

Aidin D. Ghavimi, Esq. (State Bar No. 305808)
John Vafa, Esq. (State Bar No. 306059)
STARPOINT, LC
1801 Century Park East, 24th Floor
Los Angeles, California 90067
T: (310) 556-9627
F: (424) 255-4035
info@starpoinlaw.com

Attorneys for Plaintiff,
EBONEE CHAMBERS, individually
and on behalf of other aggrieved employees

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
A Limited Liability Partnership
Including Professional Corporations
ADAM R. ROSENTHAL, Cal. Bar No. 246722
LUKE J. BICKEL, Cal. Bar No. 341210
arosenthal@sheppardmullin.com
lbickel@sheppardmullin.com
12275 El Camino Real, Suite 200
San Diego, California 92130-2006
Telephone: 858.720.8900
Facsimile: 858.509.3691

Attorneys for Defendants
ACTION YOUTH AMERICA, LLC,
and CLAUDIA VILLALBA

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO, STANLEY MOSK COURTHOUSE

EBONEE CHAMBERS, individually and on
behalf of other aggrieved employees,

Plaintiff,

v.

ACTION YOUTH AMERICA, LLC,; and
CLAUDIA VILLALBA, an individual,

Defendants.

Case No. 21STCV41422

**STIPULATION AND SETTLEMENT OF
PRIVATE ATTORNEYS GENERAL ACT
REPRESENTATIVE CLAIMS AND
PLAINTIFF'S INDIVIDUAL CLAIMS**

Assigned for all Purposes to:
The Hon. Michael P. Linfield; Dept. 34

[Complaint Filed: 11/10/2021]

1 Subject to final approval by the Court, which counsel and the Parties agree to
2 diligently pursue and recommend in good faith, Plaintiff Ebonee Chambers (“Plaintiff”),
3 individually and on behalf of all similarly alleged aggrieved employees, on the one hand, and
4 Defendant Action Youth America, LLC. on behalf of itself and Defendant Claudia Villalba
5 (“AYA” or “Defendant”), on the other hand (collectively, the “Parties” and individually, a
6 “Party”), hereby agree to the following binding settlement of the representative and Plaintiff’s
7 individual action designated as Ebonee Chambers v. Action Youth America, LLC, et al., Los
8 Angeles Superior Court, Case No. 21STCV41422 (the “Action”), pursuant to the terms and
9 conditions set forth below (the “Settlement,” “Settlement Agreement” or “Agreement”).

10 **I. Definitions.**

11 The following definitions are applicable to this Settlement Agreement. Definitions
12 contained elsewhere in this Settlement Agreement will also be effective:

13 **A. “Action.”**

14 The case entitled Ebonee Chambers v Action Youth America, LLC, et al., Los
15 Angeles Superior Court, Case No. 21STCV41422.

16 **B. “Attorneys’ Fees and Costs.”**

17 The attorneys’ fees agreed upon by the Parties and approved by the Court for
18 PAGA Counsel’s litigation and resolution of the Action, and all costs incurred and to be incurred
19 by PAGA Counsel in the Action, including, but not limited to, costs associated with documenting
20 the Settlement, providing any notices required as part of the Settlement or Court’s Order, securing
21 the Court’s approval of the Settlement, administering the Settlement, and any expert expenses.
22 PAGA Counsel will request attorneys’ fees not to exceed thirty-six (36) percent of the PAGA
23 Settlement Amount, or \$27,000.00. The costs requested to be reimbursed will not exceed
24 \$3,500.00. The attorneys’ fees and costs awarded are subject to the Court’s approval. Such
25 Attorneys’ Fees and Costs shall be paid from the PAGA Settlement Amount. Counsel will be
26 issued an IRS Form 1099 for the Attorneys’ Fees and Costs detailed in this Section and shall be
27 solely and legally responsible for paying all applicable taxes on the payment made pursuant to this
28 Section.

1 C. **“Effective Date.”**

2 The date on which the Final Award becomes final. For purposes of this Section,
3 the Final Award “becomes final” only after the Court grants the Motion for Approval and enters
4 Final Judgment upon the latter of: (i) if no appeal is filed, the expiration date of the time for the
5 filing or noticing of any appeal from, or other challenge to, the Final Judgment (this time period
6 shall not be less than 60 calendar days after the Notice of Entry of Final Judgment); (ii) the date of
7 affirmance of an appeal of the Final Judgment becomes final under the California Rules of Court;
8 or (iii) the date of final dismissal of any appeal from the Final Judgment or the final dismissal of
9 any proceeding on review of any court of appeal decision relating to the Final Judgment.

10 D. **“Final Award” or “Approval.”**

11 The Court entering an Order Granting Approval of the Settlement Agreement, and
12 a separate Final Judgment based on final approval of the Settlement.

13 E. **“Gross Settlement Amount.”**

14 The sum of no more than \$125,000.00 gross to be paid by Defendant in full
15 satisfaction of all claims alleged in and arising from the Action and as consideration of the
16 Released Claims. The Settlement Amount includes all Individual Settlement Payments to PAGA
17 Members, payment to Plaintiff in her individual capacity (for her released claims) and as the
18 PAGA representative, Settlement Administration Costs to the Settlement Administrator, the Labor
19 and Workforce Development Agency Payment, and all Attorneys’ Fees and Costs related to the
20 settlement of the PAGA claims and the Plaintiff’s individual claims.

21 F. **“Individual Settlement Payment.”**

22 Each PAGA Member’s share of the PAGA Settlement Amount, which shall be
23 distributed to the PAGA Members. All Individual Settlement Payments will be characterized as
24 civil penalties will be treated as miscellaneous income for which a 1099 will be issued by the
25 Settlement Administrator if required by law.

26 G. **“LWDA Notice.”**

27 The Parties agree that Plaintiff will submit Notice to the Labor and Workforce
28 Development Agency (“LWDA”) of this Settlement along with a copy of this Settlement

1 Agreement within ten (10) calendar days of its execution by all Parties and PAGA Counsel, and
2 will thereafter submit a copy of any judgment or any other order (*e.g.*, the Final Award) providing
3 for an award of civil penalties in conformity with Labor Code Section 2699(*I*).

4 **H. “LWDA Payment.”**

5 The amount that the Parties have agreed to pay to the LWDA in connection with
6 the claims asserted under the PAGA. The Parties have agreed that \$75,000.00 of the Settlement
7 Amount will be allocated to the resolution of any PAGA Member’s claims arising under the
8 PAGA (“PAGA Settlement Amount”). Per Labor Code § 2699(i), seventy-five percent (75%) of
9 Net PAGA Settlement Amount, or \$29,625.00 will be payable to the LWDA, and the remaining
10 twenty-five percent (25%), or \$9,875.00 of the PAGA Settlement Amount will be paid to the
11 PAGA Members.

12 **I. “Net PAGA Settlement Amount.”**

13 Thirty-Nine Thousand and Five Hundred Dollars (\$39,500.00), or the portion of the
14 Settlement Amount remaining after deduction of the approved Settlement Administration Costs
15 (or \$5,000.00), and the Attorneys’ Fees and Costs related to the PAGA claim (\$30,500.00).

16 **J. “Net Settlement Amount.”**

17 The portion of the Settlement Amount remaining after deduction of the approved
18 Settlement Administration Costs, PAGA Settlement Amount, Plaintiff’s Payment for PAGA
19 Representative and Settlement of Individual Claims, and the Attorneys’ Fees and Costs.

20 **K. “PAGA.”**

21 The Private Attorneys General Act of 2004, California Labor Code § 2698, et seq.

22 **L. “PAGA Counsel.”**

23 Aidin D. Ghavimi and Paymon J. Vafa of Starpoint, LC shall be appointed PAGA
24 Counsel upon approval by the Court.

25 **M. “PAGA Members.”**

26 All persons employed by Defendant as an hourly paid or non-exempt employee in
27 California at any time during the PAGA Period. For purposes of this Settlement only, and not
28

1 otherwise as an admission of any misconduct or wrongdoing by Defendant, Defendant and
2 Plaintiff stipulate that all PAGA Members are “aggrieved employees” pursuant to PAGA.

3 N. **“PAGA Period.”**

4 The period of August 16, 2020, through the date of approval.

5 O. **“PAGA Portion of the Settlement.”**

6 Divide the number of Weeks Worked by the PAGA Member by the total number of
7 Weeks Worked by all PAGA Members during the PAGA Period. The resulting percentage shall
8 be applied to \$9,875.00 to determine the PAGA portion of the settlement for that PAGA Member.

9 P. **“PAGA Released Claims.”**

10 As of the date of the Order Granting Approval, all PAGA Members shall fully and
11 finally release the Released Parties of the Released Claims. All PAGA Members shall release
12 claims under PAGA to the extent administratively exhausted in Plaintiff’s letter to the LWDA.
13 The Released Claims include all claims arising from or related to the facts and claims alleged in
14 the Action, or that could have been raised in the Action based on the facts and claims alleged, as
15 amended. The PAGA Released Claims include all claims for unpaid wages, including, failure to
16 pay minimum wages, straight time compensation, overtime compensation, double-time
17 compensation, and interest; the calculation of the regular rate of pay; missed meal period and rest-
18 period premiums, including failure to pay premiums at the regular rate of compensation;
19 reimbursement for all necessary business expenses; payment for all hours worked, including off-
20 the-clock work; failure to timely pay wages, including upon termination; wage statements;
21 deductions; failure to keep accurate records; failure to provide accurate itemized wage statements;
22 failure to indemnify for business expenses; unfair business practices; penalties, including, but not
23 limited to, civil penalties, statutory penalties, recordkeeping penalties, wage statement penalties,
24 minimum-wage penalties, and waiting-time penalties; and attorneys’ fees and costs; all claims for
25 PAGA statutory penalties which are asserted in the Complaint or which could have been asserted
26 based on the factual allegations pled in the Complaint arising under: the California Labor Code
27 (including, but not limited to, sections 90.5200, 201, 201.1, 201.3, 201.5, 202, 203, 204, 204b, 204.1,
28 204.2, 204.11, 205, 205.5, 206, 210, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5,

226, 226.3, 226.7, 226.8, 227.3, 246, 256, 450, 510, 511, 512, 516, 550, 551, 552, 558, 1174, 1174.1, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.2, 1197.5, 1198, 2751; 2802, 2804, 2810.5 2698 et seq., and 2699 et seq), Wage Order 5-2001 of the California Industrial Welfare Commission.

Q. “Plaintiff’s Payment for PAGA Representative and Settlement of Individual Claims.”

1. The amount to be paid to Plaintiff in recognition of her effort and work in prosecuting the Action on behalf of PAGA Members and for her general release of her individual claims. Subject to the Court granting Approval of this Settlement Agreement, Plaintiff will request Court approval for Plaintiff’s Payment as PAGA Representative and Settlement of her Individual Claims of \$50,000.00 for Plaintiff. Distribution of the \$50,000.00 is as follows:

- a)** \$5,000.00 will be allocated for settlement of Plaintiff’s individual wage claims. A W-2 form will be issued to Plaintiff for these funds.
- b)** \$22,500.00 will be allocated for settlement of Plaintiff’s individual claims for non-wage damages, including emotion distress. A Form 1099 will be issued to Plaintiff for these funds.
- c)** \$20,000.00 will be allocated for attorney’s fees to resolve Plaintiff’s individual claims. A Form 1099 will be issued to Plaintiff and Starpoint, LC for these funds.
- d)** \$2,500.00 will be allocated as 1099 civil penalties in connection with Plaintiff’s role as PAGA Representative.

Plaintiff shall be solely and legally responsible for paying any and all applicable taxes on this payment and shall hold Defendant harmless from any claim or liability for taxes, penalties or interest arising as a result of the payment. Plaintiff’s Payment for PAGA Representative and Settlement of Individual Claims will be paid from the Gross Settlement Amount and will be in addition to Plaintiff’s Individual Settlement Payment (as that term is defined below) paid pursuant to the Settlement. Defendant makes no representations as to the tax treatment or legal effect of the payment called for herein, and Plaintiff is not relying on any statement or representation by Defendant or its counsel in this regard.

1 **R. “Plaintiff’s Released Claims.”**

2 Upon the Effective Date, and as a condition of receiving any portion of Plaintiff’s
3 Payment for PAGA Representative and Settlement of Individual Claims, Plaintiff fully and finally
4 releases the Released Parties from any and all claims, known and unknown, under federal, state
5 and/or local law, statute, ordinance, regulation, common law, or other source of law, including but
6 not limited to claims arising from or related to her employment with Defendant and her
7 compensation while an employee of Defendant. Plaintiff’s Released Claims include, but are not
8 limited to, all claims arising from or related to the Action. Plaintiff’s Released Claims include all
9 claims for unpaid wages, including, but not limited to, failure to pay minimum wages, straight
10 time compensation, overtime compensation, double-time compensation, and interest; the
11 calculation of the regular rate of pay; missed meal period and rest-period premiums, including
12 failure to pay premiums at the regular rate of compensation; reimbursement for all necessary
13 business expenses; payment for all hours worked, including off-the-clock work; failure to timely
14 pay wages, including upon termination; wage statements; deductions; failure to keep accurate
15 records; failure to provide accurate itemized wage statements; failure to indemnify for business
16 expenses; unfair business practices; penalties, including, but not limited to, civil penalties,
17 statutory penalties, recordkeeping penalties, wage statement penalties, minimum-wage penalties,
18 and waiting-time penalties; and attorneys’ fees and costs. Plaintiff’s Released Claims include all
19 claims arising under the California Labor Code (including, but not limited to, sections 90.5200,
20 201, 201.1, 201.3, 201.5, 202, 203, 204, 204b, 204.1, 204.2, 204.11, 205, 205.5, 206, 210, 216,
21 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, 226.3, 226.7, 226.8, 227.3, 246,
22 256, 450, 510, 511, 512, 516, 550, 551, 552, 558, 1174, 1174.1, 1174.5, 1182.12, 1194, 1194.2,
23 1197, 1197.1, 1197.2, 1197.5, 1198, 2751; 2802, 2804, 2810.5 2698 et seq., and 2699 et seq); all
24 claims arising under: the Wage Orders of the California Industrial Welfare Commission; the
25 California Private Attorneys General Act of 2004 (“PAGA”); California Business and Professions
26 Code section 17200, et seq.; the California Civil Code, to include but not limited to, sections 3287,
27 3336 and 3294; 12 CCR § 11040; 8 CCR § 11060; California Code of Civil Procedure § 1021.5;
28 the California common law of contract; the Occupational Safety and Health Act (OSHA) (federal

1 and California), the Worker Adjustment and Retraining Notification Act (federal and California),
2 the American Rescue Plan Act (ARPA), the Families First Coronavirus Response Act (FFCRA),
3 the Fair Labor Standards Act (FLSA), 29 U.S.C. § 201, et seq.; federal common law; and the
4 Employee Retirement Income Security Act, 29 U.S.C. § 1001, et seq. (“ERISA”). Plaintiff’s
5 Released Claims also include all claims for lost wages and benefits, emotional distress, retaliation,
6 punitive damages, and attorneys’ fees and costs arising under federal, state, or local laws for
7 discrimination, harassment, retaliation, and wrongful termination, such as, by way of example
8 only, (as amended) 42 U.S.C. section 1981, Title VII of the Civil Rights Act of 1964, the
9 Americans With Disabilities Act, the Age Discrimination in Employment Act, and the California
10 Fair Employment and Housing Act; and the law of contract and tort. This release excludes the
11 release of claims not permitted by law.

12 Plaintiff’s Released Claims include all claims, whether known or unknown. Even if
13 Plaintiff discovers facts in addition to or different from those that she now knows or believes to be
14 true with respect to the subject matter of Plaintiff’s Released Claims, those claims will remain
15 released and forever barred. Thus, Plaintiff expressly waives and relinquishes the provisions,
16 rights and benefits of section 1542 of the California Civil Code, which reads:

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

21 **S. “Qualified Settlement Account.”**

22 The fund established by the Settlement Administrator pursuant to Internal Revenue
23 Code Section 1.468B-1.

24 **T. “Released Parties.”**

25 Defendant, and each of its past, present and future agents, employees, servants,
26 officers (including but not limited to Claudia Villalba and Christina Yanez), directors, partners,
27 trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity
28 sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors,

1 successors, insurers, consultants, service providers, joint venturers, joint employers, co-employers,
2 dual employers, alleged joint employers, alleged co-employers, alleged dual employers, affiliates,
3 alter-egos, and affiliated organizations, and all of their respective past, present and future
4 employees, directors, officers, agents, attorneys, stockholders, fiduciaries, parents, subsidiaries,
5 and assigns.

6 U. **“Settlement Administrator.”**

7 Phoenix Settlement Administrators shall be the third-party PAGA Action
8 Settlement Administrator as agreed to by the Parties and approved by the Court for the purposes of
9 administering this Settlement. The Parties each represent that they do not have any financial
10 interest in the Settlement Administrator or otherwise have a relationship with the Settlement
11 Administrator that could create a conflict of interest.

12 V. **“Settlement Administration Costs.”**

13 The costs payable from the PAGA Settlement Amount to the Claims Administrator
14 for administering this Settlement, including, but not limited to, printing, distributing, and tracking
15 documents for this Settlement, calculating estimated amounts per PAGA Member, tax reporting,
16 distributing the PAGA Settlement Amount, and providing necessary reports and declarations, and
17 other duties and responsibilities set forth herein to process this Settlement Agreement, and as
18 requested by the Parties. The Settlement Administration Costs will be paid from the PAGA
19 Settlement Amount, including, if necessary, any such costs in excess of the amount represented by
20 the Settlement Administrator as being the maximum costs necessary to administer the Settlement,
21 which are anticipated to be no greater than \$5,000.00. To the extent actual Settlement
22 Administration Costs are greater than \$5,000.00, such excess amount will be deducted from the
23 PAGA Settlement Amount, subject to the Court’s approval.

24 W. **“Weeks Worked.”**

25 Weeks Worked means any week when a PAGA Member was engaged in any
26 productive work activity for which they were paid, not including leaves of absence or paid time
27 off.

1 X. **“Workweek.”**

2 A workweek refers to any calendar week (i.e., a week beginning with Sunday and
3 ending with Saturday), in which a PAGA Member worked at least 1 day. There are no partial
4 workweeks (workweeks are integers).

5 **II. Funding of the PAGA Settlement Amount.**

6 Within ten (10) calendar days from the Effective Date of the Settlement, Defendant
7 will deposit the PAGA Settlement Amount and an amount sufficient to satisfy the employer
8 payroll taxes required by law into a Qualified Settlement Account to be established by the
9 Settlement Administrator. Within fourteen (14) calendar days of the full funding of the
10 Settlement, the Settlement Administrator will issue payments to: (a) PAGA Members; (b) the
11 LWDA; (c) Plaintiff; and (d) PAGA Counsel. The Settlement Administrator will also issue a
12 payment to itself for Court-approved services performed in connection with the Settlement.
13 Defendant has no obligation to deposit such funds prior to the deadlines set forth herein.

14 **III. Attorneys’ Fees and Costs.**

15 Defendant agrees not to oppose or impede this or any application by PAGA
16 Counsel for attorneys’ fees of not more than \$47,000.00 of the Settlement Amount (\$27,000
17 resulting from the PAGA Settlement (36% of PAGA Settlement) and \$20,000.00 resulting from
18 Plaintiff’s individual settlement (40% of Individual Settlement)), or the reimbursement of costs
19 and expenses associated with PAGA Counsel’s litigation and settlement of the Action not to
20 exceed \$3,500.00. No counsel shall be entitled to attorneys’ fees or costs for work performed in
21 the Action other than as provided in this Settlement Agreement. The instant Settlement
22 Agreement is the exclusive means for recovery of attorneys’ fees and costs incurred in the Action
23 by any attorney, law firm and/or other legal services provider.

24 **IV. Payment for PAGA Representative and Settlement of Individual Claims.**

25 A. Defendant agrees not to oppose or impede any application or motion for
26 Plaintiff’s Payment for PAGA Representative and Settlement of Individual Claims in the amount
27 of up to \$50,000.00 for Plaintiff. Plaintiff will be solely and legally responsible to pay any and all
28 applicable taxes on the payment made pursuant to this Section and will indemnify and hold

1 Defendant harmless from any claim or liability for taxes, penalties, or interest arising as a result of
2 the payment.

3 **V. Settlement Administration Costs.**

4 A. The Settlement Administrator will be paid for the reasonable costs of
5 administration of the Settlement and distribution of payments from the Settlement Amount, which
6 are currently estimated to be \$5,000.00.

7 B. The Parties hereby acknowledge that the Settlement Administration Costs
8 may increase above the current estimate of \$5,000.00 and that any such additional Settlement
9 Administration Costs that are approved by the Parties' counsel and the Court shall be taken out of
10 the Settlement Amount.

11 **VI. Labor and Workforce Development Agency Payment.**

12 Subject to Court approval, the Parties agree that \$75,000.00 of the PAGA
13 Settlement Amount will be designated for satisfaction of Plaintiff's and PAGA Members' PAGA
14 claims. Per Labor Code § 2699(i), seventy-five percent (75%) of Net PAGA Settlement Amount,
15 or \$29,625.00 will be payable to the LWDA, and the remaining twenty-five percent (25%), or
16 \$9,875.00 of the PAGA Settlement Amount will be paid to the PAGA Members..

17 **VII. Net Settlement Amount.**

18 The Net Settlement Amount and \$9,875.00 of the PAGA Settlement Amount will
19 be used to satisfy Individual Settlement Payments to PAGA Members in accordance with the
20 terms of this Settlement.

21 **VIII. Individual Settlement Payment Calculations.**

22 A. To determine the Individual Settlement Payment for each PAGA Member,
23 the Settlement Administrator will:

- 24 1. Divide the number of Weeks Worked by the PAGA Member by the total number
25 of Weeks Worked by all PAGA Members during the PAGA Period. The resulting
26 percentage shall be applied to the Net Settlement Fund to determine the Individual
27 Settlement Payment for that PAGA Member.
- 28 2. For taxation purposes, the Individual Settlement Payment to each PAGA Member

1 shall be allocated sixty percent (60%) to penalties and interest to be paid as one
2 check and reported on a 1099 Form; and forty percent (40%) to wages to be paid as
3 another check and reported on a W-2 Form.

4 3. The Settlement Administrator shall determine the eligibility for, and the amounts
5 of, any Individual Settlement Payments under the terms of this Settlement
6 Agreement.

7 B. The Individual Settlement Payments made to PAGA Members under this
8 Settlement, and any other payments made pursuant to this Settlement, will not be utilized to
9 calculate any additional benefits under any benefit plans to which any PAGA Members may be
10 eligible, including, but not limited to, profit-sharing plans, bonus plans, 401(k) plans, stock
11 purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it
12 is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or
13 amounts to which any PAGA Members may be entitled under any benefit plans.

14 **IX. Settlement Administration Process.**

15 A. The Parties agree to cooperate in the administration of the Settlement and to
16 make all reasonable efforts to control and minimize the costs and expenses incurred in
17 administration of the Settlement. The Settlement Administrator will provide the following
18 services:

19 B. Defendant shall provide the Settlement Administrator with a list of the last
20 known full names, last known mailing addresses, and Social Security Numbers of the PAGA
21 Members (collectively, the "PAGA Member Information List"), within fifteen (15) calendar days
22 after the Effective Date. The contact information is being provided confidentially to the Settlement
23 Administrator only, and the Settlement Administrator shall treat the information as private and
24 confidential and take all necessary precautions to maintain the confidentiality of contact information
25 of the PAGA Members. This information is to be used only to carry out the Settlement
26 Administrator's duties as specified in this Settlement.

1 C. Within seven (7) calendar days after the Total Settlement Consideration is
2 fully funded, the Settlement Administrator shall pay to the LWDA seventy-five percent (75%) of the
3 PAGA Settlement Amount.

4 D. Within seven (7) calendar days after the Total Settlement Consideration is
5 fully funded, the Settlement Administrator shall distribute the Individual Settlement Payments to
6 PAGA Members.

7 E. Within seven (7) calendar days after the Total Settlement Consideration is
8 fully funded, the Settlement Administrator shall distribute to Plaintiff's Counsel their Court-
9 approved Plaintiff's Counsel Payment, either via wire transfer payment or check, as specified by
10 Plaintiff's Counsel.

11 F. Within seven (7) calendar days after the Total Settlement Consideration is fully
12 funded, the Settlement Administrator shall distribute to Plaintiff the Court-approved Service
13 Award.

14 G. The Settlement Administrator will send the Individual Settlement Payments to
15 PAGA Members by postmarked First Class U.S. Mail.

16 H. To provide the best notice and delivery of Individual Settlement Payments
17 practicable, any Individual Settlement Payment returned to the Settlement Administrator as non-
18 delivered shall be sent by post-marked First-Class U.S. Mail to the forwarding address affixed
19 thereto, if any. If no forwarding address is provided for an Individual Settlement Payment that is
20 returned as non-deliverable within ten (10) calendar days of the original mailing, then, within five
21 (5) calendar days, the Settlement Administrator shall use the best available technology accessible
22 (e.g. skip tracing, address verification, etc.) to the Settlement Administrator or other mutually
23 agreeable method to locate PAGA Members and will then re-mail the Individual Settlement Payment
24 along with Cover Letter to the address identified by the best available technology accessible to the
25 Settlement Administrator or other mutually agreeable method. If no updated or more current
26 address is located, the Individual Settlement Payment for that individual will be deemed
27 undeliverable. If any PAGA Members cannot be located within one (1) attempt at re-mailing by
28

1 the Settlement Administrator, the Individual Settlement Payment for that individual will be deemed
2 undeliverable and cancelled.

3 I. The Settlement Administrator shall maintain a list of the postmark date for the
4 original mailing of the Individual Settlement Payments to PAGA Members, the postmark date of any
5 subsequent mailing to any PAGA Members, and a list of PAGA Members who did not receive the
6 Individual Settlement Payment due to the inability to locate a valid address using the procedures
7 described herein or who otherwise could not be located within an attempt at re-mailing.

8 J. All Individual Settlement Payment checks will remain valid and negotiable
9 for one hundred and eighty (180) calendar days from the date of their mailing by the Settlement
10 Administrator. After one-hundred eighty (180) calendar days from the date of mailing, the checks shall
11 become null and void, and any monies remaining in the distribution account shall be distributed to the
12 Controller of the State of California to be held pursuant to the Unclaimed Property Law, California
13 Civil Code § 1500 et seq., for the benefit of those PAGA Members who did not cash their checks until
14 such time that they claim their property. The Settling Parties agree that this disposition results in no
15 “unpaid residue” under California Civil Procedure Code § 384, as the entire PAGA Settlement Payment
16 will be paid out to PAGA Members, whether or not they all cash their Individual Settlement Payment
17 checks.

18 K. As soon as practicable, the Settlement Administrator will prepare and issue
19 IRS Form 1099 to PAGA Members who received a payment.

20 L. If any state or federal taxing authority contacts, investigates, or pursues any
21 action against any PAGA Members for their individual share of taxes related to any payments
22 made under this Settlement, each PAGA Member shall be responsible for their own defense of and
23 payment for any claim of unpaid taxes, interest, or penalties brought by any state or federal taxing
24 authority for the PAGA Member’s share of any state or federal tax obligation. PAGA Members shall
25 be instructed that, if they have any questions about any liability to any state or federal taxing
26 authority, they shall contact the Settlement Administrator and shall not contact Defendant, any of
27 the Released Parties, or Defense Counsel.

1 **X. Tax Treatment of Individual Settlement Payment.**

2 All Individual Settlement Payments will be allocated as follows: forty percent
3 (40%) of each Individual Settlement Payment will be allocated as wages and sixty percent (60%)
4 will be allocated as non-wages, including penalties and interest. The portion allocated to wages
5 will be reported on an IRS Form W-2 and the portions allocated to non-wages will be reported on
6 an IRS Form-1099 by the Settlement Administrator. The Gross Individual Settlement Payments
7 will be reduced by any required legal deductions for each PAGA Member. All standard employee
8 payroll deductions will be made for state and federal withholding taxes, including any other
9 applicable payroll deductions owed by the PAGA Members as a result of the Wage Component,
10 resulting in a net wage component. The Settlement Administrator will issue a check and W-2
11 Form to each PAGA Member for the wage component. No withholding shall be made on the
12 penalty portions of the Gross Individual Settlement Payment. The Settlement Administrator will
13 issue a second check and IRS Form-1099 for the remaining penalty component. The Settlement
14 Administrator shall be responsible for issuing the payments and calculating and withholding all
15 required state and federal taxes. The Settlement Administrator shall determine the eligibility for,
16 and the amounts of, any Individual Settlement Payment under the terms of this Settlement
17 Agreement. Any disputes not resolved by the Settlement Administrator concerning the
18 administration of the Settlement will be resolved by the Court, under the laws of the State of
19 California. Prior to any such involvement of the Court, counsel for the Parties will confer in good
20 faith to resolve the dispute without the necessity of involving the Court.

21 **XI. Administration of Taxes by the Settlement Administrator.**

22 A. Tax Liability. Defendant makes no representation as to the tax treatment or legal
23 effect of the payments called for hereunder, and Plaintiff and PAGA Members are
24 not relying on any statement, representation, or calculation by Defendant or by the
25 Settlement Administrator in this regard. Plaintiff and PAGA Members understand
26 and agree they will be solely responsible for the payment of their share of any
27 taxes and penalties assessed on the payments described herein.
28

1 B. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT
2 AGREEMENT (FOR PURPOSES OF THIS SECTION, THE
3 “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS
4 SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING
5 PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT
6 (1) NO PROVISION OF THIS SETTLEMENT AGREEMENT, AND NO
7 WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG
8 THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR
9 WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR
10 DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON
11 AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
12 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS
13 AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED
14 EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL
15 AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN
16 CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B) HAS NOT
17 ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE
18 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR
19 ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO
20 RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY
21 ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY
22 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING
23 PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY
24 HAS IMPOSED ANY LIMITATION THAT PROTECTS THE
25 CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX
26 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS
27 LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING
28 PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY

TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED
BY THIS SETTLEMENT AGREEMENT.

XII. Release by PAGA Members.

- A. No Prior Assignments. The Parties and their counsel 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 right herein released and discharged.
- B. It is the desire of Plaintiff, PAGA Members, and Defendant to fully, finally, and forever settle, compromise, and discharge the Released Claims. Upon the Approval by the Court of this Settlement Agreement, and except as to such rights or claims as may be created by this Settlement Agreement, the PAGA Members shall fully release and discharge the Released Parties from any and all Released Claims for the entire PAGA Period. This release shall be binding on all PAGA Members, including each of their respective attorneys, agents, spouses, executors, representatives, guardians ad litem, heirs, successors, and assigns, and shall inure to the benefit of the Released Parties, who shall have no further or other liability or obligation to any PAGA Member with respect to the Released Claims, except as expressly provided herein. PAGA members shall not be able to exclude themselves from the PAGA portion of this settlement..

XIII. Approval Hearing.

- A. Plaintiff will obtain a hearing before the Court to request Approval of the Settlement Agreement. At the hearing, the Court will rule on Plaintiff's motion to approve the Settlement Agreement, including the amounts properly payable for: (a) Individual Settlement Payments to PAGA Members; (b) the LWDA Payment; (c) the Attorneys' Fees and Costs; (d) Plaintiff's Payment for PAGA Representative and Settlement of Individual Claims; and (e) all Settlement Administration Costs.
- B. PAGA Counsel will be responsible for drafting all documents necessary to obtain Approval, subject to review and comment by Defendant's counsel. PAGA Counsel will also be

1 responsible for drafting the Attorneys' Fees and Costs application to be heard at the Approval/Settlement
2 Fairness Hearing.

3 C. If the Settlement Agreement is not fully approved (with or without an appeal), this
4 Settlement Agreement entered into by the Parties, and all obligations under this Settlement Agreement, will
5 be deemed null and void. Upon such occurrence, any order or judgment entered by the Court in
6 furtherance of this Settlement Agreement shall be treated as void from the beginning, and the Stipulations
7 and Recitals contained herein shall be of no force or effect and shall not be treated as an admission by the
8 Parties or their counsel. In such a case, the Parties and any funds to be awarded under this Settlement
9 Agreement shall be returned to their respective statuses as of the date and time immediately prior to the
10 execution of this Settlement Agreement, and the Parties shall proceed in all respects as if this Settlement
11 Agreement had not been executed, except that any fees already incurred by the Settlement Administrator
12 shall be paid equally by both Parties.

13 **XIV. Judgment and Continued Jurisdiction.**

14 The Court shall retain jurisdiction with respect to the interpretation,
15 implementation, and enforcement of the terms of this Settlement Agreement and all orders and
16 judgments entered in connection therewith, and the Parties and their counsel hereto submit to the
17 jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement
18 embodied in this Settlement Agreement and all orders and judgments entered in connection
19 therewith.

20 **XV. Other Provisions.**

21 A. Exhibits Incorporated by Reference. The terms of this Settlement include the
22 terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
23 herein. Any Exhibits to this Settlement are an integral part of the Settlement.

24 B. Entire Agreement. This Settlement Agreement and any attached Exhibits
25 constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral
26 agreements may be deemed binding on the Parties.

27
28

1 C. Amendment or Modification. This Settlement Agreement may be amended or
2 modified only by a written instrument signed by counsel for all Parties or their successors-in-interest and
3 approved by the Court.

4 D. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant
5 and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
6 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to
7 this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate
8 the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and
9 use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach
10 agreement on the form or content of any document needed to implement the Settlement, or on any
11 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties
12 may seek the assistance of Eve Wagner (mediator) to resolve such disagreement.

13 E. Binding on Successors and Assigns. This Settlement Agreement will be binding
14 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

15 F. California Law Governs. All terms of this Settlement Agreement and Exhibits
16 hereto will be governed by and interpreted according to the laws of the State of California.

17 G. Execution and Counterparts. This Settlement Agreement is subject only to the
18 execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts.
19 All executed counterparts and each of them, including facsimile, scanned copies of the signature page, and
20 electronic signatures (e.g., DocuSign), will be deemed to be one and the same instrument.

21 H. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe
22 this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at
23 this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into
24 account all relevant factors, present and potential. The Parties further acknowledge that they are each
25 represented by competent counsel and that they have had an opportunity to consult with their counsel
26 regarding the fairness and reasonableness of this Settlement. The Parties enter into this Settlement
27 Agreement acknowledging the risks and uncertainties presented by the outcome of the upcoming Supreme
28 Court decision in *Viking River Cruises, Inc. v. Moriana*, No. 20-1573 ("*Viking*"). The Parties agree that

1 this Settlement Agreement remains valid and binding upon approval despite the outcome of *Viking* and that
2 neither Party shall oppose or otherwise challenge the Settlement at the Approval/Settlement Fairness
3 Hearing or at any other time based on the outcome or ruling in *Viking*.

4 I. Invalidity of Any Provision. Before declaring any provision of this Settlement
5 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
6 possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement
7 valid and enforceable.

8 J. Waiver of Certain Appeals. The Parties agree to waive appeals for purposes of this
9 Settlement only; except, however, that either Party may appeal any Court order that materially alters the
10 Settlement Agreement's terms.

11 K. Non-Admission of Liability. The Parties enter into this Settlement Agreement to
12 resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued
13 litigation. In entering into this Settlement Agreement, Defendant does not admit, and specifically denies, it
14 has violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to
15 any statute or any other applicable laws, regulations or legal requirements; breached any contract; violated
16 or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful
17 conduct with respect to their employees. Neither this Settlement Agreement, nor any of its terms or
18 provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession
19 by Defendant of any such violations or failures to comply with any applicable law. Except as necessary in
20 a proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement and its terms
21 and provisions shall not be offered or received as evidence in any action or proceeding to establish any
22 liability or admission on the part of Defendant or to establish the existence of any condition constituting a
23 violation of, or a non-compliance with, federal, state, local or other applicable law. If Approval does not
24 occur, the Parties agree that this Settlement Agreement is void, but remains protected by California
25 Evidence Code Section 1152. Furthermore, in the event this Settlement Agreement is not finally approved,
26 Defendants, by signing this Settlement Agreement, are not waiving their rights to compel individual
27 arbitration as to the PAGA claims.

1 L. Captions. The captions and section numbers in this Settlement Agreement are
2 inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of
3 the provisions of this Settlement Agreement.

4 M. Waiver. No waiver of any condition or covenant contained in this Settlement
5 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply
6 or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

7 N. Enforcement Action. If one or more of the Parties institutes any legal action or
8 other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare
9 rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover
10 from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees
11 incurred in connection with any enforcement actions.

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

18 P. Representation by Counsel. The Parties acknowledge that they have been
19 represented by counsel throughout all negotiations that preceded the execution of this Settlement
20 Agreement and that this Settlement Agreement has been executed with the consent and advice of counsel
21 and reviewed in full. Further, Plaintiff and PAGA Counsel warrant and represent that there are no liens on
22 the Settlement Agreement.

23 Q. All Terms Subject to Court Approval. All amounts and procedures described in
24 this Settlement Agreement herein will be subject to Court approval.

25 R. Cooperation and Execution of Necessary Documents. All Parties will cooperate in
26 good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this
27 Settlement Agreement.
28

1 S. No Press Releases/Advertisements. Neither Plaintiff nor Plaintiff's Counsel shall
2 issue any press release or announcement of any kind related in any way to the Settlement. Plaintiff and
3 PAGA Counsel agree to limit their statements regarding the terms of the Settlement, whether oral, written
4 or electronic (including the world wide web), to say the PAGA Action has been resolved and that Plaintiff
5 and PAGA Counsel are satisfied with the Settlement terms. Nothing in this Section is intended to interfere
6 with PAGA Counsel's duties and obligations to faithfully discharge their duties as PAGA Counsel,
7 including but not limited to: (1) as required by law; (2) as required under the terms of the Settlement;
8 and/or (3) as required under counsel's duties and responsibilities as PAGA Counsel. This Settlement shall
9 not be advertised or mentioned on any source, including Plaintiff's Counsel's personal or firm website.
10 However, for the limited purpose of allowing PAGA Counsel to prove adequacy as PAGA counsel in other
11 actions, PAGA Counsel may disclose the names of the Parties in this Action, the venue/case number of this
12 Action, and a general description of the Action, to a court in a declaration by PAGA Counsel.

13 T. Binding Agreement. The Parties warrant that they understand and have full authority to enter into
14 this Settlement, intend that this Settlement Agreement will be fully enforceable and binding on all Parties,
15 and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms,
16 notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state
17 law. Plaintiff, and not her respective representative(s), must personally execute this Settlement Agreement.
18 An authorized officer of Defendant must execute this Settlement Agreement on behalf of Defendant. This
19 Memorandum shall become binding and enforceable pursuant to California Code of Civil Procedure section
20 664.6.

21
22 *The Settlement Agreement consists of 22 pages and signatures on the following page.*
23
24
25
26
27
28

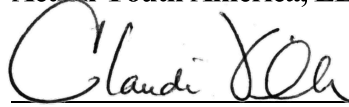
1
2 Dated: Jun 12, 2022


Ebonee Chambers (Jun 12, 2022 17:18 PDT)

Ebonee Chambers

3
4
5 **Action Youth America, LLC**

6 Dated: 08/28/22



8 Claudia Villalba

9 Please Print Name of Authorized Signatory

10 **APPROVED AS TO FORM**

11
12
13 **STARPOINT, LC**

14 Dated: Jun 13, 2022


Aidin Ghavimi (Jun 13, 2022 09:11 PDT)

AIDIN D. GHAVIMI
PAYMON J. VAFA ATTORNEYS

Attorneys for Plaintiff,
EBONEE CHAMBERS

18
19
20
21
22 **SHEPPARD, MULLIN, RICHTER & HAMPTON
LLP**

23
24 Dated: June 28, 2022



ADAM R. ROSENTHAL
LUKE J. BICKEL

Attorneys for Defendant
ACTION YOUTH AMERICA, LLC,
and CLAUDIA VILLALBA

Chambers v. AYA Draft Settlement Agreement

6.10.22

Final Audit Report

2022-06-13

Created:	2022-06-11
By:	Legal Team (info@starpoinlaw.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAjegiRBcLTTBRajlbb06Ton9bc_yAmJdE

"Chambers v. AYA Draft Settlement Agreement 6.10.22" History

-  Document created by Legal Team (info@starpoinlaw.com)
2022-06-11 - 10:30:02 PM GMT- IP address: 76.87.154.203
-  Document emailed to Ebonee Chambers (eboneejs@gmail.com) for signature
2022-06-11 - 10:32:00 PM GMT
-  Email viewed by Ebonee Chambers (eboneejs@gmail.com)
2022-06-11 - 10:37:50 PM GMT- IP address: 66.249.84.81
-  Email viewed by Ebonee Chambers (eboneejs@gmail.com)
2022-06-13 - 0:17:56 AM GMT- IP address: 66.249.84.77
-  Document e-signed by Ebonee Chambers (eboneejs@gmail.com)
Signature Date: 2022-06-13 - 0:18:49 AM GMT - Time Source: server- IP address: 172.115.107.43
-  Document emailed to Aidin Ghavimi (aidin@starpoinlaw.com) for signature
2022-06-13 - 0:18:50 AM GMT
-  Email viewed by Aidin Ghavimi (aidin@starpoinlaw.com)
2022-06-13 - 3:12:23 AM GMT- IP address: 104.28.85.125
-  Document e-signed by Aidin Ghavimi (aidin@starpoinlaw.com)
Signature Date: 2022-06-13 - 4:11:28 PM GMT - Time Source: server- IP address: 104.54.188.89
-  Agreement completed.
2022-06-13 - 4:11:28 PM GMT

