

NOTICE OF PROPOSED CLASS AND PAGA ACTION SETTLEMENT AND HEARING DATE FOR COURT APPROVAL

Marjan Iranrouh v. Highlands Community Charter And Technical Schools
Superior Court of the State of California, Sacramento County
Case No. 34-2022-00324342

You are **not** being sued. This is **not** an advertisement. This notice affects your rights.

YOU ARE ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT.

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice of Class Action Settlement because Highlands Community Charter And Technical Schools's records show you are what is called a "Class Member," and are entitled to a payment from this class action settlement ("Settlement"). Class Members are all current and former employees of Highlands Community Charter And Technical Schools who worked at least one 3.5-hour shift in California from July 27, 2018 through January 16, 2024.

On April 26, 2024 the Honorable Lauri A. Damrell of the Superior Court of California for the County of Sacramento granted preliminary approval of this Class Action Settlement and ordered that all Class Members be notified of the Settlement.

Unless you choose not to participate in the Settlement (in other words, should you choose to "opt out") by following the procedures described below, you will be considered a Participating Class Member. If the Court grants final approval of the Settlement, you will be mailed a check for your share of the Settlement fund, which is estimated to be <<\$EstAmnt>>. You <<are/are not>> also a PAGA Aggrieved Employee and will be mailed a check for you portion of the civil penalties under PAGA allocated in this Settlement, which is estimated to be <<\$EstPAGAAmnt>>.

IF YOU STILL WORK FOR HIGHLANDS COMMUNITY CHARTER AND TECHNICAL SCHOOLS, PARTICIPATION IN THIS SETTLEMENT WILL NOT AFFECT OR DISRUPT YOUR WORK IN ANY MANNER. YOU WILL NOT BE RETALIATED AGAINST BY DEFENDANT FOR YOUR PARTICIPATION.

California law strictly prohibits retaliation. Defendant is prohibited by law from taking any adverse action against any Class Member or otherwise targeting, retaliating, or discriminating against any Class Member because of the Class Member's participation in or decision not to participate in this Settlement.

You can view the proposed Final Approval Order, Final Judgment, and payment schedule at www.cptgroupcaseinfo.com/Highlandscommunitychartersettlement

What Is This Case About?

Marjan Iranrouh was an employee of Defendant. She is the "Plaintiff" in this case and is suing Highlands Community Charter And Technical Schools ("Defendant") on behalf of herself and all Class Members. Plaintiff sued Defendant, alleging they (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods or premium pay in lieu thereof; (4) failure to provide rest periods or premium pay in lieu thereof; (5) failure to reimburse necessary business expenses; (6) failure to provide and maintain accurate records; (7) failure to timely pay wages during employment; (8) failure to timely pay wages after employment; (9) civil penalties under the Labor Code Private Attorneys General Act of 2004, Cal. Lab. Code §§ 2698, *et seq.* ("PAGA"); and (10) Unlawful Business Practices, Cal. Bus. & Prof. Code §§ 17200, *et seq.*

This notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations raised in the Action or the merits of the claims or defenses asserted. The Court has made no ruling on the merits of Plaintiff's claims or Defendant's defenses thereto.

Questions? Contact the Settlement Administrator toll free at 1-(888) 710-5828

Defendant is not admitting to any allegations or wrongdoing in this case, and in fact expressly denies that any of its practices at issue in this lawsuit were or are unlawful. Specifically, Defendant asserts that the Class Members were properly compensated at all times during the Class Period. Defendant further asserts that Highlands Community Charter And Technical Schools has and had during the Class Period lawful wage-and-hour policies, practices, and procedures, including legally compliant timekeeping policies.

Plaintiff entered into settlement discussions with Defendant in an attempt to resolve the disputed claims in this case. On January 16, 2024, the Parties negotiated a settlement on behalf of themselves and the Class Members with the assistance of a third-party mediator. The Parties' agreement has been documented in a Joint Stipulation of Settlement and Release of Class and PAGA Action ("Joint Stipulation").

The Court has preliminarily approved the Joint Stipulation. The Court will decide whether to give final approval to the Settlement at the Final Fairness and Approval Hearing. The Final Fairness and Approval Hearing ("Hearing") on the adequacy, reasonableness, and fairness of the Settlement will be held at 9:00 a.m. on August 2, 2024, in Department 22 of the Superior Court of California for the County of Sacramento, 720 Ninth Street, Sacramento, CA 95814. You are not required to attend the Hearing.

Attorneys for Plaintiff and the Class Members ("Class Counsel") are:

Elliot J. Siegel
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KING & SIEGEL LLP
(213) 465-4802
724 S. Spring Street, Ste. 201
Los Angeles, California 90014

and

Xavier Villegas
LAW OFFICE OF XAVIER VILLEGAS, APC
(805) 250-7488
2390 Las Posas Road, C168
Camarillo, CA 93010

Summary of the Settlement Terms

Plaintiff and Defendant have agreed to settle this case on behalf of themselves and the Class Members for \$1,500,000.00 ("Maximum Settlement Amount").

The Maximum Settlement Amount includes: (1) Individual Settlement Payments to Participating Class Members; (2) a \$5,000 service payment to the Representative Plaintiff for her time and effort in pursuing this case and in exchange for a general release of claims against Defendant, subject to Court approval; (3) Settlement Administration Costs not to exceed \$25,000; (4) \$75,000 to the California Labor & Workforce Development Agency, representing the State of California's portion of civil penalties under PAGA (or 75% of the \$100,000 allocated to PAGA penalties); (5) an aggregate of \$25,000 to alleged PAGA Aggrieved Employees (or 25% of the \$100,000 allocated to PAGA penalties); and (6) subject to Court approval of an application for fees and costs, an award of up to \$500,000.00 in attorneys' fees and up to \$35,000 in litigation costs and expenses to Class Counsel.

After deducting the service payments to Plaintiff, the Settlement Administration Costs, the portion of the PAGA payment to be paid to the California Labor and Workforce Development Agency, payments to PAGA Aggrieved Employees, and attorneys' fees and costs/expenses, a total of approximately \$835,000.00 will be available to Class Members who do not opt out of the Settlement ("Net Settlement Amount"). Employer-side payroll taxes will be paid by Highlands Community Charter And Technical Schools *outside* of the Maximum Settlement Amount.

Questions? Contact the Settlement Administrator toll free at 1-(888) 710-5828

Plan of Distribution to Class Members and PAGA Aggrieved Employees

Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of weeks a Participating Class Member worked during the Class Period (“Workweeks”). Individual PAGA Payments will be separately calculated and apportioned from the portion of the PAGA amount intended for PAGA Aggrieved Employees.

Specific calculations of Individual Settlement Payments will be made as follows:

- a. The Settlement Administrator will calculate the number of Workweeks per Participating Class Member during the Class Period based on records in Defendant’s possession, custody or control.¹ Workweeks are determined by identifying each week an employee actually worked based on Defendant’s timekeeping and/or payroll data. A Class Member who worked only one day during the Class Period will be credited with having worked one Workweek for purposes of the Settlement. Partial workweeks will not be counted, meaning incomplete workweeks will be rounded down.
- b. Using the Class Data, the Settlement Administrator will calculate the total Workweeks for all Settlement Class Members by adding the number of Workweeks worked by each Settlement Class Member during the Class Period. The respective Workweeks for each Settlement Class Member will be divided by the total Workweeks for all Settlement Class Members, resulting in the Payment Ratio for each Settlement Class Member.
- c. Each Settlement Class Member’s Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Settlement Class Member’s estimated Individual Settlement Payments. However, the minimum payment to any given Class Member shall be no less than \$25 dollars.
- d. Using the Class Data, the Settlement Administrator will calculate the total number of pay periods in the PAGA Period and will divide each Aggrieved Employee’s individual number of eligible pay periods in the PAGA Period to determine their pro rata portion of the portion of the PAGA Payment allocated to each Aggrieved Employees. Partial pay periods will not be counted, meaning incomplete pay periods will be rounded down; however, an Aggrieved Employee who worked only one day during the PAGA Period will be credited with having worked one pay period for purposes of the Settlement.

If you believe the information provided above as to the number of your Individual Workweeks is incorrect and you wish to dispute it, please submit the Challenge Form attached to your Share Form to the Settlement Administrator at *Iranrouh v. Highlands Community Charter And Technical Schools* Settlement Administrator, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606 no later than 45 days after the date this Notice of Class Action Settlement was mailed to you.

If you dispute the information stated above, the information provided to the Settlement Administrator will control unless you are able to provide documentation that establishes otherwise. Any disputes, along with supporting documentation (“Disputes”), must be postmarked no later than June 24, 2024. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

¹ Defendant’s Workweek data will be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement Administrator by credible written evidence. All Workweek disputes will be resolved and decided by the Settlement Administrator in consultation with Class Counsel and counsel for Defendant. The Settlement Administrator’s decision on all Workweek disputes will be final and non-appealable.

Class Member Tax Matters

IRS Forms W-2 and 1099-MISC will be distributed to participating Class Members and Aggrieved Employees, and the appropriate taxing authorities reflecting the payments Class Members and Aggrieved Employees receive under the Settlement. Class Members should consult with their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this Settlement, 33% of each Individual Settlement Payment will be allocated to alleged unpaid wages, 33% will be allocated as alleged unpaid civil penalties, and 34% will be allocated to interest. All Individual PAGA Payments will be allocated as penalties and will be reported on an IRS Form-1099 by the Settlement Administrator. Again, please consult with a tax advisor regarding the significance of how each Individual Settlement Payment is allocated between wages, penalties, and interest. This notice is not intended to provide legal or tax advice. To the extent this notice or any of its attachments is interpreted to contain or constitute advice regarding any United States or Federal tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding penalties under the Internal Revenue Code.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

If you want to receive your payment from the Settlement, then no further action is required on your part. You will automatically receive your Individual Settlement Payment and Individual PAGA payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1** and the Court grants final approval of the Settlement, you will be mailed a check for your share of the Settlement funds. In addition, you will be deemed to have released or waived the following claims (“Released Claims”) against the Released Parties for the Release Period.

The Released Claims are defined as:

Those claims asserted in the Complaint or that reasonably could have been alleged based on the factual allegations contained in the operative complaint or LWDA letter, including but not limited to all of the following claims for relief: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods or premium pay in lieu thereof; (4) failure to provide rest periods or premium pay in lieu thereof; (5) failure to reimburse necessary business expenses; (6) failure to provide and maintain accurate records; (7) failure to timely pay wages during employment; (8) failure to timely pay wages after employment; (9) civil penalties under the Labor Code Private Attorneys General Act of 2004, Cal. Lab. Code §§ 2698, *et seq.* (“PAGA”); and (10) Unlawful Business Practices, Cal. Bus. & Prof. Code §§ 17200, *et seq.*

The Released PAGA Claims include:

All claims by Aggrieved Employees for civil penalties under PAGA asserted in the Complaint or LWDA letter, or that could have reasonably been alleged based on the factual allegations contained in the Operative Complaint and PAGA Notice. The Released PAGA Claims shall be released through the PAGA Release Period.

Released Parties means (i) Defendant Highlands Community Charter And Technical Schools; (ii) its respective past and present direct and indirect subsidiaries and affiliates of any of the foregoing; (iii) the past and present shareholders, directors, officers, agents, employees, clients, attorneys, insurers, predecessors, successors and assigns of any of the foregoing; and (iv) any individual or entity which could be jointly liable with any of the foregoing.

The “Release Period” is the period from July 27, 2018 through January 16, 2024. The “PAGA Release Period” is the period from January 31, 2021 to January 16, 2024.

Option 2 – Opt-Out of the Settlement

You will be treated as a participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator, in writing, not later than June 24, 2024, that you wish to opt-out.

If you do not wish to participate in the Settlement, you may exclude yourself from participating by submitting a written “Request for Exclusion from The Class Action Settlement” letter or card to the Settlement Administrator postmarked no later than June 24, 2024. Your written request should clearly state your intent to opt out or be excluded. For instance, you could write:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *IRANROUH V. HIGHLANDS COMMUNITY CHARTER AND TECHNICAL SCHOOLS, ET. AL. LAWSUIT.*”

The written request for exclusion should also include sufficient information to identify you, including your name, address, telephone number, or last four digits of your Social Security Number. Sign, date, and mail your written request for exclusion by U.S. First-Class Mail or equivalent, to the address below.

Iranrouh v. Highlands Community Charter And Technical Schools Settlement Administrator
c/o CPT Group, Inc.
50 Corporate Park
Irvine, CA 92606
Telephone: 1-(888) 710-5828
Fax: (949) 419-3446

The written request to be excluded from the Settlement must be postmarked to the Settlement Administrator not later than June 24, 2024. If you submit a request for exclusion which is not postmarked by June 24, 2024, your request for exclusion will be rejected, and you will be included in the Settlement Class.

If you choose **Option 2**, you will no longer be a Class Member. Therefore, you (1) will **not** receive any payment from the Settlement, with the exception of your pro-rata portion of the Aggrieved Employees’ portion of the civil penalties allocated to PAGA²; (2) will not be deemed to have released any claims due to this Settlement with the exception of the PAGA cause of action, and (3) will be barred from filing an objection to the Settlement.

Do not submit both a Dispute and a Request for Exclusion. If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Option 3 – File an Objection to the Settlement

If you wish to object to the Settlement, you can mail a written objection to the Settlement Administrator. Your objection should provide: your full name, address and telephone number, the last four digits of your Social Security Number, the dates you were employed by Highlands Community Charter And Technical Schools in California, and your objections to the Settlement, including each specific reason in support of each objection and any legal support for each objection together with any evidence in support of your objection. Your objection should be mailed to the Settlement Administrator on or before June 24, 2024. All objections or other correspondence should state the name and number of the case, which is *Marjan Iranrouh v. Highlands Community Charter And Technical Schools, et. al.*, Sacramento County Case Number No. CV2023-0742.

² By law, Aggrieved Employees cannot opt out of the Settlement with respect to the PAGA claims and will release their claims for civil penalties under PAGA as set forth in the Settlement regardless of whether they cash their Individual PAGA Payment.

You may also appear at the Final Fairness and Approval Hearing set for August 2, 2024, at 9:00 a.m. in Department 22 of the Superior Court of California for the County of Sacramento located at 720 Ninth Street, Sacramento, CA 95814, and discuss your objections with the Court and the Parties at your own expense.

You may appear at the Hearing regardless of whether you submitted a written objection. You can appear remotely by using the Court's zoom link at <https://saccourt-ca-gov.zoomgov.com/my/sscdept22> or by calling using the phone number: dial (833) 568-8864; ID 16184738886. You may also retain an attorney to represent you at the Hearing at your own expense.

If you choose **Option 3**, you will still be entitled to the money from the Settlement. You will remain a member of the Settlement Class, and if the Court overrules your objections and approves the Settlement, you will receive your Individual Settlement Payment and will be bound by the terms of the Settlement in the same way as Class Members who do not object, including being deemed to have released the Released Claims. You cannot both object to the settlement and exclude yourself. You must choose one option only.

Additional Information

This Notice of Class Action Settlement is only a summary of this case and the Settlement. For a more detailed statement of the matters involved in this case and the Settlement, you may refer to the pleadings, the Joint Stipulation of Settlement, and other papers filed in this case, which may be inspected at the Office of the Clerk of the Superior Court of California for the County of Sacramento, during regular business hours of each court day.

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

You can view the final approval order and final judgment and payment schedule at www.cptgroupcaseinfo.com/Highlandscommunitychartersettlement

PLEASE DO NOT CONTACT THE COURT WITH QUESTIONS ABOUT THIS NOTICE.