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SEP 22 2014

By [Signature]
ALAMEDA COUNTY SUPERIOR COURT

ENDORSED
FILED
ALAMEDA COUNTY

SEP 25 2014

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10 *Attorneys for Plaintiffs Michelle Otts,*
11 *and all others similarly situated*

12 SUPERIOR COURT OF CALIFORNIA **K. McCoy, Exec. Off./Clerk**
13 COUNTY OF ALAMEDA

14 MICHELLE OTTS, on behalf of herself and all
15 others similarly situated,

16 Plaintiffs,

17 vs.

18 CARE OPTIONS MANAGEMENT PLANS
19 AND SUPPORTIVE SERVICES, LLC, a/k/a
20 C.O.M.P.A.S.S., LLC, JOANNE MCCARLEY,
21 SADIE HUFFMASTER a/k/a SADIE HESS,
22 ERIC HESS, and Does 1 through 100, inclusive,

23 Defendants.

No. RG11591441

~~(PROPOSED)~~ ORDER:

- a) GRANTING PRELIMINARY APPROVAL OF CLASS SETTLEMENT;
- b) APPROVING THE FORM AND MANNER OF NOTICE TO PROVIDE TO THE CLASS AND DIRECTING THAT A NEUTRAL THIRD PARTY GIVE SUCH NOTICE TO THE CLASS;
- c) APPROVING HEFFLER CLAIMS GROUP, LLC A NEUTRAL THIRD PARTY, AS CLAIMS ADMINISTRATOR; AND;
- d) SETTING A HEARING FOR FINAL APPROVAL OF THE PROPOSED SETTLEMENT AND AWARD OF ATTORNEYS' FEES AND COSTS TO CLASS COUNSEL AND ENHANCEMENT TO CLASS REPRESENTATIVE

24 Date: September 25, 2014
25 Time: 8:30 a.m.
26 Dept: 21
27 Reservation No.: R-1541562

28 ~~(PROPOSED)~~ ORDER

1 On September 25, 2014, a hearing was held on the application of Plaintiff and Class
2 Representative Michelle Otts' ("Plaintiff") for preliminary approval of the Parties' proposed
3 Amended Stipulation of Settlement and Release (the "Settlement"); approval of the Notice to be
4 sent to the Class regarding the Settlement; appointment of the Claims Administrator; and, the
5 setting of a date for the hearing on the Parties' motion for Final Approval of the Settlement and
6 Plaintiff's motion for the Incentive Award, Class Counsel's Fee and Expense Award. Aviva N.
7 Roller, Esq. of Qualls & Workman, LLP appeared on behalf of Plaintiff Michelle Otts and
8 Michael E. Caples of Caples Law & Mediation appeared on behalf of Defendant Care Options
9 Management Plans & Supportive Services, LLC.

10 All capitalized terms used herein have the same meaning as defined in the Settlement. The
11 Court having read and considered the papers on the motion, the arguments of counsel, and the law,
12 and good cause appearing therefore,

13 IT IS ORDERED:

14 1. The Settlement, Exhibit A to the Supplemental Declaration of Aviva N. Roller filed
15 on September 22, 2014 ("Roller Supplemental Declaration"), in support of the application
16 requesting the following: (a) granting preliminary approval of the Settlement; (b) approving the
17 form and manner of notice to provide to the proposed Class and directing that a neutral third party
18 give such notice to the proposed Class; (c) approving Heffler Claims Group, a neutral third party,
19 as Claims Administrator; and, (d) setting a hearing for Final Approval of the Settlement and award
20 of attorneys' fees and costs to Class Counsel and enhancement payment to Class Representative is
21 GRANTED preliminary approval because the Settlement meets the criteria for preliminary
22 approval. The Settlement falls within the range of reasonableness and appears to be presumptively
23 valid as the product of arm's length and informed negotiations to treat all Class Members fairly.

24 2. The proposed notice plan is constitutionally sound because individual notices will
25 be mailed to all Class Members, and such notice is the best notice practicable. The proposed form
26 of Notice (attached hereto as Exhibit A) (the "Notice"), is sufficient to inform Class Members of
27 the terms of the Settlement, their rights under the Settlement, their rights to object to the
28 Settlement, their right to receive an Individual Settlement Payment and, their right to elect not to

1 participate in the Settlement, the processes for doing so, and the date and location of the Final
2 Approval Hearing; and therefore the Court approves the Notice.

3 3. The Court appoints Heffler Claims Group, LLC ("Heffler") to act as the Claims
4 Administrator, pursuant to the terms set forth in the Settlement.

5 4. Any Class Member who wishes to object to the Settlement has forty-five (45) days
6 after the mailing of the Notice to submit his or her objection pursuant to the Settlement and
7 procedures set forth in the Notice.

8 5. Any Class Member who wishes not to participate in the Settlement has forty-five
9 (45) days after the date the Claims Administrator mails the Notice to submit a written letter
10 requesting exclusion from the Settlement.

11 6. Heffler will disseminate the Notice according to the notice plan described in the
12 Settlement and in the same form as attached hereto as Exhibit A. Plaintiff will submit proof of
13 distribution of notice at or prior to the Final Approval Hearing. Heffler shall provide the Parties
14 the identification of any Class Member(s) who opt out of the Settlement, whose names shall be
15 incorporated into the proposed final judgment. As submitted to the Court, the list shall only
16 include each employee's name and city of residence and not any other sensitive or personal
17 information.

18 7. The Court directs Defendant to provide the Class List to Heffler by September 30,
19 2014, five (5) calendar days after the date of this order, as specified by the Settlement.

20 8. The Court directs Heffler to mail the approved Notice by first-class mail to the
21 Class Members by October 10, 2014, fifteen (15) calendar days after the date of this order as set
22 forth in the Settlement. The envelope in which Heffler will mail the Notice shall have the
23 following language above the Class Member's address: "Please open immediately. This letter
24 concerns an ongoing class action lawsuit through which you may claim money."

25 9. The Court will hold a Final Approval Hearing on Jan. 9, 2015 at 8:30
26 a.m., to determine whether the Court should grant Final Approval of the Settlement as fair,
27 reasonable, and adequate. The Court will hear all evidence and argument necessary to evaluate
28 the Settlement, and will consider Plaintiff's requests for the Class Representative Incentive Award

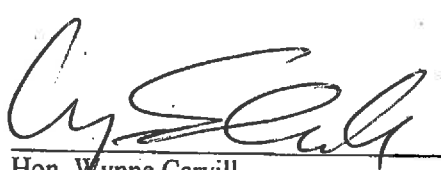
1 and Class Counsel's request for the Fee and Expense Award. Class Members and their counsel
2 may support or oppose the Settlement and the motion for Incentive Award and Fee and Expense
3 Award, if they so desire, as set forth in the Settlement and described in the Notice. Papers in
4 support of Final Approval shall be filed no later than Jan. 2 ²⁰¹⁵~~2014~~ CSC

5 10. Any Class Member may appear at the Final Approval Hearing in person or by his
6 or her own attorney, and show cause why the Court should not approve the Settlement, or object to
7 the motion for Incentive Award and the Fee and Expense Award. To object, a Class Member
8 should file a written objection or notice of intent to appear at the hearing and object to the
9 settlement with the Court and mail to counsel for the Parties not later than forty-five (45) days
10 after mailing of the Notice, by November 24, 2014. The Court, in its discretion, may consider
11 requests to appear and be heard at the final approval hearing by any Class Member who provides
12 notice of intent to appear or object.

13 11. The Court reserves the right to continue the date of the Final Approval Hearing
14 without further notice to Class Members. The Court retains jurisdiction to consider all further
15 applications arising out of or in connection with the Settlement.

16
17 **IT IS SO ORDERED.**

18
19 Dated: Sept. 26, 2014

20 
21 Hon. Wynne Carvill
22 Judge of the Superior Court
23
24
25
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27
28

A

IMPORTANT LEGAL NOTICE

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ALAMEDA

MICHELLE OTTS on behalf of herself and all
others similarly situated,

Plaintiff,

vs.

CARE OPTIONS MANAGEMENT PLANS AND
SUPPORTIVE SERVICES, LLC, a/k/a COMPASS,
LLC, JOANNE MCCARLEY, SADIE HUFFMASTER
A/K/A SADIE HESS, ERIC HESS and DOES 1
through 100, inclusive,

Defendants.

CASE NO.: RG11591441

**NOTICE OF (1) PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT; (2) FINAL APPROVAL
HEARING; AND, (3) RIGHT TO OBJECT
OR OPT OUT FROM THE SETTLEMENT.**

**THIS NOTICE AFFECTS YOUR RIGHTS -
PLEASE READ IT CAREFULLY.**

YOU ARE RECEIVING THIS NOTICE BECAUSE YOU WERE EMPLOYED AS A DIRECT CARE STAFF MEMBER BY CARE OPTIONS MANAGEMENT PLANS AND SUPPORTIVE SERVICES, LLC ("COMPASS") IN CALIFORNIA BETWEEN AUGUST 17, 2007 AND [Date of Preliminary Approval]

YOU ARE HEREBY NOTIFIED that the Court has granted preliminary approval of a proposed class settlement (the "Settlement") of the above-captioned class action ("the Action") filed in Alameda County Superior Court ("the Court"). The proposed Settlement will resolve all class claims for mileage reimbursement in this Action. The Court has ordered that this Notice be sent to you because you may be a Class Member. The purpose of this Notice is to inform you of the Settlement of this Action and your legal rights under the Settlement.

If you would like to receive money from the Settlement, you do not need to do anything. If you do not want to receive money from the Settlement, you must take affirmative steps to "opt out." If you ignore this notice, you will remain in the Settlement and will be bound by it. Please refer to pages 4-5 of this Notice for a more complete explanation of your options under the Settlement.

SUMMARY OF CASE

On August 17, 2011, Plaintiff Michelle Otts filed a complaint in the Superior Court of California for the County of Alameda against COMPASS, Joanne McCarley, Sadie Hess, and Eric Hess (together, "Defendants") on behalf of herself and other similar employees who worked as

Direct Care staff members, meaning Team Leaders and Community Service Specialists. She filed a first amended complaint on October 11, 2011. The Action alleges, among other things, that the Class Members are owed compensation for unreimbursed necessary business expenses incurred by driving their cars for work, non-compliant wage statements, and penalties. The Action seeks damages for unpaid mileage reimbursement, restitution, penalties, interest, attorneys' fees and costs and other relief. The Action includes claims under the California Labor Code, related Wage Orders of the Industrial Welfare Commission, and California Business and Professions Code Section 17200 *et seq.*

After extensive investigation and an exchange of relevant information, the Parties mediated the Action and reached the Settlement that is memorialized in the Stipulation of Settlement on file with the Court, and whose terms are generally summarized in this Notice.

POSITIONS OF THE PARTIES AND REASONS FOR SETTLEMENT

Defendants contend that they reimburse employees in full compliance with the law. They deny each of the claims and contentions alleged by Plaintiff in the Action. Although Defendants believe they have strong defenses to the Action, they concluded that a lengthy and expensive lawsuit is not in the best interests of either side. Defendants, therefore, agreed to settle this Action in the manner and on the terms set forth in the proposed Settlement to put to rest all claims that are or could have been asserted against it in the Action. Nothing regarding the Settlement may be construed as, or may be used as, an admission, concession or indication by or against Defendants of any fault, wrongdoing or liability whatsoever.

Class Counsel recognizes the expense and length of continued proceedings necessary to continue the Action against Defendants through trial and any possible appeals, the uncertainty and the risk of the outcome of further litigation, including the risk that the Class might not be successful at trial, as well as the difficulties and delays generally inherent in such litigation, the burdens of proof necessary to establish liability for the claims, and of the difficulties in establishing damages for the Class Members. Class Counsel believes the proposed Settlement is fair, adequate and reasonable and in the best interests of the Class Members.

The Court has made no ruling on the merits of the Class Members' claims.

SUMMARY OF SETTLEMENT TERMS

Settlement Amount. The Stipulation of Settlement provides that Defendants will pay \$400,000.00 (the "Gross Settlement Amount") to fully resolve the claims in the Action. The following deductions will be made from this Gross Settlement Amount:

- **Settlement Administration.** The Court tentatively approved a payment of not to exceed \$15,000.00 to the Settlement Administrator, Heffler Claims Group, LLC for the costs incurred in notifying the Class of this Settlement and processing any claims.
- **Attorneys' Fees and Expenses.** The Court appointed the following attorneys as Class Counsel to represent the Class in this Action:

Robin G. Workman
Aviva N. Roller
QUALLS & WORKMAN L.L.P.
177 Post Street, Suite 900
San Francisco, California 94108
(415) 782-3660

Class Counsel will ask the Court to approve a Fee and Expense Award of \$132,000.00, plus reimbursement of the actual litigation costs/expenses they incurred, not to exceed \$25,000.00. Class Counsel prosecuted the Action on behalf of the Class on a contingency fee basis (that is, without being paid to date) while advancing litigation costs and expenses. The Fee and Expense Award will constitute full compensation for all legal fees and litigation costs/expenses of Class Counsel in the Action, including any work they do in the future. Class Members are not personally responsible for any fees or litigation costs/expenses.

- Named Plaintiff Award to Class Representative. Class Counsel will also ask the Court to approve a Named Plaintiff Award in the amount of \$7,500.00 for Class Representative Michelle Otts for acting as the representative on behalf of the Class, spending time assisting with the lawsuit, and signing a general release of all claims she might have against Defendants.
- PAGA Payment. An amount of \$10,000.00 is allocated to pay all applicable penalties under the California Labor Code Private Attorneys General Act of 2004 ("PAGA"). 75% of this PAGA Payment will be paid to California's Labor and Workforce Development Agency and 25% of this PAGA Payment will be paid to Class Members.

Payment to Class Members: Plan of Allocation. Class Members who do not exclude themselves from the Settlement before the deadline ("Claimants") may receive an Individual Settlement Payment, as set forth below.

Calculation of Individual Settlement Payments to Claimants. The balance of the Gross Settlement Amount after the deductions described above is called the "Net Settlement Proceeds." The Net Settlement Proceeds are currently estimated to be \$213,000.00, which is the total amount that will be available to Claimants. Each Claimant will receive an Individual Settlement Payment out of the Net Settlement Proceeds based on the dates of his/her employment and his/her number of weeks of employment with Defendants as a Class Member, as reflected by Defendants' payroll records, exclusive of leaves of absence ("Individual Workweeks"). Approximations and averages will be used to cover periods where data is missing or otherwise not available.

Defendants' records indicate that you worked in California as a Direct Care Staff Member during the time period from August 17, 2007 to <<preliminary approval date>> ("the Class Period").

The amount that you will receive if you participate in the Settlement depends on the number of weeks that you worked for Defendants as a Direct Care Staff Member in California during the Class Period ("Qualifying Workweeks"). Defendants' records show

that you were employed a total of <<#>> Qualifying Workweeks between August 17, 2007 and <<preliminary approval date>>. The estimated amount of your Individual Settlement Award is \$<<__>>. Your Individual Settlement Award was determined on a *pro rata* basis with all other Class Members' Qualifying Workweeks as explained in this Notice.

Please note the Individual Settlement Award stated here is an estimate. The actual amount you receive may be different, subject to Court approval of deductions from the Maximum Settlement Amount, actual costs of administration, and participation by other Class Members. No representation is made by the Class Representative, Class Counsel or Defendant concerning the tax consequences of the Settlement or your election to participate in the Settlement.

If you agree with the Qualifying Workweeks, no further action is required of you. If you disagree with the Qualifying Workweeks stated above, please complete the section below and sign, date and return this Form. You must submit this form, if you wish to dispute the Defendants' records regarding your workweeks on or before _____, 2014 [45 days from mailing of Notice].

Complete this section **ONLY IF** you believe that the information set forth above is incorrect. When you return this Form to the Claims Administrator, **you should also send any documentation you have** that supports or relates to the information that you provide. Weeks worked for Defendants in California in non-qualifying positions or prior to August 17, 2007 are not included in the determination of Qualifying Workweeks.

Information regarding _____ is as follows:

Class Member Name
<u>Time Periods Worked</u> (Provide beginning and end dates.)
1.
2.
3.
4.
5.

Tax Information. IRS Form 1099s will be distributed to Claimants reflecting the payments they receive under the Settlement. For tax purposes, 90% of each Claimant's Individual Settlement Payment will be treated as expense reimbursement and interest thereon, and 10% will be treated as penalties under the California Labor Code. Claimants should consult with their tax advisors concerning the tax consequences of the payments they receive under the Settlement.

Release of Claims. If the Settlement is approved by the Court, it will bar any Class Member who does not timely opt out of the Settlement from bringing certain claims against Defendants, described below. The Settlement will fully release and discharge Defendants, their subsidiaries, affiliates, parents, children, and their past or present officers, directors, members, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, and attorneys (the "Released Parties") from all claims, demands, rights, liabilities and causes of action that were or could have been asserted (whether in contract or otherwise) for violation of the California Labor Code, the California Business and Professions Code, the Private Attorneys General Act ("PAGA"), the applicable Industrial Welfare Commission Orders or any similar local, state or federal law, whether for damages, restitution, penalties, other monies, or other relief based on any facts, transactions, events, policies, occurrences, acts, disclosures, statements, omissions or failures to act alleged in the complaint and certified by the Court at class certification, which are or could be the basis of claims that Defendants failed to reimburse necessary business expenses and failed to provide accurate wage statements, and for penalties under PAGA, penalties for any violations enumerated above, or penalties for any other provision of the Labor Code, at any time on or before the date of Preliminary Approval (and whether such claims are based on California or federal wage and hour law or other law).

These claims that Class Members are agreeing to release and discharge are referred to as "Class Released Claims," as that term is more fully defined in the Stipulation of Settlement.

Please note that even if Class Members may later discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of the Class Released Claims, each Class Member, upon the Payment Obligation and Class Release Date, shall be deemed to have, and by operation of the Final Approval Order and Judgment shall have, fully, finally, and forever settled and released any and all Class Released Claims.

The Class Members agree not to sue or otherwise make a claim against any of the Released Parties for the Class Released Claims. The Individual Settlement Payments are paid to Claimants specifically in exchange for the release of the Released Parties from the Class Released Claims and for their agreement not to sue concerning the Class Released Claims.

YOUR OPTIONS UNDER THE SETTLEMENT

Option 1 – Receive Your Individual Settlement Payment

If you would like to receive money from the Settlement, you do not need to do anything further, unless you wish to dispute the Defendants' records as to workweeks. If you choose this **Option 1**, and if the Court grants Final Approval of the Settlement, you will be mailed a check for your Individual Settlement Payment. Per the terms of the Settlement, checks will not be mailed until after June 1, 2015. In addition, you will be deemed to have released and waived the Class Released Claims against the Released Parties.

Option 2 – Opt Out of the Settlement

If you do not wish to participate in the Settlement, you can request to be excluded from the Settlement. To do so, you must submit an Exclusion Letter to the Settlement Administrator stating that you have decided not to participate in the Settlement and desire to be excluded from the Settlement. The written Exclusion Letter must include the following statement, or something similar: "I request to be excluded from the class action settlement in *Michelle Otts v. Care Options Management Plans and Supportive Services, LLC, et al.*, Alameda County Superior Court Case No. RG11591441." You must print and sign your name at the bottom of the letter.

You must sign, date, and either fax the Exclusion Letter to (**) ***.**** or mail it by First Class U.S. Mail or equivalent no later than _____ [45 days from mailing of Notice], 2014, to _____.

If you choose this **Option 2**, you will no longer be a Class Member. You will not be deemed to have released the Class Released Claims, but you also will not receive an Individual Settlement Payment from the Settlement and you will be barred from filing any objection to the Settlement.

Option 3 – File an Objection with the Court

If you wish to object to the Settlement, you can file an objection with the Court explaining the reasons why you object to the Settlement. Your objection must state your full name, address, telephone number, dates of employment with Defendants, and the basis for your objection. All written objections, supporting papers, and/or notices of intent to appear at the Final Approval Hearing must (a) clearly identify the case name [Otts v. Care Options Management Plans and Supportive Services, LLC] and case number [RG11591441]; **and** (b) be submitted to the Court either by mailing the papers to: Clerk of Court, Superior Court of California, County of Alameda, 1225 Fallon Street, Oakland, California 94612, or by filing in person at any location of the Superior Court, County of Alameda that includes a facility for civil filings; **and** (c) mailed to each of the law firms listed below:

QUALLS & WORKMAN L.L.P.
Robin G. Workman
Aviva N. Roller
177 Post Street, Suite 900
San Francisco, California 94108

CAPLES LAW & MEDIATION
Michael E. Caples
700 Ygnacio Valley Road, Suite 200
Walnut Creek, California 94596

You must file your objection with the Court no later than _____ [45 days from mailing of Notice], 2014. Late objections will not be considered. If you file an objection, you are not excluding yourself from the Settlement. To exclude yourself from the Settlement, you must follow the directions described above in Option 2. Please note that you cannot both object to the Settlement and exclude yourself. You must choose one option only. If the Court overrules your objection, you will be deemed to have released the Class Released Claims against the Released Parties.

You may also, if you wish, appear at the Final Approval hearing on the Settlement, either in person or through an attorney at your own expense, provided you notify the Court of your intent to do so. The Final Approval Hearing is set for _____ at _____.m. in

Department 21 of the Alameda County Superior Court, located at 1221 Oak Street, Oakland, California, 94612. The date and time of the hearing may change without notice.

ADDITIONAL INFORMATION

This Notice is only a summary of the Action and the basic terms of the Settlement. For a more detailed statement of the matters involved in the Action and the Settlement, you may:

- The pleadings and other records in this litigation, including the Stipulation of Settlement, may be viewed online on the Alameda County Superior Court's website, known as DomainWeb, at <https://publicrecords.alameda.courts.ca.gov/prs>. After arriving at the website, click the "Search by Case Number" link, then enter Case Number RG11591441 and click "SEARCH." Images of every document filed in this case may be viewed through the "Register of Actions" at a minimal charge.
- You may also view the records filed in this case free of charge by using one of the computer terminal kiosks available at each court location that has a facility for civil filings. The court is open Monday through Friday, 8:30 a.m. until 2:30 p.m., excluding holidays.
- Contact Class Counsel at:

Robin G. Workman
Aviva N. Roller
QUALLS & WORKMAN L.L.P.
177 Post Street, Suite 900
San Francisco, California 94108
(415) 782-3660
robin@qualls-workman.com
aviva@qualls-workman.com

- Visit the following website: [URL of website established by Plt's counsel with links to notice and most important documents in case]

Please direct all questions regarding this Notice and/or the Settlement to the Settlement Administrator at (***) ***.****

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, DEFENDANTS OR DEFENDANTS' ATTORNEY WITH QUESTIONS ABOUT THE SETTLEMENT.

DATED: _____, 2014

BY ORDER OF THE COURT
SUPERIOR COURT OF CALIFORNIA
COUNTY OF ALAMEDA