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13 Attorneys for Plaintiff RAUL B. IBARRA,
14 an individual on behalf of himself and others similarly situated

15 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
16 **FOR THE COUNTY OF SAN FRANCISCO**

17 RAUL B. IBARRA, an individual, on behalf
18 of himself and others similarly situated,

19 Plaintiff,

20 vs.

21 STEPHENS INSTITUTE, a California
22 corporation; and DOES 1 through 50,
inclusive,

23 Defendant.

Case No.: CGC-23-607667

CLASS ACTION

Assigned for All Purposes To:
Honorable Jeffrey S. Ross
Department 606

**DECLARATION OF ENOCH J. KIM IN
SUPPORT OF PLAINTIFF'S RENEWED
MOTION FOR PRELIMINARY
APPROVAL OF THE PARTIES' CLASS
ACTION AND PAGA SETTLEMENT
AGREEMENT**

Date: June 30, 2025
Time: 10:00 a.m.
Location: Department 606

Original Complaint Filed: July 14, 2023
Amended Complaint Filed: September 18, 2023
Trial Date: None Set.

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1. I am an attorney licensed and admitted to practice before all courts of the State of California and the United States District Court for the Central, Southern, Eastern, and Northern Districts of California. I am Senior Counsel at D.LAW, INC. and counsel for Plaintiff Raul B. Ibarra (“Plaintiff”), on behalf of himself and other similarly situated employees of defendant The Stephens Institute d/b/a/ Academy of Art University (“Defendant”) (Plaintiff and Defendant collectively referred to herein as “the Parties”).

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1 the 65-day statutory period had passed, Plaintiff filed his First Amended Complaint (“Operative
2 Complaint”), which added claims for penalties under PAGA, Labor Code §2698.

3 4. After discussing the claims and issues in the Action, the Parties agreed to explore
4 early resolution via mediation and engage in informal discovery prior to mediation.

5 **Plaintiff’s Claims And Defendant’s Denials**

6 5. Plaintiff’s claims are based on Defendant’s alleged failure to pay wages (including
7 overtime), failure to provide meal and rest periods, failure to reimburse business expenses, failure
8 to pay final wages when required, failure to produce requested employment records, and failure to
9 provide accurate wage statements.

10 6. Specifically, Plaintiff alleges that Defendant required Plaintiff and Class Members
11 to manually input their scheduled shift hours rather than their actual hours worked on a weekly basis.
12 As a result, Plaintiff alleges that Plaintiff and Class Members had to work off-the-clock and were
13 not paid for all hours worked by Defendant. Plaintiff also alleges that Defendants had a uniform
14 policy of rounding down employee work hours to the nearest quarter hour, resulting in a reduction
15 of Plaintiff’s and Class Members’ recorded hours to match their scheduled hours rather than their
16 actual hours worked.

17 7. Defendant contends that it neither required off-the-clock work nor implemented a
18 time-rounding policy. Defendant contends it paid for all reported hours worked and that wages were
19 paid at the proper rates. Defendant asserts Class Members were instructed to record all hours worked
20 and that any off-the-clock was performed without Defendant’s knowledge. Defendant also argues
21 that given its written policies and practices, any unrecorded hours are likely subject to individualized
22 inquiry and unlikely to be certified. Given the difficulty in certifying this claim, Class Counsel
23 applied a significant discount to damages based on this theory.

24 8. Plaintiff also alleges that Defendant failed to provide proper meal breaks to Plaintiff
25 and Class Members. Due to work demands and management pressure from Defendant, Plaintiff
26 alleges that Plaintiff and Class Members were often unable to take a duty-free 30-minute meal break
27 before the fifth hour of their shifts. Plaintiff alleges that their meal periods were constantly
28 interrupted by work-related tasks and management pressure. Plaintiff also alleged that Defendant

1 automatically deducted an hour for a meal period from their recorded hours regardless of whether
2 the meal period was provided. Defendant denies Plaintiff's allegation and contends Plaintiff and
3 Class Members were given a reasonable opportunity to take their meal periods. Defendant further
4 contends that when any missed meal periods were properly reported to Defendant, Defendant
5 provided premium pay to Class Members as reflected in their time and pay records. Defendant also
6 contends that the meal break claim requires individualized inquiries which would preclude class
7 certification. If Defendant's contentions are proven true and prevail in trial, the likely outcome
8 would be no recovery for the Class Members on the meal break claim.

9 9. Plaintiff also contends that Defendant did not provide Class Members with paid 10-
10 minute rest breaks for every four hours or a major fraction thereof. Plaintiff contends that Class
11 Members consistently worked in excess of consecutive four-hour shifts and were entitled to paid
12 rest breaks of not less than ten minutes for each consecutive four-hour shift but were required to
13 work through their rest breaks during their shifts due to heavy work demands from Defendant.

14 10. Similar to meal breaks, Defendant contends that Class Members were given a reasonable
15 opportunity to take their rest periods during their shifts. Considering that, unlike meal periods, rest
16 breaks need not be recorded, these violations would likely be difficult to prove at trial and potentially
17 depress the damages ultimately awarded. Therefore, Class Counsel applied significant and
18 appropriate discounts to the rest break claim.

19 11. Additionally, Plaintiff alleges that Defendant required Plaintiff and Class Members to use
20 their personal cellular phones and personal computers and internet for work-related business, for
21 which they were not reimbursed. Defendant maintained that Plaintiff and Class Members were not
22 required to use their personal cell phones or personal computers to perform their job duties and were
23 advised to seek reimbursement if they were required to use their own personal devices. Defendant
24 further contends that individualized issues relating to this claim would preclude class certification.

25 12. As for the wage statement and waiting time penalties claims, Defendant contends that
26 these claims are merely derivative of the underlying claims and that Plaintiff and Class Members
27 would be unable to first establish liability for the underlying claims for the reasons described above.
28 Defendant further contends that even if they could first establish liability for the underlying claims,

1 Plaintiff and Class Members would be unable to establish that Defendant's conduct was willful and
2 knowing as required by the relevant statutes since Defendant acted in good faith to provide accurate
3 wage statements and pay all wages due to Plaintiff and Class Members. Thus, Defendant contends
4 that the wage statement and waiting time penalties claims to have little to no value.

5 13. Similarly, Defendant contends that the PAGA claim is also derivative of the underlying
6 claims in the Action and ultimately fails because the underlying claims have no merit. Defendant
7 also contends that even if Plaintiff and Class Members could establish Labor Code violations, the
8 Court has the discretion to award less than the maximum civil penalty amount and would award
9 substantially less civil penalties here because Defendant acted in good faith to comply with the
10 relevant wage and hour laws and any violations were minor and technical in nature. Defendant also
11 contends that trial of the PAGA claim would be unmanageable.

12 14. Defendant generally denies all claims alleged in the Action and further denies class and/or
13 representative treatment is appropriate for any purpose other than this Settlement and that it
14 complied with all applicable laws. However, after careful consideration, Defendant has concluded
15 that further litigation would be protracted and expensive and that it is desirable that the Action be
16 fully and finally settled in the manner and upon the terms and conditions herein..

17 **Investigation**

18 15. Before filing the lawsuit, Class Counsel conducted a thorough investigation and
19 researched the facts and circumstances underlying the pertinent issues and applicable law. This
20 required thorough discussions and interviews between Class Counsel and Plaintiff, in addition to
21 the above-described research into the various legal issues involved in the case. After filing the
22 lawsuit, Class Counsel conducted a thorough investigation of the facts and claims giving rise to the
23 action, including (1) conducting informal discovery and meeting and conferring with defense
24 counsel about same; (2) reviewing and analyzing records and data, as well as employment-related
25 policies; (3) reviewing Plaintiff's personnel file and other documentation; (4) interviewing Plaintiff
26 regarding potential Class Members and Defendant's policies; (5) researching the applicable law and
27 potential defenses; (6) constructing damage models based on interpretations of California law and
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1 the facts and numbers provided by Defendant; and (7) reviewing information provided by Defendant
2 in response to informal discovery and in advance of the mediation.

3 16. Prior to mediation, Class Counsel requested comprehensive informal discovery from
4 the Defendant including a class list with job titles, start dates, and end dates, the total number of
5 currently and former employees employed from July 14, 2019 to mediation, the total number of
6 former employees employed from July 14, 2020 to mediation, the total number of current and former
7 employees employed from July 14, 2022 to mediation, information regarding the hours of operation
8 for the locations Class Members worked, Defendant's shift scheduling practice, information
9 regarding the wage statement issued to Class Members as well as the pay frequency, work shift
10 details, the total number of work weeks worked by Class Members during the alleged liability
11 period, information regarding any meal period premiums paid to Class Members during the liability
12 period, copies of Plaintiff's individual records, information regarding the Class Member's job
13 responsibilities, and copies of arbitration agreements as well as the total number of Class Members
14 who signed an arbitration agreement. Class Counsel also requested copies of Defendant's employee
15 handbooks, training documents for managers and employees, policies regarding meal and rest
16 periods, and payment of Section 226.7 penalty wages, policies regarding meal period waivers,
17 policies regarding scheduling and payments of wages and overtime, policies regarding off-the-clock
18 work, policies regarding rounding of hours.

19 17. Defendant responded to most of Plaintiff's requests and provided Class Counsel with
20 sample paystubs, policy documents, a template of an alleged meal waiver entitled "Meal Period &
21 Rest Break Premium Authorization Form," a template arbitration agreement provided to Class
22 Members, and Plaintiff's individual records. Defendant also provided Class Counsel with a "Data
23 Sheet" based on time data through December 31, 2023 and pay data through January 5, 2024. The
24 raw data summarized the total number of non-exempt employees during the class period, the total
25 number of Class Members with signed arbitration agreements, the total number of non-exempt
26 employees in the PAGA Period, the total number of Workweeks in the class period, the total number
27 of Class Members with arbitration agreements, the total days worked in the Class Period, the total
28 average hourly rate, and the total number of days worked greater than 3.5 hours, 5 hours, and 10

1 hours.

2 18. These investigatory efforts were followed by further conversations with the Plaintiff and
3 Defendant regarding the relevant documents and other gathered data. Defendant, for their part,
4 vigorously contested liability and the propriety of class certification. After analyzing the above
5 documents and data, Class Counsel believed that this case was appropriate for resolution via
6 mediation. Given the high level of risk present for both sides, the Parties elected to mediate
7 Plaintiff's claims and explore the possibility of settlement.

8 **Settlement Efforts**

9 19. On April 29, 2024, the Parties participated in an all-day mediation with mediator Tripper
10 Ortman, a respected and highly experienced mediator in wage and hour class actions. During
11 mediation, counsel for Plaintiff and Defendant discussed all aspects of the case, including the risks
12 of litigation and the risks to both parties of proceeding with a class certification motion, as well as
13 the law unpaid wages, meal periods, rest periods, wage statements, and final pay. Following a full
14 day of mediation, the Parties agreed to general settlement terms to resolve the lawsuit through a
15 memorandum of understanding. The Parties continued to work together to finalize a long-form
16 settlement agreement, which resulted in the Settlement Agreement before the Court for approval.

17 20. From Class Counsel's review of the facts, strengths, and weaknesses of the case and the
18 risks and delays posed by further litigation, Class Counsel believes that the recovery for each Class
19 Member is fair and reasonable taking into consideration the risks of further litigation, the possibility
20 of losing class certification and/or dispositive motions, and the reasonable tailoring of each Class
21 Member's claim to the settlement award he or she will receive. Further, the Settlement Agreement
22 was the product of a non-collusive settlement process in which the Parties were forced to make
23 significant compromises in the interest of reaching a full and complete settlement of the lawsuit.

24 **Summary of the Settlement**

25 21. Under the terms of the proposed Settlement Agreement, Defendant has agreed to pay
26 \$1,300,000.00 ("Gross Settlement Amount" or "GSA") on a non-reversionary basis to settle and
27 release all claims asserted by Plaintiff on behalf of the proposed Class to fully settle, resolve, and
28 extinguish all claims asserted in the Action, including without limitation all claims asserted in the

PAGA Notices. (Exhibit 1, Settlement Agreement, ¶ 3.1.) In addition to and separate from the Gross Settlement Amount, Defendant will pay the employers' portion of any payroll taxes on the wage allocation portion of the Individual Class Payments to Class Members. (*Id.*) "Class" is defined as all current and former non-exempt, hourly employees of Defendant The Stephens Institute d/b/a/ Academy of Art University who worked in California at any time during the Class Period, which is July 14, 2019 to August 25, 2024.¹ (Exhibit 2, Amendment, ¶ I.37) "Participating Class Members" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement. (Exhibit 1, Settlement Agreement, ¶ I.37.) "Aggrieved Employees" are defined as all current and former non-exempt, hourly employees of Defendant who worked in California at any time during the PAGA Period, which is July 14, 2022 to August 25, 2024. (Exhibit 2, Amendment, ¶¶ 1.4, 1.33.) The "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Penalties payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Costs. (Exhibit 1, Settlement Agreement, ¶ 1.29.) These amounts are detailed as follows:

- Class Counsel Fees Payment: Up to one-third (1/3rd) of the Gross Settlement Amount, or \$433,333.33 for attorneys' fees (Exhibit 1, Settlement Agreement, ¶ 1.7.);
- Class Counsel Litigation Expenses Payment: Reasonable litigation costs and expenses incurred to prosecute this Action not to exceed \$20,000.00 (Exhibit 1, Settlement Agreement, ¶ 1.7.);
- Class Representative Service Payment: Up to \$10,000.00 to Plaintiff for his service as the Class Representative (Exhibit 1, Settlement Agreement, ¶ 1.15.)
- Administration Costs: Up to \$17,5000.00 (Seventeen Thousand Five Hundred Dollars and Zero Cents) to the Administrator for its fees and costs to administer the Settlement (Exhibit

¹ The Parties amended the escalator clause to give Defendant the option to either (a) increase the Gross Settlement Amount by the same number of percentage points above 5% by which the increase in the actual number of Workweeks exceed 7,065 (for example, if such increase in Workweeks is 10% over 141,290 Workweeks, then the Gross Settlement Amount will increase by 5%), or (b) change the end date for the Class Period and PAGA Period such that the Class Period and PAGA Period end on the date that the total Workweeks do not exceed 148,355 Workweeks (i.e., 105% of the Extrapolated Workweeks). (Exhibit 2, Amendment ¶ 8.) Defendant has elected to change the end date for the Class Period and PAGA Period to August 25, 2024 pursuant to the escalator clause.

1 1, Settlement Agreement, ¶ 3.3.3);

- 2 • PAGA Penalty payment: \$130,000.00 for settlement of claims for civil penalties under
3 PAGA, with 25% (\$32,500.00) to be paid on a pro-rata basis to the Aggrieved Employees
4 (“Individual PAGA Payment”) based on the number of PAGA pay periods each Aggrieved
5 Employee worked during the PAGA Period (“PAGA Pay Periods”) and 75% (\$97,500.00)
6 to be paid to the LWDA (“LWDA PAGA Payment”) (Exhibit 1, Settlement Agreement, ¶
7 1.28).

8 22. If the Court approves the requested allocations from the Gross Settlement Amount of
9 \$1,300,000.00, as addressed above, the Net Settlement Amount is estimated to be **\$531,666.67**. For
10 the 2,270 Class Members estimated at the time of mediation, the average gross Individual Class
11 Payment, using a straight average, is \$234.21.

12 23. The Administrator will mail the Class Notice, attached to the Settlement Agreement as
13 Exhibit A, with Spanish translation to all Class Members in no event later than fourteen (14)
14 calendar days after receiving the Class Data via first-class United States Postal Service (“USPS”)
15 mail. (Exhibit 1, Settlement Agreement, ¶ 7.4.2.) The Class Notice provides each Class Member’s
16 estimate of the amount of any Individual Class Payment and/or Individual PAGA Payment payable
17 to the Class Member and the number of Workweeks and PAGA Pay Periods used to calculate these
18 amounts. (Exhibit 1, Settlement Agreement, ¶ 7.4.2.) The Class Notice includes a summary of the
19 case and settlement terms and provides Class Members with detailed instructions on how to exclude
20 themselves, object to the settlement, and dispute the number of Workweeks and/or PAGA Pay
21 Periods attributed to each Class Member per Defendant’s records. (Exhibit 1, Settlement Agreement,
22 Exhibit 1, Class Notice.) Class Members will have forty-five (45) days from the mailing of the Class
23 Notice to opt out of or object to the Settlement or to dispute the number of Workweeks and/or PAGA
24 Pay Periods (“Response Deadline”). (Exhibit 1, Settlement Agreement, ¶ I.45.) Class Members who
25 received a re-mailed Class Notice shall have their Response Deadline extended fourteen calendar
26 (14) days from the original Response Deadline. (Exhibit 1, Settlement Agreement, ¶ I.45.)

27 24. Defendant will fund the Gross Settlement Amount by making five (5) equal installments
28 of approximately \$260,000.00 each, due in March and September of each year following the

1 Effective Date until the completion of five (5) payments, with the first payment due in the March or
2 September following the Effective Date. (Exhibit 1, Settlement Agreement, ¶ I.17.) The Effective
3 Date as defined in the Settlement Agreement means the date by which both of the following have
4 occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement;
5 and (b) the Judgment is final. (Exhibit 1, Settlement Agreement, ¶ 1.19.) The Judgment is final as
6 of the latest of the following occurrences: (1) if no timely appeal is filed, then the date on which the
7 date for filing such appeal has passed; or (2) if a timely appeal from the Judgment is filed, the day
8 after the appellate court affirms the Judgment and issues a remittitur. (*Id.*) The installment plan
9 outlined in the Settlement Agreement was crucial for the Parties to reach a settlement, as
10 Defendant's financial circumstances made such an arrangement essential to move forward with the
11 Settlement, maximize the recovery for Class Members, and help avoid unnecessary costs and
12 expenses associated with prolonged litigation and trial. See the Declaration of Torie Toler in
13 Support of the Renewed Motion for Preliminary Approval ("Toler Declaration") in support of the
14 five-part payment plan.

15 25. Given the payment plan and in an effort to minimize costs, the Settlement Administrator
16 will take all reasonable steps to avoid the need for additional tax filings by ensuring that payments
17 are made in a timely manner. See the Declaration of Michael Sutherland in Support of Plaintiff's
18 Renewed Motion for Preliminary Approval ("Sutherland Decl.," ¶ 7.) Apex will open and manage
19 an escrow account throughout the payment process. (*Id.*) Upon final approval, all funds will be
20 transferred to a Qualified Settlement Fund (QSF). (*Id.*) Additionally, to account for potential missed
21 or delayed payments, Apex has included the cost of one additional tax return in its estimate. (*Id.*)

22 **Settlement Release**

23 26. The Settlement Agreement calls for Plaintiff, Class Members, and Class Counsel to
24 release claims against all "Released Parties", which is defined as "Defendant; its present, former, or
25 future parent and/or subsidiary corporations; each of the foregoing's present, former, or future:
26 owners, officers, members, directors, shareholders, partners, employees, insurers, successors,
27 predecessors, contractors, assigns, and managing agents; and any and all agents, legal
28 representatives, and/or attorneys of all of the foregoing entities or individuals." (Exhibit 1,

1 Settlement Agreement, ¶¶ 1.43., 5.) In an effort to address the Court’s concerns regarding the scope
2 of the release of claims, the Parties have amended the definitions of the Released Class Claims and
3 Released PAGA Claims to exclude unknown claims.

4 27. The Amendment redefines “Released Class Claims” as any and all disputes, claims and/or
5 causes of action for wages, statutory and civil penalties (but not PAGA penalties), monies, damages,
6 liquidated damages, premiums, restitution, injunctive and declaratory relief, pre-judgment and post
7 judgment interest, attorney’s fees, and costs pleaded in the Operative Complaint in the Action,
8 Plaintiff’s PAGA Notice to the LWDA, and/or which reasonably relate to or which reasonably arise
9 out of the same set of operative facts pled therein during the Class Period. This includes claims for:
10 failure to pay all regular wages, minimum wages, straight time wages, and overtime wages due
11 (including off-the-clock and rounding claims); (ii) failure to pay all wages at the correct rate of pay
12 (including premium pay such as, meal period premiums, rest break premiums, and California Paid
13 Sick Leave); failure to provide meal periods; failure to provide rest periods; failure to provide
14 accurate, itemized wage statements; failure to pay wages due during employment; failure to pay all
15 wages due at termination; failure to maintain and provide accurate and complete records; failure to
16 reimburse for necessary business expenses; failure to provide sick pay, California Paid Sick Leave
17 pay, and COVID-19 sick pay; unfair competition related to any or all of the foregoing. This release
18 includes any and all claims pursuant to: California Labor Code §§ 90.5, 200 *et seq.*, 201, 202, 203,
19 204, 206.5, 210, 218.5, 221, 226, 226.2, 226.3, 226.7, 246, 248 *et seq.*, 248.1, 248.2, 248.5, 432.5,
20 510, 512, 558, 1174, 1174.5, 1185, 1194, 1194.1, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199 and
21 2802; the Fair Labor Standards Act; California Business & Professions Code § 17200 *et seq.*;
22 California Code of Civil Procedure § 1021.5; and the California Industrial Welfare Commission
23 Wage Orders MW-2014 (“Released Class Claims”). (Exhibit 2, Amendment, ¶ 5.2.)

24 28. “Released PAGA Claims” is now defined as all claims for civil penalties under the Private
25 Attorneys General Act of 2004, Labor Code § 2698 *et seq.* (“PAGA”), that were alleged in the
26 PAGA Notice, the Operative Complaint in the Action, and/or claims for PAGA penalties which
27 reasonably relate to or which reasonably arise out of the same set of operative facts pled therein
28 during the PAGA Period. This release includes claims for PAGA penalties based on: failure to pay

1 all regular wages, minimum wages, straight time wages, and overtime wages due (including off-the-
2 clock and rounding claims); (ii) failure to pay all wages at the correct rate of pay (including premium
3 pay such as, meal period premiums, rest break premiums, and California Paid Sick Leave); failure
4 to provide meal periods; failure to provide rest periods; failure to provide accurate, itemized wage
5 statements; failure to pay wages due during employment; failure to pay all wages due at termination;
6 failure to maintain and provide accurate and complete records; failure to reimburse for necessary
7 business expenses; failure to provide sick pay, California Paid Sick Leave pay, and COVID-19 sick
8 pay; unfair competition related to any or all of the foregoing. This release includes claims for PAGA
9 penalties premised on: California Labor Code §§ 90.5, 200 et seq., 201, 202, 203, 204, 206.5, 210,
10 218.5, 221, 226, 226.2, 226.3, 226.7, 246, 248 et. seq., 248.1, 248.2, 248.5, 432.5, 510, 512, 558,
11 1174, 1174.5, 1185, 1194, 1194.1, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802 and 2699
12 (“Released PAGA Claims”) (Exhibit 2, Amendment, ¶ 5.3).

13 29. The Court has also requested legal authority supporting the inclusion of certain third
14 parties, like insurers, attorneys, and shareholders, as Released Parties to the Parties’ Settlement
15 Agreement. The Parties proffer that the scope of the Released Parties to the Settlement Agreement
16 is proper. Parties to a class settlement agreement are within their rights to identify the scope of their
17 releases to include third parties. See *Grande v. Eisenhower Med. Ctr.*, 13 Cal. 5th 313, 321-322
18 (2022) (explaining that if Litigants wanted to include a staffing agency in the future it was permitted
19 to do so). Notably, courts have found that even “[a] release agreement containing boilerplate
20 language that purports to excuse everyone in the world from liability can be enforced by persons
21 who are not parties to the agreement.” *Vahle v. Barwick*, 93 Cal. App. 4th 1323, 1328 (2001)
22 citing *Lama v. Comcast Cablevision*, 14 Cal. App. 4th 59, 63 (1993); *General Motors Corp. v.*
23 *Superior Court*, 12 Cal. App. 4th 435, 439-440 (1993).

24 30. Additionally, under Labor Code Sec. 558.1, a “person acting on behalf of an employer,
25 who violates or causes to be violated any provision regulating minimum wages or hours and days
26 of work...may be held liable as the employer for such violation.” Cal. Lab. Code Sec. 558.1.
27 Similarity, Labor Code Sec. 558 (a) further states “[a]ny employer or other person acting on behalf
28 of an employer who violates, or causes to be violated, a section of this chapter or any provision

1 regulating hours and days of work in any order of the Industrial Welfare Commission shall be
2 subject to civil penalty...” Cal. Lab. Code Sec. 558(a). Similarly, Labor Code Sec. 1197.1 states “an
3 employer or other persons acting either individually or as an officer, agent, or employee of another
4 person who pays or causes to be paid to any employee a wage less than minimum . . . shall be subject
5 to a civil penalty. . .” Cal. Lab. Code Sec. 1197.1. Labor Code Sec. 558 (a) and 1197.1 are both
6 referenced in the Second Amended Complaint. Given that, the Settlement Agreement language is
7 intended to be comprehensive in scope to ensure related third-party entities and individuals are
8 covered by the release of claims. Settlement agreements must provide a sense of finality to an
9 action. See *Winet v. Price*, 4 Cal. App. 4th 1159, 1173(1992) (“Those engaged in contract law and
10 litigation are in great need of the availability of ironclad and enforceable general releases.”)

11 31. The inclusion of these third-party entities and individuals also aligns with the Los Angeles
12 Superior Court’s “[Model] Class Action and PAGA Settlement Agreement’s language for released
13 parties, which includes “former and present directors, officers, shareholders, owners, attorneys,
14 insurers, predecessors, successors, assigns [subsidiaries] [affiliates].” This Court also has
15 previously approved class and/or PAGA releases containing analogous language. For example, on
16 March 21, 2025, this Court granted a motion for preliminary approval in *Sandy Gonzalez, et al. v.*
17 *Blue Link Wireless, LLC*, Case No. CGC-24-614396. In *Gonzalez*, released parties was defined as
18 “BLW, its respective past and present parents, subsidiaries, and affiliates, past and present members,
19 managers, shareholders, directors, officers, owners, agents, employees, attorneys, insurers,
20 predecessors, successors and assigns of the foregoing, Nadhir, and any individuals or entities that
21 could be jointly liable with any of the foregoing.” On April 14, 2025, this Court issued an order
22 granting a renewed motion for preliminary approval in *Steven Jefferson, et al. v. Brookfield Property*
23 *Multifamily, LLC* Case No. CGC-22-600085. In *Jefferson*, released parties were defined as
24 “Defendant and each of its former and present directors, officers, shareholders, owners, members,
25 managers, employees, agents, principals, heirs, representatives, attorneys, predecessors, successors,
26 assigns, parents, subsidiaries, and affiliates.” *Jefferson* and *Gonzalez* both had PAGA and Class
27 Action claims for wage and hour violations. As such, the scope of the Released Parties to the
28 Settlement Agreement is proper.

Certification for Settlement Purposes Only is Appropriate

32. For settlement purposes only, current and former non-exempt, hourly employees of Defendant who worked in California were subject to the same policies and practices, including timekeeping and payroll. With respect to the composition of the Class, below are some approximate statistics based on data around the time of the Parties' mediation.

- Instructional Staff: 51.19%
- Student Workers: 18.59%
- Administrative: 18.24%
- Transportation: 2.91%
- Safety: 9.07%

33. Plaintiff alleges that the proposed Class satisfies the criteria for certification of a settlement class under California law, as embodied in California Code of Civil Procedure § 382. Defendant has agreed to the conditional certification of the class for settlement purposes only. Defendant does not concede that certification is appropriate outside of this Settlement and preserves all rights to oppose certification if, for any reason, the settlement does not become effective. In general, courts may take a proposed settlement into account in evaluating the propriety of class certification. *See Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1807 fn. 19. Indeed, a “lesser standard” of scrutiny applies in certifying classes for settlement purposes. *Id.* Therefore, the Court should take into consideration the fact that the Parties have settled their claims and stipulated to certification for settlement purposes when assessing whether the Settlement is fair and reasonable.

34. Numerosity and Ascertainability. The putative Class is so numerous that joinder of all members is impractical. Class Members are all current and former non-exempt, hourly employees of Defendant who worked in California at any time during the Class Period (from January 14, 2019 to August 25, 2024.) At the time of mediation, Defendant identified 2,270 Class Members based on a review of its payroll and personnel records. Thus, there is numerosity and ascertainability.

35. Well-Defined Community of Interest. Plaintiff contends, and Defendant does not dispute for settlement purposes only, that common issues of fact and law predominate as to each of the claims alleged by Plaintiff, and the Class is united in its proof. This action involves, *inter alia*, a

determination about Defendant's alleged failure to provide meal and rest periods, failure to pay wages and overtime due to allegedly common off-the-clock work and time rounding policies, failure to reimburse business expenses, failure to produce records, failure to pay final wages when required, and failure to provide accurate wage statements. Plaintiff contends Defendant's practices affected Class Members in the same way and presents questions that are suitable for common adjudication because all Class Members were subject to the same employment policies and practices. The outcome of litigation in this matter depends upon questions that are common to Class Members.

36. Typicality. The class representative's claims are typical when they arise from the same event, practice, or course of conduct that gives rise to the claims of other putative Class Members and if their claims rest on the same legal theories. Here, Plaintiff alleges that his claims are typical of Class Members' claims because they arose from the same factual basis and are based on the same legal theories. Plaintiff and Class Members were employed by Defendant during the Class Settlement Period and were subject to the allegedly unlawful meal and rest policies and pay practices at issue in this litigation. Thus, the typicality requirement is satisfied.

37. Adequacy. Plaintiff's interests are aligned with those of the Class Members, as he has suffered the same injuries as the Class Members and has no conflicts of interest. Plaintiff has not shirked from this responsibility. Indeed, Plaintiff has devoted a substantial amount of time and energy to litigating this action and effectuating a settlement. Furthermore, as set forth below, Class Counsel are experienced in wage-and-hour litigation, especially class actions, and have zealously represented the interests of the class in litigating this case and have no conflicts of interest. Accordingly, the adequacy requirement is satisfied.

38. Predominance and Superiority. Plaintiff contends that individualized issues do not predominate over the issues of law and fact that are common to the Class as a whole. As explained, *supra*, Plaintiff alleges there are common issues of law and fact given that Plaintiff and all Class Members were subjected to the same policies and pay practices during the relevant time period. Plaintiff and Class Members seek meal and rest premiums, unpaid wages and overtime, and penalties for work performed as non-exempt employees for Defendant. Plaintiff alleges that these issues are suitable for common adjudication because all Class Members were allegedly subject to

1 the same employment policies, and Plaintiff contends the practices applied uniformly to all Class
2 Members.

3 39. Plaintiff contends that class resolution is superior to other available methods for the fair
4 and efficient adjudication of the controversy as there is little interest or incentive for Class Members
5 to individually control the prosecution of separate actions. Although the alleged injury resulting
6 from Defendant's policies and practices is allegedly real and significant, the cost of individually
7 litigating each such case against Defendant would easily exceed the value of any relief that could
8 be obtained by any one Class Member individually. If Class Members are forced to litigate their
9 claims individually, this would result in over 2,270 individual actions against Defendant. Here, the
10 alternative methods of resolution are individual suits for relatively small amounts. Hence, an
11 individual suit would prove uneconomical for potential plaintiffs because litigation costs would
12 dwarf a potential recovery.

13 **The Settlement is Fair, Adequate, and Reasonable**

14 40. In deciding whether to approve a proposed class action settlement, the Court must find
15 that a proposed settlement is "fair, adequate, and reasonable" and falls within the "range of
16 approval." *Dunk*, 48 Cal.App.4th at 1801-02. The trial court considers all relevant factors, such as
17 "the strength of plaintiffs' case, the risk, expense, complexity and likely duration of further
18 litigation, the risk of maintaining class action status through trial, the amount offered in settlement,
19 the extent of discovery completed and the stage of the proceedings, the experience and views of
20 counsel, the presence of a governmental participant, and the reaction of the Class Members to the
21 proposed settlement." *Id.* The Settlement satisfies all of these requirements.

22 **A. The Settlement is the Result of Serious, Informed, Non-Collusive Negotiations.**

23 41. The proposed settlement was reached as a result of arm's length negotiations after the
24 completion of pertinent discovery and the exchange of necessary class data. The negotiations have
25 been, at all times, adversarial and non-collusive in nature. *See*, 4 Newberg on Class Actions § 13:45
26 (5th ed.) (due to the preference of settlement over litigation, "a court will presume that a proposed
27 class action settlement is fair when certain factors are present, particularly evidence that the
28 settlement is the product of arms-length negotiation, untainted by collusion."). Although Plaintiff

1 steadfastly maintains that his claims are meritorious, Plaintiff acknowledges that there were
2 substantial risks and uncertainty in proceeding with litigation. As described above, Defendant
3 presented multiple defenses to Plaintiff's claims, both on the merits and with respect to class
4 certification. Thus, while Plaintiff was prepared to litigate these claims through class certification,
5 and ultimately trial, success was far from certain. Assistance from a well-respected mediator ensured
6 that negotiations were non-collusive and well-informed.

7 **B. Extent of Discovery and Stage of Proceedings.**

8 42. As stated above, the Parties engaged in substantial informal discovery before the
9 Settlement was reached to allow them to fully evaluate the class claims and Defendant's defenses.
10 This litigation has reached the stage where the Parties have a clear view of their respective strengths
11 and weaknesses

12 **C. Strength of Plaintiff's Case and the Risk, Expense, Complexity, and Likely Duration**
13 **of Any Litigation.**

14 43. As stated above, while the Plaintiff and Class Counsel contend the claims asserted in the
15 Action have merit, they also acknowledge the expense and delay of continued litigation. Although
16 the Parties engaged in informal discovery in advance of mediation, the Parties still had significant
17 discovery to complete had the matter not settled. This would have required the expenditure of
18 substantial time and resources by both Parties that would have very likely spanned several years,
19 which would have further weakened Defendant's financial condition and significantly restricted its
20 ability to pay any judgment. Even if Plaintiff were to certify the classes, the Parties would incur
21 considerably more attorney fees and costs through a possible decertification motion, trial, and
22 possible appeal. This Settlement avoids those risks and the accompanying expense.

23 **D. The Risk of Maintaining Class Action Status Through Trial.**

24 44. Plaintiff has not yet filed his motion for class certification, and as such, the extent to
25 which Plaintiff proposed class was certifiable is somewhat speculative. Absent a settlement, there
26 was a risk that there would not be a certified class at the time of trial, or if there were, it could consist
27 of a significantly smaller group of employees than the proposed Class, resulting in less overall
28 recovery.

45. Finally, in class actions, decertification is always a possibility, and there is always a risk that a trial of this magnitude can become unmanageable. Cases like *Duran v. U.S. Bank Nat. Assn.* (2014) 59 Cal. 4th 1, 34 address the complexity of using statistical samples in class actions and demonstrate that decertification is a real risk that Class Counsel must consider. A class trial would have also required expert witnesses, the accrual of extensive litigation costs, and the commitment of extensive further time and financial resources. Finally, given the complexity and unsettled nature of the issues, it is likely that any outcome at trial would have resulted in a lengthy and costly appeal. An appeal would result in further delay for the Class Members who have already waited years for a resolution in this matter. Risk and legal uncertainty must be dealt with in any litigation, and this Settlement was the product of compromise accounting for those risks and that uncertainty.

E. The Presence of a Governmental Participant.

46. On June 9, 2025, Class Counsel submitted the Settlement Agreement, Amendments to the Settlement, and this Motion to the LWDA concurrently with the filing of this Motion pursuant to Labor Code § 2699(1)(2). A true and correct copy of the confirmatory email from the LWDA is attached hereto as **Exhibit 3.**

F. The Amount Offered in Settlement is Fair Given the Potential Value of the Claims.

47. Because the class consists of numerous employees, it was unlikely that the potential monetary claims of individual Class Members would have proved viable without the class-action mechanism. The Settlement Agreement should be approved in light of two California appellate decisions: *Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116.

48. The strength of the Plaintiff's case in light of the settlement amount is deemed by courts to be the "most important." *Clark v. American Residential Services, LLC* (2009) 175 Cal.App.4th 785, 799 (citing *Kullar*). Here, Plaintiff alleges that Defendant failed to pay minimum wages and overtime, failed to provide meal and rest breaks, failed to provide accurate wage statements, failed to pay all wages upon termination, and failed to reimburse for business expenses, all in violation of California law. Plaintiff seeks related violations of California's Business & Professions Code,

1 penalties pursuant to Labor Code § 2699 *et seq.* Summary calculations for the estimated exposure
2 for each of these claims follow.

3 Failure to Pay Minimum and Overtime Wages:

4 49. Plaintiff alleges that Defendant required Plaintiff and Class Members to manually input
5 their scheduled shift hours rather than their actual hours worked on a weekly basis. As a result,
6 Plaintiff alleges that Plaintiff and Class Members had to work off-the-clock and were not paid for
7 all hours worked by Defendant. Plaintiff also alleges that Defendants had a uniform policy of
8 rounding down employee work hours to the nearest quarter hour, resulting in a reduction of
9 Plaintiff's and Class Members' recorded hours to match their scheduled hours rather than their
10 actual hours worked.

11 50. Defendant contends that it neither required off-the-clock work nor implemented a time-
12 rounding policy. Defendant contends it paid for all reported hours worked and that wages were at
13 the proper rates. Defendant asserts Class Members were instructed to record all hours worked and
14 that any off-the-clock was performed without Defendant's knowledge. Defendant also argues that
15 given its written policies and practices, any unrecorded hours are likely subject to individualized
16 inquiry and unlikely to be certified. Given the difficulty in certifying this claim, Class Counsel
17 applied a significant discount to damages based on this theory.

18 51. Plaintiff estimated Defendant's exposure on the unpaid wages claims to be approximately
19 \$1,984,812.44 calculated as follows: 58,274 off-the-clock hours (based on 139,857 total workweeks
20 and 5 shifts per workweek and assuming 5 minutes of off-the-clock work per shift) x \$34.06 (the
21 average hourly regular rate of pay for the Class). However, given Defendant's defenses and the
22 potential hurdles facing certification of off-the-clock claims, Class Counsel applied a 70% discount,
23 making for an adjusted realistic exposure of **\$595,443.73** for Defendant.

24 Meal Periods and Rest Breaks:

25 52. Plaintiff also alleges that Defendant failed to provide proper meal breaks to Plaintiff and
26 Class Members. Due to work demands and management pressure from Defendant, Plaintiff alleges
27 that Plaintiff and Class Members were often unable to take a duty-free 30-minute meal break before
28 the fifth hour of their shifts. Plaintiff alleges that their meal periods were constantly interrupted by

1 work-related tasks and management pressure. For each meal period missed, of less than 30 minutes,
2 or taken late for which the employee was not provided a reasonable opportunity to take a complete
3 and timely meal period, an employer must pay the employee an additional one hour of
4 compensation. Labor Code § 226.7. This additional hour of compensation is referred to as “premium
5 pay.”

6 53. Defendant denies Plaintiff’s allegation and contends Plaintiff and Class Members were
7 given a reasonable opportunity to take their meal period. Defendant further contends that when any
8 missed meal periods were properly reported to Defendant, Defendant provided premium pay to
9 Class Members as reflected in their time and pay records. Defendant also contends that the meal
10 break claim requires individualized inquiries, which would preclude class certification. If
11 Defendant’s contentions are proven true and prevail in trial, the likely outcome would be no
12 recovery for the Class Members on the meal break claim.

13 54. Plaintiff estimated Defendant’s maximum exposure on the meal break claim at
14 approximately \$4,763,529.42 calculated as follows: 139,857 total unique meal break violations
15 (based on 1 meal break violation per workweek) x \$34.06 (average hourly rate of pay for the Class).
16 However, given Defendant’s contentions, Class Counsel applied a 70% discount making for an
17 adjusted realistic exposure of **\$1,429,058.83** for Defendant.

18 55. Rest Breaks: Plaintiff also contends that Defendant did not provide Class Members with
19 paid 10-minute rest breaks for every four hours or a major fraction thereof. Plaintiff contends that
20 Class Members consistently worked in excess of consecutive four-hour shifts and were entitled to
21 paid rest breaks of not less than ten minutes for each consecutive four-hour shift but were required
22 to work through their rest breaks during their shifts due to heavy work demands from Defendant.

23 56. Similar to meal breaks, Defendant contends that Class Members were given a reasonable
24 opportunity to take their rest periods during their shift. Considering that, unlike meal periods, rest
25 breaks need not be recorded, these violations would likely be difficult to prove at trial and potentially
26 depress the damages ultimately awarded. Therefore, Class Counsel applied significant and
27 appropriate discounts to the rest break claim.

28

57. Plaintiff estimated Defendant's maximum total exposure on the rest break claim at approximately \$4,763,529.42 calculated as follows: 139,857 total unique meal break violations (based on 1 meal break violation per workweek) x \$34.06 (average hourly rate of pay for the Class). However, given Defendant's contentions and the potential hurdles facing certification of the rest break claim, Class Counsel applied an 70% discount making for an adjusted realistic exposure of **\$1,429,058.83** for Defendant. Owing to the arguments above and the fact that the recording of rest periods is not required, this claim was substantially discounted and was not a major driver of exposure in this case.

Inaccurate Wage Statement Violations:

58. Under Labor Code § 226(a), Plaintiff and the Class are entitled to recover \$50 for initial violations for inaccurate wage statements and \$100 for subsequent violations, up to a maximum of \$4,000 per employee. Plaintiff alleged Defendant issued wage statements to Plaintiffs and Class Members that did not accurately list all hours worked by omitting off-the-clock work and by unlawful rounding and inaccurately listing applicable hourly rates.

59. Defendant challenged Plaintiff's claim for Labor Code § 226(e) penalties, including by arguing they were merely derivative of the other claims that lacked merit, and Plaintiff's failure to prove the underlying claims could result in the dismissal of these derivative claims. Defendant also argued that it did not knowingly and intentionally commit these alleged violations. See, e.g., Labor Code § 226(e) (recovery of penalties requires showing there was "a knowing and intentional failure by an employer").

60. Plaintiff estimated Defendant's maximum exposure on the section 226 claim at approximately \$1,015,300.00 calculated as follows: 20,306 pay periods worked during the relevant period x \$50 per violation with no subsequent violations. After considering Defendant's contentions and the potential class certification issues, Class Counsel discounted this amount by 70% to get an adjusted realistic exposure of **\$304,590.00**.

Failure to Pay Final Wages at Termination or Separation:

61. In allegedly failing to pay Class Members their minimum wages, overtime wages, and premium pay for deficiently provided meal periods and rest breaks, all discussed above, Plaintiff

1 alleged that Defendant willfully failed to pay Class Members all wages due and certain at the time
2 of termination or within seventy-two (72) hours of resignation, as required under Labor Code § 203.

3 62. Section 203 further provides that if an employer willfully fails to pay an employee all
4 wages due at termination or within 72 hours of resignation, then that employee's wages will continue
5 as a penalty until paid for a period of up to 30 days from the date they were due. Because Class
6 Members stopped working for Defendant but were allegedly not paid their full compensation for the
7 reasons discussed above, Class Members did not receive all wages due upon termination of
8 employment.

9 63. Defendant challenged this claim under Labor Code § 203 with several arguments,
10 including that this claim is merely derivative of the other claims that lacked merit and that under
11 Labor Code § 203, employers are only obligated to pay waiting-time penalties if they "willfully"
12 fail to pay wages due and owing at the time of termination or resignation. As Title 8, California
13 Code of Regulations, § 13520 states: "A willful failure to pay wages within the meaning of Labor
14 Code Section 203 occurs when an employer intentionally fails to pay wages to an employee when
15 those wages are due. However, a good faith dispute that any wages are due will preclude imposition
16 of waiting time penalties under Section 203." Defendant argued that their good faith disputes and
17 lack of willfulness would excuse its violations. Defendant maintained that because they had viable
18 defenses in both law and fact, such penalties were subject to a three-year limitations period under
19 Labor Code § 203(b).

20 64. Plaintiff estimated Defendant's maximum total exposure on the section 203 claim at
21 approximately \$4,904,640.00 calculated as follows: 600 terminated employees during the relevant
22 period x 30 days x \$34.06 average hourly rate per year x 8 hours per work day. Given the foregoing
23 arguments, Class Counsel discounted this amount by 70% to get an adjusted realistic exposure of
24 **\$1,471,392.00.**

25 Failure to Reimburse for Necessary Business Expenditures:

26 65. Under Labor Code § 22802(a) Defendant must indemnify Plaintiff and Class Members
27 for all necessary expenditures or losses incurred in direct consequence of the discharge of their
28 duties. As discussed above, Plaintiff alleged Plaintiff and Class Members were also required to

1 incur business expenses in the course of performing their job duties which Defendant failed to
2 reimburse. These included the cell phone-related expenses Plaintiff incurred in responding to calls
3 from managers and in accessing the internet as required for research and the like. Defendant
4 maintained that Plaintiff and Class Members were not required to use their personal cell phones or
5 personal computers to perform their job duties and were advised to seek reimbursement if they were
6 required to use their own personal devices. Defendant contends that individualized issues relating
7 to this claim would preclude class certification.

8 66. Plaintiff estimated Defendant's total exposure on the unreimbursed business expenses
9 claim at approximately \$23,500.00 (\$10 x 2,350 Class Members). However, given Defendant's
10 contentions and reimbursement policy and the potential for the need for individualized inquiries
11 making class certification of this claim difficult, Class Counsel believed that this claim provided
12 little to no realistic exposure for Defendant and therefore did not attribute any value to this claim.

13 PAGA Penalties:

14 67. The Labor Code Private Attorneys General Act, Labor Code § 2698 et seq., allows
15 Plaintiff to obtain civil penalties on behalf of himself and other aggrieved employees for
16 Defendant's violation of any provision of the Labor Code enumerated under Labor Code § 2699.5.
17 Where civil penalties are provided in the statute, those civil penalties are recoverable; where no civil
18 penalties are recoverable, Labor Code § 2699(f) establishes civil penalties of one (\$100) for each
19 aggrieved employee per pay period for the initial violation and two hundred dollars (\$200) for each
20 aggrieved employee per pay period for each subsequent violation. Pursuant to Labor Code § 2699(i),
21 seventy-five percent (75%) of the penalties recovered must be allocated to the Labor and Workforce
22 Development Agency (LWDA), with the remaining twenty-five percent (25%) allocated to the
23 affected employees. The limitation period for all penalties is one year prior to the filing of the
24 complaint.

25 68. The provisions of the Labor Code potentially triggering PAGA penalties in this case
26 include but are not limited to Labor Code §§ 203, 226(a), 226.3, 226.7, 510, and 1194. PAGA
27 penalties are not mandatory and are instead permissive. Labor Code § 2699(e)(2) states that "a court
28 may award a lesser amount than the maximum civil penalty amount specified by this part if, based

1 on the facts and circumstances of the particular case, to do otherwise would result in an award that
2 is unjust, arbitrary and oppressive, or confiscatory.” See *Thurman v. Bayshore* (2012) 203 Cal. App.
3 4th 1112 (substantially reducing PAGA penalties by 30% under this provision). Defendant contested
4 Plaintiffs’ claim for PAGA penalties.

5 69. PAGA penalties are also derivative of each and every other claim, and Defendant argued
6 the PAGA claims would be subject to the same defenses as the underlying claims, as well as
7 additional equitable defenses, including substantial compliance. Finally, under *Amaral v. Cintas*
8 *Corp.* (2008) 163 Cal.App.4th 1157, Defendant asserted that penalties under PAGA could, at best,
9 be awarded only at the rates obtainable for initial violations under the applicable statutes, because
10 Defendant has never been notified of the alleged violations. *Id.* at 1208-1209. Defendant also
11 contends that even if Plaintiff and Class Members could establish Labor Code violations, the Court
12 has the discretion to award less than the maximum civil penalty amount and would award
13 substantially less civil penalties here because Defendant acted in good faith to comply with the
14 relevant wage and hour laws and any violations were minor and technical in nature. Defendant also
15 contends that trial of the PAGA claim would be unmanageable.

16 70. Plaintiff estimated Defendant’s maximum total exposure on PAGA claims at
17 approximately \$2,030,600.00 (20,306 PAGA Pay Periods x \$100). However, Class Counsel also
18 estimated any PAGA recovery would be substantially reduced and applied discounts in light of the
19 countervailing arguments with regard to the primary causes of action and the Court’s power to award
20 “a lesser amount than the maximum civil liability.” Class Counsel applied a 70% discount to the
21 PAGA claim to get a total realistic exposure of **\$609,180.00** but still believed that this amount was
22 too high given Defendant’s contentions. The PAGA allocation agreed upon by the Parties therefore
23 was \$130,000.00, subject to the Court’s final approval.

24 Unfair Business Practices:

25 71. Plaintiff pled this cause of action to augment their other causes of action and aid in their
26 prosecution. Business & Professions Code § 17208 extends the statute of limitations on Plaintiff’s
27 wage claims, which qualify as unfair business practices, to four years rather than the three years
28 provided by statute.

Summary

72. The foregoing discussion establishes the adequacy of the Settlement amount in light of the merits of Plaintiff's case and establishes the fairness of the class-action settlement in the instant case, including by analyzing it in light of the *Clark* and *Kullar* decisions. It does so by explaining the legal basis for each of Plaintiff's causes of action, summarizing the evidence that Class Counsel gathered in support of those causes of action, and relating to Defendant's legal and factual arguments that worked to detract from the strength of Plaintiff's case.

73. Class Counsel applied reasonable and justified discounts, considering the facts and legal contexts outlined above. These substantial discounts were necessary, especially considering Defendant's ability to pay a significant settlement or judgment, which was a critical factor in the decision-making process for the Settlement and payment plan.² In addition, Defendant argued that given Defendant's written policies and practices and that unrecorded hours are likely subject to individualized inquiry, the certification of all Class Members was less than a certainty. This Settlement, like most others, was the product of compromise. As addressed above, Plaintiff estimated that Defendant faced approximately \$5,838,723.39. in total realistic exposure on Plaintiff's main claims. The Gross Settlement Amount of \$1,300,000.00, therefore, represents a recovery for the Class Members of approximately **22.27%** of the total realistic exposure Plaintiff estimated Defendant could face on these class-wide claims. Class Counsel submits that this is an optimal result for the Class in light of Defendant's limited ability to pay any significant judgment.

Class Representative Service Award is Fair and Reasonable

74. Plaintiff spent significant time better apprising himself of his rights, deciding whether remedial action should be taken and how it should be taken, searching for attorneys, and contacting Class Counsel, who spent hours with Plaintiff discussing the case and the law. Plaintiff has provided Class Counsel with information about Defendant, reviewed documents, consulted Class Counsel throughout the litigation, participated in the mediation process, and reviewed and signed the settlement agreement. Plaintiff has diligently, adequately, and fairly represented the Class Members,

² Defendants will be separately filing a Declaration in Support of the Renewed Motion for Preliminary Approval in support of the five-part payment plan.

1 and as a result, Plaintiff is providing a general release and requesting a Class Representative Service
2 Payment of \$10,000.00 for his service in prosecuting this action, subject to Court approval. This
3 sort of payment to a Class representative has been a common feature of settlements negotiated by
4 Class Counsel and routinely approved by courts.

5 75. As a Class Representative, Plaintiff has placed the Class Members' interest above his
6 own, dedicating substantial time and effort to support the case. The willingness to take on the risks
7 and responsibilities of representing the Class Members was instrumental in achieving this outcome
8 calling for the vindication of rights for over two thousand Class Members. Few people want to file
9 lawsuits, especially against their former employers. This aversion was and is especially keen in
10 today's economic climate, where remunerative work has been hard to come by. By suing his former
11 employer, Plaintiff increased the risk of retaliation by prospective employers. Plaintiff has now cost
12 Defendant a substantial sum of money through his courage in vindicating his rights and the rights
13 of past and present workers, and such conduct will not be lost on a prospective employer who has
14 to choose between an applicant who has never sued a prior employer and one who has.

15 76. But Plaintiff did not allow his fear of the potential repercussions of being a class
16 representative deter him from acting for the benefit of Class Members. Quite the contrary, Plaintiff
17 spent a significant amount of time with Class Counsel detailing his knowledge about Defendant's
18 practices, participating in strategy discussions, and staying actively engaged in the process. As such,
19 the Class Representative Service Payment of \$10,000.00 is fair and reasonable given the risks
20 Plaintiff has taken, the tasks he had to perform, and the time he invested, all for the benefit that the
21 Class Members will receive from the Settlement.

22 **Proposed Class Notice Provides Adequate Notice**

23 77. The notification procedure set out in the Settlement Agreement provides the greatest
24 likelihood that each and every Class Member will receive the Class Notice, attached to the
25 Settlement Agreement as Exhibit A. Under the Settlement, Defendant will deliver the Class Data to
26 the Settlement Administrator not later than twenty (20) calendar days after the Court grants
27 Preliminary Approval of the stipulated Settlement. (Exhibit 1, Settlement Agreement, ¶ 4.2.) The
28 Settlement Administrator will mail the Class Notice to all Class Members no event later than 14

(fourteen) days after receiving the Class Data via USPS mail. (Exhibit 1, Settlement Agreement, ¶ 7.4.2.)

78. Any Class Notices returned to the Administrator as non-delivered on or before the Response Deadline must be re-mailed to the Class Notice using any forwarding address provided by the USPS. (Exhibit 1, Settlement Agreement, ¶ 7.4.2.) Any Class Notices returned to the Administrator as non-delivered on or before the Response Deadline must be re-mailed to the Class Notice using any forwarding address provided by the USPS. (Exhibit 1, Settlement Agreement, ¶ 7.4.3) If no forwarding address is provided, the Administrator will promptly attempt to determine a correct address by lawful use of skip-tracing, or other search using the name, address, and/or Social Security number of the Class Member involved, and the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. (Exhibit 1, Settlement Agreement, ¶ 7.4.3.) The Class Notice will be mailed to each Class Member whose Class Notice is returned to the Administrator within (5) calendar days of the initial mailing of the Class Notices by the Administrator, or other such notice as ordered by the Court. (*Id.*) This procedure for providing notice is the best and most practicable way to ensure the greatest possible number of Class Members will receive the Class Notice. (*Id.*)

79. The Class Notice itself fully apprises Class Members of the nature of the lawsuit, the claims involved, the terms of the settlement, and their options thereunder. (Exhibit 1, Settlement Agreement, Exhibit A, Class Notice.) The Class Notice provides each Class Member's estimate of the amount of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member and the number of Workweeks and PAGA pay periods used to calculate these amounts. (Exhibit 1, Settlement Agreement, ¶ 7.4.2.) The Class Notice includes a summary of the case and settlement terms and provides Class Members with detailed instructions on how to exclude themselves, object to the settlement, and dispute the number of Workweeks and/or PAGA ay periods attributed to each Class Member per Defendant's records. (*Id.*) In the Class Notice, Class Members will also receive Class Counsel's contact information so they can speak to attorneys conversant with the legal and factual issues involved in this case, as well as the contact information for the Settlement

1 Administrator. The efforts taken to ensure that Class Members receive the Class Notice and are well
2 informed about the settlement are reasonable and provide the best notice practicable under the facts.

3 **Qualifications and Adequacy of Class Counsel**

4 80. D.Law (formerly known as Davtyan Law Firm) prosecutes wage and hour cases,
5 including class actions and PAGA actions on behalf of employees and others who have had their
6 rights violated. D.Law, either on its own or with co-counsel, is currently serving as plaintiffs'
7 counsel of record in numerous wage and hour and employment class action and PAGA action cases
8 pending in both state and federal court.

9 81. D.Law is well-qualified and has ample experience, knowledge, and resources to act as
10 counsel and represent Plaintiff and the putative Class and PAGA Employees in this action. Our
11 practice is exclusively focused on employment matters and representing plaintiffs in wage and hour
12 actions with the same or similar causes of actions brought forth in the matter pending before this
13 Court.

14 82. D.Law has litigated and successfully resolved many wage and hour class action cases
15 involving failure to pay wages and derivative Labor Code claims and penalties. See e.g. De La Rosa
16 v. The Coca Cola Company et al. (Superior Court of California in Napa, 17CV000787), Harvey v.
17 Bed Bath & Beyond of California Limited Liability Company (Superior Court of California in
18 Alameda, RG17885153), Paredes v. Bottling Group LLC et. al. (Superior Court of California in
19 Kern), Ramirez v. Harris Ranch Beef Company (Superior Court of California in Fresno,
20 16CECG04103), Gates v. Gate Gourmet, Inc. et. al. (Southern District of California, 16-cv-01084-
21 L-AGS), Hargrave v. Antelope Valley Hospital (Superior Court of California in Los Angeles,
22 BC663252), Ramirez v. Milton Roy et. al. (Superior Court of California in Los Angeles, BC 632
23 276), Hawkins v. AvalonBay Communities (Superior Court of California in Santa Clara,
24 17CV316492), Jones Tharpe et al. v. Sprint Corporation et al. (Superior Court of California in Los
25 Angeles, BC644645), Ortega et al. v. Nestle Waters North America, Inc. et al. (Superior Court of
26 California in Los Angeles, BC623610), Schultz v. Jimbo's Natural Family, Inc. (Superior Court of
27 California in San Diego, 37-2017-00022348-CUE-OE-CTL), Ambrose v. Victor Valley Global et
28 al. (Superior Court of California in San Bernardino, CIVDS1709289), Puerta-Gildardo v. Real Time

1 Staffing Services LLC et. al. (Superior Court of California in Los Angeles, BC565445), Vargo v.
2 Pregis Innovative Packaging LLC (Superior Court of California in Tulare, 270836), Conlin v. Aegis
3 Senior Communities LLC (Northern District of California, 17-cv-05534-LHK), Galarza v.
4 Kloeckner Metals Corporation (Central District of California, 2:17-cv-04910-FMO), Estes v. L3
5 Technologies, Inc. et al. (Southern District of California, 3:17-cv-02356-H-JMA), Rowser v. Trunk
6 Club, Inc. (Central District of California, 2:17-cv-05064-DSF-RAO), Leach v. The Claremont
7 Colleges, Inc. (Superior Court of California in Los Angeles, BC686451), Vaesau v. PCT
8 Enterprises, Inc. dba Precision Cabinets (Superior Court of California, County of Contra Costa
9 MSC18-02404), Terry v. TF Louderback, Inc. dba Bay Area Beverage Company (Superior Court
10 of the State of California, County of Contra Costa, MSC18-00859), Roach v. Westcare California,
11 Inc. (Superior Court of California in Kern County, BCV-17-102367-SDS), Patton v. Church &
12 Dwight Co., Inc. (Central District of California, EDCV 18-903-MWF (KKx)), Juarez v. ISL
13 Employees, Inc. (Superior Court of California in Madera, MCV074787), Ferraro v. USC Verdugo
14 Hill s Hospital, et al. (Superior Court of California in Los Angeles, 18STCV09463), Ford v. Account
15 Control Technology, Inc., et al. (Superior Court of California in Los Angeles, 19STCV09369),
16 Ornelas v. iStorage, et al. (Superior Court of California in San Francisco, CGC-18-571421),
17 Martinez v. Ronpak, Inc. (Superior Court of California in Riverside, RIC1901307), Barrera et al. v.
18 Exclusive Wireless, Inc. (Superior Court of California in Stanislaus, 9000687), Barajas v. Mancha
19 Development Company LLC (Superior Court of California in Orange County, 30-2018-00974707-
20 CU-OE-CXC), Prado v. IMAX Corporation dba IMAC Worldwide Home (Superior Court of
21 California in San Bernardino, CIVDS1820265), Rodriguez v. ND Industries, Inc. (Superior Court
22 of California in Los Angeles, 19STCV38096), Singletary v. Motel 6 Operating LP, et al. (Southern
23 District of California, 3:20-cv-0270-LAB-AHG), Quizon v. CF Watsonville East, LLC, et al.
24 (Superior Court of California in Santa Cruz, 20CV01868), Stephenson v. Bakersfield Dodge, Inc.
25 (Superior Court of California in Kern, BCV-20-102693), Bacerra v. Hugo Boss Retail, Inc.
26 (Superior Court of California in San Diego, 37-2021-00002933-CU-OE-CTL), Walker v. Ariat
27 International, Inc. (Superior Court of California in Alameda, HG19026439), Orr v. Petvet Care
28 Centers (California) Inc. (Superior Court of California in Santa Clara, 19CV354063), Jimenez v.

1 OEC Distribution Services, Inc. (Superior Court of California in San Bernardino, CIVDS1915743),
2 Viridi v. Absolute Security International (Superior Court of California in San Bernardino, CIVDS
3 1909589), Raj v. First Transit, Inc (Superior Court of California in Sacramento, 34-2021-00295895-
4 CU-OE-GDS), Marchbanks v. Torrid Administration, Inc. (Superior Court of California in San
5 Diego, 37-2020-00008179-CU-OE-NC), among others.

6 83. I am Senior Counsel at D.Law where I manage the class action and PAGA settlement
7 department. I was admitted to the California Bar in December 2008. I received my J.D. from
8 Pepperdine University School of Law and B.S. from the University of Southern California. Since
9 graduating from law school, I have dedicated virtually my entire career on the practice of
10 employment law. I have practiced employment law from the plaintiff's side, from the defense side,
11 and from an in-house position. I have significant experience specifically working on wage and hour
12 class actions from the plaintiff's side as well as the defense side, with the majority of my experience
13 coming from the plaintiff's side.

14 84. The collective experience of the D.Law attorneys in litigating employment wage and hour
15 matters has been integral in identifying legal issues, evaluating the strengths and weaknesses of a
16 case, and generally negotiating fair and reasonable class and representative action settlements.
17 Practice in the narrow field of wage and hour litigation requires skill and knowledge concerning the
18 constantly evolving substantive law (state and federal), as well as the procedural law of class and
19 representative action litigation. In this action, the attorneys at D.Law are fully equipped to use the
20 skills and knowledge developed over decades of prosecuting and defending wage and hour class
21 actions to fairly and adequately represent the interests of the Class Members and PAGA Employees.
22 Therefore, based on our resources, experience, and knowledge, the attorneys at D.Law are well-
23 qualified to act as class counsel and represent the Plaintiff and the putative Class Members and
24 PAGA Employees in this action.

25 85. We understand the responsibilities owed as counsel to the class members and aggrieved
26 employees we represent. The attorneys at D.Law thoroughly investigated the claims asserted in this
27 action and have remained committed to dedicating the resources necessary to represent the Class
28 Members and vigorously pursue their claims. Based upon my experience and understanding of the

1 claims and defenses in this action, I believe the Settlement is fair, adequate, and reasonable for the
2 Settlement Class Members and PAGA Employees and all involved, and that the Settlement is well
3 within the range of reasonableness that would permit it to be finally approved. I am not aware of
4 any conflict of interest with Plaintiff or any other Class Member that would interfere with the duties
5 as Class Counsel.

6 **The Requested Class Counsel Fees Payment is Reasonable**

7 86. Class Counsel's lodestar calculation supports the requested attorneys' fees. The lodestar
8 calculation typically proceeds in three steps. First, a trial court must determine a baseline guide or
9 "lodestar" figure based on the time spent and reasonable hourly compensation for each attorney
10 involved in the case. *Serrano v. Priest* (1975) 20 Cal.3d 25, 48. The court then sets a reasonable
11 hourly fee to apply to the time expended, with reference to the prevailing rates in the geographical
12 area in which the action is pending. *Bihun v. AT&T Information System* (1993) 13 Cal.App.4th 976,
13 997. Finally, a "multiplier" is selected with reference to the following factors: (1) the novelty and
14 difficulty of issues involved, (2) the skill displayed in presenting them, (3) the extent to which the
15 nature of the litigation precluded other employment by the attorneys, and (4) the contingent nature
16 of the fee award owing to the uncertainty of prevailing on the merits and of establishing eligibility
17 for the award. *Serrano*, supra, 20 Cal.App.3d at 49.

18 87. Class Counsel charges rates commensurate with the prevailing market rates in the Los
19 Angeles area for attorneys of comparable experience and skill handling complex litigation. The
20 reasonableness of Class Counsel's hourly rates has been cited and approved by judges in recent
21 actions. The rates approved in these orders, while being approved for Los Angeles County, are also
22 commensurate with the prevailing market rates in these counties. (*Id.*; **Exhibit 4** (the "Laffey
23 Matrix")). Moreover, the Laffey Matrix rates have been held to be reasonable market rates when
24 locally adjusted for inflation. *Syers Properties III, Inc. v. Rankin* (2014) 226 Cal.App.4th 691. For
25 this reason, the Court should approve the rates of Class Counsel as reasonable in conjunction with
26 awarding the requested fees and any lodestar calculations it makes when evaluating the request.

27 88. Moreover, the *Serrano* factors all militate in favor of the requested fee award. This case
28 raised a number of complex and contested issues, and Class Counsel exhibited skill and creativity

1 in prosecuting and presenting them. This case was not straightforward. Class Counsel had to spend
2 time researching and analyzing each of these claims and issues in order to adequately assess the
3 liability of Defendant. Class Counsel then had to develop the evidence necessary through informal
4 discovery to establish Defendant's potential liability. This was done through carefully sifting
5 through hundreds of pages of documents.

6 89. In sum, Class Counsel had to come up with creative approaches to these issues in
7 litigating the case and, ultimately, negotiating and crafting the settlement. To this end, Class Counsel
8 has devoted a tremendous amount of time and energy. This time commitment was necessary in order
9 to research, construct, and prosecute viable legal claims in the face of stiff opposition, but it has
10 come at a cost. Class Counsel zealously represented Plaintiff and the Class and has obtained a
11 favorable result.

12 90. Such is not always the case. Indeed, Class Counsel has invested time and money into
13 numerous other cases, including class actions, which have fizzled out for one reason or another,
14 leaving Class Counsel completely without any compensation for their effort. Here, Class Counsel
15 has achieved a beneficial settlement for the class, but this was by no means a foregone conclusion;
16 indeed, their efforts might well have been frustrated by any number of obstacles with which they
17 were presented along the way. Nor could class certification be guaranteed. However, Class Counsel
18 was able to navigate the shoals of unpredictability to achieve a desirable result and have done so
19 without receiving any compensation to speak of thus far because they took this case on a
20 contingency-fee-basis.

21 91. From the foregoing analysis, Class Counsel's requested attorneys' fees are fair and
22 reasonable. Class Counsel conservatively estimates that it invested over 198.70 hours of attorney
23 time in this matter. Senior Attorney Enoch Kim invested approximately 30.00 hours for a total of
24 \$22,500.00 in attorneys' fees ($\$750/\text{hr} \times 30 \text{ hours} = \$22,500.00$). Senior Attorney Alvin B. Lindsay
25 invested approximately 39.10 hours for a total of \$31,280.00 ($\$800/\text{hr} \times 39.10 \text{ hours} = \$31,280.00$).
26 Associate Attorney Jean Power invested approximately 46.10 hours for a total of \$25,355.00 in
27 attorneys' fees ($\$550/\text{hr} \times 46.10 \text{ hours} = \$25,355.00$). Associate Attorney Melissa Rodriguez
28 invested approximately 42 hours for a total of \$16,800.00 in attorneys' fees ($\$400/\text{hr} \times 42 \text{ hours} =$

1 \$16,800.00). Former Senior Associate Samantha Smith incurred approximately 31.5 hours for a
2 total of \$22,050.00 in attorneys' fees (\$700/hr x 31.5 hours = \$22,050.00). Managing Attorney
3 David Yeremian invested at least 10 hours for a total of \$8,500.00 (\$850/hr x 10 hours = \$8,500.00).
4 Therefore, Class Counsel has collectively incurred at least 198.70 hours and \$126,485.00 in fees.

5 92. Class Multipliers routinely range from 3 to 5, and it is not uncommon that multipliers of
6 between 5 and 10, or higher, are applied. See, e.g., *Wilson v. Bank of Am. Natl. Trust & Savs. Assn.*,
7 No. 643872 (Cal. Sup.Ct., Aug. 16, 1982) (multiplier of 10); *Glendora Comm. Redev. Agency v.*
8 *Demeter* (1984) 155 Cal.App.3d 456, 465 (affirming multiplier of 12, and expressly rejecting the
9 argument that fee was either exorbitant or unconscionable). The fee request of \$433,333.33 results
10 in a modest multiplier of approximately 3.42, which further evidences the reasonableness of the
11 request.

12 93. Class Counsel has incurred substantial hours in prosecuting this action on a contingency
13 basis and will not receive any compensation for their efforts until recovery is obtained for the Class.
14 In addition, Class Counsel's efforts in reaching the Settlement on behalf of the Class will confer a
15 significant benefit to the Class. As such, the requested Class Counsel Award for attorneys' fees and
16 is reasonable.

17 **The Requested Class Counsel Litigation Expenses Payment Is Reasonable**

18 94. The Settlement provides for the reimbursement of up to \$20,000.00 for Class Counsel's
19 costs. As of the date of the filing of this motion, the actual total costs incurred in litigating this
20 Action for Class Counsel are \$15,318.16. Class Counsel's Cost Log is attached as **Exhibit 5** hereto.
21 Class Counsel incurred costs including, but not limited to, filing fees (e.g. complaint, stipulation,
22 motions), service of process, mediation fees, expert analysis fees, attorney-service costs for court
23 filings, copy charges for documents, and postage charges, all of which were necessarily and
24 reasonably incurred to prosecute this Action and achieve a settlement that significantly benefits the
25 Class.

26 95. I am not aware of any class or other representative action in any other court that asserts
27 claims similar to those alleged in the action being settled.

28 I declare under penalty of perjury under the laws of the State of California that the

1 foregoing is true and correct.

2 Executed this 9th day of June 2025 in Glendale, California

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Enoch J. Kim

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EXHIBIT 1

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Attorneys for Plaintiff Raul Ibarra,
on behalf of himself and all others similarly situated

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN FRANCISCO**

RAUL IBARRA, an individual, on behalf of
herself and others similarly situated,

Plaintiff,

vs.

STEPHENS INSTITUTE, a California
corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No. CGC-23-607667

Assigned for All Purposes To:
Hon. Andrew Y.S. Cheng
Dept.: 613

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT**

Original Complaint filed: July 14, 2023
First Amended Complaint: September 18, 2023
Trial Date: None set

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Attorneys for Defendant Stephens Institute

1 This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and
2 between plaintiff Raul Ibarra (“Plaintiff”) and Stephens Institute (“Defendant”). The Agreement
3 refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

4 1. **DEFINITIONS.**

5 1.1 “Action” means the Plaintiff’s lawsuits alleging wage and hour violations against
6 Defendant captioned *Raul Ibarra v. Stephen’s Institute*, No. CGC-23-607667, filed on July 14,
7 2023, in San Francisco County Superior Court.

8 1.2 “Administrator” means APEX Class Action the neutral entity the Parties have agreed to
9 appoint to administer the Settlement.

10 1.3 “Administration Costs” means the amount the Administrator will be paid from the Gross
11 Settlement Amount to reimburse its reasonable fees and expenses in accordance with the
12 Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary
13 Approval of the Settlement.

14 1.4 “Aggrieved Employee” or “PAGA Representative Action Members” means all current
15 and former non-exempt, hourly employees of Defendant who worked in California at any time
16 during the PAGA Period.

17 1.5 “Class” means all current and former non-exempt, hourly employees of Defendant who
18 worked in California at any time during the Class Period.

19 1.6 “Class Counsel” means D.LAW, INC.

20 1.7 “Class Counsel Fees Payment” means an award of attorneys’ fees granted to Class
21 Counsel and paid from the Gross Settlement Amount. The Parties have agreed Plaintiff will
22 request approval from the Court of up to One-Third (1/3) of the GSA or \$433,333.33 (Four
23 Hundred Thirty-Three Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents).

24 1.8 “Class Counsel Litigation Expenses Payment” means the amount allocated to Class
25 Counsel for reimbursement of reasonable expenses and costs incurred to prosecute the Action,
26 not to exceed \$20,000.00 (Twenty Thousand Dollars and Zero Cents), and paid from the Gross
27 Settlement Amount.
28

1 1.9 “Class Data” means Class Member identifying information in Defendant’s possession
2 including the Class Member’s name, last-known mailing address, Social Security number, and
3 number of Class Period Workweeks and PAGA Pay Periods, according to Defendant’s best
4 records reasonably available, including reasonable extrapolation. (The Parties agree that for
5 administrative efficiency in determining individual payment allocation only, PAGA Pay Periods
6 may be determined by using Workweeks within the PAGA Period divided by two and round up
7 to the next whole number.)

8 1.10 “Class Member” or “Settlement Class Member” means a member of the Class, as either
9 a Participating Class Member or Non-Participating Class Member (including a Non-Participating
10 Class Member who qualifies as an Aggrieved Employee).

11 1.11 “Class Member Address Search” means the Administrator’s investigation and search for
12 current Class Member mailing addresses using all reasonably available sources, methods, and
13 means including, but not limited to, the National Change of Address database, skip traces, and
14 direct contact by the Administrator with Class Members.

15 1.12 “Class Notice” means the Court approved Notice of Settlement and hearing date for
16 Final Approval, to be mailed to Class Members in English with a Spanish translation in the form,
17 without material variation, attached as Exhibit A and incorporated by reference into this
18 Agreement.

19 1.13 “Class Period” or “Class Settlement Period” means the period from July 14, 2019,
20 through the day the Court grant’s preliminary approval of the Settlement.

21 1.14 “Class Representative” means the named Plaintiff Raul Ibarra, in the Action seeking
22 Court approval to serve as a Class Representative.

23 1.15 “Class Representative Service Payment” or “Enhancement Award” means the payment
24 to the Class Representative for initiating the Action and providing services in support of the
25 Action.

26 1.16 “Court” means the Superior Court of California, County of San Francisco.

27 1.17 “Defendant” means named Defendant The Stephens Institute d/b/a/ Academy of Art
28 University.

1.18 “Defense Counsel” means Littler Mendelson, P.C.

1.19 “Effective Date” means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (1) if no timely appeal is filed, then the date on which the date for filing such appeal has passed; or (2) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.20 “Final Approval” means the Court’s order granting final approval of the Settlement.

1.21 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.22 “Final Judgment” means the Judgment entered by the Court upon granting Final Approval of the Settlement.

1.23 “Gross Settlement Amount” or “GSA” means \$1,300,000.00 (One Million Three Hundred Thousand Dollars with Zero Cents), which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 9 below.

1.24 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.25 “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.

1.26 “Judgment” means the judgment entered by the Court based upon the Final Approval.

1.27 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.28 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.29 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Penalties, Class Representative Service

1 Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the
2 Administration Costs.

3 1.30 “Non-Participating Class Member” means any Class Member who opts out of the
4 Settlement by sending the Administrator a valid and timely Request for Exclusion.

5 1.31 “Operative Complaint” means the operative First Amended Complaint filed in the
6 Action on September 18, 2023.

7 1.32 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee
8 worked for Defendant for at least one day during the PAGA Period.

9 1.33 “PAGA Period” means the period from July 14, 2022 through the day the Court grant’s
10 preliminary approval of the Settlement.

11 1.34 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

12 1.35 “PAGA Notice” means Plaintiff’s July 14, 2023 letter to the LWDA and the Defendant
13 providing notice pursuant to Labor Code section 2699.3, subd.(a).

14 1.36 “PAGA Penalties” means the total amount of One Hundred Thirty Thousand Dollars to
15 be paid in settlement of the claims for PAGA civil penalties in this action, to be paid from the
16 Gross Settlement Amount (\$130,000.00), allocated 25% to the Aggrieved Employees
17 (\$32,500.00) and 75% to LWDA (\$97,500.00) in settlement of PAGA claims.

18 1.37 “Participating Class Member” means a Class Member who does not submit a valid and
19 timely Request for Exclusion from the Settlement.

20 1.38 “Plaintiff” means Raul Ibarra, the named plaintiff in the Action.

21 1.39 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the
22 Settlement.

23 1.40 “Release Effective Date” means the date Plaintiff, Class Members, and Class Counsel
24 release all claims against Defendant and the Released Parties, and more specifically upon both
25 the Effective Date of the Settlement and the date upon which the GSA is fully funded (“Fully
26 Funded Date”).

27 1.41 “Released Class Claims” means the claims being released as described in Paragraph 5.2
28 below.

1.42 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.

1.43 “Released Parties” means: Defendant; its present, former, or future parent and/or subsidiary corporations; each of the foregoing’s present, former, or future: owners, officers, members, directors, shareholders, partners, employees, insurers, successors, predecessors, contractors, assigns, and managing agents; and any and all agents, legal representatives, and/or attorneys of all of the foregoing entities or individuals.

1.44 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.45 “Response Deadline” means forty-five (45) days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

1.46 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.47 “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. **RECITALS.**

2.1 On July 14, 2023, Plaintiff commenced a Class Action by filing a complaint alleging causes of action against Defendant for (1) Failure to Pay Minimum Wages and for All Hours Worked; (2) Failure to Pay Wages and Overtime Under Labor Code § 510; (3) Meal Period Liability Under Labor Code § 226.7; (4) Rest-Break Liability Under Labor Code § 226.7; (5) Violation of Labor Code § 226(a); (6) Violation of Labor Code § 221; (7) Violation of Labor Code § 204; (8) Violation of Labor Code § 203; (9) Failure to Maintain Records Required under Labor Code §§ 1174, 1174.5; (10) Failure to Produce Requested Records, Labor Code §§ 226 and 1198.5; (11) Failure to Reimburse Necessary Business Expenses Under Labor Code § 2802; (12)

1 Violation of Business & Professions Code § 17200 *et seq.* Simultaneously, on July 14, 2023, and
2 pursuant to Labor Code §2699.3, subd.(a), Plaintiff gave timely notice to the LWDA and
3 Defendant that Plaintiff intended to proceed with a representative action under PAGA (LWDA-
4 CM-968289-23). On September 18, 2023, after the 65-day statutory period passed, Plaintiff filed
5 his First Amended Complaint, which added claims for penalties under PAGA, Labor Code §2698.

6 2.2 Defendant denies the allegations in the Operative Complaint, denies any failure to
7 comply with the laws identified in the Operative Complaint, and denies any and all liability for
8 the causes of action alleged.

9 2.3 On April 29, 2024, the Parties participated in an all-day mediation presided over by
10 Mediator Tripper Ortman and were able to reach an agreement on general settlement terms. The
11 Parties memorialized their agreement in a Memorandum of Understanding on May 1, 2024.

12 2.4 In advance of mediation, Class Counsel conducted a thorough investigation into the facts
13 of, and applicable law to, the Action, including speaking to current and former employees of
14 Defendant regarding Defendant's employment policies and practices. Prior to mediation, Plaintiff
15 also obtained and analyzed a representative sampling of time and payroll data for Class Members
16 and the necessary policy documents through informal discovery to properly evaluate the strengths
17 and weakness of the claims and engage in meaningful settlement discussions. Plaintiff's
18 investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot*
19 *Locker Retail, Inc.*, 48 Cal.App.4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168
20 Cal.App.4th 116, 129-130 (2008) ("*Dunk/Kullar*").

21 2.5 The Court has not granted class certification because the Parties engaged in mediation
22 before any class certification.

23 2.6 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any
24 other pending matter or action asserting claims that will be extinguished or affected by the
25 Settlement.

26 3. **MONETARY TERMS.**

27 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below,
28 Defendant will pay \$1,300,000.00 (One Million Three Hundred Thousand Dollars with Zero

1 Cents) to fully settle, resolve, and extinguish all claims asserted in the Action, including without
2 limitation all claims asserted in the PAGA Notices. The GSA is non-reversionary and does not
3 include employer payroll taxes owed on the wage portions of the Individual Class Payments,
4 which Defendant will pay separately.

5 3.2 Funding of the GSA: The GSA shall be funded by Defendant to the Settlement
6 Administrator in five (5) equal installments of approximately \$260,000 each, due in March and
7 September of each year following the Effective Date until the completion of five (5) payments,
8 with the first payment due in the March or September following the Effective Date. For example,
9 if the Effective Date is reached in February 2025, the first payment would be due on March 31,
10 2025, followed by payments on or before September 30, 2025, March 31, 2026, September 30,
11 2026, and March 31, 2027. If the settlement Effective Date falls in May 2025, however, payments
12 would commence with the first one due on or before September 30, 2025, and the final payment
13 due on or before September 30, 2027. Distribution of funds will occur following the final payment
14 (“Fully Funded Date”). The Administrator will disburse the entire GSA without asking or
15 requiring Participating Class Members or Aggrieved Employees to submit any claim as a
16 condition of payment. No part of the GSA will revert to Defendant.

17 3.3 Payments from the Gross Settlement Amount. Following the Fully Funded Date, the
18 Administrator will make and deduct the following payments from the GSA, in the amounts
19 specified by the Court in the Final Approval:

20 3.3.1 To Plaintiff: A payment for the Class Representative Service Payment to the Class
21 Representative, Raul Ibarra, of not more than \$10,000 (Ten Thousand Dollars) in addition to any
22 Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled
23 to receive as a Participating Class Member. Defendant will not oppose Plaintiff’s request for a
24 Class Representative Service Payment that does not exceed this amount. As part of the motion
25 for the Class Counsel Fees and Litigation Expenses Payments, Plaintiff will seek Court approval
26 for any Class Representative Service Payment no later than 16 (sixteen) court days prior to the
27 Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves a Class
28 Representative Service Payment less than the amount requested, the Administrator will retain the

1 remainder in the Net Settlement Amount to be distributed to Participating Class Members. The
2 Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff
3 assumes full responsibility and liability for employee taxes owed on the Class Representative
4 Service Payment.

5 3.3.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third of the
6 GSA, which is currently estimated to be \$433,333.33 (Four Hundred Thirty-Three Thousand
7 Three Hundred Thirty-Three Dollars and Thirty-Three Cents) and a Class Counsel Litigation
8 Expenses Payment for actual costs, not to exceed \$20,000.00 (Twenty Thousand Dollars and Zero
9 Cents). Defendant will not oppose requests for these payments. Plaintiff and/or Class Counsel
10 will file a motion for Class Counsel Fees and Litigation Expenses Payment no later than 16
11 (sixteen) court days prior to the Final Approval Hearing, or as otherwise ordered by the Court. If
12 the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses
13 Payment less than the amounts requested, the Administrator will allocate the remainder to the Net
14 Settlement Amount for distribution to Participating Class Members. Released Parties shall have
15 no liability to Class Counsel or any other Plaintiff's counsel arising from any claim to any portion
16 of Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The
17 Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment
18 using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for
19 taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses
20 Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or
21 controversy regarding any division or sharing of any of these Payments.

22 3.3.3 To the Administrator: An Administrator Costs Payment not to exceed Seventeen
23 Thousand Five Hundred Dollars (\$17,500) except for a showing of good cause and as approved
24 by the Court. To the extent the Administration Costs are less or the Court approves payment of
25 less than \$17,500, the Administrator will retain the remainder in the Net Settlement Amount to
26 be distributed to Participating Class Members.

27 3.3.4 To Each Participating Class Member: An Individual Class Payment is calculated by
28 (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all

Participating Class Members during the Class Period, and (b) multiplying the result by each individual Participating Class Member's Workweeks.

3.3.4.1 Tax Allocation of Individual Class Payments. 34% of each Participating Class Member's Individual Class Payment will be allocated to the Settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 66% of each Participating Class Member's Individual Class Payment will be allocated to the settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.3.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro-rata basis.

3.3.5 To the LWDA and Aggrieved Employees: An amount to settle the claim for PAGA Penalties in the amount of \$130,000 (One Hundred Thirty Thousand Dollars) to be paid from the Gross Settlement Amount, with 75% (\$97,500.00) allocated to the LWDA PAGA Payment and 25% (\$32,500.00) allocated to the Individual PAGA Payments.

3.3.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties of \$32,500.00 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 individual Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

1
2
3 **4. SETTLEMENT FUNDING AND PAYMENTS.**

4 4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its
5 records at the time of mediation, Defendant represented there are **2,270** Class Members who
6 collectively worked a total of **141,290** Workweeks from July 14, 2019 through April 29, 2024,
7 and **990** Aggrieved Employees who worked a total of **24,562** PAGA Pay Periods from July 14,
8 2022 through April 29, 2024.

9 4.2 Class Data. Not later than twenty (20) days after Defendant is served with the Court's
10 Order granting Preliminary Approval of the Settlement, Defendant will deliver the Class Data to
11 the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members'
12 privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data
13 only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data
14 to Administrator employees who need access to the Class Data to effect and perform under this
15 Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers
16 that the Class Data omitted class member identifying information and to provide corrected or
17 updated Class Data as soon as reasonably feasible. Without any extension of the deadline by
18 which Defendant must send the Class Data to the Administrator, the Parties and their counsel will
19 expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related
20 to missing or omitted Class Data.

21 4.3 Payments from the Gross Settlement Amount. Within 14 (fourteen) days after the Fully
22 Funded Date, the Administrator will mail checks for all Individual Class Payments, all Individual
23 PAGA Payments, the LWDA PAGA Payment, the Administration Costs payment, the Class
24 Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class
25 Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class
26 Counsel Litigation Expenses Payment, and the Class Representative Service Payment shall not
27 precede disbursement of Individual Class Payments and Individual PAGA Payments.
28

1 4.3.1 The Administrator will issue checks for the Individual Class Payments and/or
2 Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail. The
3 face of each check shall prominently state the date (180 days after the date of mailing) when the
4 check will be voided (“Void Date”). The Administrator will cancel all checks not cashed by the
5 Void Date. The Administrator will send checks for Individual Settlement Payments to all
6 Participating Class Members (including those for whom the Class Notice was returned
7 undelivered). The Administrator will send checks for Individual PAGA Payments to all
8 Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved
9 Employees (including those for whom Class Notice was returned undelivered). The Administrator
10 may send Participating Class Members a single check combining the Individual Class Payment
11 and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator
12 must update the recipients’ mailing addresses using the National Change of Address Database.

13 4.3.2 The Administrator must conduct a Class Member Address Search for all other Class
14 Members whose checks are returned undelivered without USPS forwarding address. Within seven
15 (7) days of receiving a returned check, the Administrator must re-mail checks to the USPS
16 forwarding address provided or to an address ascertained through the Class Member Address
17 Search. The Administrator need not take further steps to deliver checks to Class Members whose
18 re-mailed checks are returned as undelivered. The Administrator shall promptly send a
19 replacement check to any Class Member whose original check was lost or misplaced, requested
20 by the Class Member prior to the void date.

21 4.3.3 For any Class Member whose Individual Class Payment check or Individual PAGA
22 Payment check is uncashed and canceled after the void date, the Administrator shall transmit the
23 funds represented by such checks to the California Controller's Unclaimed Property Fund in the
24 name of the Class Member thereby leaving no “unpaid residue” subject to the requirements of
25 California Code of Civil Procedure Section 384, subd. (b).

26 4.3.4 The payment of Individual Class Payments and Individual PAGA Payments shall
27 not obligate Defendant to confer any additional benefits or make any additional payments to Class
28 Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

1 5. **RELEASES OF CLAIMS.** On the Release Effective Date, Plaintiff, Class Members, and
2 Class Counsel will release claims against all Released Parties as follows:

3 5.1 **Plaintiff's Release.** Plaintiff and his respective former and present spouses,
4 representatives, agents, attorneys, heirs, administrators, successors, and assigns generally,
5 releases and discharges Released Parties from all claims, transactions, or occurrences, that
6 occurred during the Class Period, including all claims that were, or reasonably could have been,
7 alleged, based on the facts contained in the Operative Complaint, the PAGA Notice, or ascertained
8 during the Action and released under 5.2, below, and claims under the Fair Employment and
9 Housing Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the
10 California Labor Code, and all equivalent claims under federal law ("Plaintiff's Release").
11 Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any
12 claims for vested benefits, unemployment benefits, disability benefits, social security benefits,
13 workers' compensation benefits that arose at any time, or based on occurrences outside the Class
14 Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in
15 addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless,
16 that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different
17 or additional facts or Plaintiff's discovery of them.

18 5.1.1 **Plaintiff's Waiver of Rights Under California Civil Code Section 1542.** For
19 purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights,
20 and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

25 5.2 **Released Class Claims:** All Participating Class Members, on behalf of themselves and
26 their respective former and present representatives, agents, attorneys, heirs, administrators,
27 successors, and assigns, release the Released Parties from any and all claims, known or unknown,
28 that were asserted in any and/or all of the complaints in the Action and/or any of Plaintiff's letters

1 to the LWDA (including any subsequently amended complaints or letters); and/or any and all
2 claims, known or unknown, that could have been asserted based on any of the factual allegations
3 in the complaints in the Action and/or any of Plaintiff's letters to the LWDA (including any
4 subsequently amended complaints or letters). This includes but is not limited to claims for or
5 related to: pay for all hours worked/compensation due for services; failure to pay wages; failure
6 to pay minimum wages; failure to pay overtime; off-the-clock work; calculation of the regular
7 rate of pay for meal and rest period premium payments; premium payments, meal periods; rest
8 periods; wage statements; payment of wages during employment; payment of wages at
9 termination; maintain and provide accurate and complete records; failure to reimburse for
10 necessary business expenses; sick pay; COVID-19 sick pay; California sick pay; bonus pay, unfair
11 competition related to any or all of the foregoing; any unpaid wages or compensation related to
12 any or all of the foregoing, which are based on the facts alleged in the Action; restitution related
13 to any or all of the foregoing, which are based on the facts alleged in the Action; and any penalties,
14 including statutory or civil penalties, related to any or all of the foregoing. This release includes
15 any and all claims pursuant to: California Labor Code §§ 90.5, 200 et seq., 201, 202, 203, 204,
16 206.5, 210, 218.5, 221, 226, 226.2, 226.3, 226.7, 246, 248 *et. seq.*, 248.1, 248.2, 248.5, 432.5,
17 510, 512, 558, 1174, 1174.5, 1185, 1194, 1194.1, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199 and
18 2802; the Fair Labor Standards Act; California Business & Professions Code § 17200 *et seq.*;
19 California Code of Civil Procedure § 1021.5; and the California Industrial Welfare Commission
20 Wage Orders MW-2014 (collectively, the "Released Class Claims"). The release shall run
21 through the date the court grants preliminary approval of the settlement. Except as set forth in
22 Paragraph 5.3 of this Agreement, Participating Class Members do not release any other claims,
23 including claims for vested benefits, wrongful termination, violation of the Fair Employment and
24 Housing Act, unemployment insurance, disability, social security, workers' compensation, or
25 claims based on facts occurring outside the Class Period.

26 5.3 Released PAGA Claims: All Aggrieved Employees, including Non-Participating Class
27 Members who are Aggrieved Employees, are deemed to release, on behalf of themselves and their
28 respective former and present representatives, agents, attorneys, heirs, administrators, successors,

1 and assigns, the Released Parties from any and all claims, known or unknown, for civil penalties
2 under PAGA that: were asserted in any and/or all of the complaints in the Action and/or any of
3 Plaintiff's letters to the LWDA (including any subsequently amended complaints or letters);
4 and/or any and all claims, known or unknown, that could have been asserted based on any of the
5 factual allegations in the complaints in the Action and/or any of Plaintiff's letters to the LWDA
6 (including any subsequently amended complaints or letters). This release includes, but is not
7 limited to, claims for PAGA penalties premised on: California Labor Code §§ 90.5, 200 et seq.,
8 201, 202, 203, 204, 206.5, 210, 218.5, 221, 226, 226.2, 226.3, 226.7, 246, 248 *et. seq.*, 248.1,
9 248.2, 248.5, 432.5, 510, 512, 558, 1174, 1174.5, 1185, 1194, 1194.1, 1194.2, 1197, 1197.1, 1198,
10 1198.5, 1199, 2802 and 2699; pay for all hours worked/compensation due for services; failure to
11 pay wages; failure to pay minimum wages; failure to pay overtime wages; off the clock work;
12 calculation of the regular rate of pay for meal and rest period premium payments; meal periods;
13 rest periods; wage statements; payment of wages during employment; payment of wages at
14 termination; maintaining and providing accurate and complete records; failure to reimburse for
15 necessary business expenses; sick pay; COVID-19 sick pay; California sick pay; bonus pay;
16 unfair competition related to any or all of the foregoing; any unpaid wages or compensation
17 related to any or all of the foregoing, which are based on the facts alleged in the Action; and any
18 civil penalties, including statutory or civil penalties, related to any or all of the foregoing, which
19 are based on the facts alleged in the Action. ("Released PAGA Claims"). The release shall run
20 through the date the court grants preliminary approval of the settlement. The Parties agree that
21 the doctrines of res judicata, claim preclusion, issue preclusion, primary rights, and collateral
22 estoppel shall fully and broadly apply to Released Claims and the release in this Settlement to the
23 greatest effect and extend permitted by law. As to the release of PAGA claims, it is further agreed
24 that the Released Claims include any claims for civil penalties that could have been investigated
25 by the LWDA within the scope of the PAGA letters submitted by Plaintiffs. To the extend the
26 LWDA has released the PAGA claims in connection with this Settlement, no PAGA
27 Representative Action Member may pursue these same PAGA claims released here in another
28 action. The PAGA Representative Action Members are collaterally estopped from pursuing the

1 PAGA claims released and compromised by the LWDA. After the Court grants final approval of
2 the Class and Representative Action Settlement, Class Counsel will provide the LWDA with a
3 copy of the Judgement which will include the definition of the PAGA Representative Action
4 Members. Each PAGA Representative Action Member will be issued a check for their share of
5 twenty-five percent (25%) of the PAGA allocation and will not have the opportunity to opt out
6 of, or object to, the release of the PAGA claims. The PAGA Representative Action Members are
7 bound by the release of the PAGA claims regardless of whether they cash or deposit their portion
8 of the PAGA allocation or exclude themselves from the class portion of the settlement.

9 5.4 Release Effective Date: Upon both the Effective Date of the Settlement and the Fully
10 Funded Date (i.e. the “Release Effective Date”), all Participating Class Members shall be enjoined
11 from filing, joining or becoming a party, member or representative in any actions, claims,
12 complaints, or proceedings in any state or federal court on an individual, representative, collective
13 or class action basis, or from initiating any other proceedings regarding any of the Released Class
14 Claims identified herein. In addition, upon the Release Effective Date, all eligible Aggrieved
15 Employees shall be enjoined from filing, joining, or becoming a party, member or representative
16 in any actions, claims, complaints, or proceedings in any state or federal court on an individual,
17 representative, collective or class action basis, or from initiating any other proceedings to the
18 extent such actions, claims, complaints, or proceedings are based on the Released PAGA Claims
19 released through this Settlement.

20 6. **MOTION FOR PRELIMINARY APPROVAL**. Plaintiff will prepare and file a motion for
21 preliminary approval (“Motion for Preliminary Approval”).

22 6.1 Defendant’s Statement of Non-Opposition in Support of Preliminary Approval.
23 Defendant may file a Statement of non-opposition in support of preliminary approval to be filed
24 with or after the motion for preliminary approval documents.

25 6.2 Plaintiff’s Responsibilities. Plaintiff will prepare all documents necessary for obtaining
26 Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the
27 Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar*
28 and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2));

(ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (vi) a signed declaration from Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); and (vii) all facts relevant to any actual or potential conflict of interest with Class Members, and/or the Administrator. In their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement. Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven (7) days prior to filing the Motion for Preliminary Approval.

6.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing the Motion for Preliminary Approval. Class Counsel will obtain a prompt hearing date for the Motion for Preliminary Approval, file the Motion for Preliminary Approval no later than 16 (sixteen) court days before the hearing, unless otherwise ordered by the Court, and deliver the Court’s Preliminary Approval Order to the Administrator.

6.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this

Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting 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 APEX Class Action to serve as the Administrator and verified that, as a condition of appointment, the Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Costs. The Parties and their 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 US Treasury Regulation section 468B-1 for the funding of the GSA. Any interest that accrues on the GSA sums paid into the QSF prior to distribution by the Administrator will become part of the NSA for distribution to Participating Class Members.

7.4 Notice to Class Members.

7.4.1 No later than five (5) calendar days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and PAGA Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 (fourteen) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice with Spanish translation substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and

the number of Workweeks and PAGA Pay Periods used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than five (5) calendar days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadlines for Class Members' written objections, challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen days (14) days beyond the forty-five (45) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Defendant, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 (fourteen) days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 45 (forty-five) days after the Administrator mails the Class Notice (plus an additional 14 (fourteen) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion

1 is a letter from a Class Member or his/her representative that reasonably communicates the Class
2 Member's election to be excluded from the Settlement and includes the Class Member's name,
3 address and email address or telephone number. To be valid, a Request for Exclusion must be
4 timely faxed, emailed, or postmarked by the Response Deadline.

5 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails
6 to contain all the information specified in the Class Notice. The Administrator shall accept any
7 Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the
8 person as a Class Member and the Class Member's desire to be excluded. The Administrator's
9 determination shall be final and not appealable or otherwise susceptible to challenge. If the
10 Administrator has reason to question the authenticity of a Request for Exclusion, the
11 Administrator may demand additional proof of the Class Member's identity. The Administrator's
12 determination of authenticity shall be final and not appealable or otherwise susceptible to
13 challenge.

14 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion
15 is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and
16 bound by all terms and conditions of the Settlement, including the Participating Class Members'
17 Releases under paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating
18 Class Member actually receives the Class Notice or objects to the Settlement.

19 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a
20 Non-Participating Class Member and shall not receive an Individual Class Payment or have the
21 right to object to the class action components of the Settlement. Because future PAGA claims are
22 subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who
23 are Aggrieved Employees are deemed to release the Released PAGA Claims identified in
24 Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

25 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 45 (forty-five)
26 days after the Administrator mails the Class Notice (plus an additional 14 (fourteen) days for
27 Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks
28 and PAGA Pay Periods allocated to the Class Member in the Class Notice. The Class Member

1 may challenge the allocation by communicating with the Administrator via fax, email or mail.
2 The Administrator must encourage the challenging Class Member to submit supporting
3 documentation. In the absence of any contrary documentation, the Administrator is entitled to
4 presume that the Workweeks contained in the Class Notice are correct so long as they are
5 consistent with the Class Data. The Administrator's determination of each Class Member's
6 allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise
7 susceptible to challenge. The Administrator shall promptly provide copies of all challenges to the
8 calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the
9 Administrator's determination of the challenges.

10 7.7 Objections to Settlement.

11 7.7.1 Only Participating Class Members may object to the class action components of the
12 Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or
13 amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses
14 Payment and/or Class Representative Service Payment.

15 7.7.2 Participating Class Members may send written objections to the Administrator, by
16 fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire
17 an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A
18 Participating Class Member who elects to send a written objection to the Administrator must do
19 so not later than 45 (forty-five) days after the Administrator's mailing of the Class Notice (plus
20 an additional 14 (fourteen) days for Class Members whose Class Notice was re-mailed).

21 7.7.3 Non-Participating Class Members have no right to object to any of the class action
22 components of the Settlement.

23 7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be
24 performed or observed by the Administrator contained in this Agreement or otherwise.

25 7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish,
26 maintain and use an internet website to post information of interest to Class Members including
27 the date, time and location for the Final Approval Hearing and copies of the Settlement
28 Agreement; Motion for Preliminary Approval; Preliminary Approval Order; Class Notice;

1 Motion for Final Approval; Motion for Class Counsel Fees Payment, Class Counsel Litigation
2 Expenses Payment and Class Representative Service Payment; the Final Approval Order; and the
3 Judgment. The Administrator will also maintain and monitor an email address and a toll-free
4 telephone number to receive Class Member calls, faxes and emails.

5 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
6 promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later
7 than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the
8 Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names
9 and other identifying information of Class Members who have timely submitted valid Requests
10 for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class
11 Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for
12 Exclusion from Settlement submitted (whether valid or invalid).

13 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports
14 to Class Counsel and Defense Counsel that, among other things, tally the number of: Class
15 Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether
16 valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods
17 received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA
18 Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment
19 of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and
20 objections received.

21 7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to
22 address and make final decisions consistent with the terms of this Agreement on all Class Member
23 challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision
24 shall be final and not appealable or otherwise susceptible to challenge.

25 7.8.5 Administrator’s Declaration. Not later than 14 (fourteen) days before the date by
26 which Plaintiff is required to file the Motion for Final Approval of the Settlement, the
27 Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable
28 for filing in Court attesting to its due diligence and compliance with all of its obligations under

1 this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices
2 returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the
3 total number of Requests for Exclusion from Settlement it received (both valid or invalid), the
4 number of written objections and attach the Exclusion List. The Administrator will supplement
5 its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible
6 for filing the Administrator's declaration(s) in Court.

7 7.8.6 Final Report by Settlement Administrator. Within 10 (ten) days after the
8 Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide
9 Class Counsel and Defense Counsel with a final report detailing its disbursements by employee
10 identification number only of all payments made under this Agreement. At least 15 (fifteen) days
11 before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel
12 and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement
13 of all payments required under this Agreement. Class Counsel is responsible for filing the
14 Administrator's declaration in Court.

15 8. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE**. Based on its records,
16 Defendant represented at mediation there are **2,270** Class Members who collectively worked a
17 total of **141,290** Workweeks ("Extrapolated Work Weeks") from July 14, 2019 through April 29,
18 2024. If the actual number of Workweeks during the Class Period exceeds the Extrapolated
19 Workweeks by more than 5% (7,065 workweeks), then the end date for the Class Period and
20 PAGA Period shall be set at the latest date, where the total workweeks do not exceed 148,355
21 workweeks (i.e., 105% of the Extrapolated Workweeks).

22 9. **DEFENDANT'S RIGHT TO WITHDRAW**. If the number of valid Requests for Exclusion
23 identified in the Exclusion List exceeds five percent (5%) of the total of all Class Members,
24 Defendant may, but is not obligated, to elect to withdraw from the Settlement. The Parties agree
25 that, if Defendant withdraws, the Settlement shall be *void ab initio*, have no force or effect
26 whatsoever, and that neither Party will have any further obligation to perform under this
27 Agreement; provided, however, Defendant will remain responsible for paying all Settlement
28 Administration Costs incurred to that point. Defendant must notify Class Counsel and the Court

of its election to withdraw not later than 20 (Twenty) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. **MOTION FOR FINAL APPROVAL**. Not later than 16 (sixteen) court days before the calendared Final Approval Hearing, unless otherwise scheduled by the Court, Plaintiff will file in Court, a Motion for Final Approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l); a Proposed Final Approval Order; and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven (7) days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1 **Response to Objections**. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2 **Duty to Cooperate**. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administrator Costs Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

10.3 **Continuing Jurisdiction of the Court**. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

1 10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
2 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
3 Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective
4 counsel, and all Participating Class Members who did not object to the Settlement as provided in
5 this Agreement, waive all rights to appeal from the Judgment, including all rights to post-
6 judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new
7 trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the
8 right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties'
9 obligations to perform under this Agreement will be suspended until such time as the appeal is
10 finally resolved and the Judgment becomes final, except as to matters that do not affect the amount
11 of the Net Settlement Amount.

12 10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
13 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material
14 modification of this Agreement (including, but not limited to, the scope of release to be granted
15 by Class Members), this Agreement shall be null and void. The Parties shall nevertheless
16 expeditiously work together in good faith to address the appellate court's concerns and to obtain
17 Final Approval and Entry of Judgment, sharing, on a 50-50 basis, any additional Administration
18 Costs reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the
19 Court's award of the Class Representative Service Payment or any payments to Class Counsel
20 shall not constitute a material modification of the Judgment within the meaning of this paragraph,
21 as long as the Gross Settlement Amount remains unchanged.

22 11. **AMENDED JUDGMENT**. If any amended judgment is required under Code of Civil
23 Procedure §384, the Parties will work together in good faith to jointly submit a proposed amended
24 judgment.

25 12. **ADDITIONAL PROVISIONS**.

26 12.1 No Admission of Liability, Class Certification or Representative Manageability for
27 Other Purposes. This Agreement represents a compromise and settlement of highly disputed
28 claims. Nothing in this Agreement is intended or should be construed as an admission by

1 Defendant that any of the allegations in the Operative Complaint has merit or that Defendant has
2 any liability for any claims asserted; nor should it be intended or construed as an admission by
3 Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class
4 certification and representative treatment is for purposes of this Settlement only. If, for any
5 reason, the Court does grant Preliminary Approval, Final Approval, or enter Judgment, Defendant
6 reserves the right to contest certification of any class for any reason, Defendant reserves all
7 available defenses to the claims in the Action, and Plaintiff reserves the right to move for class
8 certification on any grounds available and to contest Defendant's defenses. The Settlement, this
9 Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be
10 admissible in connection with, any litigation (except for proceedings to enforce or effectuate the
11 Settlement and this Agreement).

12 12.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant, and
13 Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement
14 is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit
15 another person to disclose, disseminate or publicize, any of the terms of the Agreement directly
16 or indirectly, specifically or generally, to any person, corporation, association, government
17 agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom
18 will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the
19 extent necessary to report income to appropriate taxing authorities; (4) in response to a court order
20 or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government
21 agency. Each Party agrees to immediately notify the other Party of any judicial or agency order,
22 inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant, and Defense
23 Counsel separately agree not to, directly or indirectly, initiate any conversation or other
24 communication, before the filing of the Motion for Preliminary Approval, with any third party
25 regarding this Agreement or the matters giving rise to this Agreement except to respond only that
26 "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's
27 communications with Class Members in accordance with Class Counsel's ethical obligations
28 owed to Class Members.

1 12.3 No Solicitation. The Parties separately agree that they and their respective counsel and
2 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal
3 from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability
4 to communicate with Class Members in accordance with Class Counsel's ethical obligations
5 owed to Class Members.

6 12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
7 together with its attached exhibits shall constitute the entire agreement between the Parties
8 relating to the Settlement, superseding any and all oral representations, warranties, covenants, or
9 inducements made to or by any Party.

10 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
11 represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate
12 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate
13 its terms, and to execute any other documents reasonably required to effectuate the terms of this
14 Agreement including any amendments to this Agreement.

15 12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their
16 best efforts, in good faith, to implement the Settlement by, among other things, modifying the
17 Settlement Agreement, submitting supplemental evidence and supplementing points and
18 authorities as requested by the Court. In the event the Parties are unable to agree upon the form
19 or content of any document necessary to implement the Settlement, or on any modification of the
20 Agreement that may become necessary to implement the Settlement, the Parties will seek the
21 assistance of a mediator and/or the Court for resolution.

22 12.7 No Prior Assignments. The Parties separately represent and warrant that they have not
23 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
24 encumber to any person or entity and portion of any liability, claim, demand, action, cause of
25 action, or right released and discharged by the Party in this Settlement.

26 12.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are
27 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied
28

upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

12.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

12.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

12.14 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

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

12.16 Notice. All notices, demands, or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

1 D.LAW, INC.
Emil Davtyan
2 Emil@d.law
David Yeremian
3 d.yeremnian@d.law
Alvin B. Lindsay
4 a.lindsay@d.law
880 E Broadway
5 Glendale, CA 91205
Telephone: (818) 962-6465
6 Fax: (818) 962-6469

7 To Defendant:

8 Angela J. Rafoth, Bar No. 241966
arafoth@littler.com
9 LITTLER MENDELSON, P.C.
2049 Century Park East, Suite 500
10 Los Angeles, California 90067
Telephone: 310.772.7254
11 Fax No.: 310.614.2348
101 Second St., Suite 1000
12 San Francisco, California 94105
Telephone: 415.677.3183
13 Fax No.: 415.723.7581

14 Krystal Saleh, Bar No. 320932
ksaleh@littler.com
15 LITTLER MENDELSON, P.C.
2049 Century Park East, Suite 500
16 Los Angeles, California 90067
Telephone: 310.772.7254
17 Fax No.: 310.614.2348

18 12.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts
19 by facsimile, electronically (i.e. DocuSign), or by email which for purposes of this Agreement
20 shall be accepted as an original. All executed counterparts and each of them will be deemed to be
21 one and the same instrument if counsel for the Parties will exchange between themselves signed
22 counterparts. Any executed counterpart will be admissible in evidence to prove the existence and
23 contents of this Agreement.

24 12.18 Stay of Litigation. The Parties agree that upon the execution of this Agreement the
25 litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further
26 agree that upon the signing of this Agreement pursuant to CCP section 583.330 to extend the date
27 to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

28 IT IS SO AGREED.

1
2 By the Parties:

3
4
5 DATED: _____

6 Plaintiff RAUL IBARRA

7
8 DATED: _____

9 Defendant STEPHENS INSTITUTE

10 By: _____

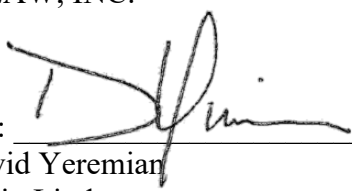
11 Position: _____

12
13 Approved by counsel:

14 September 30, 2024

15 DATED: ~~May~~ May ~~2024~~ 2024

D.LAW, INC.

16
17 BY:  _____

David Yeremian

Alvin Lindsay

Counsel for Plaintiff Raul Ibarra

18
19
20
21 DATED: August 21, 2024

LITTLER MENDELSON, P.C.

22
23 BY: _____

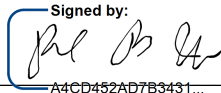
24 Angela Rafoth

Krystal Saleh

25 Attorneys for Defendant Stephens Institute

By the Parties:

DATED: 9/30/2024

Signed by:

A4CD452AD7B3431...

Plaintiff RAUL IBARRA

DATED: _____

Defendant STEPHENS INSTITUTE

By: _____

Position: _____

Approved by counsel:

DATED: May __, 2024

D.LAW, INC.

BY: _____

David Yeremian

Alvin Lindsay

Counsel for Plaintiff Raul Ibarra

DATED: August 21, 2024

LITTLER MENDELSON, P.C.

BY: _____

Angela Rafoth

Krystal Saleh

Attorneys for Defendant Stephens Institute

1
2 By the Parties:

3
4
5 DATED: _____

6 Plaintiff RAUL IBARRA

7
8 DATED: 9/30/2024

9 Defendant STEPHENS INSTITUTE

10 By: Torie Toler

11 Position: VP, Operational Effectiveness

12
13 Approved by counsel:

14 DATED: May __, 2024

D.LAW, INC.

16
17 BY: _____

David Yeremian

Alvin Lindsay

Counsel for Plaintiff Raul Ibarra

19
20 September 30, 2024

21 DATED: ~~August~~ 21, 2024

LITTLER MENDELSON, P.C.

22
23 BY: Angela Rafoth

Angela Rafoth

Krystal Saleh

Attorneys for Defendant Stephens Institute

EXHIBIT A

Raul B. Ibarra v. Stephens Institute, et al.
San Francisco County Superior Court Case No. CGC-23-607667

*A court has authorized this notice. This is not a solicitation.
This is not a lawsuit against you and you are not being sued.
Your legal rights are affected whether you act or do not act.*

NOTICE OF CLASS ACTION AND PAGA SETTLEMENT

To: All current and former non-exempt, hourly employees of defendant The Stephens Institute d/b/a/ Academy of Art University (“Defendant”) who worked in California at any time during the Class Period, which is July 14, 2019 through August 25, 2024 (“Class”).

YOU MAY BE ELIGIBLE TO RECEIVE PAYMENT FROM THE CLASS AND PAGA SETTLEMENT DESCRIBED IN THIS NOTICE.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	To receive a settlement payment, you do not need to do anything. Your payment will be mailed to you, automatically, after the Court grants final approval to the settlement. <i>You must, however, keep a current address on file with the Administrator to ensure receipt of your check.</i>
CHANGE CONTACT AND ADDRESS INFORMATION	Update your address with the Administrator to ensure your check is sent to the correct address.
EXCLUDE YOURSELF FROM THE CLASS SETTLEMENT	If you do not want to participate in the class settlement, you may exclude yourself (opt out) of the class portion of the settlement. If you exclude yourself from the class settlement, you will not receive any payment from the Net Settlement Amount (defined below). This is the only option that allows you to pursue your own claims (in your own lawsuit) against Defendant The Stephens Institute d/b/a/ Academy of Art University about the legal claims in this case. However, even if you exclude yourself from the class settlement, you will still receive a portion of the PAGA Settlement and be bound by it.
OBJECT	Write to the Court if you think the settlement is not fair or you can appear at a hearing to explain to the Court why you think the settlement is not fair.

- **YOUR RIGHTS AND OPTIONS – AND THE DEADLINES TO EXERCISE THEM – ARE EXPLAINED IN THIS NOTICE.**
- **THE STEPHENS INSTITUTE D/B/A/ ACADEMY OF ART WILL NOT RETALIATE IN ANY MANNER AGAINST ANYONE FOR PARTICIPATING OR NOT PARTICIPATING IN THIS SETTLEMENT.**

BACKGROUND ON THE LAWSUIT

1. Why did I get this notice?

You received this notice because Defendant's records identify you as someone who worked for Defendant The Stephens Institute d/b/a/ Academy of Art University in California as a non-exempt, hourly employee at any time from July 14, 2019, through August 25, 2024, making you a "Class Member" during the "Class Period." The Settlement will resolve all Participating Class Members' claims, which are described below, during the Class Period. The settlement will also resolve claims for civil penalties brought under the California Private Attorneys General Act ("PAGA"). If you are a Class Member, you may also be an "Aggrieved Employee" during the "PAGA Period," which is the time period from July 14, 2022 through August 25, 2024. The purpose of this notice is to explain the lawsuit, the pending settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the Superior Court of the State of California, County of San Francisco, and the case is known as *Raul B. Ibarra v. Stephens Institute, et al.* – Case No. CGC-23-607667 ("Action" or "Lawsuit"). There was a hearing on [REDACTED], 2025 in San Francisco County Superior Court. The Honorable Jeffrey S. Ross preliminarily approved the Settlement and directed that you receive this notice. The Court will hold a Final Approval hearing concerning the proposed settlement on [REDACTED], 2025 at [REDACTED], in Department 606 of the San Francisco County Superior Court located at 400 McAllister St., San Francisco, CA 94102. The Final Approval Hearing may be continued to another date without further notice.

2. What is this Class and PAGA Lawsuit about?

On July 14, 2023, Plaintiff Raul B. Ibarra initiated this wage and hour class and representative action against Defendant The Stephens Institute d/b/a/ Academy of Art, alleging (1) Failure to Pay Minimum Wages and for All Hours Worked; (2) Failure to Pay Wages and Overtime Under Labor Code § 510; (3) Meal Period Liability under Labor Code § 226.7; (4) Rest-Break Liability under Labor Code § 226.7; (5) Violation of Labor Code § 226(a); (6) Violation of Labor Code § 221; (7) Violation of Labor Code § 204; (8) Violation of Labor Code § 203; (9) Failure to Maintain Records Required under Labor Code §§ 1174, 1174.5; (10) Failure to Produce Requested Employment Records under Labor Code §§ 226, 1198.5; (11) Failure to Reimburse Necessary Business Expenses under Labor Code § 2802; and (12) Violation of Business & Professions Code § 17200 *et seq.* The First Amended Complaint filed on September 18, 2023, alleges the same claims in the original complaint, adding an additional claim against Defendant for penalties under the California Labor Code Private Attorneys General Act of 2004, Labor Code § 2698. Plaintiff's class and representative claims are on behalf of all current and former non-exempt, hourly employees of Defendant who worked in California at any time during the Class Period. Defendant denies all allegations in the Action and contends that it has fully complied with the California Labor Code. The settlement is not an admission of any wrongdoing by Defendant or an indication that any law was violated or that this case was suitable for class or representative treatment.

On April 29, 2024, the Parties participated in a mediation with Tripper Ortman, an experienced wage and hour mediator, and after extensive, arms-length negotiations, reached a class action and PAGA action settlement subject to Court approval.

3. Why is there a settlement?

The Court has not decided in favor of Plaintiff Raul B. Ibarra, or in favor of Defendant The Stephens Institute d/b/a/ Academy of Art, or made any decision as to whether this case could proceed on a class or representative basis. There was no trial. Instead, both sides agreed to a no-fault settlement of the Action.

4. Who are the Parties in this Lawsuit?

Plaintiff Raul B. Ibarra was employed by Defendant as an hourly employee. “Defendant” means the named Defendant The Stephens Institute d/b/a/ Academy of Art and Released Parties as addressed below.

5. Who are the Attorneys for the Parties?

Counsel for Plaintiff and the Class

D.LAW, INC.

Emil Davtyan (SBN 299363)

Emil@d.law

Alvin B. Lindsay (SBN 220236)

a.lindsay@d.law

Enoch J. Kim (SBN 261146)

e.kim@d.law

Melissa Rodriguez (SBN 352716)

m.rodriguez@d.law

450 N. Brand Blvd. Suite 840

Glendale, CA 91203

Telephone: (818) 962-6465

Fax: (818) 962-6469

DAVID YEREMIAN & ASSOCIATES, INC.

David Yeremian Esq.

david@yeremianlaw.com

450 N. Brand Blvd. Suite 840

Glendale, CA 91203

Telephone: (818) 230-8380

Facsimile: (818) 230-0308

Counsel for Defendant The Stephens Institute d/b/a/ Academy of Art

Angela J. Rafter, Bar No. 241966

LITTLER MENDELSON, P.C.

2049 Century Park East, Suite 500

Los Angeles, California 90067

101 Second St., Suite 1000

San Francisco, California 94105

Krystal Saleh, Bar No. 320932

LITTLER MENDELSON, P.C.

2049 Century Park East, Suite 500

Los Angeles, California 90067

Attorneys for Defendant The Stephens Institute
d/b/a/ Academy of Art

THE TERMS OF THE SETTLEMENT

6. What is the Settlement Amount?

The proposed Settlement provides for the “Gross Settlement Amount” of \$1,300,000.00. From the Gross Settlement Amount, Class Counsel will request a Class Counsel Fees Payment of up to one-third of the Gross Settlement Amount, or \$433,333.33, for attorneys’ fees; a Class Counsel Litigation Expenses Payment of up to \$20,000.00 for costs; a Class Representative Service Payment of \$10,000.00 to Plaintiff Raul B. Ibarra for his work and efforts prosecuting this case; a PAGA Penalties payment of \$130,000.00 consisting of a \$97,500.00 payment to the California Labor Workforce Development Agency (“LWDA”) and a \$32,500.00 payment to Aggrieved Employees; and \$17,500.00 to the Administrator, Apex Class Action (“Apex”), for Administration Costs. The exact amount of the attorneys’ fees, litigation costs, Class Representative Service Payment, and Administration Costs will be determined by the Court at the Final Approval hearing. The remaining portion of the Settlement Amount, the “Net Settlement Amount” or the “NSA”, is currently estimated to be approximately **\$531,666.67**. The Net Settlement Amount will be apportioned and paid out as Individual Class Payments to the Participating Class Members, who are the Class Members who do not request to be excluded (“opt out”) of the Settlement.

7. How will the Individual Class Payments to Participating Class Members be calculated?

Participating Class Members will receive Individual Class Payments as a proportional amount of the Net Settlement Amount. **A claim form is not required.** Class Members who opt out of the class settlement will not receive an Individual Class Payment and will not be bound by the class portion of this Settlement.

Each Participating Class Member's Individual Class Payment will be a pro-rata share of the Net Settlement Amount. Based on data provided by Defendant, the Administrator will calculate the total Workweeks for all Participating Class Members. Each Participating Class Member's Individual Class Payment is calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period, and (b) multiplying the result by each individual Participating Class Member's Workweeks.

All Individual Class Payments to Participating Class Members shall be allocated as follows for tax purposes: 34% of each Individual Class Payment reflects a compromise of a claim for alleged unpaid wages; 66% of each Individual Class Payment reflects a compromise of a claim for alleged interest and penalties. The portion of the Individual Class Payment attributable to unpaid wages will be subject to regular and/or applicable payroll and income tax withholdings and will be reported on an IRS Form W-2. Participating Class Members will receive an IRS Form 1099 for the portion of the Settlement Payment attributable to alleged interest and penalties if required by law. Participating Class Members will be responsible for correctly characterizing the Individual Class Payment for tax purposes and paying taxes due, if any.

Your total estimated Workweeks for the Class Period is [REDACTED]. Based on that, your anticipated approximate Individual Class Payment is [REDACTED].

8. How will the PAGA Penalty payment be allocated to the LWDA and Aggrieved Employees?

The Parties will ask the Court to approve the \$130,000.00 PAGA Penalty payment in the settlement of claims for civil penalties under PAGA. As required under PAGA, 75% of the PAGA Penalty payment, or \$97,500.00, will be paid to the California Labor and Workforce Development Agency. The remaining 25% of the PAGA Penalty payment, or \$32,500.00, will be distributed to the Aggrieved Employees as an Individual PAGA Payment.

No claim form is required to receive an Individual PAGA Payment. Because Aggrieved Employees cannot opt out of the PAGA settlement, if you are an Aggrieved Employee and you opt out of the class settlement, you will still receive an Individual PAGA Payment and be bound by the PAGA settlement.

Each Aggrieved Employee's Individual PAGA Payment will be a pro-rata share of the 25% of the PAGA Penalty payment to be distributed to Aggrieved Employees. It will be based on the number of PAGA Pay Periods that each Aggrieved Employee worked for Defendant during the PAGA Period (July 14, 2022 through August 25, 2024) as a proportion of all PAGA Pay Periods for all Aggrieved Employees. For tax purposes, 100% of the Individual PAGA Payment will be allocated as penalties for which an IRS Form 1099 will be issued if required by law.

Your total estimated PAGA Pay Periods for the PAGA Period is [REDACTED]. Based on that, your anticipated Individual PAGA Payment is [REDACTED].

HOW TO GET A PAYMENT

9. How can I get a settlement payment?

If you do nothing, you will automatically receive your Individual Class Payment and Individual PAGA Payment (if any) within approximately fourteen (14) calendar days after the Fully Funded Date, which is the

date Defendant fully funds the Gross Settlement Amount. You must notify the Administrator of any change in your name, mailing address, and/or telephone number if the information shown on this is not correct. **It is your responsibility to keep the Administrator informed of any change in your address. Settlement payments will be mailed to the last known address the Administrator has on file for you.** You can contact the Administrator by U.S. Mail, email, or phone at [REDACTED] if you need to update your contact information.

10. What do I do if I believe my Workweeks and/or PAGA Pay Periods are incorrect?

If you believe the Workweeks and/or PAGA Pay Periods above are not correct, you may send a letter to the Administrator indicating what you believe to be the correct information. Your letter must be postmarked on or before [REDACTED], 2025. *[45 days within mailing of Notice]* You should include any documents or other information which support what you believe supports that you worked a different number of Workweeks and/or PAGA Pay Periods. The Administrator will resolve any dispute regarding these issues based on Defendant's records and any information you provide.

11. When can I expect to receive a settlement check?

Defendant will pay the Gross Settlement Amount to the Administrator in five (5) equal installments of approximately \$260,000 each, due in March and September of each year following the Effective Date until the completion of five (5) payments, with the first payment due in the March or September following the Effective Date. "Effective Date" means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement and (b) the Judgment is final. Distribution of funds will occur following the final payment ("Fully Funded Date"). Individual Class Payments and Individual PAGA Payments will be mailed to Participating Class Members and Aggrieved Employees within approximately fourteen (14) calendar days after the Fully Funded Date.

Settlement checks should be cashed promptly upon receipt. Proceeds of checks that remain uncashed after 180 days from the date of issuance will be forwarded to the State of California Unclaimed Property Fund in the name of each Participating Class Member and/or Aggrieved Employee who did not cash his or her settlement check. If your settlement check is lost or misplaced, you should contact the Administrator immediately.

WHAT HAPPENS IF THE COURT APPROVES THE SETTLEMENT

12. What am I giving up by getting an Individual Class Payment?

If the Court approves this Settlement and unless you exclude yourself, you will become a Participating Class Member, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against Defendant concerning the legal claims being resolved in this Settlement. Specifically, you will be giving up or "releasing" the claims described below:

Released Class Claims: Upon the Fully Funded Date, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from any and all disputes, claims and/or causes of action for wages, statutory and civil penalties (but not PAGA penalties), monies, damages, liquidated damages, premiums, restitution, injunctive and declaratory relief, pre-judgment and post judgment interest, attorney's fees, and costs pleaded in the Operative Complaint in the Action, Plaintiff's PAGA Notice to the LWDA, and/or which reasonably relate to or which reasonably arise out of the same set of operative facts pled therein during the Class Period. This

includes claims for: failure to pay all regular wages, minimum wages, straight time wages, and overtime wages due (including off-the-clock and rounding claims); (ii) failure to pay all wages at the correct rate of pay (including premium pay such as, meal period premiums, rest break premiums, and California Paid Sick Leave); failure to provide meal periods; failure to provide rest periods; failure to provide accurate, itemized wage statements; failure to pay wages due during employment; failure to pay all wages due at termination; failure to maintain and provide accurate and complete records; failure to reimburse for necessary business expenses; failure to provide sick pay, California Paid Sick Leave pay, and COVID-19 sick pay; unfair competition related to any or all of the foregoing. This release includes any and all claims pursuant to: California Labor Code §§ 90.5, 200 *et seq.*, 201, 202, 203, 204, 206.5, 210, 218.5, 221, 226, 226.2, 226.3, 226.7, 246, 248 *et. seq.*, 248.1, 248.2, 248.5, 432.5, 510, 512, 558, 1174, 1174.5, 1185, 1194, 1194.1, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199 and 2802; the Fair Labor Standards Act; California Business & Professions Code § 17200 *et seq.*; California Code of Civil Procedure § 1021.5; and the California Industrial Welfare Commission Wage Orders MW-2014 (collectively, the “Released Class Claims”). “Released Parties” is defined to include Defendant; its present, former, or future parent and/or subsidiary corporations; each of the foregoing’s present, former, or future: owners, officers, members, directors, shareholders, partners, employees, insurers, successors, predecessors, contractors, assigns, and managing agents; and any and all agents, legal representatives, and/or attorneys of all of the foregoing entities or individuals.

13. What PAGA Claims are released by this Settlement?

Upon the Fully Funded Date, Plaintiff and the State of California’s LWDA, through Plaintiff in his capacity as a representative of the State of California, are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for civil penalties under the Private Attorneys General Act of 2004, Labor Code § 2698 *et seq.* (“PAGA”), that were alleged in the PAGA Notice, the Operative Complaint in the Action, and/or claims for PAGA penalties which reasonably relate to or which reasonably arise out of the same set of operative facts pled therein during the PAGA Period. This release includes claims for PAGA penalties based on: failure to pay all regular wages, minimum wages, straight time wages, and overtime wages due (including off-the-clock and rounding claims); (ii) failure to pay all wages at the correct rate of pay (including premium pay such as, meal period premiums, rest break premiums, and California Paid Sick Leave); failure to provide meal periods; failure to provide rest periods; failure to provide accurate, itemized wage statements; failure to pay wages due during employment; failure to pay all wages due at termination; failure to maintain and provide accurate and complete records; failure to reimburse for necessary business expenses; failure to provide sick pay, California Paid Sick Leave pay, and COVID-19 sick pay; unfair competition related to any or all of the foregoing. This release includes claims for PAGA penalties premised on: California Labor Code §§ 90.5, 200 *et seq.*, 201, 202, 203, 204, 206.5, 210, 218.5, 221, 226, 226.2, 226.3, 226.7, 246, 248 *et. seq.*, 248.1, 248.2, 248.5, 432.5, 510, 512, 558, 1174, 1174.5, 1185, 1194, 1194.1, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802 and 2699 (“Released PAGA Claims”).

EXCLUDING YOURSELF FROM THE CLASS SETTLEMENT

14. How do I opt out of the class settlement?

If you wish to pursue your own separate lawsuit against Defendant The Stephens Institute d/b/a/ Academy of Art University for the claims asserted in the Action, or if you otherwise wish not to participate in the class settlement for whatever reason, you should exclude yourself from this case (that is, opt out of the class portion Settlement). However, you cannot opt out of the PAGA portion of the Settlement. Class Members who opt out of this Settlement will still be bound by the PAGA portion of the Settlement and will receive an Individual PAGA Payment.

To opt out of the class portion of the Settlement and the release of Released Class Claims, you must provide a signed and dated letter to the Administrator requesting to be excluded. The letter must state in substance:

“I want to opt out of the class action settlement in the lawsuit entitled *Raul B. Ibarra v. Stephens Institute, et al.*, San Francisco County Superior Court, Case No. CGC-23-607667 filed in the Superior Court of California, County of San Francisco.”

The written Request for Exclusion must state that the Class Member wishes to exclude himself or herself from the Settlement Agreement and (1) must contain your name and address or telephone phone number; (2) must be signed by you; (3) should identify this action as *Raul B. Ibarra v. Stephens Institute, et al.* Case No. CGC-23-607667, filed in the Superior Court of California, County of San Francisco; and (4) must be postmarked and mailed to the Administrator on or before [REDACTED], 2025 [45 days within mailing of Notice] at the address below. Request for Exclusions postmarked after the deadline will be invalid.

Raul B. Ibarra v. Stephens Institute, et al.

Settlement Administrator

c/o Apex Class Action

P. O. Box _____

_____, _____

15. If I don’t exclude myself from the class settlement, can I sue Defendant The Stephens Institute d/b/a/ Academy of Art University for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Defendant and the Released Parties for the claims being released by this Settlement, the Released Class Claims. If you have a claim or lawsuit already filed against Defendant or any of the Released Parties you should speak to your lawyer in that case immediately. You may need to exclude yourself from this Settlement to continue your own lawsuit. You cannot exclude yourself from the PGA portion of the Settlement.

OBJECTING TO THE SETTLEMENT

16. How do I tell the Court that I don’t like the Settlement?

If you don’t think the Settlement is fair, you can object to some or all of the Settlement.

Written objections (1) must contain your name and address or telephone phone number; (2) must be signed by you; (3) must state if you intend to appear at the Final Approval/Settlement Agreement Fairness Hearing; (4) should identify this action as *Raul B. Ibarra v. Stephens Institute, et al.* Case No. CGC-23-607667, filed in the Superior Court of California, County of San Francisco; and (5) must be postmarked and mailed to the Administrator on or before [REDACTED], 2025 [45 days within mailing of Notice] at the address below. The postmark date of the mailing shall be deemed the exclusive means for determining that a written objection was served in time.

Raul B. Ibarra v. Stephens Institute, et al.

Settlement Administrator

c/o Apex Class Action

P. O. Box _____

_____, _____

If the Court overrules the objection at the final approval hearing, the Settlement Agreement will be approved and you will receive your settlement share. If you do not submit a written objection, you may still appear at the final approval hearing to voice your objection or to otherwise observe the proceedings.

Only Participating Class Members may object to the class action components of the Settlement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Class Representative Service Payment.

THE COURT'S FINAL APPROVAL HEARING

17. **When and where will the Court decide whether to grant final approval of the settlement?**

The Court will hold a Final Approval hearing in Department 606 of the San Francisco County Superior Court located at 400 McAllister St., San Francisco, CA 94102 on [redacted] 2025, at _____.m. At this hearing, the Court will determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Class Representative Service Payment, and the Administration Costs.

The Court may reschedule the Final Approval hearing without further notice to Class Members. You can also check the San Francisco County Superior Court website at <https://sf.courts.ca.gov/online-services/case-information> for changes to the hearing schedule. Any Class Member who files a notice of intent to appear at the Final Approval hearing will be notified by Class Counsel of any rescheduling of the date and time of the Final Approval hearing.

18. **Do I have to come to the hearing?**

No. Class Counsel will answer any questions the Judge may have. But you are welcome to come at your own expense. If you timely submit a written objection, you don't have to come to Court to talk about it, but you may. You may also hire and pay your own lawyer to attend if you so desire.

GETTING MORE INFORMATION

19. **Whom may I contact if I have questions about the settlement?**

You may contact Class Counsel at the contact information listed above in Paragraph 5 if you have any questions about the Settlement. You may also contact the court-appointed Administrator, by calling toll-free 1-800_____, or you can write to *Raul B. Ibarra v. Stephens Institute, et al.*, Administrator at [address].

PLEASE DO NOT CONTACT THE CLERK OF THE COURT FOR MORE INFORMATION.

EXHIBIT 2

AMENDMENT TO CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This shall serve as an amendment to the **Joint Stipulation of Class Action Settlement and Release of Claims** (“Settlement Agreement”) entered into in September 2024 between Plaintiff Raul Ibarra (“Plaintiff”), individually, as a representative of the Class Members and as a representative of the State of California and Aggrieved Employees, as defined below, and Defendant Stephens Institute (“Defendant”) (Plaintiff and Defendant are collectively referred to as “the Parties”). All other settlement terms remain the same.

The following provisions of the Settlement Agreement are hereby amended and superseded as follows:

- 1.13 “Class Period” or “Class Settlement Period” means the period from July 14, 2019 through August 25, 2024.
- 1.33 “PAGA Period” means the period from July 14, 2022 through August 25, 2024.
- 5.2 Released Class Claims: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from any and all disputes, claims and/or causes of action for wages, statutory and civil penalties (but not PAGA penalties), monies, damages, liquidated damages, premiums, restitution, injunctive and declaratory relief, pre-judgment and post judgment interest, attorney’s fees, and costs pleaded in the Operative Complaint in the Action, Plaintiff’s PAGA Notice to the LWDA, and/or which reasonably relate to or which reasonably arise out of the same set of operative facts pled therein during the Class Period. This includes claims for: failure to pay all regular wages, minimum wages, straight time wages, and overtime wages due (including off-the-clock and rounding claims); (ii) failure to pay all wages at the correct rate of pay (including premium pay such as, meal period premiums, rest break premiums, and California Paid Sick Leave); failure to provide meal periods; failure to provide rest periods; failure to provide accurate, itemized wage statements; failure to pay wages due during employment; failure to pay all wages due at termination; failure to maintain and provide accurate and complete records; failure to reimburse for necessary business expenses; failure to provide

sick pay, California Paid Sick Leave pay, and COVID-19 sick pay; unfair competition related to any or all of the foregoing. This release includes any and all claims pursuant to: California Labor Code §§ 90.5, 200 *et seq.*, 201, 202, 203, 204, 206.5, 210, 218.5, 221, 226, 226.2, 226.3, 226.7, 246, 248 *et seq.*, 248.1, 248.2, 248.5, 432.5, 510, 512, 558, 1174, 1174.5, 1185, 1194, 1194.1, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199 and 2802; the Fair Labor Standards Act; California Business & Professions Code § 17200 *et seq.*; California Code of Civil Procedure § 1021.5; and the California Industrial Welfare Commission Wage Orders MW-2014 (“Released Class Claims”).

- 5.3 Released PAGA Claims: Plaintiff and the State of California’s LWDA, through Plaintiff in his capacity as a representative of the State of California, are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for civil penalties under the Private Attorneys General Act of 2004, Labor Code § 2698 *et seq.* (“PAGA”), that were alleged in the PAGA Notice, the Operative Complaint in the Action, and/or claims for PAGA penalties which reasonably relate to or which reasonably arise out of the same set of operative facts pled therein during the PAGA Period. This release includes claims for PAGA penalties based on: failure to pay all regular wages, minimum wages, straight time wages, and overtime wages due (including off-the-clock and rounding claims); (ii) failure to pay all wages at the correct rate of pay (including premium pay such as, meal period premiums, rest break premiums, and California Paid Sick Leave); failure to provide meal periods; failure to provide rest periods; failure to provide accurate, itemized wage statements; failure to pay wages due during employment; failure to pay all wages due at termination; failure to maintain and provide accurate and complete records; failure to reimburse for necessary business expenses; failure to provide sick pay, California Paid Sick Leave pay, and COVID-19 sick pay; unfair competition related to any or all of the foregoing. This release includes claims for PAGA penalties premised on: California Labor Code §§ 90.5, 200 *et seq.*, 201, 202, 203, 204, 206.5, 210,

218.5, 221, 226, 226.2, 226.3, 226.7, 246, 248 et. seq., 248.1, 248.2, 248.5, 432.5, 510, 512, 558, 1174, 1174.5, 1185, 1194, 1194.1, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802 and 2699 (“Released PAGA Claims”).

- 5.4. The Parties agree that the doctrines of res judicata, claim preclusion, issue preclusion, primary rights, and collateral estoppel shall fully and broadly apply to Released Class Claims and the Released PAGA Claims in this Settlement to the greatest effect and extend permitted by law.
- 5.5. After the Court grants final approval of the Class and Representative Action Settlement, Class Counsel will provide the LWDA with copy of the Judgement which will include the definition of Aggrieved Employees and the Released PAGA Claims.
- 5.6. Each Aggrieved Employee will be issued a check for their share of twenty-five percent (25%) of the PAGA allocation and will not have the opportunity to opt out of, or object to, the release of the PAGA claims. Aggrieved Employees are bound by the release of the PAGA claims regardless of whether they cash or deposit their portion of the PAGA allocation or exclude themselves from the class portion of the settlement.
- **8. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.** Based on its records, Defendant represented at mediation there are 2,270 Class Members who collectively worked a total of 141,290 Workweeks (“Extrapolated Work Weeks”) from July 14, 2019 through April 29, 2024. If the actual number of Workweeks during the Class Period exceeds the Extrapolated Workweeks by more than 5% (7,065 workweeks), then Defendant may elect to either (a) increase the Gross Settlement Amount by the same number of percentage points above 5% by which the increase in the actual number of Workweeks exceeds 7,065 (for example, if such increase in Workweeks is 10% over 141,290 Workweeks, then the Gross Settlement Amount will increase by 5%), or (b) change the end date for the Class Period and PAGA Period such that the Class Period and PAGA Period end on the date that the total Workweeks do not exceed 148,355 Workweeks (i.e., 105% of the Extrapolated Workweeks).

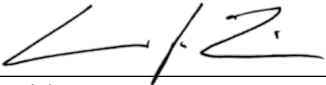
Dated: 6/9/2025 _____

Signed by:

2EAF68C3D5A949C...

Raul Ibarra
Plaintiff

Dated: 6/9/25 _____



David Yeremian
Alvin B. Lindsay
Enoch J. Kim
Melissa Rodriguez
D.LAW, INC.
Attorneys for Plaintiff

Dated: _____

Defendant Stephens Institute

Dated: _____

Angela Rafoth
Krystal Saleh
Attorneys for Defendant Stephens Institute

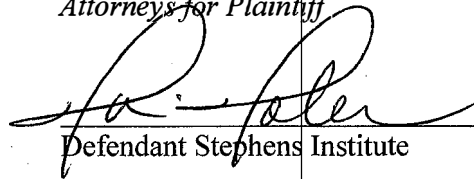
Dated: _____

Raul Ibarra
Plaintiff

Dated: _____

David Yeremian
Alvin B. Lindsay
Enoch J. Kim
Melissa Rodriguez
D.LAW, INC.
Attorneys for Plaintiff

Dated: 6/9/2025


Defendant Stephens Institute

Dated: 6/9/2025

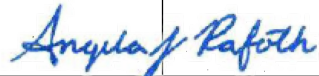

Angela Rafoth
Krystal Saleh
Attorneys for Defendant Stephens Institute

EXHIBIT 3

Friday, March 28, 2025 at 17:30:04 Pacific Daylight Time

Subject: Thank you for your Proposed Settlement Submission
Date: Friday, March 28, 2025 at 5:29:18 PM Pacific Daylight Time
From: DIR PAGA Unit
To: Natalia Bermudes

Caution: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

03/28/2025 05:28:57 PM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm



Private Attorneys General Act (PAGA) - Filing

Proposed Settlement of PAGA case

PAGA Number (LWDA-CM-) :

*

Please enter only the numbers after "LWDA-CM-" in the following format, "XXXXXXXX-XX".

[Search for PAGA Case number](#)

The timing of the deposit of settlement checks is governed by the provisions of the State Administrative Manual. This ministerial, administrative act of depositing a settlement check mandated by state procedures should not be construed as nor does it constitute an unconditional, voluntary and/or absolute acceptance of settlement proceeds or approval of the terms of any settlement agreement or judgment related to that check.

Your Information (Person Who is Filing)

Your First Name *	Your Last Name *	Your Email Address *
Natalie	Haritoonian	n.bermudes@d.law
Your Street Name, Number and Suite/Apt *		Your Mobile Phone Number
450 N Brand Blvd., Suite 8		8189626465
Your City *	Your Work Phone Number	
Glendale		
Your State *		
California		
Your Zip/Postal Code *		
91203		

Court and Hearing Information

Court *	Court Case Number *	Hearing Date (if any)	Hearing Time
San Francisco Superior Co	CGC-23-607667	4/22/2025	9:00 a.m.
Hearing Location	Number of aggrieved employees *	Gross settlement amount *	Gross penalty amount *
	990	1.3	130,000.00
Penalties to LWDA *	Date of proposed settlement *		
97,500.00	09/30/2024		

Proposed Settlement and Other Documents

Proposed Settlement (must be .pdf) *

Fully Execute...ent (Ibarra).pdf

Other Attachment (if any, must be .pdf)

No file chosen

[Add Another Attachment](#)

LWDA requests that settling parties provide copies of supporting documents, including memorandum of points and authorities and declaration of counsel filed with the court, to assist LWDA in evaluating proposed settlement agreements.

Should you have questions regarding this online form, please contact PAGAInfo@dir.ca.gov

IMPORTANT NOTICE OF REDACTION RESPONSIBILITY: All filers must redact: Social Security or taxpayer identification numbers; personal addresses, personal telephone numbers, personal email addresses, dates of birth; names of minor children; & financial account numbers. This requirement applies to all documents, including attachments.

☒ I understand that, if I file, I must comply with the redaction rules consistent with this notice.

EXHIBIT 4

LAFFEY MATRIX

[History](#)
[Case Law](#)
[See the Matrix](#)
[Contact us](#)
[Home](#)

			Years Out of Law School *				
Year	Adjustmt Factor**	Paralegal/ Law Clerk	1-3	4-7	8-10	11-19	20 +
6/01/24- 5/31/25	1.080182	\$258	\$473	\$581	\$839	\$948	\$1141
6/01/23- 5/31/24	1.059295	\$239	\$437	\$538	\$777	\$878	\$1057
6/01/22- 5/31/23	1.085091	\$225	\$413	\$508	\$733	\$829	\$997
6/01/21- 5/31/22	1.006053	\$208	\$381	\$468	\$676	\$764	\$919
6/01/20- 5/31/21	1.015894	\$206	\$378	\$465	\$672	\$759	\$914
6/01/19- 5/31/20	1.0049	\$203	\$372	\$458	\$661	\$747	\$899
6/01/18- 5/31/19	1.0350	\$202	\$371	\$455	\$658	\$742	\$894
6/01/17- 5/31/18	1.0463	\$196	\$359	\$440	\$636	\$717	\$864
6/01/16- 5/31/17	1.0369	\$187	\$343	\$421	\$608	\$685	\$826
6/01/15- 5/31/16	1.0089	\$180	\$331	\$406	\$586	\$661	\$796
6/01/14- 5/31/15	1.0235	\$179	\$328	\$402	\$581	\$655	\$789
6/01/13- 5/31/14	1.0244	\$175	\$320	\$393	\$567	\$640	\$771
6/01/12- 5/31/13	1.0258	\$170	\$312	\$383	\$554	\$625	\$753
6/01/11- 5/31/12	1.0352	\$166	\$305	\$374	\$540	\$609	\$734
6/01/10- 5/31/11	1.0337	\$161	\$294	\$361	\$522	\$589	\$709
6/01/09- 5/31/10	1.0220	\$155	\$285	\$349	\$505	\$569	\$686
6/01/08- 5/31/09	1.0399	\$152	\$279	\$342	\$494	\$557	\$671
6/01/07-5/31/08	1.0516	\$146	\$268	\$329	\$475	\$536	\$645
6/01/06-5/31/07	1.0256	\$139	\$255	\$313	\$452	\$509	\$614
6/1/05-5/31/06	1.0427	\$136	\$249	\$305	\$441	\$497	\$598
6/1/04-5/31/05	1.0455	\$130	\$239	\$293	\$423	\$476	\$574
6/1/03-6/1/04	1.0507	\$124	\$228	\$280	\$405	\$456	\$549
6/1/02-5/31/03	1.0727	\$118	\$217	\$267	\$385	\$434	\$522
6/1/01-5/31/02	1.0407	\$110	\$203	\$249	\$359	\$404	\$487
6/1/00-5/31/01	1.0529	\$106	\$195	\$239	\$345	\$388	\$468
6/1/99-5/31/00	1.0491	\$101	\$185	\$227	\$328	\$369	\$444
6/1/98-5/31/99	1.0439	\$96	\$176	\$216	\$312	\$352	\$424
6/1/97-5/31/98	1.0419	\$92	\$169	\$207	\$299	\$337	\$406
6/1/96-5/31/97	1.0396	\$88	\$162	\$198	\$287	\$323	\$389

6/1/95-5/31/96	1.032	\$85	\$155	\$191	\$276	\$311	\$375
6/1/94-5/31/95	1.0237	\$82	\$151	\$185	\$267	\$301	\$363

The methodology of calculation and benchmarking for this Updated Laffey Matrix has been approved in a number of cases. See, e.g., *DL v. District of Columbia*, 267 F.Supp.3d 55, 69 (D.D.C. 2017)

* $\frac{1}{2}$ Years Out of Law School $\frac{1}{2}$ is calculated from June 1 of each year, when most law students graduate. $\frac{1}{2}$ 1-3" includes an attorney in his 1st, 2nd and 3rd years of practice, measured from date of graduation (June 1). $\frac{1}{2}$ 4-7" applies to attorneys in their 4th, 5th, 6th and 7th years of practice. An attorney who graduated in May 1996 would be in tier $\frac{1}{2}$ 1-3" from June 1, 1996 until May 31, 1999, would move into tier $\frac{1}{2}$ 4-7" on June 1, 1999, and tier $\frac{1}{2}$ 8-10" on June 1, 2003.

** The Adjustment Factor refers to the nation-wide Legal Services Component of the Consumer Price Index produced by the Bureau of Labor Statistics of the United States Department of Labor.

EXHIBIT 5

Ibarra v. Stephens Institute
Litigation Costs

Service Date		Details		Provider		Amount
7/14/23		LWDA Letter		LWDA		\$ 75.00
7/17/23		Summons & Complaint		Rapid Legal		\$ 1,490.10
7/21/23		Process of Service - Summons & Complaint		Rapid Legal		\$ 82.40
7/27/23		Proof of Service of Summons		Rapid Legal		\$ 12.36
9/15/23		Application for Approval of Complex Designation and Notice		Rapid Legal		\$ 75.19
10/7/23		First Amended Complaint		Rapid Legal		\$ 13.19
2/28/24		Mediation Fee		Ortman Mediation, Inc.		\$ 13,000.00
5/22/24		Document Retrieval		LA Court		\$ 43.40
6/14/24		Joint Stipulation to Vacate CMC & Notice of Settlement		Rapid Legal		\$ 190.70
7/2/24		Joint Stipulation to Continue MPA Hearing		Rapid Legal		\$ 49.10
9/20/24		Notice of Change of Address		Rapid Legal		\$ 15.24
10/11/24		Stipulation and Order		Rapid Legal		\$ 35.84
10/23/24		Case Management Statement		Rapid Legal		\$ 15.24
1/21/24		Stipulation and Order		Rapid Legal		\$ 35.84
3/28/25		Notice		Rapid Legal		\$ 15.24
3/28/25		Notice of Association		Rapid Legal		\$ 15.24
4/2/25		Motion for Preliminary Approval of Settlement		Rapid Legal		\$ 77.04
6/6/25		Renewed Motion for Preliminary Approval of Settlement		Rapid Legal		\$ 77.04
FUTURE		Motion for Final Approval of Settlement		Rapid Legal		\$ 77.04
FUTURE		Decl of Class Admin re Final Distribution		Rapid Legal		\$ 18.00
FUTURE		Ntc of Entry of Final Order & Judgment		Rapid Legal		\$ 18.00

Total	\$ 15,431.20
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