

PRIVATE ATTORNEYS GENERAL ACT (LABOR CODE SECTION 2698, ET SEQ.)
SETTLEMENT AGREEMENT AND RELEASE

IT IS HEREBY STIPULATED AND AGREED by and among the undersigned Parties, subject to the approval of the Court, that the settlement of this action shall be effectuated upon and subject to the following terms and conditions. Capitalized terms used herein shall have the meanings set forth in Article I or elsewhere in this Private Attorneys General Act (Labor Code section 2698, *et seq.*) (“PAGA”) Settlement Agreement and Release (“Agreement”).

This Agreement is made by and between Noe Gregorio Ochoa (“Plaintiff”), for himself and on behalf of the State of California and allegedly aggrieved employees of Defendants Estrella Radio Broadcasting of California LLC and Estrella Media, Inc. (together, “Defendants”). Plaintiff and Defendants are collectively referred to as “Parties.” This Agreement shall be effective on the date when it has been signed by all Parties.

The Parties agree that the Action shall be, and hereby is, ended, settled, resolved, and concluded by this Agreement, which is intended to effect and complete settlement of this matter.

Article I.

Definitions and Terms

Section 1.01 Definitions.

Unless otherwise defined herein, the following terms used in this Agreement shall have the meanings ascribed to them as set forth below:

- i. “Action” means the lawsuit filed by Plaintiff on April 14, 2021, in the Superior Court of California, County of Los Angeles, Case No. 21STCV14134.
- ii. “Agreement,” or “Settlement Agreement,” means this Private Attorneys General Act (Labor Code section 2698, *et seq.*) Settlement Agreement and Release.
- iii. “Aggrieved Employees” means Plaintiff and all other individuals who are or were employed by Defendants and who worked at least one shift in California during the PAGA Period. According to Defendants, there are approximately 466 Aggrieved Employees in the covered PAGA Period.
- iv. “PAGA Notice” means the notice submitted to the LWDA on behalf of Plaintiff on or about January 14, 2021, with respect to this Action.
- v. “Attorneys’ Costs” means the total amount of litigation costs incurred by Plaintiff’s Counsel in connection with the Action up to a maximum of \$15,000, which shall be paid from the PAGA settlement amount as reimbursement of litigation costs.
- vi. “Attorneys’ Fees” means the amount in fees Plaintiff’s Counsel is free to request that the Court award up to 35% of the Gross Settlement Amount, per Section 1.02(b) as compensation for their attorneys’ fees.

- vii. “Complaint” means the operative Complaint filed by Plaintiff in Los Angeles County Superior Court.
- viii. “Court” means the Superior Court for the State of California, County of Los Angeles.
- ix. “Effective Date” means the date that the Superior Court or any party hereto serves notice of the Superior Court’s order and judgment approving the PAGA Settlement and no timely appeal thereto has been filed within 60 days (“Court Approval Order”). For clarity, in the event no appeal has been filed within 60 days from the Court Approval Order, the Effective Date is the 61st day following the Court Approval Order. In the event that a timely appeal is filed within 60 days of the Court Approval Order, the Effective Date shall occur when the appeal is adjudicated and no longer subject to further judicial review.
- x. “Gross Settlement Amount” means \$423,500.00, which is the maximum amount Defendants have agreed to pay pursuant to this Agreement.
- xi. “Individual PAGA Payment(s)” means the amount of Labor Code section 2699 penalties to be paid to each respective Aggrieved Employee, which will be 25% of the Net Settlement Amount.
- xii. “LWDA” means the California Labor and Workforce Development Agency.
- xiii. “LWDA Payment” means the amount of Labor Code section 2699 penalties to be paid to the LWDA, which will be 75% of the Net Settlement Amount.
- xiv. “Net Settlement Amount” means the amount remaining from the Gross Settlement Amount after the deduction of the Service Award, Attorneys’ Fees, Attorneys’ Costs, and Settlement Administration Costs.
- xv. “Notice of PAGA Settlement” means the Notice of PAGA Settlement (in a form agreed to by the Parties) that the Settlement Administrator shall mail, along with each Individual PAGA Payment, to all Aggrieved Employees by first-class United States mail, postage prepaid, to the last known address of each Aggrieved Employee with directions to the Postmaster to forward the Notice and return all undeliverable Notices to the Settlement Administrator.
- xvi. “PAGA Period” means the time period from January 14, 2020 to the date the Court approves this Settlement Agreement.
- xvii. “Pay Periods” means each biweekly period in which Aggrieved Employees received wages during their employment with Defendants during the PAGA Period. According to Defendants, there are approximately 12,100 pay periods during the covered PAGA Period from January 14, 2020 to June 14, 2022 (the date of mediation between the Parties). To the extent the number of Pay Periods

increases beyond this number by more than 10%, the Parties shall return to mediator, Steve Mehta to negotiate the resolution of any additional pay periods.

- xviii. “PAGA Released Claims.” The claims settled, fully released, and forever discharged by the LWDA and the Aggrieved Employees, including Plaintiff, constitute any and all claims that have been or could have been pled under California’s Private Attorneys’ General Act of 2004, California Labor Code § 2698, *et seq.* based on the factual allegations set forth in the operative pleading in the Action. Plaintiff, the LWDA, and Aggrieved Employees release Defendants and the Released Parties from all remedies that could be claimed in connection with the Released Claims including but not limited to, statutory, constitutional, contractual damages, unpaid costs, penalties, punitive damages, interest, attorneys’ fees, litigation costs, restitution, and equitable relief.
- xix. “Released Parties” means Defendants and all affiliated predecessor and successor entities, and each such entity’s respective present and former subsidiaries, affiliates, parents, agents, employees, former employees, partners, owners, directors, officers, attorneys, trustees, insurers, representatives, predecessors, successors and assigns.
- xx. “Service Award” means \$10,000 payable to Plaintiff for his service to the State of California and the Aggrieved Employees and the risk he undertook by attaching his name to this Action, and his general release.
- xxi. “Settlement Administrator” means a third-party administrator the Parties will jointly select to administer the notice and payments called for in this Agreement. The Settlement Administrator shall be selected by the parties based on the bid most agreeable to all Parties, and shall be either CPT Group, Inc., ILYM Group Inc. or Phoenix Class Action Administration Solutions.
- xxii. “Settlement Administration Costs” means costs incurred by the Settlement Administrator in connection with the current Agreement, whether foreseen or not, which are anticipated not to exceed \$5,000.00.

Section 1.02 Terms of Agreement

(a) Gross Settlement Amount

Defendants agree to pay \$423,500.00 as a full, complete and final settlement of the Action. This sum includes the following: (i) the LWDA Payment; (ii) the Individual PAGA Payments; (iii) Plaintiff’s Attorneys’ Fees, as approved by the Court; (iv) Plaintiff’s Attorneys’ Costs, as approved by the Court; (v) the Service Award, as approved by the Court; and (vi) Settlement Administration Costs. The settlement is non-reversionary; however, under no circumstances shall the Gross Settlement Amount exceed \$423,500.00. The Gross Settlement Amount shall be used to satisfy all of the PAGA claims alleged against Defendants in the Action.

(b) Attorneys’ Fees and Attorneys’ Costs

Plaintiff's Counsel may request Attorneys Fees' and Attorneys' Costs as compensation for their fees and reimbursement of their costs, respectively, incurred in prosecution of this Action. Defendants will not oppose any request up to 35% of the Gross Settlement Amount for Attorneys' Fees (\$148,225) and/or any request for up to \$15,000 for Attorneys' Costs. Any reduction in these payments by the Court is not grounds to void this Agreement and any amount requested but not awarded as Attorneys' Fees or Attorneys' Costs will be reallocated to the Net Settlement Amount and distributed to the LWDA and Aggrieved Employees as set forth herein.

(c) **PAGA Payment - Allocation**

Section 1.03 PAGA Payment - Allocation.

The Net Settlement Amount shall represent Labor Code section 2699 penalties, of which 75% of the payment will be paid to the LWDA as the LWDA Payment and 25% will be paid to Aggrieved Employees as Individual PAGA Payments, unless the Court determines otherwise. A reallocation of the settlement funds amongst PAGA claims directed by the Court shall not be a basis to void the agreement. If required by law, Aggrieved Employees will be issued Form 1099 for their respective Individual PAGA Payments. Subject to approval by the Court, the settlement amounts distributed to participating Settlement Class members shall be allocated 100% to penalties and interest.

The Individual PAGA Payment for each Aggrieved Employee shall be paid pro rata based on the number of biweekly payroll periods each Aggrieved Employee was employed by Defendants during the PAGA Period, as set forth in Section 2.04.

Article II.

Approval and Implementation of Agreement

Section 2.01 Cooperation

The Parties will cooperate in obtaining through an unopposed motion, an Order from the Court approving the terms of this Agreement at the earliest possible date. The Parties further agree to fully cooperate in the drafting and/or filing of any further documents reasonably necessary to be prepared or filed in order to obtain approval of this Agreement.

Section 2.02 Court Approval

The Parties will seek to obtain the Court's approval of this Agreement by way of an unopposed or joint motion to be filed by Plaintiff's counsel. The Court's approval of this Agreement shall be embodied in a written order. Should the Court ultimately not grant approval of terms set forth in Section 3.02 of this Agreement, then the entirety of this Agreement shall be null and void.

Section 2.03 Notice to Aggrieved Employees

(a) Notice.

Notice shall be provided to the Aggrieved Employees in the following manner:

- (1) No later than thirty (30) calendar days after the Effective Date, Defendants shall provide the Settlement Administrator with a list of all Aggrieved Employees ("Settlement List"). The Settlement List shall state, for each Aggrieved Employee, his or her full name, social security number, last known home address, and dates of employment (including all separations and re-hires during the PAGA Period) in order for the Claims administrator to calculate the pay periods (rounded up to the next whole number).
- (2) The Settlement Administrator shall conduct one National Change of Address ("NCOA") search for all Aggrieved Employees identified on the Settlement List. No later than ten (10) business days after its receipt of both the Settlement List and the Gross Settlement Amount, the Settlement Administrator shall mail the Notice of PAGA Settlement and each Individual PAGA Payment to all Aggrieved Employees by first-class United States mail, postage prepaid, to the last known address of each Aggrieved Employee with directions to the Postmaster to forward the Notice and Individual PAGA Payment and return all undeliverable Notices and Individual PAGA Payments to the Settlement Administrator. For each Notice and Individual PAGA Payment that is returned as undeliverable, the Settlement Administrator shall promptly attempt to locate the Aggrieved Employee by using an address refresher database.
- (3) All costs incurred by the Settlement Administrator in connection with the current settlement, whether foreseen or not, shall be paid out of the Gross Settlement Amount.

Section 2.04 Settlement Payment and Administration Procedures

No later than forty-five (45) calendar days after Effective Date, Defendants shall transfer the Gross Settlement Amount to the Settlement Administrator. In no event will any funds or payment be due by Defendants prior to the Effective Date of this Agreement.

Individual PAGA Payments shall be calculated pro rata based on the number of Pay Periods each Aggrieved Employee was paid wages by Defendants during the PAGA Period, with each Aggrieved Employee being entitled to a share of the Net Settlement Amount based upon the number of Pay Periods during which the Aggrieved Employee was paid wages Defendants during the PAGA Period as a numerator and the total number of Pay Periods during which all Aggrieved Employees were paid wages by Defendants during the PAGA Period.

The Individual PAGA Payments are considered penalties and will not be subject to local, state, or federal tax withholdings. Aggrieved Employees who cash their settlement checks will receive an IRS Form 1099 from the Settlement Administrator reflecting these payments as required by law. Defendants make no representation as to the tax treatment or legal effect of the payments called for hereunder.

The settlement checks issued to Aggrieved Employees shall remain valid for one hundred eighty (180) days. Thereafter, all uncashed checks shall be voided, and the funds represented thereby shall be paid to the LWDA by the Settlement Administrator.

Section 2.05 LWDA Notice

Pursuant to California Labor Code section 2699(l), Plaintiff will provide a copy of this Agreement to the LWDA concurrently with the filing of the motion for settlement approval. In addition, Plaintiff shall submit to the LWDA a copy of the Court's judgment and order approving the Agreement within ten (10) days after entry of the judgment or order.

Article III.

Limitations On Use of This Agreement

Section 3.01 No Admission

This Agreement and compliance with this Agreement shall not be construed as an admission by Defendants of any liability whatsoever, or as admission by Defendants of any violations of Ochoa's rights, violation of any order, law, statute, duty or contract whatsoever. Defendants specifically disclaims any liability to Plaintiff or any other allegedly Aggrieved Employee for any alleged violation of his/her rights, or for any alleged violation of any order, law, statute, duty, or contract.

Section 3.02 Nullification

- (a) If the Court should for any reason fail to approve this Agreement, then (a) this Agreement shall be considered null and void, (b) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect, and (c) all Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had been neither entered into nor filed with the Court.
- (b) Invalidation of any immaterial portion of this Agreement shall not invalidate this Agreement. The following terms are not material to this Agreement: the amount of Attorneys' Fees awarded (Section 1.01(vi)); the amount of Attorneys' Costs awarded (Section 1.01(v)); the amount of Service Award approved (Section 1.01(xxiii)) the amount of the Settlement Administration Costs approved (Section 1.01(xxv); or the allocation within the Net Settlement Amount (Section 2.04).

Article IV.

Release and Waiver of Claims

4.01 Scope of PAGA Release. It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge disputes and claims arising from or related to the PAGA Notice and/or the Action. Upon entry of the Order and Final Judgment approving payment of the payment of PAGA penalties as described in this Agreement, Plaintiff, the Aggrieved Employees, and the State of California shall be bound by this Agreement and shall have recourse exclusively to the benefits, rights, and remedies provided hereunder. Plaintiff, the Aggrieved Employees, and the State of California shall be deemed to have, and by operation of the Order and Final Judgment

granting approval of this Agreement, shall have fully, finally, and forever released, relinquished, and discharged each and all of the Released Parties from the Released Claims.

4.02 General Release by Named Plaintiff Only. In addition to the release in Paragraph 4.01, Plaintiff releases Released Parties from all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted prior to the final approval of settlement, whether in tort, contract, or for violation of any state or federal statute, rule or regulation arising out of, relating to, or in connection with any act or omission by or on the part of any and all Defendants. (The release set forth in this Paragraph shall be referred to hereinafter as "Plaintiff's General Release."). With respect to the Plaintiff's General Release, Plaintiff agrees that, upon the date of the Order and Judgment, he shall be deemed to have expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code which provides:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

Article V.

Miscellaneous Provisions

Section 5.01 Voluntariness

This Agreement is executed voluntarily and without duress or undue influence on the part of or on behalf of any of the Parties, or of any other person, firm, or other entity.

Section 5.02 Entire Agreement

This Agreement contains the entire understanding of the Parties hereto in respect of the subject matter contained herein. This Agreement supersedes all prior agreements and understandings among the Parties hereto with respect to the settlement of the Action.

Section 5.03 Amendments

The terms and provisions of this Agreement may be amended only by a written agreement that is both (a) signed by Plaintiff, Plaintiff's Counsel, representatives of Defendants, and Defendants' Counsel who executed this Agreement and (b) approved by the Court. Any waiver of any provision of this Agreement shall not constitute a waiver of any other provision of this Agreement unless expressly so indicated otherwise.

Section 5.04 Assignment

None of the rights, commitments, or obligations recognized under this Agreement may be assigned by any Party, Aggrieved Employee, Plaintiff's Counsel, or Defense Counsel without the express written consent of each other Party and their respective counsel hereto. 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. Plaintiff expressly warrants he has not transferred to any person or entity any right or cause of action, or claim released by this Agreement.

Section 5.05 Governing Law

This Agreement shall be governed, construed, and interpreted, and the rights of the Parties shall be determined, in accordance with the laws of the State of California, and shall in all cases shall be interpreted in accordance with the plain meaning of its terms and not strictly for or against any of the Parties hereto.

Section 5.06 Mutual Preparation

The Parties have had a full opportunity to negotiate the terms and conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement

Section 5.07 Representation by Counsel

The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement, and this Settlement has been executed with the consent and advice of counsel and reviewed in full.

Section 5.08 Counterparts

This Agreement, and any amendments hereto, may be executed in any number of counterparts and any Party and/or their respective counsel hereto may execute any such counterpart, each of which when executed and delivered, including facsimile, DocuSign, and scanned copies, shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. It shall not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for any of the other counterparts.

Section 5.09 Judgment and Continued Jurisdiction

After the Court approves this Agreement, the Court will have continuing jurisdiction per California Code of Civil Procedure section 664.6 solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement; (ii) settlement administration matters; and (iii) such post-judgment matters as may be appropriate under court rules or as set forth in this Settlement.

Section 5.10. Acknowledgement that the Settlement is Fair and Reasonable.

The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations by experienced counsel before Steve Mehta, an experienced employment and wage and hour mediator.

IN WITNESS WHEREOF, the Parties have executed this Private Attorneys General Act Settlement Agreement and Release on the date set forth.

APPROVED AND ACCEPTED.

Dated: 6/28/2022, 2022

By 
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NOE GREGORIO OCHOA

Dated: 6/28/2022, 2022

By Arya Towfighi
ESTRELLA RADIO BROADCASTING OF CALIFORNIA LLC

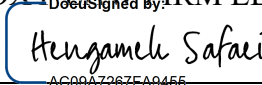
Dated: 6/28/2022, 2022

By Arya Towfighi
ESTRELLA MEDIA INC.

Dated: 6/28/2022, 2022

VENABLE LLP
By Daniel Hoffer
Daniel P. Hoffer
Attorney for Defendants

Dated: 6/28/2022, 2022

PROXY LAW FIRM LLP
By 
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Hengameh S. Safaei
Rana Nader
Attorney for Plaintiff