

**SUPERIOR COURT FOR THE STATE OF WASHINGTON
IN AND FOR LEWIS COUNTY**

***Alicia Reyes v. American Behavioral Health Systems Inc., et al.
Lewis County Superior Court Civil Case No. 22-2-00414-21***

— NOTICE OF SETTLEMENT —

A court authorized this notice. This is not a solicitation from a lawyer. This is not a lawsuit against you and you are not being sued. However, your legal rights are affected whether you act or not. Please read this notice carefully.

TO: All persons who, at any time between February 18, 2019, and April 3, 2023, were employed by American Behavioral Health Systems, Inc., Specialty Services II, LLC, and/or Specialty Services III, Inc. in hourly-paid positions in the State of Washington.

- A former employee brought claims against Specialty Services II LLC, Specialty Services III, Inc., American Behavioral Health Systems, Inc., and an owner (collectively, the “Company”) alleging that the Company failed to provide compliant meal and rest periods under Washington law. The former employee also brought individual claims for unlawful discharge in violation of the Washington Minimum Wage Act, unlawful discharge in violation of the Washington Family and Medical Leave Act, and for Wrongful Termination in Violation of Public Policy. The Company strongly denies these claims. The parties have reached a proposed Class Action Settlement.
- The Company strongly denies any fault, wrongdoing, or liability. If the Parties had not reached a Settlement, the Company would have continued to vigorously defend against Plaintiff’s claims, including seeking a denial of class certification and a full defense verdict at trial. The Company agreed to this Settlement to avoid the risk, burden, and expense of further litigation, and as a means of making its employees whole for even any arguable claims relating to the lawsuit.
- The Class Action Settlement includes a total maximum settlement payment by the Company of \$2,300,000.
- To qualify for a share of this payment, you must have been employed by the Company and worked in an hourly-paid position in the State of Washington at any time between February 18, 2019, and April 3, 2023, and have not excluded yourself from the Class Action Settlement.
- **You do not have to do anything to be eligible to receive a share of the settlement payment.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	You will be eligible to get a payment for your share of the Class Action Settlement. (You may need to provide the Settlement Administrator with any updated contact information to ensure you receive a payment). You will give up rights relating to the legal claims in this Case.
ASK TO BE EXCLUDED	Get no payment. This is the only option that allows you to ever be a part of any other lawsuit against the Company with respect to the legal claims in this Case.
OBJECT	Write to the Court if you do not like the settlement and explain why. If the Settlement is approved, you will still receive a payment and you will give up rights relating to the legal claims in this Case.
GO TO A HEARING	Ask to speak in Court about the fairness of the Class Action Settlement. If the Settlement is approved, you will still receive a payment and you will give up rights relating to the legal claims in this Case.

- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.

- The Court in charge of this Case still has to decide whether to finally approve the Settlement. If the Court approves the Settlement, payments will be made after any appeals are resolved. Please be patient.

1. Why did I get this Notice?

The Company's records show that you were employed by the Company and worked in an hourly-paid position in the State of Washington sometime between February 18, 2019, and April 3, 2023. The Court has allowed this Notice to be sent to you to inform you about a proposed settlement of a class action lawsuit, and about your options, before the Court decides whether to finally approve the Settlement. If the Court approves the Settlement, and after any appeals are resolved, payments will be made to Settlement Class Members who do not affirmatively request to be excluded from the Settlement.

This Notice explains the Case, the Class Action Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

2. What is the Case about?

The Plaintiff, former employee Alicia Reyes, claims that the Company violated Washington State wage and hour laws by failing to provide meal and rest periods in compliance with Washington law. Ms. Reyes also claims she was unlawfully discharged in violation of the Washington Minimum Wage Act, unlawfully discharged in violation of the Washington Paid Family Medical Leave Act, and wrongfully terminated in violation of public policy. The Company has denied and continues to deny Plaintiff's claims.

The Superior Court for the State of Washington in and for Lewis County, is overseeing this Class Action. The lawsuit is known as *Alicia Reyes v. American Behavioral Health Systems, Inc., et al*, Lewis County Superior Court, Case No. 22-2-00414-21 (the "Case").

3. What is a class action and who is involved?

In a class action lawsuit, one or more people called a "Class Representative" sues on behalf of other people whom they believe have similar claims. The people together are a "Class" or "Class Members." The employee(s) who sued, and who represent(s) the Class, is/are called the Plaintiff(s).

The person the Plaintiff(s) sue(s) (in this case, the Company) is/are called the Defendant(s). In a class action, one court resolves the issues for everyone in the Class—except for those people who choose to exclude themselves from the Class.

4. Why is there a Settlement?

The Court did not decide in favor of the Plaintiff or the Company. Instead, both sides agreed to a Settlement. This allows the parties to avoid the cost of a trial, and the people affected will be entitled to compensation. The Class Representative and her attorneys think the Settlement is best for everyone in the Class.

5. How do I know whether I am part of the Settlement?

As part of the Settlement of the Case, the Lewis County Superior Court has decided that everyone who fits the following description is a Class Member:

All individuals who were employed by American Behavioral Health Systems, Inc., Specialty Services II LLC, and/or Specialty Services III, Inc. in hourly-paid positions in the State of Washington from February 18, 2019, through April 3, 2023.

If it is approved, the Settlement will cover all Settlement Class Members who have not timely and affirmatively excluded themselves from the Case. To be a part of and receive any money pursuant to the Settlement, Settlement Class Members need do nothing (other than refrain from affirmatively opting out of the Settlement).

6. What claims are covered by the Settlement?

The Settlement will resolve all of the claims Settlement Class Members could have brought against the Company regarding: (1) any alleged failure to provide compliant meal periods; and (2) any alleged failure to provide compliant rest breaks; (collectively, the “Released Claims”). The Released Claims include any and all claims, whether known or unknown, that were brought or that could have been brought based on any facts alleged in the Case with respect to a failure to provide meal periods and/or rest breaks. The Released Claims specifically include, but are not limited to, any claims arising out of or relating to any alleged failure to properly pay for any alleged missed, interrupted, shortened, untimely, unpaid, and/or non-compliant rest breaks and/or meal periods, and any attendant claims for unpaid wages, overtime payments, premium payments, interest, exemplary damages, and attorney’s fees and costs relating to any of the foregoing.

7. What are the basic terms of the Settlement?

Subject to Court approval, the essential terms of the Settlement are as follows:

The Company will pay a total of **\$2,300,000** as part of the Settlement, apportioned as follows:

- **Class Fund:** The Company will pay **\$1,536,000**, which will be available for the payment of Settlement Awards to Settlement Class Members who do not timely opt out of this Settlement.
- **Service Award:** The Company will pay up to **\$7,500** to Plaintiff Alicia Reyes as a service award in recognition of her efforts in prosecuting the Case.
- **Full Release Award:** The Company will pay up to **\$35,000** to Plaintiff Alicia Reyes in exchange for a release of her individual claims brought in this lawsuit as well as any and all claims arising out of her application for employment, employment and/or cessation of employment with the Company.
- **Settlement Administration Expenses Award:** The Company will pay up to **\$21,500** to the Settlement Administrator for the processing of the Settlement, including the expenses of providing notice to Settlement Class Members, handling the claims administration process, processing payments to Settlement Class Members, and handling tax reporting requirements.
- **Attorney’s Fees and Costs Award:** The Company will pay up to **\$690,000** to Plaintiff’s attorneys for the attorney’s fees award and up to **\$10,000** for actual litigation costs they have incurred and will incur through final judgment in representing Plaintiff and the Settlement Class.

Monetary Relief: The amount available to the Settlement Class is intended to compensate Settlement Class Members for the wages and other compensation they allegedly lost and damages they are allegedly owed as a result of the practices alleged in the Case.

Distribution of Settlement Fund: Each Settlement Class Member who does not submit a valid and timely request for exclusion will automatically receive a settlement payment. Class fund will be allocated to individual Settlement Class Members pro rata by dividing each Settlement Class Member’s W2 wages by dividing each Settlement Class Member’s W2 wages paid by the Company for hours worked in the State of Washington in hourly-paid positions during the Settlement Class Period by the total W2 wages paid by the Company for hours worked in the State of Washington in hourly-paid positions during the Settlement Class Period and then multiplying the resulting ratio by amount of Class Fund. Checks will be mailed to Settlement Class Members by the Settlement Administrator. If any checks have not been negotiated within one hundred twenty (120) calendar days after distribution, the funds from those checks will be sent in the corresponding Settlement Class Member’s name to the Unclaimed Property Fund for the State of Washington pursuant to the Unclaimed Property Act (RCW 63.29 et seq). The Company will not receive funds from any uncashed checks.

Tax Treatment of Settlement Awards: Fifty Percent (50%) of each Settlement Class Member’s settlement award will be treated as wages and subject to normal tax withholding and shall be reported to the taxing authorities and the Settlement Class Member on an IRS Form W-2. Fifty Percent (50%) of each Settlement Class Member’s settlement award will be treated as non-wages (a combination of penalties, enhancements, and prejudgment interest) on which there will be no tax withholding and for which an IRS Form 1099-MISC (marked “Other Income”) shall be issued to the taxing authorities and the Settlement Class Member. In addition to its contribution to the Settlement Fund described above, the Company is also

paying all required employer-paid taxes incurred as part of the Settlement. The Company's payment of these employer-paid taxes will not decrease the funds available to Settlement Class Members.

Release of Claims: Upon final approval by the Court, the Settlement Class and each Settlement Class Member who has not submitted a valid and timely written request to be excluded from the Settlement will irrevocably release all of the Released Claims against the Company relating to the period from February 18, 2019, through and including April 3, 2023. This Release specifically includes any claims arising out of or relating to any alleged missed, interrupted, shortened, untimely, unpaid, and/or non-compliant rest breaks and/or meal periods, and any attendant claims for unpaid wages, overtime payments, premium payments, interest, exemplary damages, and attorneys' fees and costs relating to any of the foregoing. This Release requires you to waive and precludes you from bringing any Released Claims against Defendants American Behavioral Health Systems, Inc., Specialty Services II LLC, Specialty Services III, Inc., and individual Defendant Craig Phillips, as well as each of their respective (and as applicable) past, current, or future successors and assigns, together with each of their respective parent companies, subsidiaries, related or affiliated companies, members, shareholders, owners, officers, directors, employees, agents, attorneys, and insurers, along with any other individual or entity who could be jointly or severally liable for any of the Released Claims.

Dismissal of Action: Upon final approval, the Court will enter a judgment of dismissal of the Case with prejudice but shall retain jurisdiction to enforce the terms of the settlement.

8. How can I get a payment?

To get a payment, you don't need to do anything. As long as you do not submit a written request to be excluded from the Settlement, you will be a Settlement Class Member and will be entitled to payment.

9. When would I get my payment?

The Court will hold a hearing on **October 13, 2023** to decide whether to finally approve the settlement. If the Lewis County Superior Court judge approves the settlement, the parties will then have to wait to see whether there is an appeal. This will take at least thirty (30) days and, if there is an appeal, can take up to a year or more to resolve. In the event of an appeal, information regarding the appeal's progress will be made available at www.cptgroupcaseinfo.com/SpecialtyServicesLawsuit. If there is no appeal, we expect payments will go out within approximately sixty (60) days of the Court's final approval of the Settlement. Please be patient.

10. Do I have a lawyer in this case?

The Court has decided that lawyers from the law firms of Entente Law PLLC and McCanna Law PLLC are qualified to represent you and all Settlement Class Members. These lawyers are called "Class Counsel." You will not be charged for these lawyers. If you want to be represented by our own lawyer, you may hire one at your own expense.

11. How will the lawyers be paid?

As indicated above, Class Counsel will seek payment of their attorney's fees in the amount of \$690,000, and their litigation costs in an amount of up to \$10,000, each of which must be approved by the Court as part of the final approval of this Settlement. Class Counsel has been working on this case since approximately February 2022, and has not received any fees or reimbursements for the costs of the lawsuit.

12. How do I exclude myself from the Settlement?

If you fit the definition of a Settlement Class Member and want to exclude yourself from the Settlement, you must request exclusion in writing by **September 23, 2023**. You may be excluded as a member of the class by submitting a written request stating, "I request that I be excluded from the Class in the case Alicia Reyes v. American Behavioral Health Systems Inc., et al" The request must include your name, address, and signature. You must mail a copy of the letter to the Settlement Administrator at the following address postmarked no later than **September 23, 2023**:

Reyes v. American Behavioral Health Systems, Inc. et al.
c/o CPT Group Inc.
50 Corporate Park
Irvine, CA 92606

If you exclude yourself from the Settlement (i.e., opt out), you will not receive any payment from the Settlement. You will also not be entitled to object to the Settlement. If you exclude yourself, you will not be bound by the terms of the Settlement, including the Release described in Sections 6 and 7, above. This means you will retain the right at your own expense to pursue any claims you may have against The Company.

13. If I don't like the Settlement, how do I tell the Court?

If you are a Settlement Class Member, have not excluded yourself from the Settlement, and do not like the Settlement or the fee request, you can object. You must do so in writing, and you must state the reasons why you think the Court should not approve the Settlement. If you object, be sure to include your name, address, and telephone number, the name of the Case (*Alicia Reyes v. American Behavioral Health Systems Inc., et al.*, Lewis County Superior Court Civil Case No. 22-2-00414-21), the reasons you object to the Settlement, and a signature. You must mail a copy of the objection to the following address **postmarked no later than September 23, 2023**:

Reyes v. American Behavioral Health Systems, Inc. et al.
c/o CPT Group Inc.
50 Corporate Park
Irvine, CA 92606

14. When and where will the Court decide to approve the Settlement?

The Court will hold a Fairness Hearing at **9:30 AM on October 13, 2023**, at Lewis County Superior Court, 345 W. Main St., Chehalis, WA 98532.

If there are objections, the Court will consider them. The Judge will listen to people who have asked to speak at the hearing (*see* Section 16). After the hearing, the Court will decide whether to finally approve the Settlement, including Class Counsel's request for attorney's fees, costs, Settlement Administration Expenses, and the Service Award and Full Release Award for the named Plaintiff. We do not know how long that decision will take.

15. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Judge may have, but you are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but that is not necessary.

16. May I speak at the hearing?

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter saying it is your "Notice of Intention to Appear in *Alicia Reyes v. American Behavioral Health Systems Inc., et al.*, Lewis County Superior Court Civil Case No. 22-2-00414-21." Be sure to include your name, address, phone number, and your signature. Your Notice of Intention to Appear must be **postmarked no later than September 23, 2023**, and be sent to the Court, Class Counsel, and Defense Counsel at the three addresses set forth below:

COURT	CLASS COUNSEL	DEFENSE COUNSEL
Lewis County Superior Court 345 W. Main St Chehalis, WA 98532	James B. Pizl Entente Law PLLC 315 39 th Ave SW, Suite 14 Puyallup, WA 98373	Geana M. Van Dessel Sarah E. Elsdon Kutak Rock LLP 510 West Riverside Avenue Spokane, WA 99201

17. What happens if I do nothing at all?

If you do nothing—that is, if you do not mail or deliver a timely written request to exclude yourself from the Settlement—you will be part of the Settlement Class and will be entitled to a share of the Settlement. You will also be bound by the terms of the Settlement, including the Release described in Sections 6 and 7, above.

18. Are there more details about the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by visiting the website <https://www.cptgroupcaseinfo.com/SpecialtyServicesLawsuit>, which has a copy of the Settlement Agreement posted. Plaintiff’s motion for final approval of the settlement agreement, including Class Counsel’s request for attorney’s fees, costs, Settlement Administration Expenses, and a Service Award for the named Plaintiff will be available for you to review on **October 4, 2023** at <https://www.cptgroupcaseinfo.com/SpecialtyServicesLawsuit>