

Private Attorneys General Act (Cal. Lab. Code § 2698, Et Seq.) Settlement Agreement

This Stipulation of Settlement (“PAGA Settlement Agreement” or “Stipulation of Settlement” or “Settlement”) is made by and between the Named Plaintiff, Christine Gonzalez-Arellano (“Plaintiff”), on her own behalf and on behalf of all members of the PAGA Group, as defined below, and Defendant Starchild Interventions, a California Corporation (“Starchild” or “Defendant”), in the lawsuit entitled *Christine Gonzalez-Arellano vs. Starchild Interventions, a California Corporation, et al.*, Los Angeles Superior Court Case No. 21STCV10947 (the “Litigation”). The term “Party” or “Parties” as used herein shall refer to Plaintiff, Defendant, or both, as may be appropriate. This PAGA Settlement Agreement resolves all claims asserted against Defendant pertaining to the claims in the Litigation pursuant to and subject to the definitions, recitals, and terms and conditions set forth herein, which by this reference become an integral part of this Stipulation of Settlement, subject to the approval of the Court.

I. DEFINITIONS

A. Administrative Costs. All administrative costs of settlement, including cost of notice to the Settlement Group, administration, and any fees and costs incurred or charged by the Settlement Administrator in connection with the execution of its duties under this Stipulation of Settlement (totaling approximately \$2,500.00).

B. Agreement. The terms “Agreement” or “Settlement Agreement” are used synonymously herein to mean this PAGA Settlement Agreement for purposes of Resolution.

C. Court. The term “Court” as used herein means the Superior Court of the State of California for the County of Los Angeles.

D. Date of Approval. The terms “Date of Approval” or “Approval” as used herein mean the date of the Court’s approval of the PAGA Settlement Agreement.

E. Defendants. The term “Defendants” as used herein means: Starchild Interventions, a California Corporation, Chianta Williams, and Sean Ranel.

F. Litigation. The term “Litigation” as used herein means the action entitled filed in Los Angeles Superior Court, Case No. 21STCV10947.

G. Named Plaintiff. The term “Named Plaintiff” as used herein means Christine Gonzalez-Arellano. The term Named Plaintiff shall be used synonymously with the term PAGA Representative.

H. Net Settlement Amount. The term “Net Settlement Amount” as used herein is the total Settlement Payment (\$105,000.00) and will be allocated as follows: (a) PAGA’s Counsel’s award of attorneys’ fees up to the requested amount of 40% (\$42,000.00) of the Net Settlement Amount; (b) PAGA Counsel’s request for reimbursement of Litigation costs in the amount up to \$6,000.00; (c) Administrative Costs in an amount of up to \$2,500.00; (d) PAGA Enhancement Payment awarded to Representative Plaintiff in the amount of \$7,500.00; and (e) the remainder of the Settlement Payment after deducting items (a), (b), (c), and (d) herein shall be designated as “PAGA Penalties” (\$47,000.00), which are allocated between the LWDA and PAGA employees, with seventy-five percent (75%) of penalties payable to the LWDA (\$35,250.00) (“LWDA Payment”) and twenty-five percent (25%) to the PAGA employees (\$11,750.00) (“PAGA GROUP PAYMENT”) pursuant to California’s Private Attorney General Act (“PAGA”), and as provided in Sections VI and X, respectively.

I. Net Settlement Payments. The term “Net Settlement Payment(s)” shall include payments made to the Settlement Group as part of the Resolution.

J. LWDA Payment. The term “LWDA Payment” (\$35,250.00) as used herein means seventy-five percent (75%) of the remainder of the Settlement Amount after the deduction of any award of attorneys’ fees, Litigation costs, and Administrative Costs and the PAGA Enhancement Payment.

K. PAGA GROUP PAYMENT. The term “PAGA GROUP PAYMENT” (\$11,750.00) as used herein means Twenty-five percent (25%) of the remainder of the Settlement Amount after the deduction of any award of attorneys’ fees, Litigation costs, Administrative Costs, and the PAGA Enhancement Payment.

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L. PAGA Enhancement Payment. The amount the Court awards to Plaintiff, which amounts to Seven Thousand Five Hundred Dollars (\$7,500.00), subject to Court approval, in recognition of her actions in conferring a benefit upon the State of California and her effort and work in prosecuting the Litigation on behalf of the PAGA Group.

M. Plaintiff's Counsel. The term "Plaintiff's Counsel" as used herein means: Haig B. Kazandjian Lawyers, APC, who are counsel for and acting on behalf of Named Plaintiff.

N. PAGA Group. The PAGA Group is defined as: All persons within the State of California who are or were employed by Defendants or provided services to Defendants in the State of California that were classified as non-exempt at any time within the PAGA Period. The Parties currently estimate that there are approximately 20 individuals in the PAGA Group.

O. PAGA Period. The term "PAGA Period" or "Settlement Period" shall refer to the time period from December 16, 2019 to the date of settlement approval.

P. Resolution. The term "Resolution" as used herein means this Agreement to resolve the Litigation.

Q. Settlement Administrator. The term "Settlement Administrator" as used herein means Simpluris, Inc., which will be responsible for the administration of the Settlement Payment, as defined below, and all related matters.

R. Settlement Agreement. The terms "Settlement Agreement" or "Agreement" are used synonymously herein to means this PAGA Settlement Agreement.

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S. Settlement Amount. The terms “Settlement Amount” and “Gross Settlement Fund” as used herein mean a fund in the sum of ONE HUNDRED FIVE THOUSAND DOLLARS AND ZERO CENTS (\$105,000.00), which shall be paid by Defendants, and from which all Net Settlement Payments, PAGA Enhancement Payment, Court approved attorneys’ fees and Litigation costs, Administrative Costs, LWDA payment, and PAGA Group payment shall be paid. Defendants agree to fund the Settlement Amount by an initial good faith payment of \$36,250.00, due immediately upon execution of this Agreement, on or before August 20, 2021. Thereafter, Defendants agree to fund \$6,250.00 on or by September 11, 2021 and on or by the eleventh (11th) day of each consecutive month, with the total balance of the Settlement Amount due on or before August 11, 2022, as provided in section VIII B. of this Agreement.

II. BACKGROUND

A. On December 16, 2020, Plaintiff provided Defendants with a Private Attorney General Act (“PAGA”) Notice to the Labor and Workforce Development Agency (“LWDA”) and demand letter alleging claims for wage and hour PAGA violations against Defendants on Plaintiff’s behalf and on behalf of other alleged aggrieved employees, including: (1) failure to provide employment records; (2) failure to properly compensate overtime and double-time; (3) meal period and rest period violations; (4) minimum wage violations; (6) failure to provide accurate, itemized wage statements; (7) failure to pay timely wages; (8) failure to pay wages upon termination; (9) violation of the Wage Theft Prevention Act; (10) failure to reimburse business expenses; and (11) failure to provide paid notice of paid sick time and accrual.

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B. On March 22, 2021, Plaintiff brought an action against Defendants, which is pending as *Christine Gonzalez-Arellano vs. Starchild Interventions, a California Corporation, et al.*, Los Angeles Superior Court Case No. 21STCV10947, Los Angeles Superior Court Case No. 21STCV10947 (the “Litigation”). In the Litigation, Plaintiff asserted the following against Defendants: (1) failure to provide employment records in violation of Labor Code §§226, 432, and 1198.5; (2) failure to pay overtime and double time in violation of Labor Code §§510 and 1198; (3) failure to provide rest and meal periods in violation of Labor Code §§226.7, 512(a), and applicable Wage Orders; (4) failure to pay minimum wage in violation of Labor Code §§1182.2, 1194, 1197, 1197.1, and applicable Wage Orders; (5) failure to keep accurate payroll records and provide itemized wage statements in violation of Labor Code §§226(a), 1174(d), 1198, and the applicable Wage Orders; (6) failure to pay all wages earned on time in violation of Labor Code §204; (7) failure to pay all wages earned upon discharge or resignation in violation of Labor Codes §§201, 202, and 203; (8) failure to provide basic information at the time of hiring and when employment changes occur in violation of Labor Code §2810.5(a)(1)(A)-(C) (Wage Theft Prevention Act); (9) failure to reimburse necessary, business-related expenses in violation of Labor Code §2800 and 2802; and (10) failure to provide notice of paid sick time and accrual in violation of Labor Code §246. The Litigation sought penalties under PAGA for these alleged violations.

C. Following the filing of the Litigation, counsel for the Parties met and conferred with respect to the potential settlement of the Litigation. Pursuant to these discussions, the Parties agreed to exchange informal discovery and engaged in private mediation. The Parties subsequently exchanged informal discovery, including: information and documentation concerning the claims set forth in the Litigation, such as documentation regarding Named Plaintiff’s employment; information regarding the number of putative PAGA Group members and the number of current versus former employees; and the total pay periods worked by the PAGA Group.

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D. Named Plaintiff and Plaintiff's Counsel have engaged in good faith, arms-length negotiations. On August 11, 2021, the Parties participated in a mediation with the mediator Mark A. Lemke, Esq., LLM, which resulted in a settlement. The Parties settled the case, subject to the Approval of the Court and finalization of a formal Stipulation of Settlement. The Parties have now entered into a more detailed, formalized Stipulation of Settlement for submission to the Court for Approval.

E. Plaintiff's Counsel has conducted an investigation of the law and facts relating to the claims asserted in the Litigation and has concluded, taking into account the sharply contested issues involved, the expense and time necessary to pursue the Litigation through trial and any appeals, the risks and costs of further prosecution of the Litigation, the risk of an adverse outcome, the uncertainties of complex litigation, and the substantial benefits to be received by the Named Plaintiff and the members of the PAGA Group pursuant to this Agreement, that a settlement with Defendants on the terms and conditions set forth herein is fair, reasonable, adequate, and in the best interests of the PAGA Group. Named Plaintiff, on her own behalf and as a representative pursuant to PAGA, has agreed to settle the Litigation with Defendants on the terms set forth herein.

F. Defendants have concluded that, because of the substantial expense of defending against the Litigation, the length of time necessary to resolve the issues presented herein, the inconvenience involved, and the concomitant disruption to its operations, it is in its best interests to accept the terms of this Agreement. Defendants deny each of the allegations and claims asserted against it in the Litigation. However, Defendants nevertheless desire to settle the Litigation for the purpose of avoiding the burden, expense, and uncertainty of continuing litigation and for the purpose of putting to rest the controversies engendered by the Litigation.

G. This Agreement is intended to and does effectuate the full, final, and complete resolution of all allegations and claims that were asserted in the Litigation by Named Plaintiff as released below herein.

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III. JURISDICTION

The Parties agree that the Court has jurisdiction over the Parties and the subject matter of this Litigation. The Litigation includes claims that, while Defendants deny them in their entirety, would, if proven, authorize the Court to grant relief pursuant to the applicable statutes. After the Court has granted Approval of the Resolution, pursuant to California Code of Civil Procedure Section 664.6 the Parties agree that the Court shall retain jurisdiction of this action solely for the purpose of interpreting, implementing, and enforcing this Resolution consistent with the terms set forth herein, and the Parties and their counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing this Agreement and all orders and judgments entered in connection therewith.

IV. STATEMENT OF NO ADMISSION

A. Defendants deny liability to Named Plaintiff and to the PAGA Group upon any claim or cause of action. This Agreement does not constitute, and is not intended to constitute, an admission by Defendants as to the merits, validity, or accuracy of any of the allegations or claims made against it in the Litigation.

B. Nothing in this Agreement, nor any action taken in implementation thereof, nor any statements, discussions, or communications, nor any materials prepared, exchanged, issued, or used during the course of the negotiations leading to this Agreement or the Resolution, is intended by the Parties to constitute, nor will any of the foregoing constitute, be introduced, be used, or be admissible in any way in this case or any other judicial, arbitral, administrative, investigative, or other forum or proceeding as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule, or executive order, or any obligation or duty at law or in equity. The Parties themselves agree not to introduce, use, or admit this Agreement, directly or indirectly, in this case or any other judicial, arbitral, administrative, investigative, or other forum or proceeding, as purported evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule, or executive order, or any obligation or duty at law or in equity, or for any other purpose. Notwithstanding the foregoing, this Agreement may be used in

any proceeding before the Court that has as its purpose the interpretation, implementation, or enforcement of this Agreement or any orders or judgments of the Court entered in connection with the Resolution.

C. None of the documents produced or created by Named Plaintiff or the PAGA Group in connection with the claims procedures or claims resolution procedures constitute, and they are not intended to constitute, an admission by Defendants of any violation of any federal, state, or local law, statute, ordinance, regulation, rule, or executive order, or any obligation or duty at law or in equity.

D. Nothing in this Agreement will be construed as an admission or acknowledgement of any kind that any group should or would be given collective treatment in the Litigation or in any other action or proceeding. Further, neither this Agreement nor the Court's actions with regard to this Agreement will be admissible in any court or other tribunal regarding the propriety of collective treatment. If this Agreement is not approved by the Court or any appellate court, is terminated, or otherwise fails to be enforceable, Named Plaintiff will not be deemed to have waived, limited, or affected in any way any claims, rights, or remedies in the Litigation, and Defendants will not be deemed to have waived, limited, or affected in any way any of their objections or defenses in the Litigation.

V. RELEASE, DISMISSAL, AND CONFIDENTIALITY

A. Release as to All PAGA Group Members.

Upon Approval by the Court of this Settlement, Plaintiff and each member of the PAGA Group, will release any and all claims and causes of action under the California Private Attorneys' General Act of 2004 Cal. Lab. Code § 2698 (PAGA) against Defendants, Defendants' parents, owners, subsidiaries, affiliates, their insurers, attorneys, and all agents thereof, arising out of the facts and claims asserted in Named Plaintiff's December 16, 2020 PAGA Notice and in the Complaint in the Litigation for civil penalties under PAGA based upon any of Named Plaintiff's allegations or claims, under any legal theory of liability, including claims against Defendants for the following: (1) failure to provide employment records in violation of Labor Code §§226, 432,

and 1198.5; (2) failure to pay overtime and double time in violation of Labor Code §§510 and 1198; (3) failure to provide rest and meal periods in violation of Labor Code §§226.7, 512(a), and applicable Wage Orders; (4) failure to pay minimum wage in violation of Labor Code §§1182.2, 1194, 1197, 1197.1, and applicable Wage Orders; (5) failure to keep accurate payroll records and provide itemized wage statements in violation of Labor Code §§226(a), 1174(d), 1198, and the applicable Wage Orders; (6) failure to pay all wages earned on time in violation of Labor Code §204; (7) failure to pay all wages earned upon discharge or resignation in violation of Labor Codes §§201, 202, and 203; (8) failure to provide basic information at the time of hiring and when employment changes occur in violation of Labor Code §2810.5(a)(1)(A)-(C) (Wage Theft Prevention Act); (9) failure to reimburse necessary, business-related expenses in violation of Labor Code §2800 and 2802; and (10) failure to provide notice of paid sick time and accrual in violation of Labor Code §246 or any other violations under Labor Code sections 201, 202, 203, 204, 206, 226(a), 226.7, 246, 432, 510, 512(a), 558, 1174(d), 1174.5, 1182.2, 1182.12, 1194, 1197, 1197.1, 1198, 1198.5, 2800, 2802, 2810.5 and 2699, and their subsections, and all applicable Wage Orders as well as all interpretations of these laws by California Courts and administrative bodies. This release extends only to the penalties available through PAGA and does not release individual claims.

B. Publicity.

The Named Plaintiff and her counsel agree that they have not and will not publish the Resolution. More specifically, Named Plaintiff and her counsel agree that they will not report the Settlement in any medium or in any publication, shall not post or report anything regarding the claims of Named Plaintiff or the Settlement on any website, and shall not contact any reporters or media regarding the Settlement. However, nothing in the provision shall be construed from as preventing the Parties from taking following actions: (a) Named Plaintiff's Counsel shall be allowed to refer to the Litigation and Resolution in other litigations to support their adequacy as attorneys for a putative class or to justify an award of attorney's fees; (b) the Parties shall have the right to disclose the Resolution as may be required under federal or state tax and/or securities

laws or under Generally Accepted Accounting Principles; (c) the Parties may refer to the Resolution, describe its terms, and file the settlement agreement with the Court, the California LWDA, and the Settlement Administrator in connection with any proceedings which are reasonably necessary to obtain Approval of the Settlement; and, (d) the Parties or their representatives may communicate with accountants or legal advisors regarding the Resolution. Except for the previously listed exceptions, in response to any inquiries about the Litigation, the Parties may state that “the case was resolved, and it was resolved confidentially.”

VI. SETTLEMENT ADMINISTRATOR

Named Plaintiff and Defendants, through their respective counsel, have selected Simpluris Inc., as the Settlement Administrator to administer the Resolution, which includes but is not limited to distributing and responding to inquiries about the Notice of Resolution and calculating all amounts to be paid from the Net Settlement Fund. Charges and expenses of the Settlement Administrator, estimated to be no more than Two Thousand Five Hundred Dollars (\$2,500.00) will be paid from the Settlement Amount. Any charges and expenses of the Settlement Administrator greater than the allocated Two Thousand Five Hundred Dollars (\$2,500.00) will come from the Settlement Amount. If the actual Settlement Administrator fees are less than the Parties’ estimation, the difference between the actual and estimated Settlement Administrator fees will be included in the Net Settlement Amount.

VII. NOTICE

Named Plaintiff and Defendants, through their respective attorneys, have jointly prepared a Notice of PAGA Settlement (the “Notice”), in the form attached hereto as **Exhibit “A”** which in substance will be provided to the members of the PAGA Group as follows:

As soon as practicable following Approval of the Resolution, but no later than twenty-one (21) business days after the Court’s Approval, Defendants will provide to the Settlement Administrator the following information about each PAGA Group member: (1) name; (2) last known home address; (3) number of pay periods as a PAGA Group member during the PAGA period; and (4) social security number (“PAGA List”).

The Settlement Administrator shall run all the addresses provided through the United States Postal Service NCOA database (which provides updated addresses for any individual who has moved in the previous four years who has notified the U.S. Postal Service of a forwarding address) to obtain current address information. Within fifteen (15) business days after the Settlement Administrator's receipt of the PAGA List, the Settlement Administrator will mail the Notice of Resolution together with a settlement payment to all PAGA Group members by first-class United States mail, postage prepaid, with directions to the Postmaster to forward the Notice and return all undeliverable Notices to the Settlement Administrator. For each Notice of PAGA Settlement and settlement payment that is returned as undeliverable, the Settlement Administrator shall promptly attempt to locate the Aggrieved Employee by performing an additional skip trace and shall re-mail the Notice and settlement check no later than ten (10) calendar days following receipt of the undeliverable Notice. The Notice will be provided in English.

VIII. COMPUTATION AND DISTRIBUTION OF PAYMENTS

A. Distribution Formula.

Members of the PAGA Group will receive a lump sum payment as good and valuable consideration for the waiver and release of claims set forth in Section V(A), above, in an amount determined by the Settlement Administrator in accordance with the provisions of this Agreement.

The lump sum payment to each member of the PAGA Group will be determined by dividing the Net Settlement Amount by the total number of pay periods worked by all members of the PAGA Group during the Settlement Period (the "Pay Period Amount") and then multiplying the Pay Period Amount by the number of pay periods worked by the individual PAGA member.

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B. Funding of Resolution and Payment Schedule.

The funding of the Settlement Amount will be completed as follows:

- i. Defendants agree to fund the Settlement Amount by an initial good faith payment of \$36,250.00, due immediately upon execution of this Agreement, on or before August 20, 2021.
- ii. Defendants agree to fund \$6,250.00 on or by September 11, 2021, and on or by the eleventh (11th) day of each consecutive month thereafter.
- iii. Pursuant to the above-described payment schedule, Defendants agree to fund the entire Settlement Amount on or before August 11, 2022.
- iv. The funds used for the Settlement Amount shall be paid to the Claims Administrator by Defendants.
- v. The Parties agree to a three (3) business day grace period for each of Defendants' scheduled payments.
- vi. If Defendants fail to make a payment or installment payment, as described above and within the three (3) business day grace period, then Defendants are in default.
 - a. In the event of default, the remaining unpaid balance becomes immediately due and payable. The Settlement Administrator shall then release any paid funds to Plaintiff's Counsel in satisfaction of Plaintiff's Counsel's attorney fees.
 - b. In addition to any attorney fees incurred in the PAGA action, Plaintiff shall also recover additional attorney fees incurred in order to enforce the terms of this Agreement as a result of Defendants' default.
- vii. Concurrently with the execution of this Agreement, is the Stipulation for Entry of Judgment in the form attached here as **Exhibit "B,"** which shall be filed in the event of Defendant's default.

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viii. If a PAGA Group member is deceased at the time of distribution, the Settlement Administrator shall distribute the deceased PAGA Group member's Net Settlement Payment to the deceased PAGA Group member's legal heir(s). In the event of a dispute as to the legal heir(s), the Settlement Administrator shall notify the executor of the deceased PAGA Group member's estate and attempt to place the deceased PAGA Group member's payment in escrow or similar disposition such that any competing heirs may take whatever action they wish to resolve ultimate disposition of such money and the Settlement Administrator, and the Parties hereto may disclaim any further interest in or obligation in relation to such money.

ix. If a check is returned to the Settlement Administrator as undeliverable, the Settlement Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace search and, if another address is identified, shall mail the check to the newly identified address. If the Settlement Administrator is unable to obtain a valid mailing address through this process, the monies represented by the check shall be turned over according to the below procedures.

x. Settlement checks will specifically indicate that they are void if not negotiated within one hundred eighty 180 days of their issuance. Any settlement checks that remain uncashed one hundred eighty (180) or more calendar days after issuance by the Settlement Administrator shall be voided. The Settlement Administrator will remit the entire amount of each PAGA Group member's uncashed Individual Settlement Payment to the California State Controller for deposit in the Unclaimed Property Fund in the name of the PAGA Group member to whom the uncashed Individual Settlement Payment was drafted.

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D. PAGA Enhancement Payment.

Subject to Court approval, the Plaintiff shall receive an Enhancement Award that amounts to Seven Thousand Five Hundred Dollars (\$7,500.00) for her services as the PAGA representative. The PAGA Enhancement Payment will be paid from the Gross Settlement Fund and Settlement Amount and shall not constitute payment to any other PAGA Group members other than Plaintiff. To the extent that the Court approves less than the amount of PAGA Enhancement Award that Plaintiff's Counsel requests, the difference between the requested and awarded amounts will be reallocated to the Net Settlement Amount, and Plaintiff shall not have the right to revoke this Settlement, and it will remain binding.

Because it is the intent of the Parties that the PAGA Enhancement Payment represent payment to Plaintiff for service to the PAGA Group, and not wages, the Settlement Administrator will not withhold any taxes from the PAGA Enhancement Payment. The PAGA Enhancement Payment will be reported on the IRS Form 1099, which the Settlement Administrator will provide to Plaintiff and to the pertinent taxing authorities as required by law.

E. Time for Distribution of the Attorney Fees, Costs, and LWDA Payment.

The Settlement Administrator shall cause the Court approved attorney's fees and Litigation costs and LWDA Payment to be paid at the same time and manner as the Settlement Payments to the PAGA Group.

IX. NO CONTRIBUTIONS TO EMPLOYEE BENEFIT PLAN

The amounts paid under this Agreement do not represent a modification of any previously credited hours of service under any employee benefit plan, policy, or bonus program sponsored by Defendants. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under, benefit plans (self-insured or not) sponsored by Defendants', policies, or bonus programs. Any payments made under the terms of this Resolution shall not be applied retroactively, currently, or on a going forward basis as salary, earnings, wages, or any other form of compensation for the purposes of Defendants' benefit plan, policy, or bonus program. Defendants retain the right to modify the language of its benefit plans, policies, and

bonus programs to effect this intent and to make clear that any amounts paid pursuant to this Resolution are not for “hours worked,” “hours paid,” “hours of service,” or any similar measuring term as defined by applicable plans, policies, and bonus programs for purpose of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Resolution.

X. PLAINTIFF’S COUNSEL’S ATTORNEYS’ FEES AND LITIGATION COSTS

Defendants shall not oppose an application by Plaintiff’s Counsel for, and Plaintiff’s Counsel shall not seek or receive an amount in excess of Forty-Two Thousand Dollars and Zero Cents (\$42,000.00) which represents 40% of the Settlement Amount for all past and future attorneys’ fees necessary to prosecute, settle, and administer the Litigation and this Resolution. PAGA Counsel’s request for reimbursement of Litigation costs is in the amount of \$6,000.00.

Any attorneys’ fees or Litigation costs awarded to Plaintiff’s Counsel by the Court shall be deducted from the Settlement Amount for the purpose of determining the Net Settlement Amount. This amount shall include all attorneys’ fees, Litigation costs, and expenses for which Named Plaintiff and Plaintiff’s Counsel could claim under any legal theory whatsoever. Should the Court approve a lesser percentage or amount of fees and/or Litigation costs than the amount that Plaintiff’s Counsel ultimately seeks, then the unapproved portion or portions shall revert to the Net Settlement Amount.

XI. TAXATION AND ALLOCATION

For withholding tax characterization purposes and payment of taxes, the Net Settlement Amount shall be deemed and is allocated by the Parties as follows (“Net Settlement Allocation”): 100% as penalties.

All PAGA Group members who cash their settlement check may receive an IRS Form 1099 for their portion of the settlement, if deemed required by the Settlement Administrator (in compliance with IRS guidelines).

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XII. COURT APPROVAL

This Agreement and the Resolution is contingent upon Approval by the Court. Named Plaintiff and Defendants agree to take all steps as may be reasonably necessary to secure Approval of the Resolution, to the extent not inconsistent with the terms of this Agreement and will not take any action adverse to each other in obtaining Court Approval of the Resolution in all respects.

XIII. APPRAISAL AND CERTIFICATION BY THE SETTLEMENT ADMINISTRATOR.

The Settlement Administrator shall keep Plaintiff's Counsel and Defendants' Counsel apprised of all distributions from the Settlement Amount. Upon completion of administration of the Settlement, the Settlement Administrator shall provide written certification of such completion to Plaintiff's Counsel and Defendants' Counsel. The Settlement Administrator shall also provide Defendants with a final accounting, including the names of payees and Net Settlement Payments.

XIV. MISCELLANEOUS PROVISIONS**A. Stay of Litigation.**

The Parties agree that upon full execution of this Settlement, the matter is stayed in its entirety except for any filings and/or motion work necessary to attain Court approval of the Settlement. Should the Court not grant approval of the Motion For Approval of PAGA Representative Action Settlement, or of the Stipulation For Approval Of The PAGA Representative Action Settlement, the stay will be lifted thirty (30) days thereafter and the Parties will be restored to their positions prior to the Settlement and the Settlement shall be null and void. Upon mutual agreement by the Parties, after these thirty (30) days expire, the Parties may agree to additional extensions of this stay in order to work towards obtaining Court approval, and this agreement between the Parties must be in writing.

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B. Interpretation of the Agreement.

This Agreement constitutes the entire agreement between Named Plaintiff and Defendants. Except as expressly provided herein, this Agreement has not been executed in reliance upon any other written or oral representations or terms, and no such extrinsic oral or written representations or terms shall modify, vary, or contradict its terms. In entering into this Agreement, the Parties agree that this Agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence. The Agreement will be interpreted and enforced under the laws of the State of California, both in its procedural and substantive aspects, without regard to its conflict of laws provisions. Any claim arising out of or relating to the Agreement, or the subject matter hereof, will be resolved solely and exclusively in the Superior Court of the State of California for the County of Los Angeles and Named Plaintiff and Defendants hereby consent to the personal jurisdiction of the Court over them solely in connection therewith. The foregoing is only limited to disputes concerning this Agreement and in no way limits or negates the enforceability and effect of any other agreements signed by employees of Defendants. Named Plaintiff, on his own behalf and on behalf of the PAGA Group, and Defendants participated in the negotiation and drafting of this Agreement and had available to them the advice and assistance of independent counsel. As such, neither Named Plaintiff nor Defendants may claim that any ambiguity in this Agreement should be construed against the other.

The terms and conditions of this Agreement constitute the exclusive and final understanding and expression of all agreements between Named Plaintiff and Defendants with respect to the Resolution of the Litigation. The Agreement may be modified only by a writing signed by counsel for all Parties or their successors-in-interest.

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C. Further Cooperation.

Named Plaintiff and Defendants and their respective attorneys shall proceed diligently to prepare and execute all documents, to seek Approval from the Court, and to do all things reasonably necessary or convenient to consummate the Agreement as expeditiously as possible.

D. Confidentiality of Documents.

Named Plaintiff, the Settlement Administrator, and Plaintiff's Counsel shall maintain the confidentiality of all documents, deposition transcripts, declarations, and other information obtained in the Litigation, unless necessary for appeal or such documents are ordered to be disclosed by the Judge or by a subpoena.

E. Counterparts.

The Agreement may be executed in one or more actual or non-original counterparts, all of which will be considered one and the same instrument and all of which will be considered duplicate originals.

F. Authority.

Each individual signing below warrants that he or she has the authority to execute this Agreement on behalf of the party for whom or which that individual signs.

G. No Third-Party Beneficiaries.

Named Plaintiff, members of the PAGA Group, Defendants, and Released Entities are direct beneficiaries of this Agreement, but there are no third-party beneficiaries.

H. Force Majeure.

The failure of any party to perform any of its obligations hereunder shall not subject such party to any liability or remedy for damages, or otherwise, where such failure is occasioned in whole or in part by acts of God, fires, accidents, earthquakes, other natural disasters, explosions, floods, wars, interruptions or delays in transportation, power outages, labor disputes or shortages, shortages of material or supplies, governmental laws, restrictions, rules or regulations, sabotage, terrorist acts, acts or failures to act of any third parties, or any other similar or different circumstances or causes beyond the reasonable control of such party.

I. Deadlines Falling on Weekends or Holidays.

To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or legal holiday, that deadline shall be continued until the following business day.

J. Severability.

In the event that any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Defense Counsel and Plaintiff's Counsel, on behalf of the Parties and the PAGA Group, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

K. Defendants' Fees and Costs

All of Defendants' own legal fees, costs, and expenses incurred in this Action shall be borne by Defendants.

[Signatures to follow on next page]

Dated: August 31st, 2021



CHRISTINE GONZALEZ-ARELLANO,
Plaintiff

Dated: _____, 2021

By: _____, on behalf of
STARCHILD INTERVENTIONS,
a California Corporation,
Defendant

Dated: August 30th, 2021



CHIANTE WILLIAMS,
Defendant

Dated: August 30th, 2021



SEAN RANEL,
Defendant

APPROVED AS TO FORM ONLY:

Dated: September 1, 2021

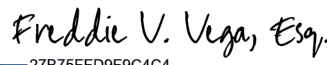
**HAIG B. KAZANDJIAN LAWYERS,
APC**

/s/ Haig Kazandjian

Haig B. Kazandjian, Esq.
Cathy Gonzalez, Esq.
Melissa R. Robinson, Esq.
Attorneys for Plaintiff
CHRISTINE GONZALEZ-ARELLANO

Dated: 8/31/2021, 2021

THE CIVIL ATTORNEYS GROUP, PC

DocuSigned by:


27B75FFD9F9C4C4...
David Kozich, Esq.,
Freddie V. Vega, Esq.
Attorneys for Defendants
STARCHILD INTERVENTIONS,
a California Corporation;
CHIANTE WILLIAMS;
and SEAN RANEL.

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

**NOTICE OF PAGA SETTLEMENT AND
RELEASE**

To [NAME]:

The enclosed check is your share of a court-approved representative action settlement between Plaintiff Christine Gonzalez-Arellano ("Plaintiff"), and Defendant Starchild Interventions, a California Corporation ("Defendant"). Plaintiff filed a lawsuit against Defendant as the representative of the State of California and Defendant's other current and former employees who performed work for Defendant in California. Plaintiff asserted claims against Defendant under California Labor Code § 2698 *et seq.*, also known as the Private Attorneys General Act ("PAGA"), based on the alleged failure by Defendant to provide meal periods and rest breaks, pay for all hours worked, sick pay, reimbursement of necessary business expenses, itemized wage statements and timely final pay. Defendant denies that it violated the law in any way. However, Defendant agreed to enter into a settlement to avoid the cost and disruption of litigation.

As a current or former employee of Defendant in California between December 16, 2019 and [DATE OF APPROVAL], you are covered by this settlement. Per the Court's final judgment in this case, all people covered by the settlement have released any and all claims for PAGA penalties contained in Plaintiff's notice to the LWDA and Complaint. This means that you are not able to pursue a PAGA lawsuit against Defendant based on such claims.

The enclosed check is your share of the settlement. The payment amount was calculated based on the number of pay periods you worked for Defendant during the period between December 16, 2019 and [DATE OF APPROVAL]. Because this calculation was approved by the Court, the amount of your payment is final and cannot change. Enclosed with your check is an IRS Form 1099. Please note that no taxes were withheld from your payment, so it will be your responsibility to pay any taxes that may be due. You should consult with your own tax accountant with regard to any questions that you may have concerning any taxes that may be due. Further, you are bound by the settlement and release of claims based on the Court's final judgment whether or not you cash or deposit the enclosed check.

If you have any questions or would like more information about the settlement or this lawsuit, you may contact the Claims Administrator at: Simpluris Inc.; 888-369-3780, option 2; P.O. Box 26170, Santa Ana, CA 92799.

EXHIBIT B

HAIG B. KAZANDJIAN LAWYERS APC

Haig B. Kazandjian, Esq. Bar No.:278622

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Cathy Gonzalez, Esq. Bar No.:310625

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Melissa R. Robinson, Esq. Bar No.: 336951

melissa@hbklawyers.com

801 N. Brand Blvd Suite 970

Glendale, CA 91203

Telephone: 818.696.2306

Fax: 818.696.2307

*Attorneys for Plaintiff***CHRISTINE GONZALEZ-ARELLANO,***an individual, on behalf of herself and**all other Aggrieved Employees***SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**CHRISTINE GONZALEZ-ARELLANO, an
individual, on behalf of herself and all other
AGGRIEVED EMPLOYEES,

PLAINTIFF,

v.

STARCHILD INTERVENTIONS, a
California Corporation; and DOES 1
THROUGH 50, Inclusive

DEFENDANTS.

Case No. 21STCV10947*[Honorable Rupert A. Byrdsong, Dept. 28]***STIPULATION FOR ENTRY OF
JUDGMENT***[Filed concurrently with the Judgment Pursuant
to Stipulation]*

Action filed: March 22, 2021

IT IS HEREBY STIPULATED by and between Plaintiff, ("PLAINTIFF") CHRISTINE GONZALEZ-ARELLANO recover from Defendants STARCHILD INTERVENTIONS, a California Corporation, CHIANTE WILLIAMS, and SEAN RANEL ("DEFENDANTS"), collectively referred to as the "Parties," as follows:

1. In the event of an Uncured Default pursuant to the terms of the Settlement Agreement, DEFENDANTS hereby consent to the entry of judgment in the form of **Exhibit 1** attached hereto and incorporated herein against him, in the amount of \$105,000.00 less any amounts paid in accordance with the Parties' settlement¹;

¹ See **Exhibit 2**, the Settlement Agreement and Mutual Release

ii. DEFENDANTS agree to fund \$6,250.00 on or by September 11, 2021, and on or by the eleventh (11th) day of each consecutive month thereafter.

iv. The funds used for the Settlement Amount shall be paid to the Claims Administrator by DEFENDANTS.

vi. If Defendants fail to make a payment or installment payment, as described above and within the three (3) business day grace period, then DEFENDANTS are in default.

b. In addition to any attorney fees incurred in the PAGA action, PLAINTIFF shall also recover additional attorney fees incurred in order to enforce the terms of this Agreement as a result of DEFENDANTS' default.

In the event of DEFENDANTS' default, PLAINTIFF shall be immediately entitled to file this Stipulation with the Court.

DEFENDANTS agree that once the Stipulation is filed with the Court, Judgment pursuant to the Stipulation shall be immediately entered in the form of **Exhibit 1** to the Stipulation, less credit for any amounts paid to the date of entry.

2.

DEFENDANTS agree the amount of the judgment shall be in the sum of \$105,000.00, less credit for monies paid pursuant to paragraph 2. Upon entry of said Judgment PLAINTIFF may take any and all acts to enforce said Judgment.

4. DEFENDANTS further agree that the Judgment, as provided by this Stipulation for Entry of Judgment may be entered by a Commissioner or Judge of this Court without the necessity of a noticed motion, and that PLAINTIFF may execute on the Judgment immediately.

5. A declaration of PLAINTIFF's counsel, Haig B. Kazandjian, or Cathy Gonzalez, or of any attorney of Haig B. Kazandjian Lawyers, APC, setting forth all principal payment(s) made or missed by DEFENDANTS, as of the date of the default shall be sufficient to secure Entry of Judgment.

Dated: August 31, 2021



CHRISTINE GONZALEZ-ARELLANO,
Plaintiff

Dated: _____, 2021

By: _____, on behalf of
STARCHILD INTERVENTIONS,
a California Corporation,
Defendant

Dated: August 30th, 2021



CHIANTE WILLIAMS,
Defendant

Dated: August 30th, 2021



SEAN RANEL,
Defendant

EXHIBIT 1

HAIG B. KAZANDJIAN LAWYERS APC

Haig B. Kazandjian, Esq. Bar No.:278622

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Fax: 818.696.2307

*Attorneys for Plaintiff***CHRISTINE GONZALEZ-ARELLANO,***an individual, on behalf of herself and**all other Aggrieved Employees***SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**CHRISTINE GONZALEZ-ARELLANO, an
individual, on behalf of herself and all other
AGGRIEVED EMPLOYEES,

PLAINTIFF,

v.

STARCHILD INTERVENTIONS, a
California Corporation; and DOES 1
THROUGH 50, Inclusive

DEFENDANTS.

Case No. 21STCV10947*[Honorable Rupert A. Byrdsong, Dept. 28]***STIPULATION FOR ENTRY OF
JUDGMENT***[Filed concurrently with the Judgment Pursuant
to Stipulation]*

Action filed: March 22, 2021

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that judgment is entered in

favor of Plaintiff, CHRISTINE GONZALEZ-ARELLANO and against Defendants,

STARCHILD INTERVENTIONS, a California Corporation, CHIANTE WILLIAMS, and SEAN

RANEL, in the sum of \$105,000.00, less \$_____ amounts paid toward the settlement sum

described in Paragraph 2 of the Stipulation for Entry of Judgment.

Dated: _____

JUDGE/COMMISSIONER OF THE SUPERIOR COURT

EXHIBIT 2

[In the event of Defendants' Default, the Stipulation filed with the Court will attach the Parties' Executed Settlement Agreement hereafter.]