

JUN 10 2024

DAVID H. YAMASAKI, Clerk of the Court

BY: _____, DEPUTY

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE**

SANDRA LUZ TAPIA,

Plaintiff,

vs.

LILY T, LLC, a California limited liability
company;

FARIDEH ZAHEDI, an individual;
and DOES 1 THROUGH 100, inclusive,

Defendants.

) Case No. 30-2023-01325963-CU-WT-CJC

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) [Assigned For All Purposes To: ~~Hon. Judge~~

) ~~Thomas S. McConville, Dept. C28]~~

~~William D. Claster~~

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) **STIPULATION FOR APPROVAL OF PAGA**

) **SETTLEMENT AND RELEASE;**

) **[PROPOSED] ORDER**

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) *[Declaration of Arthur Sezgin, Esq. filed*

) *concurrently herewith]*

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1 **I. INTRODUCTION**

2 Plaintiff SANDRA LUZ TAPIA (hereinafter "Tapia" or "Plaintiff") and Defendants LILY
3 T, LLC and Farideh Zahedi (hereinafter collectively referred to as "Defendant") have reached an
4 agreement to settle the above-captioned action (hereinafter the "Action"), which includes a cause
5 of action pursuant to the California Private Attorneys General Act ("PAGA"). The parties have
6 memorialized the terms of the PAGA settlement in a Settlement Agreement (hereinafter the
7 "Settlement Agreement"). Attached as "Exhibit A" hereto is a copy of the Settlement Agreement.

8 By this Stipulation, and pursuant to California *Labor Code* § 2699(l), Plaintiff seeks an
9 order permitting settlement on the terms outlined in the Settlement Agreement. Plaintiff and
10 Defendant are collectively referred to as the "Parties" and any one of them individually may be
11 referred to as a "Party."

12 Defendant adamantly denies any liability or wrongdoing of any kind whatsoever associated
13 with the Action, and further denies that, for any purpose other than settling the Action, the Action
14 is appropriate for representative treatment. It is the desire of the Parties to fully, finally, and forever
15 compromise and discharge all claims known or unknown related to those alleged in the Action.

16 **II. ALLEGATIONS AND INVESTIGATION**

17 A. Defendant owns and operates a small restaurant. Plaintiff started working as a
18 Kitchen Assistant for Defendant beginning in or around September 2021. Her employment ended
19 in or around March 2022. At all times during her employment, Plaintiff was considered an hourly,
20 non-exempt employee.

21 B. Plaintiff complied with the procedures of California *Labor Code* § 2699.3 for
22 bringing suit under the Labor Code Private Attorneys General Act of 2004, California *Labor Code*
23 §§ 2698 et seq. ("PAGA"). On October 27, 2022 (and amended on February 7, 2023), Plaintiff, on
24 behalf of herself and Defendant's other California non-exempt, hourly employees (hereafter
25 collectively the "Aggrieved Employees") gave written notice by electronic service to the California

26 Labor and Workforce Development Agency (“LWDA”) and via certified mail to Defendant of her

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1 claims against Defendant. In her notice to the LWDA, Plaintiff asserted on behalf of herself and the
2 Aggrieved Employees that Defendant violated various laws, including California *Labor Code* §§
3 203, 204, 226(a), 226.3, 226.7, 510, 512, 558, 1174(d), 1194, 1197, 1197.1, 2800, 2802, 2698,
4 2699, and related IWC Wage Orders, including, but not limited to Wage Order No. 5, based on the
5 various theories of liability, including, but not limited to, Defendant's alleged failure to: provide
6 meal periods; provide rest periods; pay for all hours worked; pay minimum wages; pay overtime
7 wages; provide accurate wage statements; timely pay all wages due in accordance with time periods
8 prescribed by law; reimburse business expenses; keep accurate payroll records; and timely pay all
9 final wages at separation of employment. Plaintiff filed her initial lawsuit on May 17, 2023 in the
10 Superior Court for the State of California, County of Orange, Case No. 30-2023-01325963-CU-
11 WT-CJC, including a cause of action for penalties under PAGA. *See concurrently filed Declaration*
12 *of Arthur Sezgin, Esq. (hereinafter "Sezgin Decl."),* ¶ 3.

13 C. According to Defendant's records, they employed 23 Aggrieved Employees from
14 October 27, 2021 through February 9, 2024, and issued paychecks for a total of approximately 286
15 pay periods worked for that same time period.

16 D. Before agreeing to the terms of the settlement, the Parties engaged in formal
17 discovery regarding Defendant's policies, practices, operations, time and payroll information, and
18 other topics. In advance of negotiations, Defendant produced Plaintiff's personnel file, including
19 time and payroll data for Plaintiff, and also produced the time and payroll records for the Aggrieved
20 Employees. Through extensive arm's length negotiations and only after discovery and investigation
21 were performed, the Parties agreed to settlement terms. *See Sezgin Decl.,* ¶ 4.

22 E. The Parties conducted investigation of the facts and law both before and after the
23 lawsuit was filed. Counsel for the Parties have further investigated the applicable law as applied to
24 the facts discovered regarding Plaintiff's claims, the defenses thereto, and the Labor Code violations
25 claimed by Plaintiff. Based on their own independent investigations and evaluations, the Parties
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26 and their respective counsel are of the opinion that the settlement for the consideration and on the

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1 terms set forth in this Stipulation are fair, reasonable, and adequate and are in the best interests of
2 Plaintiff, the Aggrieved Employees, and Defendant in light of all known facts and circumstances
3 and the risks inherent in litigation. *See Sezgin Decl.*, ¶ 5.

4 F. The Parties further recognize that the issues presented in the PAGA claim are likely
5 only to be resolved with extensive and costly pretrial and trial proceedings, and that further
6 litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate to
7 the maximum potential benefits. *See Sezgin Decl.*, ¶ 6.

8 **III. FAIRNESS OF THE SETTLEMENT**

9 A. While this lawsuit includes a PAGA claim, the Parties are not obligated to follow
10 the class action procedural rules for obtaining approval of this settlement. *See Arias v. Superior*
11 *Court (Angelo Dairy)*, (2009) 46 Cal.4th 969.

12 B. Plaintiff alleges that the strongest claims is that Plaintiff and other Aggrieved
13 Employees were not provided timely, uninterrupted meal and rest breaks and that there would be
14 derivative penalties under Labor Code Section 226 based on the failure to itemize meal and rest
15 break premiums on the paystubs. Defendant vehemently denies that there were any meal and rest
16 break violations, especially in light of the fact that Defendant contends it had adequate meal and
17 rest policies. In terms of Plaintiff's other claims for minimum wage violations and failure to
18 compensate for all hours worked, no rounding issues unfavorable to Plaintiff and other Aggrieved
19 Employees were observed.

20 C. Plaintiff contends that the civil penalty statutes applicable to the PAGA claim are 21
California *Labor Code* §§ 210, 226.3, 558, 1174.5, 1197.1, 2802, and 2699(f)(2). Under these civil
22 penalty statutes, an employee who suffers a Labor Code violation may be awarded a sum of money
23 for each pay period in which he or she was underpaid. However, under California *Labor Code* §
24 2699(e)(2), the Court can reduce an award of civil penalties if the award is unjust, arbitrary,
25 oppressive, or confiscatory.

1 D. Moreover, one of the risks Plaintiff faces is that the Court would refuse to “stack”
2 civil penalties arising under the various Labor Codes. Furthermore, judges have awarded extremely
3 small sums to PAGA claimants in the past. In addition, Defendant would likely make an argument
4 under *Naranjo v. Spectrum Security Services, Inc.*, and other similar cases, that meal or rest period
5 violations are not a predicate for civil penalties for improper wage statements and untimely final
6 wages under Labor Code Sections 201-203, 226, 226.3, and 2699. *See Naranjo v. Spectrum Security*
7 *Services, Inc.*, (2019) 40 Cal.App.5th 444. Defendant also adamantly disputes all of Plaintiff’s
8 allegations in the operative Complaint.

9 E. The source of penalties available is under PAGA, which allows employees to seek
10 civil penalties for certain violations of the Labor Code so long as the penalties are not unjust,
11 arbitrary, oppressive, or confiscatory. There are no State Court decisions under the PAGA to date
12 with substantial awards of civil penalties. There is a substantial risk that the Court could reduce
13 civil penalties to an insignificant amount if it is unpersuaded by Plaintiff’s evidence of willful and
14 intentional conduct. The PAGA expressly counsels against such awards. *See California Labor Code*
15 *§ 2699(e)(2)* (stating “[A] court may award a lesser amount than the maximum civil penalty amount
16 specified by this part if, based on the facts and circumstances of the particular case, to do otherwise
17 would result in an award that is unjust, arbitrary and oppressive, or confiscatory.”).

18 F. The Parties further recognize that the issues presented in the PAGA claim are likely
19 only to be resolved with extensive and costly pretrial and trial proceedings, and that further
20 litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate to
21 the maximum potential benefits to the Aggrieved Employees and Plaintiff from continued litigation.

22 G. The settlement of the PAGA claim involves monetary relief to all Aggrieved
23 Employees, Plaintiff, her attorneys, and the State of California.

24 H. Furthermore, Plaintiff recognizes that continued litigation presents significant risks
25 that support a significant downward departure from Plaintiff’s estimated civil penalties amount. In
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26 view of the risks, the settlement represents a fair, adequate, and reasonable compromise amount for

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1 these claims and is in the best interest of Plaintiff and Aggrieved Employees and thus warrants
2 approval. *See Laguna v. Coverall N. Am., Inc.*, (9th Cir. June 3, 2014) 2014 WL 2465049 at 3. The
3 PAGA settlement and its terms are fair, just, reasonable, adequate, and equitable to Defendant,
4 Plaintiff, and the State, and are the product of good faith, and informed arm's length negotiations
5 between the Parties consistent with public policy and fully comply with applicable provisions of
6 law.

7 **IV. TERMS AND PROCEDURES OF THE SETTLEMENT**

8 A. The Settlement Agreement covers any and all civil penalties claims arising from
9 Plaintiff's PAGA claim in the Complaint, as laid out above.

10 B. Defendant agrees to pay \$10,000.00 toward the settlement (the "Gross Settlement
11 Amount" or "GSA") which will be distributed as follows:

- 12 1) \$3,333.00 (33 1/3% of the GSA) in attorney's fees to Sezgin Khousadian LLP;
13 2) \$75.00 in attorney litigation costs and expenses to Sezgin Khousadian LLP;
14 3) \$1,355.00 in PAGA Settlement Administrator costs to the Settlement Administrators
15 (ILYM Group, Inc.);

16 4) \$5,237.00 (the "Net Settlement Amount" or "NSA") will be divided as follows:

17 i. \$3,927.75 (75% of "NSA") to the LWDA, which represents civil penalties
18 payable to the LWDA under the Labor Code Private Attorneys General Act
19 ("PAGA"), Labor Code Sections 2698 et seq.; and

20 ii. \$1,309.25 (25% of NSA) (the "Aggrieved Employee Amount") to the
21 Aggrieved Employees which represents civil penalties payable to the
22 Aggrieved Employees as compensation for civil penalties that are allegedly
23 owed on the representative PAGA claim for the period from October 27,
24 2021 through February 9, 2024. *See Sezgin Decl.*, ¶ 7.

25 C. Plaintiff and each Aggrieved Employee shall receive a portion of the Aggrieved
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26 Employee Amount on a pro-rata basis by multiplying the Aggrieved Employee Amount by the ratio

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1 of (i) the number of pay periods worked by the Aggrieved Employee during the release period and
2 (ii) the total number of pay periods worked by all Aggrieved Employees during the release period.

3 D. For purposes of computing taxes, one-hundred percent (100%) of the Aggrieved
4 Employee Settlement Award shall be considered to be a civil penalty and shall therefore not be
5 subject to withholding, unless otherwise required by law. The Claims Administrator shall file proof
6 of payment.

7 **V. THE PROPOSED AMOUNT FOR ATTORNEY'S FEES AND LITIGATION**
8 **COSTS & EXPENSES IS FAIR, ADEQUATE, AND REASONABLE AND SHOULD**
9 **BE APPROVED**

10 A. Plaintiff's counsel represents Plaintiff on a straight contingency basis. Plaintiff
11 counsel's request for \$3,333.00 in attorney fees and \$75.00 in litigation costs is fair and reasonable.
12 "Empirical studies show that, regardless of whether the percentage method or the lodestar method
13 is used, fee awards in class actions average around one-third of the recovery.
14 *Chavez v. Netflix, Inc.*, (2008) 162 Cal.App.4th 43, 47 fn. 11; *see also Lafitte v. Robert Half Int'l*
15 *Inc.*, (2016) 1 Cal.5th 480, 503 (holding courts can use the percentage method for the calculation
16 of attorneys' fees). This is also consistent with Plaintiff's counsel's experience in cases involving
17 PAGA claims. This award is justified here because Plaintiff's counsel achieved a strong result for
18 the Aggrieved Employees and the State while bearing the substantial burdens of contingency
19 representation.

20 B. It is an accepted practice in a wage-and-hour class action settlement to award
21 attorney's fees to plaintiff's counsel based on a percentage of the total settlement value agreed upon
22 by the parties. California courts have long recognized that an appropriate method for awarding
23 attorney's fees in class actions is to award a percentage of the common fund. *See Serrano v. Priest*,
24 (1977) 20 Cal.3d. 25, 48-49 (holding "when a number of persons are entitled in common to a specific
25 fund, and an action brought by a plaintiff or plaintiffs for the benefit of all results in the creation or
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26 preservation of that fund, such plaintiff or plaintiffs may be awarded attorney's fees out of the

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fund”); *see also* *Wershba v. Apple Computer, Inc.*, (2001), 91 Cal.App.4th 230, 254; *see also* *Lealao v. Beneficial California, Inc.*, (2000) 82 Cal.App.4th 19, 26-30.

C. The litigation costs expended to aid in the representation of the Aggrieved Employees include the PAGA notice initial filing fee of \$75.00. All of these costs are documented and reasonably incurred. *See Sezgin Decl.*, ¶ 8.

VI. NO ADMISSION OF LIABILITY OR WRONGDOING

The payment of consideration or any other obligation are not and shall not be construed in any way as an admission of wrongdoing or liability on the part of Defendant, or any other person or business entity. Defendant adamantly denies all allegations of wrongdoing arising out of the employment relationship between the Parties, including the Aggrieved Employees. The Parties intend merely to avoid the expense, delay, uncertainty, and burden of continued litigation.

VII. PAGA SETTLEMENT ADMINISTRATION

A. **Administration:** The Parties agree to use ILYM Group, Inc. to handle the administration of this Settlement.

B. **Administration Costs And Expenses:** All costs and expenses due to the Settlement Administrator in connection with its administration of the Settlement described in the Agreement, including, but not limited to, formatting and mailing the Settlement Letter and Individual Settlement Payments, performing a National Change of Address database search to update Settlement Group Members addresses prior to the mailing, performing skip-traces to locate and update Settlement Group Members’ addresses, calculating, and distributing Individual Settlement Payments, and any other tasks requested by the Parties or by the Court, among other tasks as reflected within this Agreement, will be paid through the Gross Settlement Amount.

C. **Funding And Distribution:**
Funding of the Gross Settlement Amount: The Settlement Administrator will provide Defendant with its bank wire instructions to establish the Qualified Settlement Fund (QSF). Within ten (10)

26 calendar days of the Effective Date, Defendant shall transmit the Gross Settlement Amount to the

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1 Settlement Administrator.

2 ***Distribution of the Gross Settlement Amount:*** Within fifteen (15) calendar days of Defendant
3 transmitting the funds to the Administrator, the Administrator will pay to Settlement Group
4 Members, their Individual Settlement Payments via first-class regular U.S. Mail; to PAGA Counsel,
5 the Court-awarded Attorney's Fees and Litigation Costs & Expenses Payment; to the LWDA, the
6 Court-approved LWDA Payment; and to the Administrator, the Court-awarded Administration
7 Fees and Expenses.

8 ***Non-Cashed Settlement Checks:*** Settlement Group Members shall have one hundred eighty days
9 (180) to cash their checks. Any funds associated with uncashed checks after one hundred eighty
10 (180) days will be sent to the Controller of the State of California to be held pursuant to the
11 Unclaimed Property Law, California *Civil Code* §§ 1500 et seq., for the benefit of those Settlement
12 Group Members whose checks were voided.

13 **VIII. TAXES**

14 Plaintiff and each Aggrieved Employee bear full responsibility for the payment of any taxes
15 or withholdings arising from the Aggrieved Employee Settlement Awards paid to them.

16 **IX. RELEASED CLAIMS**

17 Upon the approval by the Court of this Settlement Agreement, Plaintiff, the State of
18 California, and each Aggrieved Employee shall fully release and forever discharge Defendant and
19 the Released Parties from any and all claims, rights, demands, liabilities for violation of PAGA
20 (California *Labor Code* §§ 2699 et seq.) that were set forth, or that could have been set forth based
21 on the facts alleged in the Action during the PAGA Period, including but not limited to under
22 California *Labor Code* §§ 203, 204, 226(a), 226.3, 226.7, 510, 512, 558, 1174(d), 1194, 1197,
23 1197.1, 2800, 2802, 2698, 2699, and related and applicable IWC Wage Orders, based on the various
24 theories of liability, including, but not limited to, Defendant's alleged failure to: provide meal
25 periods; provide rest periods; pay for all hours worked, pay minimum wages; pay overtime wages;

26 provide accurate wage statements; timely pay all wages due in accordance with time periods

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1 prescribed by law; reimburse business expenses; keep accurate payroll records; and timely pay all
2 final wages at separation of employment.

3 **X. CONCLUSION**

4 The Parties respectfully request the Court grant this Stipulation.

7 Dated: March 8, 2024

SEZGIN KHOUSADIAN LLP

Arthur Sezzin

8 By: _____

9 **ARTHUR SEZGIN, ESQ.**
10 Attorneys for PLAINTIFF
SANDRA LUZ TAPIA

11 Dated: March 8, 2024

C&K LAW GROUP, APC

12 By: _____

13 **CHRISTOPHER K. JAFARI, ESQ.**
14 Attorneys for DEFENDANTS

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1 4. The Court finds further that the foregoing release shall be binding on Plaintiff and the State
2 of California, and shall bar any claim under PAGA brought by any person, including the
3 Aggrieved Employees, on behalf of the State of California, as to the PAGA Released
4 Claims;

5 5. The Parties are directed to comply with all terms of the Settlement Agreement, and
6 Defendant is directed to make all payments required by the Settlement Agreement;

7 6. Under the Settlement Agreement, Defendant agrees to pay an all-in gross amount of Ten
8 Thousand Dollars (\$10,000.00) (the "Gross Settlement Amount"). The Gross Settlement
9 Amount is inclusive of payments to the LWDA, the Aggrieved Employees, an Enhancement
10 Award to Plaintiff, Settlement Administrator Costs, Attorney's Fees, and Litigation Costs
11 & Expenses. No portion of the Gross Settlement Amount will revert to Defendant. Plaintiff's
12 counsel requests an award of attorney's fees in the amount of Three Thousand Three
13 Hundred Thirty-Three Dollars and Zero Cents (\$3,333.00); litigation costs and expenses in
14 the amount of Seventy-Five Dollars and Zero Cents (\$75.00). The Settlement Administrator,
15 ILYM Group, Inc., requests administration costs of One Thousand Three Hundred Fifty-
16 Five Dollars and Zero Cents (\$1,355.00). Defendant does not oppose these requests. The
17 Court finds the Gross Settlement Amount is fair, reasonable, and adequate, and approves
18 each of these payments, and directs the Settlement Administrator to make the above
19 payments to payments from the Gross Settlement Amount as follows:

20 a. \$3,333.00 in attorney's fees to Sezgin Khousadian LLP;

21 b. \$75.00 in litigation costs and expenses to Sezgin Khousadian LLP;

22 c. \$1,355.00 in administration costs to ILYM Group, Inc.;

23 d. After deducting the foregoing payments, the estimated remainder of approximately
24 \$5,237.00 shall form the Net Settlement Amount ("NSA"). Pursuant to Labor Code
25 Section 2699(i), the NSA will then be distributed 75 percent (\$3,927.75) to the
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1 a pro rata basis, as set forth in the Settlement Agreement. The Court approves these
2 payments and directs the Settlement Administrator to issue checks to the LWDA
3 and Aggrieved Employees, along with a Notice of PAGA Settlement, Plaintiff,
4 Plaintiff's counsel, and to otherwise carry out its duties as set forth in the Settlement
5 Agreement; and

- 6 7. The PAGA cause of action is hereby DISMISSED WITH PREJUDICE as to all parties. The
7 Court reserves exclusive and continuing jurisdiction over the Action and the Parties under
8 California *Code of Civil Procedure* § 664.6 for the purpose of supervising implementation,
9 enforcement, construction, administration, and interpretation of the Settlement Agreement.

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11 IT IS SO [PROPOSED] ORDERED.

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13 Dated: _____

6-10-24

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~~Hon. Judge Thomas S. McConville~~
William D. Claster

EXHIBIT A

**PRIVATE ATTORNEYS GENERAL ACT (LABOR CODE § 2698, *et seq.*)
SETTLEMENT AGREEMENT**

This PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Sandra Luz Tapia (“Plaintiff”) on behalf of herself and other current and former aggrieved employees, and Defendant Lily T, LLC, Farideh Zahedi an individual (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s PAGA lawsuit alleging certain wage and hour violations captioned *Tapia v. Lily T, LLC, et al.* (Case Number 30-2023-01325963-CU-WT-CJC) initiated on May 17, 2023, and pending in Superior Court of the State of California, County of Orange.
- 1.2. “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of the Settlement.
- 1.4. “Aggrieved Employee” means a person employed by Defendant Lily T, LLC. in California as an hourly paid, non-exempt employee during the PAGA Period.
- 1.5. “PAGA Counsel” means Sezgin Khousadian LLP.
- 1.6. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.7. “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendant’s possession, including the Aggrieved Employee’s name, last known mailing address, Social Security number, and number of PAGA Pay Periods said person worked.
- 1.8. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee mailing addresses, using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.
- 1.9. “Court” means the Superior Court of California, County of Orange.
- 1.10. “Defendant” means named Defendants Lily T, LLC and Farideh Zahedi an individual.
- 1.11. “Defense Counsel” means Christopher K. Jafari of C&K Law Group, APC.

- 1.12. "Effective Date" means the date the Court enters the Judgment on its Order Approving the PAGA Settlement.
- 1.13. "Judgment" means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.14. "Gross Settlement Amount" means Ten Thousand Dollars and Zero Cents (\$10,000.00), which is the total amount Defendant agrees to pay in the settlement of the PAGA cause of action. The Gross Settlement Amount shall be used to pay the Individual PAGA Payments, the LWDA PAGA Payment, the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment.
- 1.15. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.
- 1.16. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.17. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.18. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: (i) the Individual PAGA Payments; (ii) the LWDA PAGA Payment; (iii) the PAGA Counsel Fees Payment; (iv) the PAGA Counsel Litigation Expenses Payment; and (v) the Administration Expenses Payment. The remaining funds are to be paid to the Aggrieved Employees as the Individual PAGA Payments.
- 1.19. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant Lily T, LLC for at least one day during the PAGA Period.
- 1.20. "PAGA Period" means the period from October 27, 2021 to February 9, 2024.
- 1.21. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.22. "PAGA Notice" means Plaintiff's October 27, 2022, letter to Defendant and the LWDA, and the amended letter dated February 7, 2023, providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.23. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to LWDA in settlement of PAGA claims.
- 1.24. "Plaintiff" means Sanda Luz Tapia, the named Plaintiff in the Action.
- 1.25. "Released PAGA Claims" means the claims being released in Paragraph 5 below.

- 1.1. "Released Parties" means: Defendants Lily T, LLC, and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, affiliates, and each of their client companies.
- 1.2. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

2. RECITALS.

- 2.1. On May 17, 2023, Plaintiff commenced this Action by filing a complaint, and alleging causes of action for: (1) Actual/Perceived Disability Discrimination (Violation of the FEHA); (2) Actual/Perceived Disability Retaliation (Violation of the FEHA); (3) Failure to Engage in the Interactive Process; (4) Failure to Accommodate; (5) Retaliation & Wrongful Termination in Violation of Public Policy; (6) Failure to Pay Minimum Wage, Violation of California Labor Code § 1197; (7) Failure to Pay Overtime Wages, Violation of California Labor Code § 510; (8) Failure to Provide Meal & Rest Periods, Violation of California Labor Code §§ 226.7, 512; (9) Violation of California Bus. & Prof. Code §§ 17200 et seq. for Unfair Business Practices; (10) Failure to Provide Accurate Itemized Wage Statements, Violation of California Labor Code § 226; (11) Failure to Provide Employee Personnel File, Violation of California Labor Code § 432, 1198.5; and (12) Private Attorneys General Act ("PAGA").
- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.3. Beginning in or around January 2024, after significant written discovery, including document exchanges, had been completed, counsel for the Parties started engaging in direct settlement discussions, which led to this Agreement to settle the Action.
- 2.4. Prior to entering negotiations, Plaintiff obtained, through formal discovery, detailed time and payroll records for the Aggrieved Employees over the PAGA Period.
- 2.5. The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay \$10,000.00 and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in its order granting final approval of the Settlement:

3.2.1. To PAGA Counsel: The **PAGA Counsel Fees Payment**, not to exceed 33.3333% of the Gross Settlement Amount, and which is currently estimated to be in the amount of Three Thousand Three Hundred Thirty-Three Dollars (\$3,333.00).

- 3.2.2. To PAGA Counsel: **Litigation Costs and Expenses** in the amount of Seventy-Five Dollars and Zero Cents (\$75.00) (PAGA notice filing fee).

Defendant shall not oppose requests for the Court to approve these payments, provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel shall file an application or motion for the PAGA Counsel Fees Payment and the PAGA Litigation Expenses Payment. If the Court approves the PAGA Counsel Fees Payment and/or the PAGA Counsel Litigation Expenses Payment in amounts less than those requested, the Administrator shall allocate the remaining funds to the Net Settlement Amount. The Released Parties shall have no liability to PAGA Counsel or any other attorneys for Plaintiff arising from any claim to any portion of the PAGA Counsel Fee Payment and/or the PAGA Counsel Litigation Expenses Payment. The Administrator shall pay the PAGA Counsel Fees Payment and the PAGA Counsel Expenses Payment using one or more IRS Forms 1099. PAGA Counsel assumes full responsibility and liability for any and all taxes that may be owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment, and holds the Released Parties harmless, and indemnifies the Released Parties from, any dispute or controversy regarding any division or sharing of any of these payments.

- 3.2.1. To the Administrator: An **Administrator Expenses Payment** not to exceed One Thousand Three Hundred Fifty-Five Dollars and Zero Cents **\$1,355.00** except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less, or the Court approves payment less than \$1,355.00, the Administrator will retain the remainder in the Net Settlement Amount.

- 3.2.2. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of Five Thousand Two Hundred Thirty-Seven Dollars and Zero Cents \$5,237.00 to be paid from the Gross Settlement Amount, with 75% (\$3,927.75) allocated to the LWDA PAGA Payment and 25% (\$1,309.25) allocated to the Individual PAGA Payments.

- 3.2.2.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.2.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

3.2.2.3. The total amount to be paid by Defendant shall be \$10,000.00 irrespective of any and all cost and fees including attorney fees associated in administration of the PAGA claims.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employees and Pay Period Estimates: Based on a review of its records as of the date of the Parties' agreement to resolve the PAGA claim, Defendant estimates there were **23** Aggrieved Employees who worked a total of **286** PAGA Pay Periods.

4.2. Aggrieved Employee Data: Within 30 days of execution of the Agreement, Defendant shall deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect the Aggrieved Employees' privacy rights, the Administrator shall maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of the Settlement, and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who require access to the Aggrieved Employee Data to effect and perform as set forth in the Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and, if so, to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use their best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3. Funding of the Gross Settlement Amount: Defendant shall fully fund the Gross Settlement Amount by transmitting the sum of the Gross Settlement Amount to the Administrator no later than 10 days after the Effective Date.

4.4. Payments from the Gross Settlement Amount: Within 15 days of Defendant's funding of the Gross Settlement Amount, the Administrator shall mail checks for all of the Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, and the PAGA Counsel Litigation Expenses Payment, to the checks' respective addressees, as set forth herein. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of the Individual PAGA Payments.

4.4.1 The Administrator shall issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator shall cancel all checks not cashed by the void date. Before

mailing any checks, the Administrator must update the respective recipients' mailing addresses using the National Change of Address Database.

- 4.4.2 The Administrator shall conduct the Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undeliverable, without a United States Postal Service ("USPS") forwarding address. Within seven (7) days of receiving a returned check, the Administrator must re-mail said check to the USPS forwarding address provided, or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take any further steps to deliver checks to any of the Aggrieved Employees whose re-mailed checks are returned as undeliverable. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, provided that the Aggrieved Employee requests same prior to the void date.
- 4.4.3 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.
- 4.4.4 The payment of the Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in the Agreement.

5. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the Gross Settlement Amount, Plaintiff, the Aggrieved Employees, and PAGA Counsel shall release, and shall be deemed to have released, claims against the Released Parties as follows:

- 5.1. **Plaintiff's Release:** Plaintiff and her respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns ("the Plaintiff Releasers") generally release and discharge the Released Parties from all claims, transactions, or occurrences that occurred on or prior to the end of the PAGA Period, including, but not limited to, all claims for PAGA Penalties that were, or reasonably could have been, alleged based on the facts contained in the Operative Complaint and the PAGA Notice ("Plaintiff's Release"). The Plaintiff's Release does not extend to any claims or actions to enforce the Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that the Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.
- 5.2. **Plaintiff's Waiver of Rights Under California Civil Code Section 1542:** For purposes of the Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of California Civil Code section 1542, which reads:

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

- 5.3. Release by the Aggrieved Employees: All of the Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns (“the Aggrieved Employee Releasers”), the Released Parties from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice.
- 5.4. Release by PAGA Counsel: PAGA Counsel releases, on behalf of its present and former attorneys, employees, agents, successors, and assigns (“the PAGA Counsel Releasers”), the Released Parties from all claims for attorneys’ fees and expenses incurred to prosecute the Action, or incurred in relation to the Action or the PAGA Notice, except as those fees and costs specifically provided for herein.
6. **MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.** PAGA counsel shall prepare and file an application or motion for approval of the Settlement, as follows:
 - 6.1. Responsibilities of PAGA Counsel: PAGA Counsel is responsible for expeditiously finalizing and filing the application or motion for approval of the Settlement, and in no event later than 30 days after the full execution of the Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing before the Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court’s order granting preliminary approval of the Settlement to the Administrator. Defense counsel shall fully cooperate with PAGA counsel to get this stipulation and/or motion filed.
 - 6.2. Duty to Cooperate: If the Parties disagree on any aspect of the proposed application or motion for approval of the Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel shall expeditiously work together on behalf of the Parties by meeting and conferring in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of the Settlement or conditions its approval on any material change to the Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court’s concerns.
7. **SETTLEMENT ADMINISTRATION.**
 - 7.1. Selection of Administrator: The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and have verified that, as a condition of appointment, ILYM Group agrees to be bound by the Agreement and to perform, as a fiduciary, all duties specified in the Agreement in exchange for payment of the Administration Expenses. The Parties and their respective counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

- 7.2. Employer Identification Number: The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.
- 7.3. Qualified Settlement Fund: The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under United States Treasury Regulation section 468B-1.
- 7.4. Administrator Duties: The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in the Agreement or otherwise.
8. **CONTINUING JURISDICTION OF THE COURT.** The Parties agree that, after entry of the Judgment, the Court shall retain jurisdiction over the Parties, the Action, and the Settlement, solely for purposes of (i) enforcing the Agreement and/or the Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
9. **ADDITIONAL PROVISIONS.**
- 9.1. No Admission of Liability or Representative Manageability for Other Purposes: The Agreement represents a compromise and settlement of highly disputed claims. Nothing in the Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted, nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of the Settlement only. If, for any reason, the Court does not approve the Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, the Agreement and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and the Agreement).
- 9.2. Integrated Agreement: Upon execution by the Parties and their counsel, the Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 9.3. Attorney Authorization: PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to the Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of the Agreement, including any amendments to the Agreement.
- 9.4. Cooperation: The Parties and their counsel shall cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things and as may be necessary, modifying the Agreement, submitting supplemental evidence, and/or supplementing points and authorities as may be requested by the Court. In the

event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties shall seek the assistance of a mediator and/or the Court for resolution.

- 9.5. No Prior Assignments: The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by any of the Parties to the Agreement.
- 9.6. No Tax Advice: Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in the Agreement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended), or otherwise.
- 9.7. Modification of Agreement: The Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by the Parties or their representatives, and approved by the Court.
- 9.8. Agreement Binding on Successors: The Agreement shall be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 9.9. Applicable Law: All terms and conditions of the Agreement and its exhibits shall be governed by and interpreted according to the internal laws of the State of California, without regard to conflict of law principles.
- 9.10. Cooperation in Drafting: The Parties have cooperated in the drafting and preparation of the Agreement. The Agreement shall not be construed against any Party on the basis that the Party was the drafter or participated in the drafting of the Agreement.
- 9.11. Confidentiality: To the extent permitted by law, all agreements made and orders entered during the Action and in the Agreement relating to the confidentiality of information shall survive the execution of the Agreement.
- 9.12. Use and Return of the Aggrieved Employee Data: Information provided to PAGA Counsel pursuant to Cal. Evid. Code section 1152, and all copies and summaries of the Aggrieved Employee Data provided to PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to the Settlement, and for no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligations to pay out all settlement funds, Plaintiff shall destroy all paper and electronic versions of the Aggrieved Employee Data received from Defendant unless, prior to the Administrator's payment of all settlement funds, Defendant makes a written request to PAGA Counsel for the return, rather than the destruction, of the Aggrieved Employee Data.

- 9.13. Headings: The descriptive heading of any section or paragraph of the Agreement is inserted for convenience of reference only and does not constitute a part of the Agreement.
- 9.14. Calendar Days: Unless otherwise noted, all reference to "days" in the Agreement shall be to calendar days. In the event any date or deadline set forth in the Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 9.15. Notice: All notices, demands or other communications between the Parties in connection with the Agreement shall be in writing and deemed to have been duly given as of the third business day after mailing by U.S. Mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

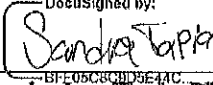
Arthur Sezgin, Esq.
Alisa Khousadian, Esq.
SEZGIN KHOUSADIAN LLP
500 N. Central Avenue, Suite 830
Glendale, California 91203
Telephone: 818-696-1330

To Defendant:

Christopher K. Jafari, Esq.
Kiarash Kay Jafari, Esq.
C&K LAW GROUP, APC
3525 Hyland Avenue, Suite 270
Costa Mesa, California 92686
Telephone: (949) 852-4454

- 9.16. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 9.17. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated: 3/5/2024

DocuSigned by:

Sandra Luz Tapia, Plaintiff

Dated: _____

Lily T, LLC, Defendant

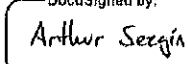
Dated: _____

Farideh Zahedi, Defendant

APPROVED AS TO FORM

SEZGIN KHOUSADIAN LLP

Dated: 3/5/2024

DocuSigned by:

Arthur Sezgin, Esq.
Alisa Khousadian, Esq.
Attorneys for Plaintiff and the Aggrieved Employees

C&K LAW GROUP, APC

Dated: _____

Christopher K. Jafari, Esq.
Kiarash Kay Jafari, Esq.
Attorneys for Defendants

Dated: _____

Sandra Luz Tapia, Plaintiff

Dated: 3/11/24

Lily T, LLC, Defendant

Dated: 3/11/24

Farideh Zahedi, Defendant

APPROVED AS TO FORM

SEZGIN KHOUSADIAN LLP

Dated: _____

Arthur Sezgin, Esq.
Alisa Khousadian, Esq.
Attorneys for Plaintiff and the Aggrieved Employees

C&K LAW GROUP, APC

Dated: 3/11/24

Christopher K. Jafari, Esq.
Kiarash Kay Jafari, Esq.
Attorneys for Defendants