

SHANNON LISS-RIORDAN, SBN 310719
LICHTEN & LISS-RIORDAN, P.C.
729 Boylston Street, Suite 2000
Boston, MA 02116
Telephone: 617.994.5800
Fax No.: 617.994.5801

Attorneys for Plaintiff Jon Waldrep

JAIME B. LAURENT, SBN 261926
LITTLER MENDELSON, P.C.
2049 Century Park East, 5th Floor
Los Angeles, CA 90067
Telephone: 310.553.0308
Fax: 310.553.5583

SUSAN T. YE, Bar No. 281497
LITTLER MENDELSON, P.C.
50 West San Fernando Street, 7th Floor
San Jose, CA 95113
Telephone: 408.998.4150
Fax: 408.288.5686
Attorneys for Defendant
Cambly Inc.

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO

JON WALDREP,

Plaintiff,

v.

CAMBLY INC.,

Defendant.

Case No. 34-2022-003 14360-CU-OE-GDS

**REVISED PAGA AND CLASS ACTION
SETTLEMENT AGREEMENT**

This Revised PAGA and Class Action Settlement Agreement and Release, including Exhibits 1 through 3 hereto (“Settlement Agreement” or “Agreement”), is made and entered into by, between Plaintiff Jon Waldrep (“Plaintiff”) on behalf of himself and the Settlement Class and the State of California as defined below, on the one hand, and Defendant Cambly Inc. (“Cambly”) on the other hand (“Defendant”). Plaintiff and Defendant (collectively, the “Parties”) enter into this Agreement to effect a full and final settlement and preclusive judgment resolving all claims brought or that could have been brought against Cambly in the above-captioned case, including as amended pursuant to this Agreement (the “Action”), and all claims based on or reasonably related thereto. This Agreement is

intended to fully and finally compromise, resolve, discharge, and settle the Settlement Class Members' Released Claims, as defined and on the terms set forth below, and to the full extent reflected herein, subject to the approval of the Court.

I. RECITALS

This Agreement is made in consideration of the following facts:

1.1 WHEREAS, on January 24, 2022, Jon Waldrep filed a Private Attorneys General Act, California Labor Code, § 2698, *et seq.* ("PAGA") representative action complaint in Sacramento County Superior Court (Case No. 34-2022-003 14360-CU-OE-GDS), asserting various Labor Code violations against Cambly arising from its alleged misclassification of English tutors in California as independent contractors, on behalf of the State of California Labor and Workforce Development Agency ("LWDA");

1.2 WHEREAS, following the U.S. Supreme Court's decision in *Viking River Cruises, Inc. v. Moriana*, 142 S. Ct. 1906, 213 L. Ed. 2d 179, *reh'g denied*, 143 S. Ct. 60 (2022) and the California Supreme Court's decision to hear *Adolph v. Uber Technologies, Inc.*, Case No. S274671 (Cal. July 20, 2022) (granting review), the Parties jointly agreed that Plaintiff would submit his individual PAGA claim to arbitration before the American Arbitration Association ("AAA") and would stay the representative portion of his PAGA claim pending in the Sacramento County Superior Court;

1.3 WHEREAS, Arbitrator Helen Blohm was appointed to oversee Plaintiff Waldrep's arbitration and the Parties began the discovery process before agreeing to mediate in fall 2023;

1.4 WHEREAS, Plaintiff alleges generally that Cambly improperly classified him and all putative Settlement Class Members as independent contractors rather than employees, and asserts derivative claims related thereto;

1.5 WHEREAS, Cambly denies the allegations in the Action; maintains each and any tutor's claims must be individually arbitrated pursuant to the arbitration provision within Cambly's Terms of Service Agreement; denies that it has engaged in any wrongdoing; denies that any Settlement Class Member was ever an employee of Cambly; denies that Plaintiff's allegations state valid claims; denies that a litigation class could properly be certified in the Action; denies that Plaintiff's claims could

properly be maintained as a representative action; and states that it is entering into this Settlement Agreement solely to eliminate the burden, expense, and delay of further litigation;

1.6 WHEREAS, a bona fide dispute exists as to whether any amount of wages, reimbursements, penalties, or any other measure of damages available under the California Labor Code are due from Defendant to any putative Settlement Class Member or to the LWDA;

1.7 WHEREAS, in preparation for mediation, the Parties engaged in formal discovery as part of the AAA arbitration and also engaged in informal discovery in the form of exchanging information and reviewing and analyzing extensive data made available by Cambly, which enabled Plaintiff and the mediator to thoroughly evaluate Plaintiff's claims and the claims of the putative class, and the likely outcomes, risks, and expense of pursuing litigation;

1.8 WHEREAS, the Parties attended a remote mediation session via Zoom on December 14, 2023, with professional mediator Hon. Kevin Murphy (Ret.);

1.9 WHEREAS, as a result of the mediation, Plaintiff's Counsel believe that the Settlement provides a favorable recovery for the Settlement Class, based on the claims asserted, the evidence developed, and the damages that might be proven against Cambly in the Action. Plaintiff's Counsel further recognizes and acknowledges the expense and length of continued proceedings necessary to prosecute the action against Cambly through trial and appeals. Counsel has also considered the uncertain outcome and the risk of any litigation, as well as the difficulties and delays inherent in any such litigation;

1.10 WHEREAS, as part of the Settlement, the Parties stipulated to Plaintiff filing a First Amended Complaint in the Superior Court for settlement purposes only, adding class-wide allegations. The Parties agree that Cambly is not required to file an answer or any other responsive pleading to the operative First Amended Complaint, and that Plaintiff will not take a default against Cambly, since the Parties are actively participating in settlement administration.

1.11 WHEREAS, for settlement purposes only, Cambly will stipulate to the certification of class claims that are subject to the certification requirements of California Code of Civil Procedure section 382. Cambly disputes that certification is proper for the purposes of litigating the class claims

1 proposed or in flowing from the claims asserting in this Action. Cambly expressly reserves the right
2 to oppose certification of any purported class should the Settlement fail to become final and effective;

3 1.12 WHEREAS, the Parties desire to compromise and settle all issues and claims that have
4 been, could have been, or should have been brought against Cambly or related persons in this Action,
5 including but not limited to, those claims alleged in the Complaint or First Amended Complaint;

6 1.13 WHEREAS, on June 11, 2024 Plaintiff filed a Motion for Preliminary Approval of Class
7 Action Settlement, seeking Court approval a proposed PAGA and Class Action Settlement Agreement.

8 1.14 WHEREAS, on August 15, 2024, the Court issued a Tentative Ruling on Plaintiff's
9 Motion for Preliminary Approval of Class Action Settlement, directing the Parties to revise their
10 proposed PAGA and Class Action Settlement Agreement.

11 1.15 NOW, THEREFORE, IT IS HEREBY STIPULATED, CONSENTED TO, AND
12 AGREED, by the Plaintiff for himself and on behalf of the Settlement Class, and by Cambly that,
13 subject to the approval of the Court, this Action shall be settled, compromised, and judgment shall be
14 entered with prejudice, and the Settlement Class Members' Released Claims shall be finally and fully
15 compromised and settled as to the Released Parties, in the manner and upon the terms and conditions
16 hereafter set forth in this revised agreement.

17 **II. DEFINITIONS**

18 Unless otherwise defined herein, capitalized terms used in this Agreement shall have the
19 meanings set forth below:

20 2.1 "Settlement Class" means all approximately 227 current and former individuals who
21 provided services in connection with Cambly's platform in the State of California at any time from
22 November 9, 2020 to May 26, 2022;

23 2.2 "Class Counsel" means Lichten & Liss-Riordan, P.C.

24 2.3 "Class Counsel Award" means (i) the attorneys' fees and costs for Class Counsel's
25 litigation and resolution of the action, as awarded by the court, which may not exceed one-third of
26 \$393,000.

1 2.4 “Class Notice” means the notice of class action settlement to be provided to Settlement
2 Class Members, without material variation from **Exhibit 1**. The Class Notice provides the Settlement
3 Class an opportunity to opt-out of the Class Action Agreement outlined herein.

4 2.5 “Class Period” means the period from November 9, 2020 to May 26, 2022.

5 2.6 “Court” means the Sacramento County Superior Court.

6 2.7 “Effective Date” means seven (7) days after which both of the following events have
7 occurred: (i) the Court’s Final Approval order has been entered; and (ii) the Court’s Final Approval
8 order and Judgment have become Final.

9 2.8 “Exclusion/Written Objection Deadline” means that the final date by which a Settlement
10 Class Member may (i) object to any aspect of the Settlement, or (ii) request to be excluded from the
11 Settlement. The Exclusion/Written Objection Deadline shall be sixty (60) days after the Notice Date,
12 defined below as the date of the initial distribution of the Class Notice to Settlement Class Members
13 by electronic mail. The Exclusion/Written Objection Deadline shall be specifically identified and set
14 forth in the Preliminary Approval Order and the Class Notice.

15 2.9 “Final” when referring to a judgment or order, means that (i) the judgment is a final,
16 appealable judgment; and (ii) either (a) no appeal has been taken from the judgment as of the date on
17 which all times to appeal therefrom have expired, or (b) an appeal or other review proceeding of the
18 judgment having been commenced, such appeal or other review is finally concluded and no longer is
19 subject to review by any court, whether by appeal, petitions for rehearing or re-argument, petitions for
20 re-hearing en banc, petitions for writ of certiorari, or otherwise, and such appeal or other review has
21 been finally resolved in such manner that affirms the judgment order in its entirety.

22 2.10 “Final Approval” means the Court’s entry of a Final Approval order finally approving
23 this Settlement.

24 2.11 “Final Approval Hearing” means the hearing at or after which the Court will make a final
25 decision as to whether the Settlement is fair, reasonable, and adequate, and therefore, finally approved
26 by the Court.

1 2.12 “Judgment” means the judgment to be entered in the Action on Final Approval of this
2 Settlement.

3 2.13 “Legally Authorized Representatives” means an administrator/administratrix, personal
4 representative, or executor/executrix of a deceased Settlement Class Member’s estate; a guardian,
5 conservator, or next friend of an incapacitated Settlement Class Member; or any other legally
6 appointed person responsible for handling the business affairs of a Settlement Class Member.

7 2.14 “Named Plaintiff’s General Released Claims” means any and all past, present, and future
8 claims, actions, demands, causes of action, suits, debts, obligations, damages, penalties, rights or
9 liabilities, of any nature and description whatsoever, known or unknown, contingent or accrued,
10 existing or potential, recognized now or hereafter, expected or unexpected, pursuant to any theory of
11 recovery (including but not limited to those based in contract or tort, common law or equity, federal,
12 state, or local law, statute, ordinance, or regulation, and for claims for compensatory, consequential,
13 punitive or exemplary damages, statutory damages, penalties, interest, attorneys’ fees, costs or
14 disbursements), against the Released Parties (as defined below), including unknown claims covered
15 by California Civil Code section 1542, by the Plaintiff, arising during the PAGA and Class Periods,
16 for any type of relief that can be released as a matter of law, including, without limitation, claims for
17 wages, damages, unpaid costs, penalties (including civil and waiting time penalties), liquidated
18 damages, punitive damages, interest, attorneys’ fees, litigation costs, restitution, or equitable relief
19 with the exception of any claims which cannot be released as a matter of law. Plaintiff Jon Waldrep
20 will generally release all known and unknown claims against Cambly and waive the application of
21 section 1542 of the California Civil Code. The claims released pursuant to this paragraph include but
22 are not limited to the Settlement Class Members’ Released Claims, as well as any other claims under
23 any provision of the FLSA, the California Labor Code (including sections 132a, 4553 *et seq.*) or any
24 applicable California Industrial Welfare Commission Wage Orders, and claims under state or federal
25 discrimination statutes, including, without limitation, the California Fair Employment and Housing
26 Act, California Government Code section 12940 *et seq.*; the California Business and Professions Code
27 sections 17200 *et seq.*; the Unruh Civil Rights Act, California Civil Code section 51 *et seq.*; the
28

1 California Constitution; Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000 *et seq.*; the
2 Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq.*; the Age Discrimination in Employment
3 Act of 1967, as amended; the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001
4 *et seq.*; the Family and Medical Leave Act, the Employee Retirement Income Security Act; the
5 National Labor Relations Act; the Worker Adjustment and Retraining Notification Act; the Uniformed
6 Services Employment and Reemployment Rights Act, and all of their implementing regulations and
7 interpretive guidelines, as well as any other similar state, federal, local, or common law claims for
8 unpaid wages, minimum wages, regular wages, tips, gratuities, overtime wages (including but not
9 limited to calculation of the correct overtime or regular rate), working more than six days in seven,
10 expense reimbursement, wage statements, payroll recordkeeping, reporting time, improper deduction
11 of wages, failure to provide workers' compensation insurance, meal periods, rest breaks, sick leave,
12 final pay, penalties for timely payment of wages upon discharge, waiting time penalties, PAGA
13 penalties, and unfair business practices.

14 2.15 "Notice Date" means the date of the initial distribution of the Class Notice to Settlement
15 Class Members by electronic mail, as set forth in Section VI.

16 2.16 "Opt Out List" means the Court-approved list of all persons who timely and properly
17 request exclusion from the Settlement Class.

18 2.17 "Plaintiff" means Jon Waldrep.

19 2.18 "PAGA Claims" means the Plaintiff's representative claims seeking penalties pursuant
20 to PAGA, as alleged in the LWDA letter, Complaint, First Amended Complaint and/or based on any
21 other provision of the Labor Code, Wage Orders or any other statute or regulation (whether identified
22 in the Complaint or not) to the fullest extent permitted by law.

23 2.19 "PAGA Members" means all current and former individuals who provided services in
24 connection with Cambly's platform in the State of California at any time during the PAGA Period.
25 PAGA Members cannot opt out of the Settlement.
26
27
28

1 2.20 “PAGA Payment” means a total payment of \$30,000 to settle all PAGA Claims for the
2 PAGA Period. From this amount, 75% will be paid to the LWDA for civil penalties pursuant to PAGA,
3 and 25% will be distributed pro rata to PAGA Members based on their Total Classroom Minutes.

4 2.21 “PAGA Payment Fund” means the funds paid to the LWDA and the PAGA Members for
5 civil penalties pursuant to PAGA.

6 2.22 “PAGA Period” means the period from November 9, 2020 to May 26, 2022.

7 2.23 “Plan of Allocation” means the plan for allocating the Settlement Payment Fund (and the
8 PAGA Members’ share of the PAGA Payment Fund) between and among Settlement Class Members
9 as approved by the Court.

10 2.24 “Preliminary Approval Date” means the date that the Court enters the Preliminary
11 Approval Order and thus: (i) preliminarily approves the Settlement, and the exhibits thereto; and (ii)
12 enters an order providing for notice to the Settlement Class, an opportunity to opt out of the Settlement
13 Class, an opportunity to submit timely and proper objections to the Settlement, and setting a hearing
14 on the fairness of the terms of Settlement, including approval of the Class Counsel Award.

15 2.25 “Preliminary Approval Order” means the order that the Plaintiff and Cambly will seek
16 from the Court, without material variation from **Exhibit 2**. Entry of the Preliminary Approval Order
17 shall constitute preliminary approval of the Settlement Agreement.

18 2.26 “Released Parties” means (1) Cambly Inc.; (2) any predecessors and successors in
19 interest, any current or former parent corporations, subsidiary corporations, affiliates, and assigns; (3)
20 companies acquiring any or all of Cambly’s assets or capital stock; (4) any of Cambly’s past or present
21 divisions, suppliers, distributors, dealers, or sales branches; and (5) all current or former officers,
22 directors, shareholders, agents, representatives, principals, heirs, accountants, auditors, consultants,
23 insurers and reinsurers, attorneys, and employees.

24 2.27 “Reserve Fund” means five percent (5%) of the Total Settlement Amount or \$19,650,
25 which shall be set aside to pay any unexpected or unplanned amounts, including late or disputed
26 claims. The Reserve Fund will be held until sixty (60) days after all disputes have been resolved, all
27 claims have been paid and all checks have been cashed or expired. Any unused portion of the reserve
28

1 fund will be paid out in a second distribution to settlement class members who submitted a claim and
2 cashed their first settlement check alongside any other residual funds from uncashed checks in
3 accordance with Paragraphs 5.4 and 10.5.

4 2.28 “Settlement Class Members’ Released Claims” means any and all claims, actions,
5 demands, causes of action, suits, debts, obligations, damages, penalties, rights or liabilities, pursuant
6 to any theory of recovery against Cambly arising within the Class Period, for any type of relief that
7 can be released as a matter of law, including, without limitation, claims for wages, damages, unpaid
8 costs, penalties (including civil and waiting time penalties), liquidated damages, punitive damages,
9 interest, attorneys’ fees, litigation costs, restitution, or equitable relief (with the exception of any
10 claims which cannot be released as a matter of law), that could be brought based on the allegations in
11 the Action, including but not limited to any claims or factual allegations set forth in the LWDA letter,
12 Complaint and/or First Amended Complaint, namely Cambly’s alleged misclassification of the
13 Settlement Class as independent contractors. The claims released pursuant to this paragraph
14 specifically include, without limitations, a release of claims under Cal. Labor Code, §§ 2802, 226.7,
15 226.8, 1197, 1194, 1198, 510, 554, 512, 432.5, 1182.12, 1194.2, 1197.1, 1199, 226, 226(a), 226.3,
16 551, 552, 221-224, 225.5, 227, 201-203, 204, 210, 227.3 San Francisco Minimum Wage Ordinance,
17 Los Angeles Citywide Minimum Wage Ordinance, Los Angeles County Minimum Wage Ordinance,
18 IWC Wage Order No. 9-2001, the Private Attorneys General Act, Cal. Lab. Code, § 2698, *et seq.*, in
19 connection with claims related to independent contractor misclassification; as well as any other claims
20 under the California Labor Code or any applicable California Industrial Welfare Commission Wage
21 Orders; and all of their implementing regulations and interpretive guidelines, as well as any other
22 similar state, local, or common law claims that relate to independent contractor misclassification. The
23 release does not include claims that, as a matter of law, cannot be released and does not include claims
24 for retaliation, discrimination, wrongful termination, and individual claims filed with the appropriate
25 agency for the recovery of workers’ compensation benefits.

26 2.29 “Settlement Payment” means the amount payable to each Settlement Class Member who
27 does not opt out. The Settlement Payment shall be calculated pursuant to Section V herein.
28

1 2.30 “Settlement Payment Fund” means the funds paid to Settlement Class Members after
2 deducting the Class Counsel Award, Named Plaintiff’s Service Award, Settlement Administrator
3 Expenses, and the PAGA Payment.

4 2.31 “Settlement” means the settlement of the Action between and among Plaintiff and
5 Cambly, as set forth in this Settlement Agreement.

6 2.32 “Settlement Administrator” means Simpluris, the neutral, third-party settlement
7 administrator to be appointed by the Court.

8 2.33 “Settlement Administrator Expenses” means the amount to be paid to the Settlement
9 Administrator from the Settlement Payment Fund, including the total costs, expenses, and fees of the
10 Settlement Administrator. The amount may not exceed \$14,000.

11 2.34 “Settlement Class Member” means any member of the Settlement Class.

12 2.35 “Service Award” means the amount approved by the Court to be paid to the Plaintiff Jon
13 Waldrep, in addition to his individual Settlement Payment, in recognition of his efforts in coming
14 forward as the PAGA Representative and name plaintiff. The Service Award amount payable to
15 Plaintiff is not to exceed \$10,000.

16 2.36 “Total Settlement Amount” means Three Hundred Ninety Three Thousand Dollars
17 (\$393,000.00) for payment of all claims, which is the maximum amount that Cambly is obligated to
18 pay under this Settlement Agreement under any circumstances in order to resolve and settle the Action,
19 subject to Court approval. The Total Settlement Amount shall be inclusive of all costs and fees,
20 including, but not limited to, Class Counsel Award, applicable Settlement Administrator Expenses,
21 escrow costs and expenses, Service Awards, PAGA Payment, and interest. The Total Settlement
22 Amount is a material term to this Settlement Agreement and Defendant may revoke the Agreement if
23 the Court insists on a change that increases the obligation of the Defendant to pay an amount in excess
24 of the Total Settlement Amount. Changes requested by the Court to the allocation of funds between
25 PAGA and the remaining class claims, or changes in the amount of attorneys’ fees and costs or
26 enhancement award to Plaintiff, will not form the basis for any party to revoke this Agreement.

1 2.37 “Total Classroom Minutes” means the total number of minutes a Settlement Class
2 Member provided services during the Settlement Class Period in connection with Cambly’s platform,
3 as determined by Cambly.

4 2.38 “Void Date” means the date by which any checks issued to Settlement Class Members
5 shall become void, *i.e.* on the 181st day after mailing.

6 **III. SUBMISSION OF THE SETTLEMENT AGREEMENT TO THE COURT FOR**
7 **PRELIMINARY AND FINAL APPROVAL**

8 3.1 Upon execution of this Settlement Agreement, Plaintiff shall submit to the Court a motion
9 for preliminary approval of the Settlement. Class Counsel shall provide a draft motion for Defendant’s
10 counsel review with reasonable time in advance of the filing. The Parties will also submit a preliminary
11 approval order (**Exhibit 2** hereto) containing a plan for the sending of the Class Notice to Settlement
12 Class Members within fifteen (15) days after the Preliminary Approval Date (the Notice Date), and
13 establishing a period of sixty (60) days from the Notice Date within which any Settlement Class
14 Member may (i) request exclusion from the Settlement Class, (ii) submit written objections to the
15 proposed Settlement, and/or (iii) submit written objections to Class Counsel’s request for the Class
16 Counsel Award and for Service Award to the Plaintiff (the Exclusion/Written Objection Deadline).

17 3.2 The Parties stipulate to certification under California Code of Civil Procedure Section
18 382, for settlement purposes only, of the Settlement Class. The Parties agree that this stipulation shall
19 not be admissible in, and may not be used by any person for any purpose whatsoever in any legal
20 proceeding, including but not limited to any arbitrations and/or any civil and/or administrative
21 proceedings, other than a proceeding to enforce the terms of the Agreement.

22 3.3 Class Counsel agrees to keep any and all data related to the Settlement Class’s use of the
23 Cambly platform in the strictest confidence and shall not disclose that data.

24 3.4 Class Counsel and Plaintiff agree to use their best efforts, in cooperation with defense
25 counsel, to keep this Action stayed pending Final Approval of the Settlement, and upon Final Approval
26 of the Settlement, Class Counsel and Plaintiff agree to dismiss this Actions with prejudice.
27
28

1 3.5 The Parties stipulate to the form of, and agree to submit to the Court for its consideration
2 this Settlement Agreement, and the following Exhibits to this Settlement Agreement: [Proposed]
3 Preliminary Approval Order (Exhibit 2); and Class Notice (Exhibit 1).

4 3.6 Within 10 days of the Preliminary Approval Date, Class Counsel will notify the LWDA
5 of the Preliminary Approval Order.

6 3.7 At the Final Approval Hearing, Plaintiff shall request entry of a Final Approval Order
7 and a Judgment, to be agreed upon by the Parties, the entry of which is a material condition of this
8 Settlement and that, among other things:

9 3.7.1 Finally approves the Settlement as fair, reasonable, and adequate and directs its
10 consummation pursuant to the terms of the Settlement Agreement;

11 3.7.2 Finds that Class Counsel and Plaintiff adequately represented the Settlement
12 Class for the purpose of entering into and implementing the Agreement;

13 3.7.3 Re-confirms the appointment of the Settlement Administrator and finds that the
14 Settlement Administrator has fulfilled its duties under the Settlement to date;

15 3.7.4 Finds that the Class Notice (i) constituted the best practicable notice; (ii)
16 constituted notice that was reasonably calculated, under the circumstances, to apprise Settlement Class
17 Members of the pendency of the Action, and their right to exclude themselves from or object to the
18 proposed settlement and/or to appear at the Final Approval Hearing; (iii) was reasonable and
19 constituted due, adequate, and sufficient notice to all persons entitled to receive notice; and (iv) met
20 all applicable requirements of California Rules of Court 3.766(d) and 3.769(f), due process, and any
21 other applicable rules or law;

22 3.7.5 Approves the Opt-Out List and determines that the Opt-Out List is a complete
23 list of all Settlement Class Members who have timely and properly requested exclusion from the
24 Settlement Class and, accordingly, shall neither share in nor be bound by the Final Approval order and
25 Judgment;

26 3.7.6 Directs that the Final Approval order and Judgment shall be final and entered
27 forthwith;
28

1 3.7.7 Without affecting the finality of the Final Approval order and Judgment, directs
2 that the Sacramento County Superior Court retains continuing jurisdiction over the Plaintiff, the
3 Settlement Class, and Cambly as to all matters concerning the administration, consummation, and
4 enforcement of this Settlement Agreement;

5 3.7.8 Adjudges that, as of the Final Approval Date, Plaintiff, and all Settlement Class
6 Members who have not been excluded from the Settlement Class as provided in the Opt-Out List
7 approved by the Court, and their heirs, estates, trustees, executors, administrators, principals,
8 beneficiaries, representatives, agents, assigns, and successors, and/or anyone claiming through them
9 or acting or purporting to act for them or on their behalf, regardless of whether they have received
10 actual notice of the proposed Settlement, have conclusively compromised, settled, discharged, and
11 released the Settlement Class Members' Released Claims against Cambly and are bound by the
12 provisions of this Agreement;

13 3.7.9 Affirms that, notwithstanding the submission of a timely and proper request for
14 exclusion, Settlement Class Members will still be bound by the Settlement and release of the PAGA
15 Claims as requests for exclusion do not apply to the PAGA Claims, and further affirms that the
16 LWDA's claims for civil penalties pursuant to PAGA are also extinguished through May 26, 2022,
17 the date Cambly stopped contracting with California tutors;

18 3.7.10 Declares this Agreement and the Final Approval order and Judgment to be
19 binding on, and have res judicata and preclusive effect as to all pending and future lawsuits or other
20 proceedings that encompass the Settlement Class Members' Released Claims and that are maintained
21 by or on behalf of any Settlement Class Member who has not been excluded from the Settlement Class
22 as provided in the Opt-Out List approved by the Court and/or his or her heirs, estates, trustees,
23 executors, administrators, principals, beneficiaries, representatives, agents, assigns, and successors,
24 and/or anyone claiming through them or acting or purporting to act for them or on their behalf,
25 regardless of whether the Settlement Class Member previously initiated or subsequently initiates
26 individual litigation, arbitration, or other proceedings encompassed by the Settlement Class Members'
27 Released Claims, and even if such Settlement Class Member never received actual notice of the Action
28

1 or this proposed Settlement;

2 3.7.11 Determines that the Agreement and the Settlement provided for herein, and any
3 proceedings taken pursuant thereto, are not, and should not in any event be offered, received, or
4 construed as evidence of, a presumption, concession, or an admission by any Party of liability or non-
5 liability or of the certifiability or non-certifiability of a litigation class, or that PAGA representative
6 claims may validly be pursued, or of any misrepresentation or omission in any statement or written
7 document approved or made by any Party; provided, however, that reference may be made to this
8 Agreement and the Settlement provided for herein in such proceedings as may be necessary to
9 effectuate the provisions of this Agreement, as further set forth in this Agreement;

10 3.7.12 Orders that the preliminary approval of the Settlement, certification of the
11 Settlement Class and final approval of the proposed Settlement, and all actions associated with them,
12 are undertaken on the condition that they shall be vacated if the Settlement Agreement is terminated
13 or disapproved in whole or in part by the Court, or any appellate court and/or other court of review, in
14 which event the Agreement and the fact that it was entered into shall not be offered, received, or
15 construed as an admission or as evidence for any purpose, including but not limited to an admission
16 by any Party of liability or non-liability or of any misrepresentation or omission in any statement or
17 written document approved or made by any Party, or of the certifiability of a litigation class or the
18 appropriateness of maintaining a PAGA representative action, as further provided in this Settlement
19 Agreement;

20 3.7.13 Contains such other and further provisions consistent with the terms of this
21 Settlement Agreement to which the Parties expressly consent in writing.

22 3.8 At the Final Approval Hearing and as a part of the final approval of this Settlement,
23 Class Counsel will also request approval of the Plan of Allocation set forth in Section V. Any
24 modification to the Plan of Allocation by the Court shall not (i) affect the enforceability of the
25 Settlement Agreement, (ii) provide any of the Parties with the right to terminate the Settlement
26 Agreement, or (iii) impose any obligation on the Defendant to increase the consideration paid in
27 connection with the Settlement or limit in any way the releases provided herein.
28

1 3.9 At the Final Approval Hearing, Class Counsel may also request entry of an Order
2 approving the Class Counsel Award and for the Service Award to the Plaintiff, which shall be paid
3 exclusively from the Total Settlement Amount and in accordance with the distribution plan described
4 in Section V. The disposition of Class Counsel's application for a Class Counsel Award, and for
5 Service Award, is within the sound discretion of the Court and is not a material term of this Settlement.

6 3.10 Within 10 days after entry of Judgment, Class Counsel will provide a copy of the
7 Judgment to the LWDA.

8 **IV. SETTLEMENT CONSIDERATION**

9 4.1 The total monetary component of the Settlement from Cambly is the Total Settlement
10 Amount (\$393,000). This is an "all in" number that includes, without limitation, all monetary benefits
11 and payments to the Settlement Class, Service Award, Class Counsel Award, Settlement Administrator
12 Expenses and the PAGA Payment, and all claims for interest, fees, and costs. Under no circumstances
13 shall Cambly be required to pay anything more than the Total Settlement Amount or make any
14 payments under this Settlement before the deadlines set forth in this Agreement.

15 4.2 The Plaintiff and all Settlement Class Members who receive a payment of any kind from
16 the Total Settlement Amount (including, in the case of the Plaintiff, a Service Award) expressly
17 acknowledge that such payments shall be non-wages for which an IRS Form 1099 will be issued, if
18 required.

19 4.3 The terms of this Agreement relating to the Service Award and Class Counsel Award
20 were not negotiated by the Parties before full agreement was reached as to all other material terms of
21 the proposed Settlement, including, but not limited to, any terms relating to the relief to the Settlement
22 Class. Cambly agrees not to oppose a request for a Service Award for Plaintiff, as awarded by the
23 Court, up to a maximum of Ten Thousand Dollars (\$10,000). Plaintiff and Class Counsel agree not
24 to seek a Service Award in excess of the above amount.

25 4.4 Class Counsel agrees not to seek an award of attorneys' fees from the Court in excess of
26 \$131,000 (or one third (1/3) of \$393,000). Cambly agrees not to oppose a request for attorneys' fees
27 up to one third (1/3) of the Total Settlement Amount. Any amount awarded as the Class Counsel
28

Award shall be inclusive of any and all amounts due to all Plaintiffs' Counsel. Cambly and Settlement Class Members shall have no obligation regarding or liability for allocation or payment of any Class Counsel Award to Plaintiffs' Counsel. Any portion of the amounts requested for fees, costs, or the Service Award not approved by the Court shall revert to the Settlement Payment Fund.

4.5 If no timely objection to the Settlement is made, the payment of the Class Counsel Award, the Service Award, the Settlement Administrator Expenses, the Settlement Payments and the PAGA Payment shall be made by the Settlement Administrator within seven (7) business days after Cambly funds the Settlement.

4.6 The Settlement Administrator shall pay the Class Counsel Award by check, payable to "Lichten & Liss-Riordan, P.C." Class Counsel shall provide the Settlement Administrator notice of receipt of the Class Counsel Award.

V. FUNDING AND ALLOCATION OF THE SETTLEMENT

5.1 Within thirty (30) days of the Effective Date, Cambly shall fund the Settlement by providing the Settlement Fund (\$393,000) to the Settlement Administrator. The Settlement Administrator shall thereafter distribute the funds in the manner and at the times set forth in this Agreement.

5.2 To receive a payment from the Settlement, a Settlement Class Member must not have submitted a request for exclusion from the Settlement.

5.3 The amount of each Settlement Class Member's Settlement Payment will be calculated in proportion to their Total Classroom Minutes, as defined herein. Cambly shall provide its best estimate of each Settlement Class Member's Total Classroom Minutes. Utilizing this information, the Administrator will calculate settlement shares in proportion to Total Classroom Minutes, except that no Settlement Class Member shall receive less than \$25, and any shares under \$25 will be rounded up to this minimum share amount. Furthermore, any Settlement Class Member who is also a PAGA Member will receive a pro rata share of the PAGA Members' portion of PAGA Payment (\$7,500 or 25% of the PAGA Payment) based on his or her Total Classroom Minutes.

5.4 Following distribution of the Settlement Payments to Settlement Class Members, all

1 funds not claimed prior to the Void Date (*i.e.*, all funds from uncashed checks) shall be redistributed
2 to the Settlement Class Members who received and cashed their first Settlement Payments and whose
3 residual share would be more than \$50.00. These unclaimed funds shall be redistributed pursuant to
4 the same formula described in Paragraphs 5.3.

5 5.5 As described in Section VI, each Settlement Class Member will have the opportunity,
6 should he or she disagree with Cambly's calculation of his or her Total Classroom Minutes, to provide
7 documentation to establish the appropriate number. There will be a presumption that Cambly's
8 records are correct, absent evidence produced by a Settlement Class Member to the contrary.

9 5.6 The Settlement Administrator shall issue the Settlement Payments to each Settlement
10 Class Member – who does not opt out – by sending their settlement payment electronically to the
11 PayPal account that Cambly has on file, or by transmitting payment by another electronic means (e.g.,
12 Venmo) if the Settlement Class Member elects for an alternative form of electronic payment after
13 receiving the Class Notice. If any settlement payment sent to any Settlement Class Member's PayPal
14 account is returned to the Settlement Administrator or otherwise rejected by PayPal, the Settlement
15 Administrator shall make a good-faith search of an appropriate database, and postal mailings shall be
16 forwarded to any postal mail address obtained through such a search. The Settlement Payments shall
17 be reported by the Settlement Administrator to the applicable governmental authorities on IRS Form
18 1099. The Settlement Administrator shall be responsible for issuing copies of IRS Form 1099 for the
19 Plaintiff and Settlement Class Members.

20 **VI. CLASS NOTICE PROCEDURES**

21 6.1 No more than fifteen (15) calendar days after entry of the Preliminary Approval Order,
22 Defendant shall provide the Settlement Administrator with the Class Information for purposes of
23 sending the Class Notice to Settlement Class Members. Class Information shall include names, last
24 known addresses, last known email address, last known phone numbers, Social Security Numbers (to
25 the extent all such information is available to Cambly), and the Total Classroom Minutes credited to
26 each Settlement Class Member.

27 6.2 The Class Notice will inform Settlement Class Members of their right to request
28

1 exclusion from the Settlement, of their right to object to the Settlement, and of their right to dispute
2 the information upon which their share of the Settlement will be calculated and the claims to be
3 released. The Class Notice shall also provide each potential Settlement Class Member with a best
4 estimate of his or her Total Classroom Minutes.

5 6.3 Within seven (7) days after receiving the Class Information from Defendant, the
6 Settlement Administrator shall send a copy of the Class Notice by electronic mail to each potential
7 Settlement Class Member.

8 6.4 If any Class Notice sent via electronic mail to any potential Settlement Class Member is
9 undeliverable, then no later than ten (10) days after the Notice Date, the Settlement Administrator shall
10 then send the Class Notice to the potential Settlement Class Member's postal mailing address to the
11 extent such address is found by the Settlement Administrator pursuant to Section 6.5 below, via first-
12 class mail and the deadline opt out of the settlement shall be extended by an additional ten (10) days
13 for any such individual. In the event that any mailed Class Notice is returned as undeliverable, no
14 further postal mailing shall be required. The Settlement Administrator shall maintain a log detailing
15 the instances Class Notices are returned as undeliverable (*i.e.*, by email and subsequently by mail).

16 6.5 To the extent that sending the Class Notice via postal mail is necessary under the terms
17 of Paragraph 6.4, before any mailing, the Settlement Administrator shall make a good-faith attempt to
18 obtain the most-current names and postal mail addresses for all potential Settlement Class Members
19 to receive such postal mail, as well as any other sources, with appropriate databases (*e.g.*, the National
20 Change of Address Database) and performing further reasonable searches (*e.g.*, through Lexis/Nexis)
21 for more-current names and/or postal mail addresses for Settlement Class Members. All Settlement
22 Class Members' names and postal mail addresses obtained through these sources shall be protected as
23 confidential and not used for purposes other than the notice and administration of this Settlement. The
24 Settlement Administrator shall exercise its best judgment to determine the current mailing address for
25 each Settlement Class Member. The address determined by the Settlement Administrator as the
26 current mailing address shall be presumed to be the best mailing address for each Settlement Class
27 Member.
28

1 6.6 As set forth in the Class Notice, Settlement Class Members will be asked to object or
2 request exclusion to the Settlement Administrator within sixty (60) days. However, any Settlement
3 Class Members who do object or request exclusion will nevertheless be bound by the release of the
4 Settlement Members' Released PAGA Claims, as outlined in Paragraph 7.7.

5 6.7 Thirty (30) days prior to the deadline to object or request exclusion, a reminder email
6 will be sent by the Administrator to all Settlement Class Members whose initial Class Notice email
7 was not undeliverable (and by mail to any Settlement Class Member whose initial Class Notice email
8 was undeliverable and for whom the Settlement Administrator traced and found a deliverable postal
9 address) and who has not yet submitted an objection or request for exclusion. Two additional emailed
10 reminders will be sent to any Settlement Class Members who have yet to submit a claim or an objection
11 or request for exclusion fourteen (14) days prior to the deadline and seven (7) days prior to the
12 deadline.

13 6.8 The Parties agree that the procedures set forth in this Section constitute reasonable and
14 the best practicable notice under the circumstances and an appropriate and sufficient effort to locate
15 current addresses for Settlement Class Members such that no additional efforts to do so shall be
16 required. However, the Parties can agree in their discretion to take additional measures (such as
17 additional emailed or text message reminders or mailed postcards to class members) should they deem
18 it necessary based on a lower than expected claim rate.

19 6.9 The Settlement Administrator will provide Class Notice by, at a minimum, (i) electronic
20 mail notice without material variation from the form attached as Exhibit 1; (ii) if necessary, in
21 accordance with Paragraph 6.4, first-class mail notice; and (iii) a content-neutral settlement website
22 managed by the Settlement Administrator, and approved by counsel for the Parties, which will contain
23 further information about the Settlement, including relevant pleadings. The Class Notice shall comply
24 with California Rules of Court 3.766(d), 3.769(f) and due process.

25 6.10 The Settlement Administrator shall prepare a declaration of due diligence and proof of
26 dissemination with regard to the mailing of the Class Notice, and any attempts by the Settlement
27 Administrator to locate Settlement Class Members, its receipt of valid requests for exclusion, and its
28

1 inability to deliver the Notice of Settlement to Settlement Class Members due to invalid addresses
2 (“Due Diligence Declaration”), and provide it to Class Counsel and counsel for Cambly for
3 presentation to the Court. Class Counsel shall be responsible for filing the Due Diligence Declaration
4 with the Court contemporaneous with the filing of the Motion for Final Approval of Class Action
5 Settlement.

6 6.11 If any individual whose name does not appear in the Class Information that Cambly
7 provides the Settlement Administrator (and who has not previously opted out of the Settlement Class),
8 believes that he or she is a Settlement Class Member, he or she shall have the opportunity to dispute
9 his or her exclusion from the Settlement Class. If an individual believes he or she is a Settlement Class
10 Member, he or she must notify the Settlement Administrator by mail or email within a reasonable
11 amount of time after the Notice Date. The Parties will meet and confer regarding any such individuals
12 in an attempt to reach an agreement as to whether any such individual should be regarded as a
13 Settlement Class Member. If the Parties so agree, the Settlement Administrator will email and/or mail
14 a Class Notice to the individual, and treat the individual as a Settlement Class Member for all other
15 purposes. Such an individual will have all of the same rights as any other Settlement Class Member
16 under this Agreement. In the event that the disbursement of the Settlement Payments has begun (in
17 accordance with this Settlement Agreement) at the time that the Parties agree that such individual
18 should be regarded as a Settlement Class Member, and that if such individual does not exercise his or
19 her right to opt out of the Settlement, the Settlement Payment to such individual shall be disbursed
20 from funds remitted back to the Payment Fund (*i.e.*, from settlement checks that remain uncashed
21 beyond the Void Date).

22 **VII. PROCEDURES FOR REQUESTS FOR EXCLUSION**

23 7.1 Settlement Class Members (with the exception of the Plaintiff) may opt out of the
24 Settlement. Those who wish to exclude themselves (or “opt out”) from the Settlement Class must
25 submit timely, written requests for exclusion. To be effective, such a timely request must include the
26 Settlement Class Member’s name, address, and telephone number; a clear and unequivocal statement
27 that the Settlement Class Member wishes to be excluded from the Settlement Class; and the signature
28

1 of the Settlement Class Member or the Legally Authorized Representative of the Settlement Class
2 Member (who is not the class member's counsel). The request must be mailed or emailed to the
3 Settlement Administrator at the mailing address or email address provided in the Class Notice and
4 must be postmarked no later than the Exclusion/Objection Deadline in the case of a mailed request for
5 exclusion. Alternatively, the request for exclusion, as described in this paragraph, may be emailed to
6 the Settlement Administrator from the email address associated with the Settlement Class Member's
7 Cambly account, in which case the requirement of a signature will be waived. With respect to mailed
8 requests for exclusion, the date of the postmark shall be the exclusive means used to determine whether
9 a request for exclusion has been timely submitted. Requests for exclusion must be exercised
10 individually by the Settlement Class Member (or his or her Legally Authorized Representative as
11 defined herein), even if the Settlement Class Member is represented by counsel. However, nothing
12 about the Settlement's opt-out procedure prevents counsel (a) from reviewing the Settlement with the
13 client, (b) from advising the client on whether participating in or opting out of the Settlement is in the
14 client's (as opposed to counsel's) best interest, or (c) from preparing the opt-out request for their client
15 to sign (e.g., including the requisite information such as the Settlement Class Member's name, address,
16 and telephone number, and a clear and unequivocal statement that the individual wishes to be
17 excluded). Attempted collective group, class, or subclass requests for exclusions shall be ineffective
18 and disregarded by the Settlement Administrator. The Settlement Administrator will attempt to
19 contact any Settlement Class Member whose request for exclusion is incomplete or invalid to provide
20 them with an opportunity to cure the defect prior to the deadline.

21 7.2 The Settlement Administrator shall promptly log each request for exclusion that it
22 receives and provide copies of the log and all such requests for exclusion to Class Counsel and counsel
23 for Cambly, on at least a weekly basis beginning approximately fourteen (14) days after the Class
24 Notices are mailed to Settlement Class Members, or as otherwise requested.

25 7.3 The Settlement Administrator shall prepare a list of all persons who timely and properly
26 requested exclusion from the Settlement Class (the Opt-Out List) and shall, before the Final Approval
27 Hearing, submit an affidavit to the Court attesting to the accuracy of the list.
28

1 7.4 All Settlement Class Members who are not included in the Opt-Out List approved by the
2 Court shall be bound by this Agreement, and judgment entered as to all their claims, which shall be
3 released as provided for herein, even if they never received actual notice of the Action or this proposed
4 Settlement and regardless of whether they received any distribution from the Settlement Payment
5 Fund.

6 7.5 The Settlement Administrator shall determine whether a request for exclusion was timely
7 and properly submitted and shall submit the Opt-Out List to the Court for its approval along with a list
8 of any defective or untimely requests for exclusion. The Court shall have the ultimate authority to
9 approve or disapprove of any requests for exclusion.

10 7.6 Plaintiff Jon Waldrep agrees not to request exclusion from the Settlement Class.
11 Settlement Class Members may object to or opt out of the Settlement, but may not do both. Any
12 Settlement Class Member who submits a timely request for exclusion may not file an objection to the
13 Settlement or receive a Settlement Payment, and shall be deemed to have waived any rights or benefits
14 under the Settlement Agreement, except as provided in Paragraph 10.2.4.

15 7.7 Notwithstanding the submission of a timely request for exclusion, Settlement Class
16 Members will still be bound by the settlement and release of the PAGA Claims or remedies under the
17 Final Judgment pursuant to *Arias v. Superior Court* (2009) 46 Cal.4th 969. Requests for exclusion do
18 not apply to the PAGA Claims, and will not be effective to preclude the release of the PAGA Claims.

19 7.8 No later than three (3) business days after the Exclusion/Objection Deadline, the
20 Settlement Administrator shall provide to Class Counsel and counsel for Cambly the Opt-Out List
21 together with copies of the opt-out requests, including any untimely or defective requests.
22 Notwithstanding any other provision of this Settlement Agreement, if more than five percent (5%) of
23 potential Settlement Class Members exercise their right to opt out of the Settlement, Cambly at its sole
24 and absolute discretion may elect to rescind, void, and revoke the entire Settlement Agreement by
25 sending written notice that it revokes the Settlement pursuant to this Paragraph to Class Counsel within
26 seven (7) business days following receipt of the Opt-Out List.

27 7.9 Named Plaintiff and his counsel shall support the Settlement and take such steps as are
28

1 reasonably necessary to effectuate the Settlement. Plaintiffs' counsel shall recommend the Settlement
2 to the Settlement Class Members, and Plaintiffs' counsel agree to use their best efforts to resolve any
3 objections to the release of all claims described in the Settlement Class Members' Released Claims,
4 including all class actions, putative class actions, individual-plaintiff actions, and arbitrations.
5 Cambly, in turn, agrees to use its best efforts to cooperate with Plaintiffs' counsel's efforts in this
6 regard. Named Plaintiff shall not opt out of or object to the settlement, nor shall he or his counsel
7 directly or indirectly encourage Settlement Class Members to opt out of or object to the settlement.

8 7.10 With regard to any Settlement Class Member who elects to opt out or object to the
9 settlement, nothing herein shall be construed as a waiver of any rights or obligations contained in any
10 contract between Cambly and such Settlement Class Member, including but not limited to, any
11 applicable arbitration agreement.

12 **VIII. PROCEDURES FOR OBJECTIONS**

13 8.1 Any Settlement Class Member that wishes to object to the fairness, reasonableness, or
14 adequacy of this Agreement or the proposed Settlement must provide to the Settlement Administrator
15 (who shall forward it to Class Counsel and counsel for Cambly), a timely statement of the objection,
16 as set forth below.

17 8.2 To be timely, the objection must be postmarked and mailed to the Settlement
18 Administrator (or emailed to the Settlement Administrator from the email address associated with the
19 Settlement Class Member's Cambly account) no later than the Exclusion/Objection Deadline. With
20 respect to mailed objections, the date of the postmark on the return-mailing envelope shall be the
21 exclusive means used to determine whether objection has been timely submitted.

22 8.3 The objection must contain at least the following: (i) the objector's full name, address,
23 telephone number, and signature; (ii) a clear reference to the Action; and (iii) a statement of the specific
24 basis for each objection argument. All objections shall be signed by the objecting Settlement Class
25 Member (or his or her Legally Authorized Representative as defined herein), even if the Settlement
26 Class Member is represented by counsel. However, if the objection is emailed to the Settlement
27 Administrator from the email address associated with the Settlement Class Member's Cambly account,
28

1 the signature requirement will be waived.

2 8.4 The right to object to the proposed Settlement must be exercised individually by a
3 Settlement Class Member. Attempted collective, group, class, or subclass objections shall be
4 ineffective and disregarded. Individual objections may be submitted by a Settlement Class Member's
5 Legally Authorized Representative.

6 8.5 Settlement Class Members who object to the proposed Settlement shall remain
7 Settlement Class Members, and shall be deemed to have voluntarily waived their right to pursue an
8 independent remedy against Cambly and the Released Parties. To the extent any Settlement Class
9 Member objects to the proposed Settlement, and such objection is overruled in whole or in part, such
10 Settlement Class Member will be forever bound by the Final Approval order and Judgment.

11 8.6 It shall be Class Counsel's sole responsibility to respond to any objections made with
12 respect to any application for the Class Counsel Award and Service Award.

13 **IX. RELEASES**

14 9.1 The Settlement Class Members' Released Claims against each and all of the Released
15 Parties shall be released and judgment entered (without an award of costs to any party other than as
16 provided in this Agreement) upon entry of the Final Approval order and Judgment.

17 9.2 As of the Final Approval Date, the Plaintiff, and all Settlement Class Members who have
18 not been excluded from the Settlement Class as provided in the Opt-Out List, individually and on
19 behalf of their heirs, estates, trustees, executors, administrators, representatives, agents, successors,
20 and assigns, and anyone claiming through them or acting or purporting to act on their behalf, agree to
21 forever release, discharge, hold harmless, and covenant not to sue each and all of the Released Parties
22 from each and all of the Settlement Class Members' Released Claims, and by operation of the Final
23 Judgment shall have fully and finally released, relinquished, and discharged all such claims against
24 each and all of the Released Parties; and they further agree that they shall not now or hereafter initiate,
25 maintain, or assert any Settlement Class Members' Released Claims against the Released Parties in
26 any other court action or before any administrative body, tribunal, arbitration panel, or other
27 adjudicating body. Without in any way limiting the scope of the release described in Paragraphs 2.15,
28

1 2.26, and 2.29 as well as the remainder of this Section, this release covers, without limitation, any and
2 all claims for attorneys' fees, costs or disbursements incurred by Class Counsel or by the Plaintiff or
3 Settlement Class Members, in connection with or related in any manner to the Action, the Settlement
4 of the Action, the administration of such Settlement, and/or the Settlement Class Members' Released
5 Claims, except to the extent otherwise specified in the Agreement.

6 9.3 Subject to Court approval, Plaintiff, and all Settlement Class Members who have not
7 been excluded from the Settlement Class as provided in the Opt-Out List, shall be bound by this
8 Settlement Agreement, and judgment entered as to all their claims, which shall be released, even if
9 they never received actual notice of the Action or this Settlement.

10 9.4 As of the Final Approval Date, the State of California and all current and former
11 individuals who provided services in connection with Cambly's platform in the State of California at
12 any time during the Class Period, shall be deemed to have fully, finally, and forever waived, released,
13 relinquished, and discharged each and all of the Released Parties from all the PAGA Claims that arose
14 or may be alleged to have arisen within the PAGA Period, as identified in Plaintiff's November 9,
15 2021 PAGA Letter addressed to the Labor Workforce Development Agency, including the following
16 provisions: California Labor Code sections 2802, 226.8, 1197, 1194, 1198, 510, 554, 226.7, 512, 226,
17 and 432.5.

18 **X. ADMINISTRATION OF THE SETTLEMENT FUND**

19 10.1 The Settlement Administrator or its authorized agents in consultation with the Parties and
20 subject to supervision, direction, and approval of the Court, shall allocate and oversee the distribution
21 of the Settlement Fund, utilizing an allocation reflecting a damages calculation first proposed by
22 Plaintiff's counsel and approved by Defendant's counsel.

23 10.2 Of the \$393,000 total value of the Settlement Fund, \$30,000 shall be allocated to the
24 PAGA Payment Fund. The PAGA Payment Fund shall be applied as follows:

25 10.2.1 Subject to the approval and further order(s) of the Court, 75% of the PAGA
26 Payment Fund (\$22,500) shall be distributed to the LWDA; and

27 10.2.2 Subject to the approval and further order(s) of the Court, 25% of the PAGA
28

1 Payment Fund shall be distributed to PAGA Members based on each PAGA Member's pro rata share
2 (i.e., based on their Total Classroom Minutes during the PAGA Period);

3 10.3 The remaining \$363,000 shall be allocated to the Settlement Payment Fund. The
4 Settlement Payment Fund shall be applied as follows:

5 10.3.1 To pay the total costs, expenses, and fees of the Settlement Administrator
6 incurred in connection with providing Class Notice to potential Settlement Class Members, and the
7 management and distribution of the Settlement Payments to Settlement Class Members;

8 10.3.2 Subject to the approval and further order(s) of the Court, to pay Plaintiff's
9 Service Award based on contributions and time expended assisting in the litigation, up to a maximum
10 of \$10,000;

11 10.3.3 Subject to the approval and further order(s) of the Court, to pay the Class
12 Counsel Award as ordered by the Court;

13 10.3.4 After the Effective Date and subject to the approval and further order(s) of the
14 Court, to distribute the Settlement Payments from the Settlement Payment Fund for the benefit of the
15 Settlement Class pursuant to the Plan of Allocation, or as otherwise ordered by the Court.

16 10.4 In the distribution of the Settlement Payments, the Settlement Administrator will include
17 a statement to each Settlement Class Member containing a best estimate of his or her Total Classroom
18 Minutes, as defined herein, being used to calculate the amount of his or her Settlement Payment, as
19 described in Paragraph 5.3.

20 10.5 Settlement Class Members will have an opportunity to dispute Cambly's calculation of
21 their Total Classroom Minutes by providing documentation of contrary classroom minutes to the
22 Settlement Administrator within sixty (60) days of receiving their Notice. The Settlement
23 Administrator shall review any documentation submitted by a Settlement Class Member and consult
24 with the Parties to determine whether an adjustment is warranted. There will be a presumption that
25 Cambly's records are correct, absent evidence produced by a Settlement Class Member to the contrary.

26 10.6 If any portion of the Settlement Payment Fund is not successfully redistributed to
27 Settlement Class Members after the initial Void Date (i.e., checks are not cashed or checks are returned
28

1 as undeliverable after the second distribution), then after the Void Date for redistributed checks, the
2 Settlement Administrator shall void the check and shall direct such unclaimed funds to be redistributed
3 to all of the Settlement Class Members who (1) received and cashed their initial Settlement Payments;
4 and (2) would receive a redistribution amount greater than or equal to \$50.00, calculated pursuant to
5 the same formula used to calculate the amounts of the initial Settlement Payments. If any portion
6 thereafter remains unclaimed (*i.e.*, checks are not cashed or checks are returned as undeliverable after
7 the second distribution), then after the Void Date for redistributed checks, the Settlement
8 Administrator shall void the check and shall direct such unclaimed funds to be paid to the *cy pres*
9 recipient – the California Controller’s Unclaimed Property Fund.

10 10.7 Settlement Class Members who are not on the Opt-Out List approved by the Court shall
11 be subject to and bound by the provisions of the Settlement Agreement, the releases contained herein,
12 and the Judgment with respect to all Settlement Class Members’ Released Claims, regardless of
13 whether they obtain any distribution from the Settlement Payment Fund.

14 10.8 Payment from the Settlement Payment Fund made pursuant to and in the manner set
15 forth herein shall be deemed conclusive of compliance with this Settlement Agreement as to all
16 Settlement Class Members.

17 10.9 No Settlement Class Member shall have any claim against the Plaintiff, Class Counsel,
18 or the Settlement Administrator based on distributions made substantially in accordance with this
19 Settlement Agreement and/or orders of the Court. No Settlement Class Member shall have any claim
20 against Cambly or its counsel relating to the distributions made under this Settlement.

21 **XI. EFFECT OF DISAPPROVAL, CANCELLATION, OR TERMINATION OF**
22 **SETTLEMENT AGREEMENT**

23 11.1 If the Court does not approve the Settlement as set forth in this Settlement Agreement,
24 or does not enter the Final Approval order and Judgment on the terms described herein, or if the Court
25 enters the Judgment and appellate review is sought, and on such review, the entry of Judgment is
26 vacated, modified in any way, or reversed, or if the Final Approval order does not otherwise become
27 Final, then this Settlement Agreement shall be cancelled and terminated, unless all Parties, in their
28

1 sole discretion within thirty (30) days from the date such ruling becomes final, provide written notice
2 to all other Parties hereto of their intent to proceed with the Settlement under the terms of the Judgment
3 as it may be modified by the Court or any appellate court.

4 11.2 Cambly shall have the right to withdraw from the Settlement if the number of Settlement
5 Class Members who attempt to exclude themselves from the Settlement Class equals or exceeds five
6 percent (5%) of potential Settlement Class Members. If Cambly chooses, pursuant to its sole and
7 absolute discretion, to exercise this right, it must do so within seven (7) business days of receipt of the
8 Opt-Out List as provided in Paragraph 7.8, by providing written notice to Class Counsel.

9 11.3 In the event that: (i) the Settlement is not approved, is overturned, or is modified by the
10 Court or on appeal, (ii) the Judgment does not become Final, or (iii) this Settlement Agreement is
11 terminated, cancelled, or fails to become effective for any reason, then: (a) the Parties stipulate and
12 agree the Settlement, this Agreement, the Class Information, the Opt-Out List, and all documents
13 exchanged and filed in connection with the Settlement shall be treated as privileged mediation
14 communications under Cal. Evid. Code, §§ 1115 *et seq.*; (b) the Settlement shall be without force and
15 effect upon the rights of the Parties hereto, and none of its terms shall be effective or enforceable, with
16 the exception of this paragraph, which shall remain effective and enforceable; (c) the Parties shall be
17 deemed to have reverted *nunc pro tunc* to their respective status prior to execution of this Agreement,
18 including with respect to any Court-imposed deadlines; (d) all Orders entered in connection with the
19 Settlement, including the certification of the Settlement Class, shall be vacated without prejudice to
20 any Party's position on the issue of class certification, the issue of amending the complaint, or any
21 other issue, in the Action or any other action, and the Parties shall be restored to their litigation
22 positions existing on the date of execution of this Agreement; and (e) the Parties shall proceed in all
23 respects as if the Settlement Agreement and related documentation and orders had not been executed,
24 and without prejudice in any way from the negotiation or fact of the Settlement or the terms of the
25 Settlement Agreement.

26 11.4 Cambly does not agree or consent to certification of the Settlement Class for any purpose
27 other than to effectuate the Settlement of the Action.
28

1 **XII. CONDITIONS PRECEDENT**

2 This Settlement will become final and effective only upon the occurrence of all of the following
3 events:

4 12.1 Plaintiff successfully amends his state court action by filing a First Amended Complaint
5 to add class claims on behalf of the Settlement Class for settlement purposes only;

6 12.2 The Court enters an order granting preliminary approval of the Settlement;

7 12.3 The Court enters an order granting Final Approval of the Settlement and a final
8 Judgment;

9 12.4 If an objector appears at the Final Approval Hearing, the time for appeal of the Final
10 Judgment and Order Granting Final Approval of Settlement expires; or, if an appeal is timely filed,
11 there is a final resolution of any appeal from the Judgment and Order Granting Final Approval of the
12 Settlement subject to requirements of this Agreement; and

13 12.5 Defendant fully funds the Total Settlement Amount.

14 **XIII. ADDITIONAL PROVISIONS**

15 13.1 All of the Exhibits to this Agreement are an integral part of the Settlement and are
16 incorporated by reference as though fully set forth herein.

17 13.2 The Plaintiff and Class Counsel acknowledge that an adequate factual record has been
18 established that supports the Settlement and, apart from the limited discovery described in the next
19 sentence, hereby waive any right to conduct further discovery to assess or confirm the Settlement.
20 Notwithstanding the prior sentence, the Parties agree to reasonably cooperate with respect to limited
21 confirmatory discovery to facilitate approval of the settlement and related to the last-known email
22 addresses of Settlement Class Members.

23 13.3 The Parties agree to cooperate fully with each other to accomplish and implement the
24 terms of this Settlement. Such cooperation shall include, but not be limited to, execution of such other
25 documents and the taking of such other actions as may reasonably be necessary to fulfill the terms of
26 this Settlement and/or revising this Settlement to comply with the above-entitled Court's requests.
27 The Parties shall use their best efforts, including all efforts contemplated by this Settlement and any
28

1 other efforts that may become necessary by Court order, or otherwise, to effectuate this Settlement
2 and the terms set forth herein.

3 13.4 Unless otherwise noted, all references to “days” in this Agreement shall be to calendar
4 days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal
5 holiday, such date or deadline shall be on the first business day thereafter.

6 13.5 This Agreement constitutes the full and complete agreement of the Parties hereto, and
7 supersedes all prior negotiations and agreements, whether oral, written or otherwise, and may be
8 amended or modified only by a written instrument signed by counsel for all Parties or the Parties’
9 successors-in-interest.

10 13.6 The Parties reserve the right, subject to the Court’s approval, to make any reasonable
11 extensions of time that might be necessary to carry out any of the provisions of this Agreement. Such
12 extensions must be in writing to be enforceable.

13 13.7 The Settlement Agreement, the Settlement, the fact of the Settlement’s existence, any of
14 terms of the Settlement Agreement, any press release or other statement or report by the Parties or by
15 others concerning the Settlement Agreement or the Settlement, and any negotiations, proceedings, acts
16 performed, or documents executed pursuant to or in furtherance of the Settlement Agreement or the
17 Settlement: (i) may not be deemed to be, may not be used as, and do not constitute an admission or
18 evidence of the validity of any Settlement Class Members’ Released Claims or of any wrongdoing or
19 liability of Cambly; (ii) may not be deemed to be, may not be used as, and do not constitute an
20 admission or evidence of any fault, wrongdoing, or omission by Cambly in any trial, civil, arbitration,
21 criminal, or administrative proceeding of the Action or any other action or proceeding in any court,
22 administrative agency, arbitration, or other tribunal; (iii) may not be used as evidence of any waiver
23 of, unenforceability of, or as a defense to any Cambly arbitration agreement; (iv) may not be used as
24 evidence on any class certification proceeding.

25 13.8 The Released Parties shall have the right to file the Settlement Agreement, the Final
26 Approval order and Judgment, and any other documents or evidence relating to the Settlement in any
27 action that may be brought against them in order to support a defense or counterclaim based on
28

1 principles of *res judicata*, collateral estoppel, release, good-faith settlement, judgment bar, reduction,
2 or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

3 13.9 The Parties to the Settlement Agreement agree that the Total Settlement Amount and the
4 other terms of the Settlement were negotiated at arm's length and in good faith by the Parties, resulted
5 from an arm's-length mediation session facilitated by retired Judge Kevin Murphy, and reflect a
6 settlement that was reached voluntarily based upon adequate information and sufficient discovery and
7 after consultation with experienced legal counsel.

8 13.10 The Plaintiff and Class Counsel have concluded that the Settlement set forth herein
9 constitutes a fair, reasonable, and adequate resolution of the claims that the Plaintiff asserted against
10 Cambly, including the claims on behalf of the Settlement Class Members, and that it promotes the best
11 interests of the Settlement Class Members.

12 13.11 To the extent permitted by law, all agreements made and orders entered during the course
13 of the Action relating to the confidentiality of information shall survive this Settlement Agreement.
14 This includes, but is not limited to, the Parties' agreement that Plaintiff, Defendant, and their respective
15 counsel will not make any public disclosure of the Settlement or the Memorandum of Understanding,
16 dated December 14, 2023, until after the filing of the Motion for Preliminary Approval.
17 Notwithstanding the foregoing, the Parties agree that Defendant may make such disclosures that in
18 Defendant's judgment are required in the ordinary course of business. Class Counsel will take all
19 steps necessary to ensure that Plaintiff is aware of, and will encourage them to adhere to, the restriction
20 against any public disclosure of the Settlement until the Motion for Preliminary Approval is filed.
21 Thereafter, Class Counsel and Plaintiff agree not to publicize the terms of the Settlement with the
22 media, including but not limited to, any newspaper, journal, magazine, social media platform, website
23 and/or on-line reporter of settlements, or any other public comment, including advertising this
24 Settlement on their firm's promotional materials, firm website, or its attorneys' biographies.

25 13.12 The waiver by one Party of any breach of this Settlement Agreement by any other Party
26 shall not be deemed a waiver of any other prior or subsequent breach of this Settlement Agreement.
27
28

1 13.13 This Settlement Agreement, including its Exhibits, constitutes the entire agreement
2 among the Parties, and no representations, warranties, or inducements have been made to any Party
3 concerning this Settlement Agreement or its Exhibits, other than the representations, warranties, and
4 covenants contained and memorialized in this Settlement Agreement and its Exhibits. This Settlement
5 Agreement supersedes and replaces the Parties' Memorandum of Understanding, dated December 14,
6 2023, and any other agreements, except as described herein.

7 13.14 This Settlement Agreement may be executed in one or more counterparts. All executed
8 counterparts and each of them shall be deemed to be one and the same instrument provided that counsel
9 for the Parties to this Settlement Agreement shall exchange among themselves original signed
10 counterparts.

11 13.15 The Parties hereto and their respective counsel agree that they will use their best efforts
12 to obtain all necessary approvals of the Court required by this Settlement Agreement and to resolve
13 any objections to the release of all Claims.

14 13.16 This Settlement Agreement shall be binding upon and shall inure to the benefit of the
15 successors and assigns of the Parties hereto, including any and all Released Parties and any
16 corporation, partnership, or other entity into or with which any Released Party hereto may merge,
17 consolidate, or reorganize.

18 13.17 This Settlement Agreement shall not be construed more strictly against one Party than
19 another merely because of the fact that it may have been prepared by counsel for one of the Parties, it
20 being recognized that because of the arm's-length negotiations resulting in the Settlement Agreement,
21 all Parties hereto have contributed substantially and materially to the preparation of the Settlement
22 Agreement.

23 13.18 Except where this Settlement Agreement itself provides otherwise, all terms, conditions,
24 and Exhibits are material and necessary to this Settlement Agreement and have been relied upon by
25 the Parties in entering into this Settlement Agreement.

26 13.19 This Settlement Agreement shall be governed by California law. Any dispute regarding
27 the Settlement Agreement shall first be presented to the mediator, Retired Judge Kevin Murphy, to
28

1 provide guidance to the Parties before the Parties seek any party seeks other recourse. Following this
2 initial guidance, any action based on this Settlement Agreement, or to enforce any of its terms, shall
3 be venued in Sacramento County Superior Court, which shall retain jurisdiction over all such disputes.
4 This paragraph relates solely to the law governing this Settlement Agreement and any action based
5 thereon, and nothing in this paragraph shall be construed as an admission or finding that California
6 law applies to the Released Claims of Plaintiff or Settlement Class Members who reside outside of the
7 state.

8 13.20 The Court shall retain continuing and exclusive jurisdiction over the Parties to this
9 Settlement Agreement for the purpose of the administration and enforcement of this Settlement
10 Agreement.

11 13.21 The headings used in this Settlement Agreement are for the convenience of the reader
12 only, and shall not affect the meaning or interpretation of this Settlement Agreement.

13 13.22 In construing this Settlement Agreement, the use of the singular includes the plural (and
14 vice-versa) and the use of the masculine includes the feminine (and vice-versa).

15 13.23 Each Party to this Settlement Agreement warrants that he, she, or it is acting upon his,
16 her, or its independent judgment and upon the advice of his, her, or its counsel, and not in reliance
17 upon any warranty or representation, express or implied, of any nature of any kind by any other Party,
18 other than the warranties and representations expressly made in this Settlement Agreement.

19 13.24 Each counsel signing this Settlement Agreement on behalf of his/her/its clients who are
20 unable to sign the Agreement on the date that it is executed by other Parties represents that such
21 counsel is fully authorized to sign this Settlement Agreement on behalf of his/her/its clients; provided,
22 however, that all Parties who have not executed this Agreement on the date that it is executed by the
23 other Parties shall promptly thereafter execute this Agreement and in any event no later than one (1)
24 week after the Agreement has been executed by counsel.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IT IS SO AGREED AS TO FORM AND CONTENT BY PLAINTIFF:

Dated: 06/19/2025

Jon Waldrep
Jon Waldrep (Jun 19, 2025 13:30 PDT)
Plaintiff Jon Waldrep

IT IS SO AGREED AS TO FORM AND CONTENT BY DEFENDANT:

Dated: 6/23/25

CAMBLY INC.


Amber Parlow, Head of Legal

IT IS SO AGREED AS TO FORM BY COUNSEL:

Dated: 6/20/2025


Shannon Liss-Riordan
Lichten & Liss-Riordan, P.C.
Attorneys for Plaintiff Jon Waldrep and the Class and
PAGA Members

Dated: 6/24/25


JAIME B. LAURENT
SUSAN T. YE
Littler Mendelson, P.C.
Attorneys for Defendant Cambly Inc.