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KIDS EMPIRE WOODLAND HILLS LLC

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9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 COUNTY OF LOS ANGELES

11 JENNIFER ALFARO,

12 Plaintiff,

13 v.
14

15 KIDS EMPIRE WOODLAND HILLS LLC;
JUAN DOE; an individual; and DOES 1
THROUGH 100, inclusive,
16

17 Defendants.

Case No. 23STCV06766

**STIPULATION FOR APPROVAL OF
PLAINTIFF'S INDIVIDUAL PAGA
SETTLEMENT AND DISMISSAL
OF ACTION**

ASSIGNED FOR ALL PURPOSES TO
JUDGE KRISTIN S. ESCALANTE, DEPT.
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Complaint Filed: March 28, 2023

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1 other law.

2 However, the Parties desire to resolve all of Plaintiff's individual claims against Defendant
3 and to no longer proceed with this Lawsuit. This Settlement was reached after extensive
4 negotiations and an exchange of relevant information and data. The Parties believe and agree that
5 this Settlement is a fair, adequate, and reasonable resolution of the Action and have arrived at this
6 Settlement in arms-length negotiations, taking into account all relevant factors, present and
7 potential, as set forth in the Declaration of Plaintiff's Counsel, filed concurrently herewith.

8 WHEREAS, the "Effective Date" of the PAGA Settlement is the date by which the Court
9 in this Action approves the PAGA Settlement and issues an order dismissing this Complaint with
10 prejudice as to Plaintiff's individual PAGA claims and without prejudice as to the allegedly
11 aggrieved employees' representative PAGA claim.

12 WHEREAS, a true and accurate copy of the Parties' PAGA Settlement Agreement for
13 which they seek Court approval is attached as **Exhibit A**.

14 WHEREAS, if approved, the PAGA Settlement will be reported to the LWDA in
15 conformance with Labor Code section 2699(l).

16 WHEREAS, the Parties separately negotiated a settlement of Plaintiff's non-PAGA claims,
17 including a general release of claims and a Civil Code section 1542 waiver, for which additional
18 consideration is being provided and which is memorialized in a separate Confidential Settlement
19 Agreement and Release.

20 WHEREAS, in exchange for the consideration, undertakings and covenants undertaken by
21 Defendant in the PAGA Settlement, Plaintiff will release Defendant and the Releasees¹ of and from
22 all manner of actions, suits, claims, damages, liabilities, penalties, arbitrations, charges, claims for
23 attorneys' fees, interest, expenses and costs, judgments, awards, orders, executions or demands of
24 any nature whatsoever, whether known or unknown, suspected or unsuspected, against Releasees

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26 ¹ "Releasees" are defined to include Defendant Kids Empire Woodland Hills, LLC, and all of its
27 current and former direct and indirect parents, subsidiaries, affiliated and related companies and
28 entities, and all of their current and former officers, directors, employees, insurers, reinsurers,
attorneys, and agents.

1 or any of them, which Plaintiff ever had, now has, or which Plaintiff or Plaintiff's heirs, assigns,
2 executors or administrators hereafter can, shall or may have arising under the California Private
3 Attorneys General Act (California Labor Code section 2698 *et seq.*) which includes claims brought
4 under the PAGA predicated upon California Labor Code Sections 201-204, 226, 226.3, 226.7, 510,
5 512, 1102.5, 1174, 1174.5, 1194, 1197, 1199, 2802, 2810.5, and/or any other California Labor Code
6 provisions that could have been asserted under the PAGA in connection with the Lawsuit
7 ("Released Claims"), including but not limited to any claims for penalties, wages, interest and/or
8 attorneys' fees and costs thereon arising from any and all of the Released Claims.

9 WHEREAS, upon entry of the Order approving this PAGA Settlement, Plaintiff shall be
10 deemed to have fully, finally, and forever released, relinquished, and discharged each and all of the
11 Releasees from the Released Claims that arose prior to the PAGA Settlement.

12 WHEREAS, in consideration for Plaintiff's agreement to settle and release her individual
13 PAGA claim, Defendant agrees to pay Thirty Dollars (\$50.00), of which: (1) \$37.50 (representing
14 75% of said \$50.00) will go to the LWDA; and (2) \$12.50 (representing 25% of said \$50.00) will
15 be payable to "Jennifer Alfaro" and shall represent payment for PAGA penalties and for which a
16 form 1099 shall issue. Counsel for Defendant shall distribute said amounts to the LWDA and to
17 Plaintiff no later than fourteen (14) business days of the Effective Date.

18 WHEREAS, the Parties have agreed to cooperate in obtaining an Order from the Court
19 approving this PAGA Settlement at the earliest possible date. It is the Parties' intent that this
20 Stipulation and Proposed Order satisfy the requirements of California Labor Code section
21 2699(k)(2). However, the Parties agree to use their best efforts to expedite the preparation and
22 submission of whatever additional documents the Court may require, if any, in order to approve
23 this PAGA Settlement. The Parties further agree to fully cooperate in the drafting and/or filing of
24 any further documents or filings reasonably necessary to be prepared or filed, shall take all steps
25 that may be requested by the Court relating to, or that are otherwise necessary to the approval and
26 implementation of this Settlement. The Court's approval of the Settlement is a condition of the
27 enforceability of this PAGA Settlement. If the Court should for any reason fail to approve the

1 Settlement, then (a) the Settlement shall be considered null and void, (b) neither the Settlement nor
2 any of the related negotiations or proceedings shall be of any force or effect, and (c) all Parties to
3 the Settlement shall stand in the same position, without prejudice, as if the Agreement had been
4 neither entered into nor filed with the Court.

5 WHEREAS, the PAGA Settlement and compliance with the PAGA Settlement Agreement
6 shall not be construed as an admission by Defendant of any liability whatsoever, or as an admission
7 by Defendant of any violations of Plaintiff's (nor any allegedly aggrieved employees') rights,
8 violation of any order, law, statute, duty or contract whatsoever. Defendant specifically disclaims
9 any liability to Plaintiff or any other allegedly aggrieved employees for any alleged violation of
10 his/her rights, or for any alleged violation of any order, law, statute, duty or contract.

11 WHEREAS, neither the PAGA Settlement nor any of its terms shall be offered or used as
12 evidence by any of the Parties, or their respective counsel in the Lawsuit or in any other action or
13 proceeding; provided, however, this shall not prevent the PAGA Settlement from being used,
14 offered, or received in evidence in any proceeding to enforce, construe, or finalize the PAGA
15 Settlement.

16 WHEREAS, the Parties Stipulate that this PAGA Settlement and this Stipulation shall have
17 no effect on, and in no way modifies or alters, any other PAGA penalties or representative actions
18 pursued by any individual other than Plaintiff.

19 WHEREAS, the PAGA Settlement is executed voluntarily and without duress or undue
20 influence on the part of or on behalf of any of the Parties, or of any other person, firm or other
21 entity.

22 WHEREAS, Defendant and Plaintiff shall each bear their own attorney's fees and costs
23 except as expressly agreed otherwise.

24 WHEREAS, the Parties agree that upon the occurrence of the dismissal of this Lawsuit
25 pursuant to the terms of the PAGA Settlement and this Stipulation, the PAGA Settlement shall be
26 enforceable by the Court and the Court shall retain exclusive and continuing equity jurisdiction of
27 this Lawsuit over all Parties to interpret and enforce the terms,

1 conditions and obligation of the Agreement.

2 NOW THEREFORE, the Parties hereby stipulate, subject to the approval of this Court, that:

3 1. Good cause exists to approve the PAGA Settlement for a mutual release of associated
4 costs pursuant to Labor Code section 2699(1)(2).

5 2. This action is dismissed with prejudice as to Plaintiff's individual PAGA claims and
6 without prejudice as to other purported "aggrieved employees" to the extent any such individuals
7 exist.

8 3. Parties shall bear their own costs, attorney's fees, expenses, and disbursements incurred in
9 this action.

10 4. Plaintiff shall submit a copy of this Order to the LWDA within ten days after its entry.

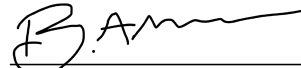
11 5. This PAGA Settlement and this Stipulation shall have no effect on, and in no way modifies
12 or alters, any other PAGA penalties or representative actions pursued by any individual
13 other than Plaintiff.

14 6. The Court shall retain jurisdiction over the Parties to enforce the terms and conditions of
15 the Parties' Confidential Settlement Agreement and Release of Individual Claims, the Parties'
16 Private Attorneys General Act Settlement Agreement and Release, and the Parties' Stipulation for
17 Approval of PAGA Settlement and Dismissal of Action, pursuant to Code of Civil Procedure
18 section 664.6.

1 Dated: August 21, 2023

Respectfully submitted,

AKHAVAN & ASSOCIATES

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5 BARDIA AARON AKHAVAN
6 Attorneys for Plaintiff
7 JENNIFER ALFARO

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10 LITTLER MENDELSON P.C.

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12 Jacob R. Lahana
13 Steven A. Groode

14 Attorneys for Defendant,
15 KIDS EMPIRE WOODLAND HILLS LLC

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EXHIBIT A

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND RELEASE

This Private Attorneys General Act Settlement and Release Agreement (“Agreement”) is made and entered into by Plaintiff Jennifer Alfaro (“Alfaro” or “Plaintiff”) on the one hand, and Defendant Kids Empire Woodland Hills, LLC (“Defendant”) on the other hand (sometimes referred to collectively the “Parties”).

RECITALS

A. WHEREAS, on March 28, 2023, Alfaro filed a lawsuit against Defendant in the Superior Court for the County of Log Angeles, which was designated as Case No. 23STCV06766, asserting claims for: (1) FEHA sex/gender harassment; (2) FEHA sex/gender discrimination; (3) FEHA sex/gender retaliation; (4) FEHA actual/perceived disability harassment; (5) FEHA actual/perceived disability discrimination; (6) FEHA actual/perceived disability retaliation; (7) FEHA failure to engage in good-faith interactive process; (8) FEHA failure to accommodate disability; (9) whistleblower retaliation under Labor Code § 1102.5; (10) unsafe workplace under Labor Code §§ 6300 *et seq.*; (11) failure to pay wages; (12) unreimbursed business expenses; (13) waiting-time penalties; (14) unfair business practices pursuant to Business and Professions Code §§ 17200 *et seq.* (“UCL”); (15) wrongful termination in violation of public policy; (16) PAGA penalties (the “PAGA Claim”); and (17) failure to provide personnel file (all claims are the “Lawsuit”);

B. WHEREAS, by way of the Lawsuit, Alfaro has asserted claims on behalf of herself, the State of California, and other California employees as alleged in the Lawsuit;

C. WHEREAS, Defendant contends it has satisfied all of its obligations to Alfaro and Defendant has paid all wages and benefits, including overtime, minimum wages, and meal and rest period premiums, due and owing to Alfaro and deny all of Alfaro’s allegations in the Lawsuit;

D. WHEREAS, there is a bona fide good faith dispute between Alfaro and Defendant as to the merits of Alfaro’s threatened claims under the PAGA;

E. WHEREAS, the Parties desire to fully and finally resolve and settle Plaintiff’s individual PAGA claim arising out of Plaintiff’s employment with and association with Defendant;

F. WHEREAS, Plaintiff is not pursuing a representative PAGA claim on behalf of other individuals;

NOW THEREFORE IN CONSIDERATION of the promises and covenants contained in this Agreement, Alfaro and Defendant agree to the following:

1. **Definition of Releasees:** References in this Agreement to “Releasees” shall include Kids Empire Woodland Hills, LLC, and all of its current and former direct and indirect parents, subsidiaries, affiliated and related companies and entities, and all of their current and former officers, directors, employees, insurers, reinsurers, attorneys, and agents.

2. **Approval of PAGA Settlement and Dismissal Of Action As Condition Precedent:** In conjunction with this PAGA Settlement Agreement, the Parties are filing with the Court a Stipulation for Approval of PAGA Settlement And Dismissal of Action (“PAGA Settlement and Stipulation”) by which the Parties resolve, settle and discharge the Lawsuit on an individual basis with prejudice and dismissing the representative claims without prejudice subject to Court approval. This Agreement is contingent upon

execution by the Parties and approval by the Court of the PAGA Settlement and Stipulation. The Court's unconditional approval of the PAGA Settlement and Stipulation approving the PAGA settlement and dismissing the Lawsuit as set forth above is an express condition precedent to Defendant and Plaintiff's obligations under this Agreement (including, but not limited to, all payment obligations). If the PAGA Settlement and Stipulation is not unconditionally approved by the Court, then: (1) this Agreement shall be null and void; (2) neither the Settlement nor any of the related negotiations or proceedings shall be of any force or effect; and (3) all Parties to the Settlement shall stand in the same position, without prejudice, as if the Agreement had been neither entered into nor filed with the Court.

3. **Settlement Payment/Consideration:** In consideration for Plaintiff's agreement to settle and release her individual claim under the PAGA, Defendant agrees to pay Fifty Dollars (\$50.00) to settle and release Plaintiff's individual PAGA claim, of which: (1) Thirty-Seven Dollars and Fifty Cents (\$37.50, representing 75% of said \$50.00) will go to the Labor & Workforce Development Agency ("LWDA"); and (2) Twelve Dollars and Fifty Cents (\$12.50, representing 25% of said \$50.00) will be payable to "Jennifer Alfaro" and shall represent payment for PAGA penalties and for which a form 1099 shall issue. Counsel for Defendant shall distribute said amounts to the LWDA and to Plaintiff no later than fourteen (14) business days of the Court granting approval of the PAGA settlement. Plaintiff agrees that Defendant's designation of settlement funds in the manner set forth in this paragraph is fully acceptable. Plaintiff further acknowledges that the foregoing constitutes an accord and satisfaction and a full and complete settlement of Plaintiff's individual PAGA claim. Defendant's payment set forth in this paragraph shall constitute the entire consideration to be provided to Plaintiff pursuant to this PAGA Settlement Agreement and for resolution of her individual PAGA claim. Plaintiff agrees not to seek any further compensation for any other claimed damage, costs or attorneys' fees in connection with the matters encompassed in this PAGA Settlement Agreement.

FOR PURPOSES OF CLARITY, THIS AGREEMENT HAS NO EFFECT ON, AND IN NO WAY MODIFIES OR ALTERS, ANY OTHER PAGA PENALTIES OR REPRESENTATIVE ACTIONS PURSUED BY ANY INDIVIDUAL OTHER THAN YOU.

4. **Effective Date:** The Effective Date of this PAGA Settlement Agreement is the date that the Court approves the PAGA Settlement and Stipulation as set forth in Paragraph 2. Plaintiff represents that she does not seek to pursue a PAGA claim on behalf of other aggrieved employees and therefore a dismissal with prejudice on behalf of other alleged "aggrieved employees" is not warranted. To the extent the Court does not approve the PAGA Settlement and Stipulation, the Parties and their counsel agree that they will cooperate with each other and use their best efforts to affect the PAGA Settlement to obtain Court approval for same.

5. **LWDA Notification:** Plaintiff will timely provide the notifications and submission to the LWDA as required by Labor Code section 2699(l).

6. **Taxes; Indemnification:** Plaintiff acknowledges and agrees that Defendant has not made any representations regarding the tax consequences of any payment made pursuant to this Agreement. Alfaro agrees that she is responsible for payment of any and all taxes on the payments made pursuant to this Agreement. Alfaro further agrees to indemnify, hold harmless and defend Defendant against any and all claims, demands, or liabilities that may be asserted by any governmental agency (including but not

limited to any local, state or federal taxing authority or agency) against Defendant, through the fault of Alfaro, for any federal, state or local taxes or penalties that may be payable as a result of any payment made pursuant to this Agreement. In addition, Alfaro agrees to pay any and all interest or penalties charged to or assessed against Defendant, through the fault of Alfaro, based on any payment made pursuant to this Agreement.

7. **Release of PAGA Claims:** To the greatest extent permitted by law, Plaintiff individually and on behalf of herself only freely, knowingly and voluntarily releases and forever discharges Defendant and any of its past, present and future direct or indirect parents, subsidiaries, predecessors, successors and affiliates, including but not limited to Kids Empire Woodland Hills, LLC, as well as each of its past, present and future officers, directors, employees, partners, members, shareholders and agents, attorneys, insurers, reinsurers, and any individual or entity which could be jointly liable with Defendant, and the Releasees of and from all manner of actions, suits, claims, damages, liabilities, penalties, arbitrations, charges, claims for attorneys' fees, interest, expenses and costs, judgments, awards, orders, executions or demands of any nature whatsoever, whether known or unknown, suspected or unsuspected, against Releasees or any of them, which Plaintiff ever had, now has, or which Plaintiff or Plaintiff's heirs, assigns, executors or administrators hereafter can, shall or may have arising under the California Private Attorneys General Act (California Labor Code section 2698 et seq.) which includes claims brought under the PAGA predicated upon California Labor Code Sections 201-204, 226, 226.3, 226.7, 510, 512, 1102.5, 1174, 1174.5, 1194, 1197, 1199, 2802, 2810.5, and applicable Wage Orders, and/or any other California Labor Code provisions that could have been asserted under the PAGA in connection with the Lawsuit and/or PAGA Notice ("Released Claims"), including but not limited to any claims for penalties, wages, interest and/or attorneys' fees and costs thereon arising from any and all of the Released Claims. All such Released Claims (including, without limitation, claims for related attorneys' fees and costs) are forever barred by this Agreement regardless of the forum in which they may be brought.

Nothing in this Agreement shall affect any state or federal government agencies' rights and responsibilities to enforce the California Labor Code or any other applicable law, nor shall anything in this Agreement be construed as a basis for interfering with Plaintiff's protected right to file a timely charge with, or participate in an investigation or proceeding with a state, federal or local government entity; provided, however, if the state, federal or local government entity commences an investigation pertaining to the claims asserted in the Lawsuit and/or PAGA Notice, Plaintiff specifically waives and releases her right, if any, to recover any monetary or non-monetary benefits of any sort whatsoever arising from any such investigation or otherwise and from any such administrative charge or complaint filed with any government agency other than the NLRB.

8. **No Admission Of Liability:** This PAGA Settlement Agreement shall not be construed as an admission by Defendant or the Releasees of liability or of any violation of the rights of Alfaro or any person, or of any violation of any law, statute, duty or order whatsoever. Defendant and the Releasees do not admit that they ever violated any provision of the California Labor Code, including, but not limited to, those sections for which Plaintiff seeks relief, including under the PAGA, or of any other law. Defendant and the Releasees specifically disclaim any liability to Alfaro. This PAGA Settlement shall not be used or offered as evidence to establish liability against Defendant or the Releasees in any subsequent action or proceeding; provided, however, this shall not prevent the PAGA Settlement from being used, offered, or received in evidence in any proceeding to enforce, construe, or finalize the PAGA Settlement.

9. **Severance:** If any provision of this Agreement is held to be invalid by a court of competent jurisdiction, that provision shall be deemed severed and deleted from this Agreement, and neither that provision nor its severance and deletion shall affect the validity of the remaining provisions. Notwithstanding the foregoing, no portion of any release contained herein may be deemed severed or deleted from this Agreement, except upon waiver in writing by the applicable all Releasees. If such release is found to be invalid, this entire Agreement shall be deemed null and void.

10. **Continuing Jurisdiction of the Court:** The Court shall retain jurisdiction over the Parties to enforce the terms and conditions of the Parties' Private Attorneys General Act Settlement Agreement and Release pursuant to Code of Civil Procedure section 664.6.

11. **Choice of Law:** This PAGA Settlement Agreement is to be interpreted pursuant to the laws of California, except where the application of federal law applies.

12. **Counterparts/Facsimile Signatures:** This PAGA Settlement Agreement may be executed in counterparts, and signatures exchanged by facsimile or other electronic means (e.g., PDF) shall be effective for all purposes hereunder to the same extent as original signatures, all of which when taken together shall constitute the Agreement. Any Party who delivers a facsimile or PDF signature page agrees to later deliver an original signature page to any Party who requests it.

Having read, understood, and agreed to the foregoing terms and conditions, the Parties hereby voluntarily execute this PAGA Settlement Agreement by placing their signatures below.

Aug 21, 2023

Date

08/22/2023

Date


Jennifer Alfaro (Aug 21, 2023 11:02 PDT)

JENNIFER ALFARO


HAIM ELBAZ

Chief Executive Officer

KIDS EMPIRE WOODLAND HILLS, LLC