number of workweeks he or she worked in a class position on a full-time basis, multiplied by two. The sum of (i) and (ii) shall be the Settlement Class Member's "Adjusted Workweeks." The combined Adjusted Workweeks of all Settlement Class Member shall be the "Aggregate Adjusted Workweeks." Each Settlement Class Member's "Settlement Share Multiplier" shall be determined by dividing his or her Adjusted Workweeks by the Aggregate Adjusted Workweeks. Each Settlement Class Member's Settlement Share Multiplier shall then be multiplied by the Net Settlement Amount. The resulting product will be the Settlement Class Member's "Settlement Share."

The check for your Settlement Share will be mailed by U.S. Mail to your most current known mailing address within 15 days after the Court enters Final Judgment and (i) any appeals of the judgment are exhausted; or (ii) if no appeal is filed, the period for timely filing an appeal has expired. The earliest date on which the Final Judgment will become final is October 15, 2018

VII. SETTLEMENT CLASS REPRESENTATIVES AND CLASS COUNSEL

The Court has appointed Named Plaintiffs as Settlement Class Representatives to represent the Settlement Class. The Court has appointed the following attorneys to represent the Settlement Class as Settlement Class Counsel:

Kevin Schwin
1220 East Olive Avenue
Fresno, CA 93728
(559) 715-2889

Alireza Alivandivafa
1925 Century Park East, Suite 1990
Los Angeles, CA 90067
(310) 570-2238

Briana M. Kim
249 E. Ocean Blvd, Ste. 814
Long Beach, CA 90802
(714) 482-6301

VIII. HOW WILL MY RIGHTS BE AFFECTED IF I DO NOT EXCLUDE MYSELF?

If the Court approves the settlement and it becomes Final, the Named Plaintiffs and all members of the Settlement Class who have not excluded themselves (i) shall be deemed to have agreed that, except for the obligations imposed by this settlement, Defendants shall be forever released and discharged from all Released Claims (as defined below), and (ii) shall be barred and enjoined from suing the Released Parties (as defined below) for any liability in any way related to or arising out of any Released Claim.

“Released Claims” are defined as: Any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees or costs, damages, actions or causes of action which are reasonably related to the allegations and claims asserted in the operative Complaint filed in the Lawsuit, including without limitation to, claims brought under the California Labor Code or Business & Professions Code (including Section 17200 et seq.), claims for restitution and other equitable relief, claims for unpaid wages, unpaid overtime wages, reimbursements or indemnifications, waiting time penalties, unfair business practices, failure to provide accurate wage statements, conversion or theft of labor, declaratory relief, accounting, injunctive relief, claims for penalties of any nature whatsoever, 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 the Lawsuit. The release shall apply to all claims, known or unknown, arising at any point up to the entry of preliminary approval of the class Settlement. However, the release shall not apply to claims for workers’ compensation benefits, unemployment insurance benefits, or any other claim or right that as a matter of law cannot be waived or released.

“Released Parties” means: ACES and all of its parents, subsidiaries, predecessors, successors, and affiliates, and its and their respective officers, directors, employees, administrators, fiduciaries, trustees, and agents.

IX. FINAL APPROVAL HEARING

A hearing (the “Final Approval Hearing”) has been scheduled on August 15, 2018, before the Court, Hon. Kim. G. Dunning, in Department CX 104 of the Orange County Superior Court, located at 751 W. Santa Ana Blvd., Santa Ana, CA 92701, at which time the Court will determine: (1) whether the proposed settlement should be approved as fair, reasonable and adequate to members of the Settlement Class; (2) whether the application of Settlement Class Counsel for an award of attorneys’ fees and costs should be approved and in what amount; (3) whether the application for incentive awards for Named Plaintiffs should be approved and in what amount; and (4) whether a proposed Final Approval Order should be entered, dismissing the Lawsuit with prejudice. The motion for final approval will be on file with the Court no later than 10 days before the hearing and will be available for review after that date. The hearing may be continued (moved to another date) without further notice to the Class Members. It is not necessary for you to appear at this hearing, but you will likely want to appear if you have submitted an objection.

X. RIGHT TO BE EXCLUDED FROM THE SETTLEMENT

You may exclude yourself from the Settlement Class. To do so, you must provide written notice that you are opting out of the Settlement Class and return it to the Administrator at the address set forth above in Section XII of this Notice, postmarked no later than July 21, 2018. If you request to be excluded from the settlement, you will not receive any benefit from the settlement, and you will not release any claims.

Any member of the Settlement Class who does not provide the Administrator with timely written notice that he or she is opting out of the Settlement Class shall be bound by all the terms and conditions of the settlement, including without limitation, the releases provided for in the Settlement Agreement and any Final Judgment entered by the Court.

XI. RIGHT TO OBJECT TO SETTLEMENT

If you are a Class Member, and you do not request exclusion from the settlement, you may object to the settlement before final approval of the settlement by the Court. However, if the Court rejects your objection, you will still be bound by the terms of the settlement, including the release, unless you have submitted a valid and timely request for exclusion. If you choose to object to the settlement, you may do so yourself or through an attorney that you hire and pay for yourself. Your objection shall include a written statement stating the (1) name and address of the objector, (2) dates of employment, (3) reason(s) for any objection(s), including any

and all documentation which support your objection(s), and (4) if the objector is represented by counsel, the name(s) and address(es) of the objector's counsel. DO NOT FILE ANY OBJECTIONS WITH THE COURT. Instead, you or your attorney must submit your written objection to the Settlement Administrator by fax or mail and serve it on counsel for all Parties by no later than July 21, 2018, as follows:

Settlement Class Counsel:

Kevin Schwin, Esq.

Schwin Law, PC

1220 East Olive Avenue

Fresno, CA 93728

Alireza Alivandivafa

Alireza Alivandivafa, Attorney and Counselor at Law

1925 Century Park East, Suite 1990

Los Angeles, CA 90067

Briana M. Kim

Briana Kim, PC

249 E. Ocean Blvd, Ste. 814

Long Beach, CA 90802

Defense Counsel:

Aaron Buckley, Esq.

Jeffrey P. Michalowski, Esq.

PAUL, PLEVIN, SULLIVAN & CONNAUGHTON LLP

101 W Broadway, Ninth Floor

San Diego, CA 92101

XII. SETTLEMENT ADMINISTRATOR

The settlement process will be administered by CPT Group (the "Administrator"), a company that provides settlement and administration services. The Court has approved CPT Group to act as the Administrator for purposes of this settlement. Any notices to the Administrator should be sent to:

Sutton et al v. Comprehensive Educational Services Settlement Administrator

c/o CPT Group, Inc.,

50 Corporate Park

Irvine, CA 92606

Toll-Free: 1-(888) 412-0465

XIII. IMPORTANT SETTLEMENT DATES AND DEADLINES

The following are important dates and deadlines under the proposed settlement:

Exclusion Deadline: July 21, 2018

Objection Deadline: July 21, 2018

Final Approval Hearing: August 15, 2018

XIV. ADDITIONAL INFORMATION

For more detailed information concerning the matters involved in the Lawsuit, please refer to the pleadings, the Settlement Agreement, the Orders entered in the Lawsuit, and to the other papers filed in the Lawsuit. These are available from the administrator by calling Toll-Free: 1-(888) 412-0465 or online at www.cptgroup.com/CESSettlement. They may also be inspected in person at the Office of the Clerk of the Orange County Superior Court, during regular business hours, or online at the following website (by entering the case number (30-2013-00661591) and year of filing (2013):

<https://ocapps.occourts.org/civilwebShoppingNS/Login.do?sessionId=58371621A9E42E762A414A12312216B4>

Any questions concerning the matters contained in this Notice may be directed to the Administrator or Settlement Class Counsel (at the addresses set forth above in Section XI and Section XII of this Notice).

You may also seek the advice and counsel of your own attorney, at your own expense, if you desire.

**Do Not Call Or Write The Court To Obtain Copies Of Documents
Or To Ask Questions About The Settlement.**