

CLASS ACTION SETTLEMENT AGREEMENT

This Class Action Settlement Agreement (hereinafter the “Agreement”) is made by and between Amanda Sutton, Melanie Pool, Jennifer Carrillo (formerly Jennifer Leake), Sandra Nguyen, and Angel Gonzalez (together, “Plaintiffs” or “Named Plaintiffs”) on the one hand; and Comprehensive Educational Services, Inc. (“ACES”) on the other. Together, Plaintiffs and ACES will be referred to herein as “the Parties.”

THE LITIGATION

1. On July 5, 2013, plaintiffs filed a complaint (“Complaint”) in Orange County Superior Court entitled *Amanda Sutton, an individual; Melanie Pool, an individual; Jennifer Carrillo (formerly Jennifer Leake), an individual; Sandra Nguyen, an individual; and Angel Gonzalez, an individual; individually, and acting for the interests of other current and former employees, and on behalf of the general public, Plaintiffs, v. Comprehensive Educational Services, Inc. a California Corporation dba ACES, Inc.; and Does 1 through 50, inclusive, Defendants*. The Complaint 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; and (6) violation of the unfair competition law (Business & Professions Code § 17200, *et seq.*) (the “Litigation”). The matter is currently pending in the Superior Court of the State of California in and for the County of Orange, as Case Number 30-2013-00661591.

2. The Parties engaged in substantial discovery and investigation in connection with the Litigation. ACES provided extensive documents and data to Plaintiffs’ Attorneys to review and analyze.

3. On September 13, 2016, the parties attended a full-day mediation with Robert J. Kaplan, for purposes of settling the Litigation. The parties did not reach a settlement at the

mediation, but continued negotiating for several months, with the ongoing assistance of Mr. Kaplan. On March 8, 2017, pursuant to a mediator's proposal, the parties reached an agreement to settle the entire action.

4. This Agreement concerning the settlement is made in compromise of disputed claims. The payment by ACES shall satisfy all claims alleged in the Complaint; plaintiffs' attorneys fees, costs, and expenses; class administration costs; and Plaintiffs' service awards.

5. As of January 31, 2018 the approximate number of settlement class members was 586, of which 195 are current employees, and 391 are former.

6. Because this is a putative class action, this Agreement must receive preliminary and final approval by the court. Accordingly, the Parties enter into this Agreement on a conditional basis. In the event the court does not execute and file the Final Judgment, or in the event such Final Judgment does not become Final for any reason, or is modified in any material respect, or in the event the Effective Date, as defined herein, does not occur, this Agreement shall be deemed null and void *ab initio* and shall be of no force or effect whatsoever, and shall not be referred to or utilized for any purpose.

7. ACES denies all of Plaintiffs' claims as to liability and damages as well as Plaintiffs' class allegations, and does not waive, but rather expressly reserves, all rights to challenge all such claims and allegations upon all procedural and factual grounds including the assertion of any and all defenses, if the Final Judgment does not become Final for any reason, or in the event that the Effective Date does not occur.

DEFINITIONS

8. The following are certain definitions applicable to this Agreement. Definitions contained elsewhere in the body of this Agreement shall also be effective.

(a) “Agreement” – means the terms and conditions set forth in this Class Action Settlement Agreement.

(b) “Class” – means 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 the date of Preliminary Approval.

(c) “Class Representative Service Award” – means the sum to be paid to each of the Plaintiffs for their roles as Class Representatives, which shall be paid from the Maximum Settlement Amount.

(d) “Effective Date” – means the date by which both of the following have occurred: (i) this Settlement is finally approved by the Superior Court for the County of Orange, and (ii) the court’s Order Approving Class Settlement and Dismissing the Class Action with Prejudice (“Final Judgment”) becomes Final.

(e) “Final” – means the latest of: (i) if there is an appeal of the trial court’s Final Judgment in the Litigation, the date of final affirmance on an appeal or the date of dismissal of such appeal; or (iii) if no appeal is filed, the expiration date of the time for filing or noticing any appeal of the Final Judgment.

(f) “Final Judgment” – refers to the Final Judgment and Order Approving Class Settlement and Dismissing the Class Action with Prejudice.

(g) “Final Settlement Hearing” – means the hearing to be conducted by the Superior Court for the County of Orange to determine whether to enter the Final Judgment finally approving and implementing the terms of this Agreement.

(h) “Maximum Settlement Amount” – refers to Two Million Four-Hundred

and Twenty Five Thousand Dollars (\$2,425,000), which is the maximum amount ACES shall be required to pay and provide under this Agreement. The Maximum Settlement Amount includes and accounts for \$175,000 in payments ACES has already spent in connection with paying departing employees in exchange for releases (amounts which have already been paid, and will not be paid again).

(i) “Motion for Preliminary Approval” – refers to the Motion for Preliminary Approval of the Settlement and its supporting papers.

(j) “Net Settlement Amount” – refers to the portion of the Maximum Settlement Amount payable to Settlement Class Members after this Settlement becomes Final, and consists of the Maximum Settlement Amount minus (i) \$175,000 in payments ACES has already spent in connection with paying departing employees in exchange for releases (amounts which have already been paid, and will not be paid again); (ii) the Class Representative Service Award as ordered by the court and as described in this Agreement; (iii) Plaintiffs’ Attorney Fees and Plaintiffs’ Costs payable upon order of the court and as described in this Agreement; and (iv) Settlement Expenses, as defined below.

(k) “Notice” – refers to the Notice of Pendency of Class Action, Proposed Settlement and Proposed Hearing Date for Court Approval, substantially in the form attached hereto as Exhibit A.

(l) “Order Granting Preliminary Approval” – refers to the order or statement of decision granting preliminary approval of the Settlement.

(m) “Plaintiffs’ Attorneys” – means the Plaintiffs’ attorneys of record in this action—namely, Kevin Schwin, Alireza Alivandivafa, and Briana M. Kim—who have explicit authority to bind to this Agreement.

(n) “Plaintiffs’ Attorney Fees” – refers to the amount awarded to the Plaintiffs’ Attorneys by the Superior Court for the County of Orange for prosecuting and obtaining a settlement of the Litigation.

(o) “Plaintiffs’ Costs” – refers to the amount awarded to the Plaintiffs’ Attorneys by the Superior Court for the County of Orange to reimburse their costs and expenses in this litigation.

(p) “Preliminary Approval Hearing” – means the hearing to be conducted by the Superior Court for the County of Orange to determine whether to grant the Motion for Preliminary Approval.

(q) “Settlement Administrator” – means or refers to any third party administrator designated by the Parties, and approved by the court, to effectuate the Settlement.

(r) “Settlement Class” – means all those persons who are members of the Class during the Settlement Class Period who have not properly and timely opted out of the litigation.

(s) “Settlement Class Period” – means July 5, 2009 through the date of Preliminary Approval.

(t) “Settlement Class Member” – means any person who is included in the Settlement Class.

(u) “Settlement Expenses” – means those expenses of effectuating and administering the Settlement, estimated at \$20,000 (*i.e.*, the costs incurred by the Settlement Administrator, the costs of giving notice to the Class, the costs of administering and disbursing the Net Settlement Amount, and the fees of the Settlement Administrator approved for reimbursement by the court.

SETTLEMENT TERMS

9. **Scope of Settlement.** The Settlement described herein will resolve fully and finally all Settlement Class Members' Released Claims as described in paragraph 13, and all individual claims of Plaintiffs, as described in paragraph 14.

10. **Consideration.** Subject to court approval, and in consideration for the release and settlement described in this Agreement, ACES shall distribute the Maximum Settlement Amount (less the \$175,000 in payments ACES has already spent in connection with paying departing employees in exchange for releases (amounts which have already been paid, and will not be paid again) to the Settlement Class Members, Plaintiffs' Attorneys, and the Settlement Administrator in the manner specified in this Agreement. Payment of the Maximum Settlement Amount under the terms described in this Agreement shall be the sole financial obligation of ACES under this Agreement, except as expressly stated in this Agreement. The Maximum Settlement Amount shall be used: (1) to satisfy the claims of all Settlement Class Members, as specified herein; (2) to satisfy all claims for an award of Plaintiffs' Attorney Fees, Costs and/or Expenses; (3) to satisfy the Class Representative Service Awards; and (4) to satisfy Settlement Expenses incurred in this action. In addition to the Maximum Settlement Amount, ACES shall be responsible for paying the employer's share of payroll taxes on those portions of the settlement payments designated herein as wages. The Maximum Settlement Amount plus the employer's share of payroll taxes shall together constitute the only amounts and/or values (in cash or otherwise) that ACES shall be required to pay and/or provide under this Agreement.

11. **Approval of Settlement.**

(a) Plaintiffs shall apply for approval of the Settlement as described in paragraph 19 of this Agreement for purposes of effectuating this Settlement. Plaintiffs agree not to request

more than \$7,500 for each Class Representative Service Award and further agree not to seek more than \$808,333.33 (1/3 of the Maximum Settlement Amount) for Plaintiffs' Attorneys' Fees or \$25,000 for Plaintiffs' Costs.

(b) ACES shall not oppose an application by Plaintiffs or Plaintiffs' Attorneys for Plaintiffs' Attorney Fees equal to or less than 1/3 of the Maximum Settlement Amount (*i.e.*, \$808,333.33). Further, ACES shall not oppose an application by Plaintiffs or Plaintiffs' Attorneys for up to \$25,000 in costs of litigation.

(c) ACES shall not oppose any application by Plaintiffs and/or Plaintiffs' Attorneys for a Class Representative Service Award in an amount equal to or less than \$7,500 for each Plaintiff.

(d) Should the Superior Court for the County of Orange decline to approve all material aspects of the Settlement, or make rulings substantially altering the fundamental terms of this class settlement, except for the awards of Plaintiffs' Attorney Fees, Plaintiffs' Costs, and Class Representative Service Awards (which shall be decided by the court), or if for any reason ACES is determined not to be entitled to a dismissal with prejudice of the Litigation, ACES shall have no obligation to make any payment, including payment of the Maximum Settlement Amount (or any portion thereof), and in that event if ACES has made any payment, such monies shall be returned promptly to ACES.

12. Allocation of Net Settlement Amount.

The Net Settlement Amount is non-reversionary and will be fully allocated among the Settlement Class Members. Allocation will be based 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).

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 Cash Share Multiplier shall then be multiplied by the Net Settlement Amount. The resulting product will be the Settlement Class Member's "Settlement Share."

One-third of each Settlement Share shall be allocated to each Settlement Class Member's respective wage claims and shall be subject to payroll withholding; and two-thirds shall be allocated to each Settlement Class Member's respective non-wage claims, including but not limited to claims for indemnification and penalties and interest, and shall not be subject to withholding.

Each Settlement Class Member shall be responsible for remitting to state and/or federal taxing authorities any applicable taxes which may be owed on the portion of his or her Settlement Share or Class Representative Service Award. The Parties acknowledge and agree that proper information reporting will be made to the appropriate taxing authorities regarding all payments made pursuant to this Agreement.

13. Release of Claims by Settlement Class Members.

For and in consideration of the mutual promises contained herein, Plaintiffs and the

Settlement Class Members fully and finally release, as of the Effective Date, ACES and all of its parents, subsidiaries, predecessors, successors, and affiliates, and its and their respective officers, directors, employees, administrators, fiduciaries, trustees, and agents (collectively the “Releasees”), from any and all “Settlement Class Members’ Released Claims.” For the purposes of this Agreement, the Settlement Class Members’ 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 this action, 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 this action. This 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, this 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.

14. Release of Claims by Named Plaintiffs.

(a) In addition to the Settlement Class Members’ Released Claims described above, in exchange for the consideration recited in this Agreement, including but not limited to the

Class Representative Service Award, Named Plaintiffs release, acquit, discharge and covenant not to sue any of the Releasees for any claim, whether known or unknown, which Named Plaintiffs have ever had, or hereafter may claim to have, arising on or before the dates they sign this Agreement, including without limitation, any claims relating to or arising out of any aspect of their employment with any of the Releasees, or the termination of his employment with any of the Releasees, any claims for unpaid compensation, wages, reimbursement for business expenses, penalties, or waiting time penalties under the California Labor Code, the California Business and Professions Code, the federal Fair Labor Standards Act, 29 U.S.C. section 201, *et seq.*, or any state, county or city law or ordinance regarding wages or compensation; any claims for employee benefits, including without limitation, any claims under the Employee Retirement Income Security Act of 1974; any claims of employment discrimination on any basis, including without limitation, any claims under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, 42 U.S.C. section 1981, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1991, the Family and Medical Leave Act of 1993, the California Government Code, or any other state, county or city law or ordinance regarding employment discrimination, to the fullest extent permitted by law. However, this release shall not apply to claims under the Age Discrimination in Employment Act, for workers' compensation benefits, unemployment insurance benefits, or any other claim or right that as a matter of law cannot be waived or released.

(b) Named Plaintiffs expressly waive any rights or benefits available to them under the provisions of Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT
TO EXIST IN HIS OR HER FAVOR AT THE TIME OF
EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM

OR HER MUST HAVE MATERIALLY AFFECTED HIS OR
HER SETTLEMENT WITH THE DEBTOR.

Named Plaintiffs understand fully the statutory language of Civil Code section 1542, and, with this understanding, nevertheless elect to, and do, assume all risks for claims that have arisen, whether known or unknown, which they ever had, or hereafter may claim to have had, arising on or before the date of their respective signatures to this Agreement, and specifically waive all rights they may have under California Civil Code section 1542.

(c) Named Plaintiffs acknowledge and agree that the foregoing general release is given in exchange for the consideration provided to them under this Agreement by ACES.

15. **Opt-Outs.** Individuals who fall within the definition of the Class may choose to opt out of the Class under such procedures specified in paragraph 19(c) of this Agreement. Any such persons who do opt out of the Class (“Opt-Outs”) will receive no part in the settlement, will not receive a Settlement Share, a cash payment nor any other payment, either of money or in-kind, nor anything of value whatsoever as part of this Settlement. Every individual who falls within the definition of the Class who does not validly and timely opt out shall be deemed a Settlement Class Member. The Settlement Administrator shall provide copies of all written requests for exclusion from the Class to the Parties’ counsel within ten calendar days of the final date to opt out. If more than five (5) percent of the persons who fall within the definition of the Class become Opt-Outs as specified in this Agreement, then ACES shall have the option to declare this Agreement null and void, if, within thirty calendar days following the expiration of the last time period in which to opt-out, ACES serves written notice of ACES’s exercise of this option on Plaintiffs’ Attorneys. All signatories and their counsel agree not to encourage opt-outs.

16. **Denial of Liability.** ACES DENIES THAT IT OR ANY OF ITS PARENTS,

SUBSIDIARIES, AFFILIATES OR SUCCESSORS OR ANY OTHER RELEASEE HAS ENGAGED IN ANY UNLAWFUL ACTIVITY, HAS FAILED TO COMPLY WITH THE LAW IN ANY RESPECT, OR HAS ANY LIABILITY TO ANYONE UNDER THE CLAIMS ASSERTED IN THE LITIGATION. The Parties expressly acknowledge that this Agreement is entered into for the purpose of compromising highly disputed claims and that nothing herein is an admission of liability or wrongdoing by ACES or any of the Releasees. Neither the Agreement nor any document prepared in connection with the Settlement may be admitted in any proceeding as an admission by ACES or any of the Releasees, Plaintiffs, or any person within the definition of the Class. However, this paragraph and all other provisions of this Agreement notwithstanding, any and all provisions of this Agreement may be admitted in evidence and otherwise used in any and all proceedings to enforce any or all terms of this Agreement, or in defense of any claims released or barred by this Agreement.

17. **Distribution of Net Settlement Amount.** After the Effective Date, and solely for purposes of this Agreement, the Settlement Shares shall be distributed by the Settlement Administrator as follows: (i) Only Settlement Class Members are entitled to any Settlement Shares; those persons who timely and validly submit written requests for exclusion from the class pursuant to the Notice (“Opt-Outs”) are not entitled to any Settlement Shares; and (ii) ACES, through the Settlement Administrator, shall make payments to Settlement Class Members as set forth in paragraph 12. Any disputes concerning the Settlement Shares to be distributed to a Settlement Class Member shall be resolved by the Settlement Administrator. Prior to any such resolution, counsel for the Parties will confer in good faith to resolve the dispute.

18. **Settlement Administration.** The Settlement Administrator’s duties shall include, in addition to duties identified elsewhere in this Agreement: (a) Reviewing, determining the

validity of, and processing all claims submitted by Settlement Class Members; (b) Establishing and maintaining a post office box for mailed written notifications of exclusion from the Settlement Class; (c) Establishing and maintaining a Settlement Website; (d) establishing and maintaining a toll-free telephone line for Settlement Class Members to call with Settlement-related inquiries, and answering the questions of Settlement Class Members who call with or otherwise communicate such inquiries; (e) Responding to any mailed Settlement Class Member inquiries; (f) Processing all written notifications of exclusion from the Settlement Class; (g) processing and transmitting distributions to Settlement Class Members; and (h) Performing any function related to Settlement administration at the agreed-upon instruction of Counsel. The charges of and costs incurred by the Settlement Administrator, upon order of the court, shall be paid from the Maximum Settlement Amount and shall be considered part of the Settlement Expenses. All disputes relating to the Settlement Administrator's ability and need to perform its duties shall be referred to the court if they cannot be resolved by the Parties. The Settlement Administrator shall regularly and accurately report to the Parties, in written form when requested, the substance of the work performed, including the amounts payable to individual Settlement Class Members and the total amount to be paid to all Settlement Class Members.

19. **Preliminary Approval of Settlement.** The Parties agree to the following procedures for obtaining preliminary approval of the Settlement, certifying a conditional Settlement Class, notifying Settlement Class Members, and obtaining final court approval of the Settlement:

(a) **Class Certification for Settlement Purposes Only:** The Parties stipulate to certification of the Class for purposes of settlement only. If the court does not grant either preliminary approval or final approval of this Settlement, or if ACES elects to exercise its option

to declare the Agreement void as set forth in paragraph 22, the Parties' stipulation on class certification will be void and of no further force or effect.

(b) **Motion for Preliminary Approval:** Plaintiffs shall file the Motion for Preliminary Approval of the Settlement and Proposed Order Granting Preliminary Approval of the Settlement with the supporting papers. ACES agrees not to contest such motion, so long as it conforms with the terms of this Agreement.

(c) **Notice of Class Settlement:** Following entry of the Order Granting Preliminary Approval of the Settlement, the Notice, substantially in the form attached hereto as Exhibit A, shall be mailed to Class Members.

(i) Within 10 business days of preliminary approval, ACES shall provide the Settlement Administrator with the following data for each Class Member, on a confidential basis: name, last known mailing address, Social Security number, and the number of workweeks in a class position while classified as full-time, and the number of workweeks in a class position while classified as part-time.

(ii) Within 20 calendar days of preliminary approval, the Settlement Administrator shall mail the Notice (substantially in the form attached hereto as Exhibit A) to all identified Settlement Class Members via U.S. Mail using the most current mailing address information available for Settlement Class Members from ACES's records or from a National Change of Address Search (NCOA). The deadline to request exclusion from the Settlement Class shall be 45 calendar days from mailing by the Settlement Administrator. (This deadline is referred to as the "Response Deadline").

(iii) If Notice forms are returned because of incorrect addresses within 20 days of the initial mailing, then the Settlement Administrator shall conduct a Social Security Number

search for more current addresses for Settlement Class Members and re-mail the Notice form to any new addresses obtained within 5 days of receipt. If new address information is obtained by return mail within 20 days of the initial mailing, the Settlement Administrator shall promptly forward the Notice to the addressee via first-class regular U.S. Mail indicating on the Notice the date it was re-mailed within 5 days of receipt. The Response Deadline Date shall not be extended for Settlement Class Members whose Notices are re-mailed pursuant to this paragraph. In the event the procedures in Paragraph 19(c)(iii) are followed and the intended recipient of a Notice still does not receive the Notice, the intended recipient shall remain a Class Member and will be bound by all terms of the Settlement and any Final Approval Order entered by the Court if the Settlement is approved by the Court.

(iv) The Notice shall provide that the Class Members who wish to object to the Settlement must file with the court and serve on counsel for the Parties a written statement objecting to the Settlement which includes the (1) name and address of the objector, (2) dates of employment, (3) the reason(s) for any objection with any and all supporting documentation, and (4) if the objector is represented by counsel, the name(s) and address(es) of the objector's counsel. If an objecting Class Member intends to appear at the Final Settlement Hearing, the objecting Class Member must indicate within his or her written statement his/her intention to appear at the Final Settlement Hearing. Such written statement must be filed with the court and served on counsel for the Parties within 45 calendar days following the mailing of the Notice, which is the Response Deadline. Class Members who fail to file and serve timely written objections in the manner specified above shall be deemed to have waived any objections and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement, and will be deemed Settlement Class Members. Unless the Court directs otherwise,

the 45-calendar day period applies notwithstanding any argument regarding non-receipt of the Notice. No Class Member who excludes him/herself from the Class shall be entitled to object to the Settlement.

The Notice shall advise Class Members of their right to opt-out of the Settlement and enclose an opt-out form. Any Class Member wishing to opt out of the Settlement must comply with the deadline and procedures specified in the Notice for doing so. Class Members who fail to submit a written request for exclusion form on or before the Response Deadline shall be bound by all terms of the Settlement and the Final Judgment entered in the Litigation if the Settlement is approved by the court, regardless of whether they have objected to the Settlement. Within 10 calendar days after the Response Deadline Date, the Settlement Administrator shall provide the Parties with a complete and accurate list of all Settlement Class Members who have validly and timely requested exclusion from the Class.

(v) The Notice shall include a “Notice of Settlement Award” form.

A Settlement Class Member may dispute the amount of his or her Settlement Share, and the data used to calculate the Settlement Share, by timely sending a written notice to the Settlement Administrator informing the Settlement Administrator of the nature of the dispute and providing any records or documentation supporting the Settlement Class Member’s position. IN response to such a dispute, Defendant will first verify the information contained in Defendant’s records. Class Counsel and Defense Counsel will then make a good faith effort to resolve the dispute informally. If counsel for the Parties cannot agree, the dispute shall be resolved by the Settlement Administrator, who shall examine the records provided by the Defendant and the Settlement Class member. The Settlement Administrator’s determination regarding any such dispute shall be final. A dispute regarding the Settlement Share or the underlying data used to

calculate the Settlement Share shall be considered timely if received by the Settlement Administrator postmarked within forty-five (45) calendar days of Class Notice being mailed.

(d) **Non-Solicitation of Opt-Outs/Objections:** The Parties agree that neither they nor their counsel will solicit or otherwise encourage directly or indirectly Class Members to request exclusion from the Class, object to the Settlement, or appeal the Final Judgment.

(e) **Final Settlement Hearing:** A Final Settlement Hearing to determine final approval of the Settlement shall be conducted subject to the calendar of the court. No later than 10 calendar days prior to the Final Settlement Hearing (and consistent with the Court's timelines for noticed motions), the Settlement Administrator shall provide Plaintiffs' Counsel with a Declaration of Compliance to be filed with the Court by Plaintiffs' Counsel. No later than 10 calendar days before the Final Settlement Hearing (and consistent with the Court's timelines for noticed motions), Plaintiffs shall file a Motion for Final Approval, Memoranda of Points and Authorities in Support of the Settlement, and Motion for Attorneys' Fees and Class Representative Enhancement, which ACES shall not oppose so long as it conforms with the terms of this Agreement.

(f) . Upon final approval of the Settlement by the Court at or after the Final Settlement Hearing, Class Counsel shall present the proposed Final Judgment and Order Approving Class Settlement and Dismissing Class Action with Prejudice ("Final Judgment") to the court for its approval and entry.

(g) The Parties stipulate and agree that after entry of the Final Judgment, the court shall have continuing jurisdiction over the Litigation, for purposes of (i) enforcing this Settlement Agreement, (ii) addressing settlement administration matters, and (iii) addressing such post-Final Judgment matters as may be appropriate under court rules or applicable law.

20. **Funding of Maximum Settlement Amount.**

(a) **Payment of Settlement Payments.** ACES will provide the Settlement Administrator the Maximum Settlement Amount (less the \$175,000 in payments ACES has already spent in connection with paying departing employees in exchange for releases (amounts which have already been paid, and will not be paid again) within 14 calendar days of the Final Judgment becoming Final.

(b) The distribution of the (1) Settlement Shares (from the Net Settlement Amount), (2) Class Representative Enhancement Fees to Plaintiffs (which shall be delivered to Class Counsel), (3) Plaintiffs' Attorney Fees and Costs awarded to Class Counsel, and (4) Settlement Administrator Fees shall be made by the Settlement Administrator within fifteen (15) calendar days after the Final Judgment becomes Final.

(c) **Application for Approval of Plaintiffs' Attorney Fees and Costs.** Plaintiffs' Attorneys shall submit an application to the court for approval of Plaintiffs' Attorney Fees. Plaintiffs' Attorneys will request that the court approve \$808,333.33 as Plaintiffs' Attorney Fees and up to \$25,000 as Plaintiffs' costs of litigation. As set forth above, Plaintiffs' Attorney Fees and costs shall come exclusively from the Maximum Settlement Amount.

(d) **Payment of Plaintiffs' Attorney Fees and Costs.** The amount of court-awarded Plaintiffs' Attorney Fees and costs shall be paid by the Settlement Administrator to the Plaintiffs' Attorneys out of the Maximum Settlement Amount. The Settlement Administrator shall issue Forms 1099 to each of the Plaintiffs' Attorneys. ACES agrees not to oppose such an application for Plaintiffs' Attorney Fees and Costs, so long as it conforms with the terms of this Agreement. Should the Court approve a lesser amount in fees, the difference between the lesser amount and \$803,333.33 shall remain in the Net Settlement Amount. Should the Court approve a lesser

amount in costs, the difference between the lesser amount and \$25,000.00 shall be added to the Net Settlement Amount.

(e) **Payment of Class Representative Service Award.** Upon court approval, Named Plaintiffs shall be paid Class Representative Service Awards. Plaintiffs will request that the court approve a payment in the amount of \$7,500 as a Class Representative Service Award for each of the Named Plaintiffs, and ACES agrees not to object to a Class Representative Service Award of not more than \$7,500 for each of the Named Plaintiffs. The Settlement Administrator shall make payment of the Class Representative Service Award to Named Plaintiffs, out of the Maximum Settlement Amount. The Settlement Administrator shall issue a form 1099 to Named Plaintiffs for the Class Representative Service Awards.

(f) **Payment of Settlement Expenses.** The Settlement Administrator shall receive such amount approved by the Parties and by the Court, from the Maximum Settlement Amount as set forth in paragraph 8(h) of this Agreement. Should the Settlement Administrator request a lesser amount than \$20,000 and/or the Court approve a lesser amount, the difference between the lesser amount and \$20,000 shall remain in the Net Settlement Amount.

(g) **Approval of Fees and Costs.** Recovery of fees and the award of a Class Representative Service Awards are not conditions to this Agreement, and are to be considered by the court separately from the fairness, reasonableness, adequacy and good faith of the Settlement. Any order or proceeding relating to the application by Plaintiffs' Attorneys of an award of attorneys' fees or Class Representative Service Award, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel this Agreement, or affect or delay the finality of the Final Judgment.

(h) **Non-Applicability of CCP Section 384 / Residue.** If any Settlement Class

Member has not cashed his or her Settlement Payment check within ninety (90) days of issuance, the Claims Administrator shall mail that Class Member a postcard reminding him/her of the deadline to cash such check and providing information as to how to obtain a reissued check in the event the check was lost, stolen or misplaced. Any checks paid to Settlement Class Members shall remain valid and negotiable for one hundred twenty (120) days from the date of their issuance. Class members who, for any reason, do not negotiate their check[s] in a timely manner shall remain subject to the terms of the Final Judgment. Any amounts from settlement checks that remain uncashed and otherwise unclaimed shall be paid as follows: (a) Twenty-five percent (25%) to the California State Treasury for deposit in the Trial Court Improvement and Modernization Fund, established in Section 77209 of the Government Code, and subject to appropriation in the annual Budget Act for the Judicial Council to provide grants to trial courts for new or expanded collaborative courts or grants for Sargent Shriver Civil Counsel; and (b) Seventy-five percent (75%) to the California State Treasury for deposit in the Equal Access Fund of the Judicial Branch, to be distributed in accordance with Sections 6216 to 6223, inclusive, of the California Business and Professions Code, except that administrative costs shall not be paid to the State Bar or the Judicial Council from this sum.

21. **Notices.** Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the fifth day after mailing by United States mail, addressed as follows:

To Class Counsel for Plaintiffs:

Kevin Schwin
1220 East Olive Avenue
Fresno, CA 93728

Alireza Alivandivafa
1925 Century Park East, Suite 1990
Los Angeles, CA 90067

Briana M. Kim
249 E. Ocean Blvd, Ste. 814
Long Beach, CA 90802

To Counsel for Defendant:

Aaron A. Buckley
Jeffrey P. Michalowski
PAUL, PLEVIN, SULLIVAN & CONNAUGHTON LLP
101 West Broadway, 9th Floor
San Diego, CA 92101

22. **ACES's Option to Void Agreement.** It is understood and agreed by the Parties that the formula for the distributions of the Net Settlement Amount and the procedure for effectuating this Settlement are subject to approval by the court. However, if any court order or action of the court requires ACES or any other Releasee to: pay any portion of the Settlement Consideration to any person or entity other than as provided herein, or pay more than the amounts specified In 8(h), or makes an order inconsistent with this Agreement, the Agreement shall be voidable by ACES, by written notice to the attorney of record for Plaintiffs, no later than thirty calendar days after ACES receives notice of entry of any such order. As set forth in paragraph 15, ACES also shall also have the option to void this Agreement if more than five (5) percent of the Class Members exercise their right to opt out of this Agreement.

If ACES voids this Agreement, or if the court fails to approve this Agreement, neither ACES nor any other Releasee shall have any obligation to make any payments under this Agreement and ACES shall receive a return of any funds already paid. ACES agrees to pay to the Settlement Administrator directly all of the Settlement Administration expenses under those circumstances.

23. **No Publicity.** The Parties and their respective counsel shall not issue any press release or media release or have any communication with the press or media regarding this settlement. Plaintiffs' Attorneys may, however, respond to any inquiries from Class Members

regarding the Settlement.

24. **Entire Agreement.** After this Agreement is fully executed by all Parties and their attorneys of record, this Agreement shall constitute the entire agreement relating to settlement of this Litigation and the causes of action and defenses asserted therein, and it shall then be deemed that no oral representations, warranties or inducements have been made to any party concerning this Agreement other than the representations, warranties and covenants expressly stated in this Agreement. In particular, upon full execution of this Agreement, the Memorandum of Understanding previously signed by the parties and their counsel will be null, void, and without any legal effect.

25. **Authorization.** Plaintiffs' Attorneys warrant and represent that they are authorized by Plaintiffs, for whom they are the attorneys of record, and the attorneys of record for ACES warrant and represent that they are authorized by ACES, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties agree to seek the assistance of the court, and in all cases all such documents, supplemental provisions and assistance of the court shall be consistent with this Agreement.

26. **Jurisdiction.** The court shall have continuing jurisdiction to resolve any dispute which may arise with regard to the terms and conditions of this Agreement, subject to approval by the court. Except where the context indicates otherwise, references to the court shall also

include any other courts that take jurisdiction of the Litigation, or any to whom the court has referred the matter.

27. **Modification.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their successors-in-interest.

28. **Successors.** This Agreement shall be binding upon, and inure to the benefit of, the successors of each of the Parties.

29. **California Law.** All terms of this Agreement and its Exhibits shall be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.

30. **Representation by Counsel.** The Parties have each been represented by counsel and have cooperated in the drafting and preparation of this Agreement. This Agreement shall not be construed against any party on the basis that the party was the drafter or participated in the drafting.

31. **Counterparts.** This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. Any executed counterpart shall be admissible in evidence to prove the existence and contents of this Agreement.

32. **Incorporation of Exhibits.** All exhibits attached hereto are incorporated by reference and are a material part of this Agreement. Any notice, order, judgment or other exhibit that requires approval of the court must be approved without material alteration from its current form in order for this Agreement to become effective.

33. **Reasonableness of Settlement.** The Parties believe that this is a fair, reasonable

and adequate Settlement and have arrived at this Settlement through arms-length negotiations, taking into account all relevant factors, present and potential.

34. **Return of Documents and Data.** Within thirty days after the filing of the Final Judgment pursuant to this Agreement, Plaintiffs' Attorneys shall return all documents and data received from ACES or confirm destruction of any such documents and/or data.

35. **Headings.** The headings contained in this Agreement are for reference only and are not to be construed as a part of the Agreement.

36. **Waiver of Right to Object.** By signing this Agreement, Plaintiffs agree to be bound by its terms and agree not to request to be excluded from the Class and agree not to object to any of the terms of the Agreement. Any such request for exclusion or objection by Plaintiffs shall be void and of no force or effect.

37. **Final Order and Judgment.** The Parties shall seek inclusion of the following terms in the Court's Final Order and Judgment:

(a) An Order granting final approval to the settlement as fair, reasonable, adequate, in good faith and in the best interests of the Class, as a whole, and ordering the parties to carry out the provisions of this Agreement.

(b) An award specifying the amounts for Plaintiffs' Attorney Fees, the Class Representative Service Award, and Settlement Expenses.

(c) Dismissal with prejudice of all actions, complaints, and claims and any lawsuit against ACES and/or the Releasees arising out of or related to any of the actions, omissions or events complained of in the Complaint insofar as they relate to Settlement Class Members.

(d) Adjudication that the Settlement Class Members are conclusively deemed to have released ACES and the Releasees of and from any and all rights, claims, demands, liabilities,

causes of action, liens and judgments arising out of or in any way related to the matters set forth in the Complaint.

(e) Order barring and permanently enjoining each Settlement Class Member from prosecuting against the Releasees any and all of the Released Claims which the Settlement Class Members have arising out of, based upon, or otherwise related to the allegations in the Complaint.

(f) Reserving continuing jurisdiction as provided herein.

Dated: _____
AMANDA SUTTON

Dated: _____
MELANIE POOL

Dated: _____
JENNIFER CARRILLO

Dated: _____
SANDRA NGUYEN

Dated: _____
ANGEL GONZALEZ

Dated: _____
KEVIN SCHWIN
Counsel for Plaintiffs

Dated: _____
ALIREZA ALIVANDIVAFA
Counsel for Plaintiffs

Dated: _____
BRIANA M. KIM
Counsel for Plaintiffs

Dated: 5/2/2018


AMANDA SUTTON

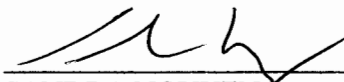
Dated: _____

MELANIE POOL

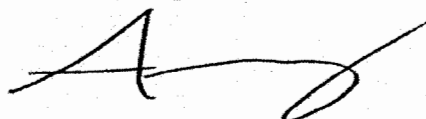
Dated: _____

JENNIFER CARRILLO

Dated: 5/3/18


SANDRA NGUYEN

Dated: _____



ANGEL GONZALEZ

Dated: _____

KEVIN SCHWIN
Counsel for Plaintiffs

Dated: _____

ALIREZA ALIVANDIVAFI
Counsel for Plaintiffs

Dated: _____

AMANDA SUTTON

Dated: _____

MELANIE POOL

Dated: 5/2/18


JENNIFER CARRILLO

Dated: _____

SANDRA NGUYEN

Dated: 02 MAY 2018


ANGEL GONZALEZ

Dated: _____

KEVIN SCHWIN
Counsel for Plaintiffs

Dated: _____

ALIREZA ALIVANDIVAFI
Counsel for Plaintiffs

Dated: _____

BRIANA M. KIM
Counsel for Plaintiffs

Dated: _____

Comprehensive Educational Services, Inc.

By _____
SIENNA ARCHIBEK
Chief Financial Officer

Dated: _____

PAUL PLEVIN, SULLIVAN & CONNAUGHTON LLP

By _____
JEFFREY P. MICHALOWSKI
Counsel for Defendant

Dated: _____

AMANDA SUTTON

Dated: May 02, 2018



MELANIE POOL

Dated: _____

JENNIFER CARRILLO

Dated: _____

SANDRA NGUYEN

Dated: _____

ANGEL GONZALEZ

Dated: _____

KEVIN SCHWIN
Counsel for Plaintiffs

Dated: _____

ALIREZA ALIVANDIVAFA
Counsel for Plaintiffs

Dated: _____

BRIANA M. KIM
Counsel for Plaintiffs

Dated: _____

Comprehensive Educational Services, Inc.

By _____
SIENNA ARCHIBEK
Chief Financial Officer

Dated: _____

PAUL, PLEVIN, SULLIVAN & CONNAUGHTON LLP

By _____
JEFFREY P. MICHALOWSKI
Counsel for Defendant

Dated: _____

AMANDA SUTTON

Dated: _____

MELANIE POOL

Dated: _____

JENNIFER CARRILLO

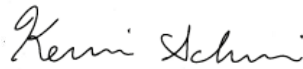
Dated: _____

SANDRA NGUYEN

Dated: _____

ANGEL GONZALEZ

Dated: 5/3/2018



KEVIN SCHWIN
Counsel for Plaintiffs

Dated: 5/3/2018



ALIREZA ALIVANDIVAFI
Counsel for Plaintiffs

Dated: 5/3/2018



BRIANA M. KIM
Counsel for Plaintiffs

For Briana Kim, with permission

Comprehensive Educational Services, Inc.

Dated: 5.2.18

By 
SIENNA ARCHIBEK
Chief Financial Officer

PAUL, PLEVIN, SULLIVAN & CONNAUGHTON LLP

Dated: 5/3/18

By 
JEFFREY P. MICHALOWSKI
Counsel for Defendant