

PAGA SETTLEMENT AGREEMENT AND GENERAL RELEASE

This Settlement Agreement and General Release of Claims (“Settlement” or “Agreement”) is made and entered into by and between Mariyam Mahbub (“Plaintiff”), on one hand, and Anonymous Content, LLC and Anonymous Content Entertainment, Inc. (“Defendants”) on the other hand, (collectively the “Parties”) as of the later date this Agreement is signed by either of the Parties. This Agreement is intended to fully, finally and forever resolve, discharge and settle the Released Claims, as defined below, upon and subject to the terms and conditions of this Agreement.

I. DEFINITIONS

A. “Action” shall mean the civil lawsuit titled *Mariyam Mahbub v. Anonymous Content Entertainment, Inc., et al.*, bearing Case No. 20STCV16986, in Superior Court of Los Angeles, filed on May 4, 2020.

B. “PAGA Counsel” shall mean Jennifer Kramer of Hennig Kramer Ruiz & Singh, LLP.

C. Counsel for Defendant (“Defense Counsel”) shall mean Karina Sterman of Greenberg Glusker Fields Claman & Machtinger LLP.

D. “Covered Period” shall mean the period from February 27, 2019 through March 31, 2021.

E. “PAGA Representative” or “Plaintiff” shall mean Named Plaintiff Mariyam Mahbub.

F. “PAGA Aggrieved Employees” shall mean the current and former non-exempt, hourly paid employees of either of the Defendants in the position of Assistant in California at any time during the Covered Period.

G. “Court” shall mean the Los Angeles Superior Court.

H. “Covered Claims” shall mean Plaintiff’s claims for civil penalties pursuant to Labor Code § 2699, *et seq.* (“PAGA”) based on Defendants’ alleged failure to provide compliant meal and rest periods, pay for all time worked, including overtime, to reimburse expenses, and to provide accurate wage statements and to keep complete and accurate payroll records, as pled in the operative complaint in the Action, including: (1) failure to authorize and permit meal periods, Cal. Labor Code § 226.7 and § 512; (2) failure to authorize and permit rest periods, Cal. Labor Code § 226.7; (3) failure to pay overtime/off the clock work, Cal. Labor Code § 510 and § 1198; (4) failure to pay minimum wage/off the clock work, Cal. Labor Code § 1194, § 1197 and § 1197.1; (5) failure to provide accurate wage statements, Cal. Labor Code § 226; (6) failure to keep complete and accurate payroll records, Cal. Labor Code § 1174(d); (7) failure to reimburse expenses incurred by employees, Cal. Labor Code § 2802; (8) failure to timely pay wages during employment, Cal. Labor Code § 204; and (9) failure to timely pay wages upon termination, Cal. Labor Code §§ 201-203.

I. “Claims Administrator” shall mean CPT Group.

J. The Effective Date of the Settlement embodied in this Agreement shall mean the date of the Parties’ receipt of approval of the Settlement by the Court (hereinafter the “Effective Date”).

II. RECITALS

A. WHEREAS, on February 27, 2020, PAGA Counsel submitted notice via online submission and by U.S. Certified Mail a Notice to the California Labor Workforce Developmental Agency (“LWDA”) of the Covered Claims.

B. WHEREAS, on May 4, 2020, Plaintiff filed the Action.

C. WHEREAS, on or about June 15, 2020, Defendants filed an Answer to the Action generally denying the claims in the Action and setting forth affirmative defenses thereto.

D. WHEREAS, the Parties desire to settle the Action so as to avoid protracted and expensive litigation that may cause inconvenience, distraction, disruption, delay and expense. The Parties have taken into account the risk and uncertainty of the outcome inherent in any litigation.

E. WHEREAS, the Parties engaged in negotiations reaching an agreement in principle on the terms of settlement which is intended to fully and finally resolve all claims asserted in the Action.

F. WHEREAS the Parties participated in a private mediation on March 19, 2021 with Gail Glick, a well-reputed mediator with specific expertise in California wage and hour actions as well as PAGA actions.

G. WHEREAS, the Parties understand that the Court must approve the Settlement for it to be binding. In accordance with Labor Code § 2699(I)(2), Court approval is required as to “any penalties sought as a part of a proposed settlement” of a PAGA action on a representative basis. However, as explained in *Arias v. Superior Court* (2009) 46 Cal.4th 969, the Parties are not obligated to follow the class action procedural rules in PAGA cases and therefore need not obtain approval of the PAGA settlement through a motion for preliminary or final approval. Instead, in order to comply with the requirements of Labor Code § 2699 the Parties shall submit a stipulation to the Court identifying the terms of the settlement and requesting that the Court approve the Settlement (“Approval Stipulation”). The Settlement is contingent upon the approval by the Court and shall be void if the Court does not grant the approval requested.

H. WHEREAS, Plaintiff and her PAGA Counsel have diligently pursued an investigation of the Covered Claims against Defendants. Based on their own independent investigations and evaluations, Defendants and Plaintiff and their respective Counsel are of the opinion that the settlement for the consideration and on the terms set forth in this Settlement is fair, reasonable and adequate and is in the best interests of the Plaintiff, the PAGA Aggrieved Employees, and Defendants in light of all known facts and circumstances and the risks inherent in litigation, including the potential appellate issues.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the Parties desire to compromise, settle and release any and all claims arising from all penalties and/or damages sought by Plaintiff in the PAGA notice sent on February 27, 2020, and therefore agree as follows:

III. PARTIES' OBLIGATIONS AND CONDITIONS

A. The Amount of Settlement. In full consideration for the mutual covenants, promises and representations set forth in this Agreement, Plaintiff, on behalf of herself and the PAGA Aggrieved Employees, and Defendants, agree to settle and compromise the Covered Claims and the Action subject to the terms and conditions set forth in this Agreement. In consideration for the settlement described herein and the release of PAGA claims contained in this Settlement, Defendants agree to pay, in accordance with the terms specified below, the total sum of Four Hundred Twenty Thousand Dollars (\$420,000.00) (the "Settlement Payment") to Plaintiff and/or the LWDA and PAGA Counsel, as apportioned below.

1. A total of Two Hundred Sixty-Six Thousand Eight Hundred Thirty Dollars and Ten Cents (\$266,830.10) from the Settlement Payment shall be allocated to the resolution of all of Plaintiff's and PAGA Aggrieved Employees' PAGA claims contained in the Action and in the PAGA Notice that PAGA Counsel submitted to LWDA on February 27, 2020 ("PAGA Settlement Amount"). Pursuant to PAGA, Seventy-Five Percent (75%), or Two Hundred Thousand One Hundred Twenty-Two Dollars and Fifty-Seven Cents (\$200,122.57) of the PAGA Settlement Amount will be paid to the LWDA (the "LWDA Payment"), and Twenty-Five Percent (25%), or Sixty-Six Thousand Seven Hundred and Seven Dollars and Fifty-Three Cents (\$66,707.53), of the PAGA Settlement Amount (the "PAGA Settlement Fund") will be payable to the PAGA Aggrieved Employees. From the PAGA Settlement Fund, the PAGA Aggrieved Employees shall each be entitled to Individual Settlement Payments as described immediately below. ("PAGA Individual Settlement Payments").

2. Defendants shall issue a check in the gross sum of One Hundred Forty-Seven Thousand One Hundred Sixty-Nine Dollars and Ninety Cents (\$147,169.90) payable to "HENNIG KRAMER RUIZ & SINGH, LLP" to reimburse PAGA Counsel for attorneys' fees and costs. This payment must be mailed or sent via overnight to PAGA Counsel's office within fifteen (15) days after the Effective Date, subject to PAGA Counsel's delivery of a Form W-9.

3. Calculation of PAGA Aggrieved Employees' Payments. Defendants will provide to the Claims Administrator sufficient information to calculate PAGA Individual Settlement Payments to all PAGA Aggrieved Employees who were employed by either of the Defendants during the Covered Period. This information includes the number of pay periods applicable to each PAGA Aggrieved Employee who were employed by either of the Defendants during the Covered Period. For each PAGA Aggrieved Employee, the total pay periods will be calculated. The respective total pay periods for each PAGA Aggrieved Employee who was employed by either of the Defendants during the Covered Period will be divided by the total pay periods for all PAGA Aggrieved Employees who were employed by either of the Defendants during the Covered Period, resulting in the Payment Ratio for each PAGA Aggrieved Employee who was employed by either of the Defendants during the Period (the "Payment Ratio"). Each PAGA Aggrieved Employee's Payment Ratio is then multiplied by the PAGA Settlement Fund

to determine his or her PAGA Individual Settlement Payment. Each PAGA Individual Settlement Payment will be reduced by any legally mandated deductions or withholdings for each PAGA Aggrieved Employee, although for avoidance of doubt, the PAGA Individual Settlement Payment will be reported on an IRS Form 1099 for which no deductions or withholdings should be made.

4. PAGA Aggrieved Employees are not eligible to receive any compensation under the Settlement other than PAGA Individual Settlement Payments.

5. Defendants agree to pay the PAGA Settlement Amount to the Claims Administrator within fifteen (15) days after the Effective Date. The Claims Administrator will disburse the LWDA Payment and PAGA Aggrieved Employees' Payments as set forth in this Agreement.

6. Each PAGA Individual Settlement Payment shall be paid through an IRS Form 1099 to the PAGA Aggrieved Employee. PAGA Aggrieved Employees shall assume full responsibility and liability for the payment of taxes due on such payments. Nothing in this Settlement is intended to constitute legal advice regarding federal, state and/or local tax obligations. To the extent that this Settlement or any of its attachments is interpreted to contain or constitute advice regarding any U.S. 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. Defendants are not responsible for any employee tax obligations regarding the allocation of the settlement payments.

7. The Claims Administrator shall distribute the LWDA Payment check to the LWDA and the PAGA Individual Settlement Payment checks to the PAGA Aggrieved Employees no later than thirty-five (35) days after the Effective Date.

B. Maximum Settlement Amount: If the number of the PAGA Aggrieved Employees' pay periods, which Defendants represent to be approximately 1,849 pay periods, increases by more than ten percent (10%) (i.e. by at least 185 pay periods), Plaintiff may re-negotiate for an increase in the Maximum Settlement Amount. If this clause is triggered, and the Parties cannot reach agreement on a revised Maximum Settlement Amount within thirty (30) days of Plaintiff requesting in writing to renegotiate the Maximum Settlement Amount, the Agreement shall be voidable by Plaintiff upon seven (7) days written notice to Defendants.

C. Administration and Disbursement Costs: A total of six thousand (\$6,000) from the Settlement Payment shall be allocated to the Claims Administrator to be allocated to administration and disbursement costs associated with the PAGA Settlement Amount ("Claims Administrator Payment"). Defendants shall pay or cause to be paid the Claims Administrator Payment no later than thirty-five (35) days following the Effective Date. Should the administration and disbursement of the PAGA Settlement Amount cost less than \$6,000, the remainder shall be distributed to the PAGA Aggrieved Employees in accordance with Section III(A)(2).

D. Declaration of Payment. One hundred twenty (120) days after the mailing of the LWDA Payment and PAGA Individual Settlement Payments, the Parties will file a declaration with the Court confirming that the payment checks were mailed out and updating the Court as to the status of any uncashed checks. Any checks not cashed within one hundred twenty (120) days

from the date of their issuance shall be redistributed to the remaining PAGA Aggrieved Employees and paid by the Claims Administrator.

E. Notice to LWDA. Upon the Court's Approval of the Settlement, Plaintiff shall transmit the Court's Order to the LWDA within ten (10) days after entry of the order.

F. Dismissal of Complaint with Prejudice. Within 7 days of confirmation by the Claims Administrator that all the PAGA Settlement Payments referenced in paragraph III(A)(1) have been issued and proof of payment of the Attorney Fee Payment referenced in paragraph III(A)(2) is provided by Defense Counsel to PAGA Counsel, Plaintiff shall file or cause to be filed a Request for Dismissal with prejudice of the Action as to all parties and all causes of action.

IV. INADMISSIBILITY OF SETTLEMENT AGREEMENT / DENIAL OF LIABILITY

A. No admission of Liability. Plaintiff and Defendants acknowledge that Defendants deny any liability or wrongdoings of any kind associated with the claims alleged in the Action. Further, Defendants deny that this Action is appropriate for representative treatment for any purpose other than settling this Action. Defendants contend, among other things, that they complied at all times with the California Labor Code, the related California Wage Orders and the California Business & Professions Code, all other state and federal wage laws, and further contend that all of its respective employees were and are paid properly, provided with proper meal and rest periods, and properly reimbursed for expenses, and that the Action is without merit. Defendants have denied and continue to deny each and every material factual allegation and alleged claim asserted against them in the Action. Neither the existence of this Settlement nor anything contained in this Settlement shall be construed or deemed as an admission of liability, culpability, negligence, or wrongdoing on the part of Defendants. Nothing herein shall constitute an admission by Defendants that the Action was properly brought as a representative action other than for settlement purposes. Settlement of the Action, the negotiation and execution of this Settlement, and all acts performed or documents executed pursuant to or in furtherance of this Settlement or the settlement of the Action: (a) are not, shall not be deemed to be, and may not be used as, an admission or evidence of any wrongdoing or liability on the part of Defendants or of the truth of any of the factual allegations in the operative Complaint in the Action; (b) are not, shall not be deemed to be, and may not be used as, an admission or evidence of any fault or omissions on the part of Defendants in any civil, criminal, or administrative proceeding in any court, administrative agency or other tribunal; (c) are not, shall not be deemed to be, and may not be used as, an admission or evidence of the appropriateness of these or similar claims for representative treatment, class certification or administration other than for purposes of administering this Settlement; and (d) shall not constitute or be deemed a waiver of Defendants' right to compel arbitration of any dispute with a PAGA Aggrieved Employee that is not the subject of the releases detailed in this Settlement.

V. RELEASE BY ALL PAGA AGGRIEVED EMPLOYEES

Upon the approval by the Court of this Settlement, Plaintiff and each PAGA Aggrieved Employee, shall, for the Covered Period, fully release and forever discharge Defendants and their respective present and former officers, directors, employees, shareholders, agents, trustees, representatives, attorneys, insurers, parent companies (Anonymous Content Holdings, LLC; Serial

Pictures, LLC; and Emerson Collective Investments, LLC), subsidiaries, divisions, affiliates, predecessors, successors, assigns, including any individual or entity that could be jointly liable with Defendants (the foregoing are collectively referred to hereafter as the “Releasees”) from the Covered Claims pursuant to Labor Code § 2699 based on the facts alleged in the Action.

VI. REPRESENTATIONS, WARRANTIES AND COVENANTS

A. Tax Liability/Indemnification. Plaintiff generally and specifically acknowledges that she was not provided any tax advice by Defendants. Plaintiff agrees that she shall be liable for the payment of all federal and state taxes which may be due as the result of the consideration given through the PAGA Settlement Amount described above. Upon being provided reasonable notice, Plaintiff agrees to indemnify, hold harmless, and defend Defendants, and its officers, directors, present or former employees, administrators, agents and assigns against any and all claims or liabilities that may be asserted by any governmental agency (including but not limited to any local, state, or federal taxing authority or agency) with respect to any local, state, or federal taxes that may be payable by Plaintiff as a result of such payment paid to her by Defendants.

B. Contractual Terms. Each term of this Agreement is contractual and not merely a recital.

C. No Future Claims. Plaintiff agrees not to commence, maintain, prosecute or participate in (except as may be required by law, pursuant to court order, or in response to a valid subpoena) any action, charge, complaint, or proceeding of any kind (on her own behalf and/or on behalf of any other person or entity and/or on behalf of or as a member of any alleged class of persons) in any court, or before any administrative or investigative body or agency (whether public, quasi-public or private) against Defendants with respect to any act, omission, transaction or occurrence arising out of the PAGA Notice.

VII. ADVICE OF COUNSEL

Plaintiff admits, acknowledges, and declares that she has been fully and completely informed as to her rights; that she has given mature and careful thought and consideration to the making of this Release and to all of the obligations hereby assumed and undertaken and the rights hereby extinguished and created; that this Release is given voluntarily, after advice of independent counsel, free of undue influence, coercion, duress, menace or fraud of any kind; that this Release and each and every paragraph and every part hereof has been carefully read and explained; and the Plaintiff fully and completely understands and is cognizant of all the terms and conditions and the effect of each and all the terms and conditions contained in this Release.

VIII. APPLICATION FOR COURT APPROVAL OF SETTLEMENT

The Parties will file a joint stipulation seeking approval for this Settlement within thirty (30) business days of full execution of this Agreement. This Agreement is contingent upon approval of the PAGA claim by both the LWDA and the Court and will be deemed Null and Void in the event that approval from LWDA and the Court is not received.

IX. OTHER PROVISIONS

A. Authority. The signatories hereto hereby represent that they are fully authorized to enter into this Settlement and bind the Parties hereto to the terms and conditions hereof.

B. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement, including but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Settlement. The Parties to this Settlement shall use their best efforts, including all efforts contemplated by this Settlement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement and the terms set forth herein. As soon as practicable after execution of this Settlement, PAGA Counsel shall, with the assistance and cooperation of Defendants' Counsel, take all necessary steps to secure the approval of this Settlement from the Court.

C. Headings. The headings contained in this Agreement have been inserted for identification and reference purposes only and will not be used in the construction or interpretation of this Agreement.

D. Severability. If any provision or provisions of this Agreement will be held invalid, illegal or unenforceable, the validity, legality and/or enforceability of the remaining provisions will not in any way be affected or impaired thereby. If any terms or sections of this Agreement are determined to be unenforceable, they will be modified so that the unenforceable term or section is enforceable to the greatest extent possible.

E. Assignment of Claims. The Parties hereto represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein. None of the rights, commitments, or obligations recognized under this Agreement may be assigned by Plaintiff, any PAGA Aggrieved Employee, or PAGA Counsel, without the express written consent of each other Party and their respective counsel. The representations, warranties, covenants, and agreements contained in this Agreement are for the sole benefit of the Parties under this Agreement and shall not be construed to confer any right or to avail any remedy to any other person.

F. California Law. This Agreement will be governed by and construed under the laws of the State of California without reference to principals of choice of law thereof.

G. Jurisdiction: Each Party to this Agreement, acknowledges, stipulates and agrees that the settlement which is the subject matter of this Agreement, is enforceable and admissible into evidence as contemplated as California Evidence Code Section 1123. The Court shall retain jurisdiction over the Action and each of the Parties to enforce this Agreement pursuant to the provisions of Code of Civil Procedure Section 664.6. Any motion to compel enforcement, or to enter judgment pursuant to the terms of this Agreement, may be heard before a Judge of the Superior Court of the State of California, County of Los Angeles. Whether or not the Effective Date occurs, neither this Agreement nor any of its terms nor the Settlement itself shall be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Defendants or any other of the Releasees, including but not limited to, evidence

of a presumption, concession, indication, or admission by any of the Releasees of any liability, fault, wrongdoing, omission, concession, or damage, or (b) disclosed, referred to, or offered in evidence against any of the Releasees in any further proceeding in the Lawsuit, or any other civil, criminal, or administrative action or proceeding except for the purposes of effectuating the Settlement pursuant to this Agreement or for Defendants to establish that a PAGA Aggrieved Employee has resolved any of his/her claims released through this Agreement.

H. No Collateral Attack. This Agreement shall not be subject to collateral attack by any PAGA Aggrieved Employee. Such prohibited collateral attack shall include, but not be limited to, claims that the PAGA Aggrieved Employee failed, for any reason, to timely receive his or her Individual Settlement Payment.

I. Modification of Agreement. No modification or waiver of any provision of this Agreement will be valid unless in writing and signed by the Parties. The Parties have cooperated in the negotiation and preparation of this Agreement. This Agreement shall not be construed against any Party on the basis that the Party, or the Party's counsel, was the drafter or participated in the drafting of this Agreement.

J. Counterparts/By PDF. This Agreement may be executed in counterparts by PDF, each of which shall be deemed an original, and all of which together shall constitute but one and the same instrument.

K. Signatures. Facsimile transmissions of the signatures or digital signatures of the Parties or their representatives shall be binding on the Parties.

X. ENTIRE AGREEMENT

This Agreement is the entire Agreement between Plaintiff and Defendants and supersedes any and all other agreements or understandings, either oral or written, between Plaintiff and Defendants with respect to the subject matter hereof.

This Agreement is binding upon and shall inure to the benefit of the Parties, their respective agents, employees, representatives, officers, directors, divisions, subsidiaries, affiliates, heirs, predecessors, and successors in interest.

[Signatures continue on the next page]

IN WITNESS WHEREOF, the Parties hereto have made and signed this Agreement as follows:

Dated: 4/19/2021

By: 
ANONYMOUS CONTENT
ENTERTAINMENT, INC.

By: Matthew Velkes

Position: COO

Dated: 4/19/2021

By: 
ANONYMOUS CONTENT, LLC

By: Matthew Velkes

Position: COO

Dated: 4/16/2021

By: 
22B26875020B4D7
MARIYAM MAHBUB