SEZGIN KHOUSADIAN LLP
ARTHUR SEZGIN, ESQ., (State Bar No. 296666)
arthur@sklaw.legal
ALISA KHOUSADIAN, ESQ., (State Bar No. 285497)
alisa@sklaw.legal
500 North Central Avenue, Suite 830
Glendale, California 91203
Phone: (818) 696-1330 | Fax: (818) 696-1331

Attorneys for Plaintiff **KENNETH RODRIGUEZ**

LIEBERT CASSIDY WHITMORE
Elizabeth T. Arce (SBN 216687)
earce@lcwlegal.com
Victor D. Gonzalez (SBN 345477)
vgonzalez@lcwlegal.com
6033 West Century Blvd., 5th Floor
Los Angeles, California 90045
Telephone: (310) 981-2000
Facsimile: (310) 337-0837

Attorneys for Defendant **THE WEBB SCHOOLS**

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES – CENTRAL JUDICIAL DISTRICT

KENNETH RODRIGUEZ, Plaintiff, vs. THE WEBB SCHOOLS, a California corporation; and DOES 1 THROUGH 100, inclusive, Defendants.	Case No.: 25STCV05539 [Assigned For All Purposes To: Hon. Judge Dean J. Kitchens, Dept. 30] **STIPULATION FOR APPROVAL OF PAGA SETTLEMENT AND RELEASE; [PROPOSED] ORDER** [Declaration of Arthur Sezgin, Esq. filed concurrently herewith]

I. INTRODUCTION

Plaintiff KENNETH RODRIGUEZ (hereinafter "Rodriguez" or "Plaintiff") and Defendant THE WEBB SCHOOLS (hereinafter "The Webb Schools" or "Defendant") have reached an agreement to settle the above-captioned action (hereinafter the "Action"), which includes a cause of action pursuant to the California Private Attorneys General Act ("PAGA"). The parties have memorialized the terms of the PAGA settlement in a Settlement Agreement (hereinafter the "Settlement Agreement"). Attached as "**Exhibit A"** hereto is a copy of the Settlement Agreement.

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

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

II. ALLEGATIONS AND INVESTIGATION

A. Defendant operates a private boarding school for grades 9-12. Plaintiff started working as a Groundskeeper in or around October 2022.

B. Plaintiff complied with the procedures of California *Labor Code* § 2699.3 for bringing suit under the Labor Code Private Attorneys General Act of 2004, California *Labor Code* §§ 2698 et seq. ("PAGA"). On September 10, 2024, Plaintiff, on behalf of himself and Defendant's other California employees (hereafter collectively the "Aggrieved Employees") gave written notice by electronic service to the California Labor and Workforce Development Agency ("LWDA") and via certified mail to Defendant of his claims against Defendant. In his notice to the LWDA, Plaintiff asserted on behalf of himself and the Aggrieved Employees that Defendant violated various laws based on the various theories of liability, including but not limited to Defendant's alleged failure to: reimburse business expenses; provide accurate wage statements; timely pay all wages due in accordance with time periods prescribed by law; keep accurate payroll records; and timely pay all final wages at separation of employment.

Plaintiff filed his initial lawsuit on February 27, 2025 in the Superior Court for the State of California, County of Los Angeles, Case No. 25STCV05539, including a cause of action for penalties under PAGA. See concurrently filed Declaration of Arthur Sezgin, Esq. (hereinafter "Sezgin Decl."), ¶ 3.

C. According to Defendant's records, they employed approximately 207 Aggrieved Employees from September 10, 2023 through February 28, 2025, and issued paychecks for a total of approximately 4,828 pay periods worked for that same time period.

D. Before agreeing to the terms of the settlement, the Parties engaged in informal discovery regarding Defendant's policies, practices, operations, and other topics, specifically those related to Defendant's alleged failure to indemnify Plaintiff and the Aggrieved Employees for all necessary expenditures or losses incurred by them in direct consequence of the discharge of their duties. Through extensive arm's length negotiations and only after informal discovery was completed, the Parties agreed to settlement terms. See Sezgin Decl., ¶ 4.

E. The Parties sufficiently conducted investigation of the facts and law through the time a resolution was agreed to. Counsel for the Parties have further investigated the applicable law as applied to the facts discovered regarding Plaintiff's claims, the defenses thereto, and the Labor Code violations claimed by Plaintiff. Based on their own independent investigations and evaluations, the Parties and their respective counsel are of the opinion that the settlement for the consideration and on the terms set forth in this Stipulation are fair, reasonable, and adequate and are in the best interests of Plaintiff, the Aggrieved Employees, and Defendant in light of all known facts and circumstances and the risks inherent in litigation. See Sezgin Decl., ¶ 5.

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

III. FAIRNESS OF THE SETTLEMENT

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

B. Plaintiff alleges that the strongest claims is that Plaintiff and other Aggrieved Employees were not indemnified by Defendant for all necessary expenditures or losses incurred by them in direct consequence of the discharge of their duties. Defendant denies that there were any such violations based on an alleged failure to reimburse, including any alleged derivative violations.

C. The source of penalties available is under PAGA, which allows employees to seek civil penalties for certain violations of the Labor Code so long as the penalties are not unjust, arbitrary, oppressive, or confiscatory. There is a substantial risk that the Court could reduce civil penalties to an insignificant amount if it is unpersuaded by Plaintiff's evidence of willful and intentional conduct. The PAGA expressly counsels against such awards. *See* California *Labor Code* § 2699(e)(2) (stating "[A] court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.").

D. Judges have awarded extremely small sums to PAGA claimants in the past. Indeed, California Labor Code Section 2699(e)(1) permits a Court to award a *lesser* amount than the maximum civil penalty if, based on the facts and circumstances, to do otherwise would result in an award that is "unjust, arbitrary and oppressive or confiscatory." For example, in *Carrington v. Starbucks Corp.*, the Court of Appeal affirmed a judgment after trial which only provided for a PAGA penalty of $5.00 per pay period. *Carrington v. Starbucks Corp.*, (2018) 30 Cal.App.5th 504.

E. Defendant here made a strong argument in support of its belief that it will be able to demonstrate that it took all reasonable steps to comply with California Labor Code Section 2802 *before* receiving notice of the PAGA claim, thereby limiting penalties to 15% of the penalty sought pursuant to California *Labor Code* § 2699(g). Indeed, Section 2699(g) limits penalties to 15% of the penalty sought if an employer takes all reasonable steps to be compliant with the Labor Code prior to receiving notice of the PAGA claim. Here, as Defendant contends, early as December 2023, Defendant started meeting with Department Administrators to determine which employees should receive a cellular phone stipend or School cellular phone. The School and Department Administrators reviewed all employees' duties, frequency of communication needs, after hours and emergency response responsibilities, frequency of travel or field work responsibilities, and evaluation of alternative communication methods, such as email, radio, desk phones, in-person communication, etc. This evaluation was conducted for all employees of Defendant. Supervisors and all School employees were also provided the Technology Reimbursement Policy, which is posted on the Employee Resource Board and included in the Employee Handbook. California *Labor Code* § 2699(g) states that "[t]he existence of a violation, despite the steps taken, is insufficient to establish that an employer failed to take all reasonable steps." As such, there is a very real possibility that penalties may be limited in the event the matter proceeded to trial.

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

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

H. Furthermore, Plaintiff recognizes that continued litigation presents significant risks that support a significant downward departure from the amount of Plaintiff's estimated civil penalties. In view of the risks, the settlement represents a fair, adequate, and reasonable compromise amount for these claims and is in the best interest of Plaintiff and Aggrieved Employees and therefore warrants approval. *See Laguna v. Coverall N. Am., Inc.*, (9th Cir. 2014) 2014 WL 2465049 at 3. The PAGA settlement and its terms are fair, just, reasonable, adequate, and equitable to Defendant, Plaintiff, and the State, and are the product of good-faith, and informed arm's length negotiations between the Parties consistent with public policy and fully comply with applicable provisions of law.

IV. TERMS AND PROCEDURES OF THE SETTLEMENT

A. The Settlement Agreement covers any and all civil penalties claims arising from Plaintiff's PAGA claim in the Complaint, as laid out above. For the avoidance of uncertainty, this stipulation and release includes a release of claims under PAGA for violations of California Labor Code Sections 201, 202, 203, 204, 226, 2698 et seq., 2699 et seq., and 2802.

B. Defendant agrees to pay $150,875.00 toward the settlement (the "Gross Settlement Amount" or "GSA") which will be distributed as follows:

1) $50,286.64 (33 1/3% of the GSA) in attorney's fees to Sezgin Khousadian LLP;
2) $533.72 in attorney litigation costs and expenses to Sezgin Khousadian LLP;
3) $2,800.00 in PAGA Settlement Administrator costs to the Settlement Administrators (ILYM Group, Inc.);
4) $97,254.64 (the "Net Settlement Amount" or "NSA") will be divided as follows:
    i. $63,215.52 (65% of "NSA") to the LWDA, which represents civil penalties payable to the LWDA under the Labor Code Private Attorneys General Act ("PAGA"), Labor Code Sections 2698 et seq.; and
    ii. $34,039.12 (35% of NSA) (the "Aggrieved Employee Amount") to the Aggrieved Employees which represents civil penalties payable to the Aggrieved Employees as compensation for civil penalties that are allegedly owed on the representative PAGA claim for the period from September 10, 2023 through February 28, 2025. See Sezgin Decl., ¶ 7.

C. Plaintiff and each Aggrieved Employee shall receive a portion of the Aggrieved Employee Amount on a pro-rata basis by multiplying the Aggrieved Employee Amount by the ratio of (i) the number of pay periods worked by the Aggrieved Employee during the release period and (ii) the total number of pay periods worked by all Aggrieved Employees during the release period.

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

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

A. Plaintiff's counsel represents Plaintiff on a straight contingency basis. Plaintiff counsel's request for $50,286.64 in attorney fees and $533.72 in litigation costs and expenses is fair and reasonable. "Empirical studies show that, regardless of whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery. *See Lafitte v. Robert Half Int'l Inc.*, (2016) 1 Cal.5th 480, 503 (holding courts can use the percentage method for the calculation of attorneys' fees); *see also Chavez v. Netflix, Inc.*, (2008) 162 Cal.App.4th 43, 47 fn. 11. This is also consistent with Plaintiff's counsel's experience in cases involving PAGA claims. This award is justified here because Plaintiff's counsel achieved a strong result for the Aggrieved Employees and the State while bearing the substantial burdens of contingency representation.

B. It is an accepted practice in a wage-and-hour class action settlement to award attorney's fees to plaintiff's counsel based on a percentage of the total settlement value agreed upon by the parties. California courts have long recognized that an appropriate method for awarding attorney's fees in class actions is to award a percentage of the common fund. *See Serrano v. Priest*, (1977) 20 Cal.3d. 25, 48-49 (holding "when a number of persons are entitled in common to a specific fund, and an action brought by a plaintiff or plaintiffs for the benefit of all results in the creation or preservation of that fund, such plaintiff or plaintiffs may be awarded attorney's fees out of the fund"); *see also Wershba v. Apple Computer, Inc.*, (2001), 91 Cal.App.4th 230, 254; *see also Lealao v. Beneficial California, Inc.*, (2000) 82 Cal.App.4th 19, 26-30.

C. The litigation costs and expenses expended to aid in the representation of the Aggrieved Employees include the following: (1) the PAGA notice filing fee in the amount of $75.00; and (2) the complaint filing fee in the amount of $458.72. All of these costs are documented and reasonably incurred. See Sezgin Decl., ¶ 8.

VI. <u>NO ADMISSION OF LIABILITY OR WRONGDOING</u>

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

VII. <u>PAGA SETTLEMENT ADMINISTRATION</u>

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

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

C. **<u>Funding And Distribution:</u>**

Aggrieved Employee Data: Within ten (10) calendar days of the Effective Date, Defendant shall deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect the Aggrieved Employees' privacy rights, the Administrator shall maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of the Settlement, and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who require access to the Aggrieved Employee Data to effect and perform as set forth in the Agreement. Defendant has a continuing duty to immediately notify the Administrator if it discovers that the Aggrieved Employee Data omitted employee identifying information and, if so, to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use their best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

Funding of the Gross Settlement Amount*:* The Settlement Administrator will provide Defendant with its bank wire instructions to establish the Qualified Settlement Fund (QSF). Within twenty (20) calendar days of the Effective Date, Defendant shall transmit the Gross Settlement Amount to the Settlement Administrator.

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

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

VIII. TAXES

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

IX. RELEASED CLAIMS

Upon the approval by the Court of this Settlement Agreement, Plaintiff, the State of California, and each Aggrieved Employee shall fully release and forever discharge Defendant and the Released Parties from any and all claims, rights, demands, liabilities for violation of the PAGA (California *Labor Code* §§ 2699 et seq.) that were set forth, or that could have been set forth based on the facts alleged in the Operative Complaint and the PAGA Notice, including but not limited to: Defendant's alleged failure to reimburse business expenses; failure to provide accurate wage statements; failure to timely pay all wages due in accordance with time periods prescribed by law; failure to keep accurate payroll records; and failure to timely pay all final wages at separation of employment.

X. CONCLUSION

The Parties respectfully request the Court grant this Stipulation.

Dated: April 16, 2025

SEZGIN KHOUSADIAN LLP

By: Arthur Sezgin

ARTHUR SEZGIN, ESQ.
Attorneys for PLAINTIFF
KENNETH RODRIGUEZ

Dated: April 22, 2025

LIEBERT CASSIDY WHITMORE

By: */s/ Elizabeth T. Arce*

ELIZABETH T. ARCE, ESQ.
Attorneys for DEFENDANT
THE WEBB SCHOOLS

[PROPOSED] ORDER

Under California Labor Code Section 2699(1)(2) of the Private Attorneys General Act of 2004 ("PAGA"), the Parties submitted a Stipulation for Approval of Settlement under PAGA.

Plaintiff's Complaint, filed on or about February 27, 2025, seeks civil penalties on himself of the State of California and similarly situated aggrieved employees (the "Aggrieved Employees"), as authorized by PAGA under California *Labor Code* § 2699, in relation to alleged violations of the predicate statutes set forth in Plaintiff's Complaint and the letter to the Labor Workforce and Development Agency ("LWDA") dated September 10, 2024 ("LWDA Letter"), on behalf of all current and former non-exempt employees of Defendant from September 10, 2023 through February 28, 2025, inclusive.

Under PAGA, in any action brought by an aggrieved employee, the Court "shall review and approve any settlement of any civil action filed pursuant to this part." California *Labor Code* § 2699(l)(2). Accordingly, the Court, having considered the proposed settlement set forth in the Settlement Agreement, including the proposed PAGA penalties, under Labor Code § 2699(l)(2), having considered the papers filed in support of the proposed settlement and the arguments of counsel, and good cause appearing, HEREBY ORDERS AS FOLLOWS:

1. The Court finds the instant Action presents a good-faith dispute of the PAGA claim alleged;
2. The Court finds in favor of settlement approval, and therefore approves settlement of the PAGA claim in above-captioned action, as set forth in the Settlement Agreement, and each of the releases and other terms, as fair, just, reasonable, and adequate;
3. The Court finds further that Plaintiff, acting on behalf of himself, the Aggrieved Employees, and the State of California, by operation of this Order and Judgment hereby releases and forever discharges Defendant from any and all PAGA Released Claims (as defined in the Settlement Agreement), including penalties asserted in Plaintiff's PAGA claim, including any and all known and unknown claims for civil penalties under the Private Attorneys General Act (California Labor Code §§ 2698 et seq.) that arise;

4. The Court finds further that the foregoing release shall be binding on Plaintiff and the State of California, and shall bar any claim under PAGA brought by any person, including the Aggrieved Employees, on behalf of the State of California, as to the PAGA Released Claims;
5. The Parties are directed to comply with all terms of the Settlement Agreement, and Defendant is directed to make all payments required by the Settlement Agreement;
6. Under the Settlement Agreement, Defendant agrees to pay an all-in gross amount of **One Hundred Fifty Thousand Eight Hundred Seventy-Five Dollars and Zero Cents ($150,875.00)** (the "Gross Settlement Amount"). The Gross Settlement Amount is inclusive of payments to the LWDA, the Aggrieved Employees, Settlement Administrator Costs, Attorney's Fees, and Litigation Costs & Expenses. No portion of the Gross Settlement Amount will revert to Defendant. Plaintiff's counsel requests an award of attorney's fees in the amount of **Fifty Thousand Two Hundred Eighty-Six Dollars and Sixty-Four Cents ($50,286.64)**; litigation costs and expenses in the amount of **Five Hundred Thirty-Three Dollars and Seventy-Two Cents ($533.72)**. The Settlement Administrator, ILYM Group, Inc., requests administration costs of **Two Thousand Eight Hundred Dollars and Zero Cents ($2,800.00)**. Defendant does not oppose these requests. The Court finds the Gross Settlement Amount is fair, reasonable, and adequate, and approves each of these payments, and directs the Settlement Administrator to make the above payments to payments from the Gross Settlement Amount as follows:
    a. $50,286.64 in attorney's fees to Sezgin Khousadian LLP;
    b. $533.72 in litigation costs and expenses to Sezgin Khousadian LLP;
    c. $2,800.00 in administration costs to ILYM Group, Inc.;
    d. After deducting the foregoing payments, the estimated remainder of approximately $97,254.64 shall form the Net Settlement Amount ("NSA"). Pursuant to Labor Code Section 2699(i), the NSA will then be distributed 65 percent ($63,215.52) to the

LWDA, and the remaining 35 percent ($34,039.12) to the Aggrieved Employees on a pro rata basis, as set forth in the Settlement Agreement. The Court approves these payments and directs the Settlement Administrator to issue checks to the LWDA and Aggrieved Employees, along with a Notice of PAGA Settlement, Plaintiff, Plaintiff's counsel, and to otherwise carry out its duties as set forth in the Settlement Agreement; and

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

IT IS SO [PROPOSED] ORDERED.

Dated: ________________________ ____________________________________

Hon. Judge Dean J. Kitchens

EXHIBIT A

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

This PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff Kenneth Rodriguez ("Plaintiff") on behalf of himself and other current and former aggrieved employees, and Defendant The Webb Schools ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1. "Action" means Plaintiff's PAGA lawsuit captioned *Rodriguez v. The Webb Schools, et al.* (Case No. 25STCV05539) initiated on February 27, 2025, and pending in Superior Court of the State of California, County of Los Angeles.

1.2. "Administrator" means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with approval of the Settlement.

1.4. "Aggrieved Employee" means a person employed by Defendant The Webb Schools in California during the PAGA Period and subject to the violations alleged in the Action.

1.5. "PAGA Counsel" means Sezgin Khousadian LLP.

1.6. "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorney's fees and expenses, respectively, incurred to prosecute the Action.

1.7. "Aggrieved Employee Data" means Aggrieved Employee identifying information in Defendant's possession, including the Aggrieved Employee's name, last known mailing address, Social Security number, and number of PAGA Pay Periods said person worked.

1.8. "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employee mailing addresses, using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.

1.9. "Court" means the Superior Court of California, County of Los Angeles.

1.10. "Defendant" means named Defendant, The Webb Schools.

1.11. "Plaintiff" means Kenneth Rodriguez, the named Plaintiff in the Action.

1.12. "Defense Counsel" means Liebert Cassidy Whitmore.

1.13. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement; and (b) the Judgment is final. The Judgment is final the day the Court enters Judgment with no objections, appeals, interventions (attempted or permitted), motions to set aside the Judgment, or objections by the Labor Workforce Development Agency ("LWDA") being made, provided that the Settlement is not materially modified. A "material modification" does not include any reduction of the PAGA Counsel Fees Payment as described in this Agreement.

1.14. "Judgment" means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

1.15. "Gross Settlement Amount" means **One Hundred Fifty Thousand Eight Hundred Seventy-Five Dollars and Zero Cents ($150,875.00)**, which is the total amount Defendant agrees to pay in the Settlement of the PAGA cause of action. The Gross Settlement Amount shall be used to pay the Individual PAGA Payments, the LWDA PAGA Payment, the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment.

1.16. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 35% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.17. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code Section 2699, subd. (i).

1.18. "LWDA PAGA Payment" means the 65% of the PAGA Penalties paid to the LWDA under Labor Code Section 2699, subd. (i).

1.19. "Net Settlement Amount" or "PAGA Penalties" mean the Gross Settlement Amount, less the following payments in the amounts approved by the Court: (i) the PAGA Counsel Fees Payment; (ii) the PAGA Counsel Litigation Expenses Payment; and (iii) the Administration Expenses Payment. The remaining funds are to be allocated 35% to the Aggrieved Employees and 65% to the LWDA in settlement of the PAGA claims.

1.20. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant The Webb Schools for at least one day during the PAGA Period.

1.21. "PAGA Period" means the period from September 10, 2023 through the date of Court approval of this Agreement, or earlier as provided by paragraph 8 of this Agreement.

1.22. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698 et seq.).

1.23. "PAGA Notice" means Plaintiff's September 10, 2024 letter to Defendant and the LWDA providing notice pursuant to Labor Code Section 2699.3, subd.(a).

1.24. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.

1.25. "Released PAGA Claims" means the claims being released as described in Paragraph 5 below.

1.26. "Released Parties" means: Defendant The Webb Schools, and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, affiliates, and each of their client companies.

1.27. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

2. RECITALS.

2.1. On February 27, 2025, Plaintiff commenced this Action by filing a complaint and alleging a cause of action for violation of California's Private Attorneys General Act.

2.2. Pursuant to Labor Code Section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.3. Prior to the Parties reaching a resolution, Plaintiff obtained, through informal discovery requests, relevant, detailed information related to the Aggrieved Employees over the PAGA Period.

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

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay **One Hundred Fifty Thousand Eight Hundred Seventy-Five Dollars and Zero Cents ($150,875.00)** and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

3.2.1. **To PAGA Counsel:** The **PAGA Counsel Fees Payment**, not to exceed 33.3333% of the Gross Settlement Amount, and which is currently estimated to be in the amount of **Fifty Thousand Two Hundred Eighty-Six Dollars and Sixty-Four Cents ($50,286.64)**.

3.2.2. **To PAGA Counsel:** The **PAGA Counsel Litigation Expenses Payment**, which is currently estimated to be in the amount of **Five Hundred Thirty-Three Dollars and Seventy-Two Cents ($533.72)**, including a PAGA notice filing fee in the amount of $75.00 and complaint filing fee in the amount of $458.72.

Defendant shall not oppose requests for the Court to approve these payments, provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel shall file a stipulation, application, or motion for the PAGA Counsel Fees Payment and the PAGA Litigation Expenses Payment. If the Court approves the PAGA Counsel Fees Payment and/or the PAGA Counsel Litigation

Expenses Payment in amounts less than those requested, the Administrator shall allocate the remaining funds to the Net Settlement Amount. The Released Parties shall have no liability to PAGA Counsel or any other attorneys for Plaintiff arising from any claim to any portion of the PAGA Counsel Fee Payment and/or the PAGA Counsel Litigation Expenses Payment. The Administrator shall pay the PAGA Counsel Fees Payment and the PAGA Counsel Expenses Payment using one or more IRS Forms 1099. PAGA Counsel assumes full responsibility and liability for any and all taxes that may be owed on the PAGA Counsel Fees Payment, and holds the Released Parties harmless, and indemnifies the Released Parties from, any dispute or controversy regarding any division or sharing of any of these payments.

3.2.3. <u>**To the Administrator:**</u> An **Administrator Expenses Payment** not to exceed **Two Thousand Eight Hundred Dollars and Zero Cents ($2,800.00)** except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less, or the Court approves payment less than $2,800.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. <u>**To the LWDA and Aggrieved Employees:**</u> After deducting the above amounts, the Net Settlement Amount, which comprises the PAGA Penalties, is currently estimated to be **$97,254.64**, with **65% ($63,215.52)** allocated to the LWDA PAGA Payment and **35% ($34,039.12)** allocated to the Individual PAGA Payments.

3.2.4.1. The Administrator will calculate each Individual PAGA Payment by: (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period; and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.2. For tax purposes, the Individual PAGA Payments will be characterized 100% as penalties. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. It is the understanding of the Parties that there will be no additional employer-side taxes on the PAGA Payments, because it is 100% penalties. However, should the Court order any portion as wages, such employer-side taxes will be the sole liability of Defendant.

4. <u>SETTLEMENT FUNDING AND PAYMENTS</u>.

4.1. <u>Aggrieved Employees and Pay Period Estimates</u>: Based on a review of its records as of the date the Parties agreed to resolve the matter, i.e., on or about February 27, 2025, Defendant estimates there were **207 Aggrieved Employees** who worked a total of approximately **4,828 PAGA Pay Periods**.

4.2. <u>Aggrieved Employee Data</u>: Within ten (10) calendar days of the Effective Date, Defendant shall deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect the Aggrieved Employees' privacy rights, the Administrator shall maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of the Settlement, and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who require access to the Aggrieved Employee Data to effect and perform as set forth in the Agreement. Defendant has a continuing duty to immediately notify the Administrator if it discovers that the Aggrieved Employee Data omitted employee identifying information and, if so, to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use their best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3 Funding of the Gross Settlement Amount: Defendant shall fully fund the Gross Settlement Amount by transmitting the sum of the Gross Settlement Amount to the Administrator no later than twenty (20) calendar days after the Effective Date.

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

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

4.4.2 The Administrator shall conduct the Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undeliverable, without a United States Postal Service ("USPS") forwarding address. Within seven (7) days of receiving a returned check, the Administrator must re-mail said check to the USPS forwarding address provided, or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take any further steps to deliver checks to any of the Aggrieved Employees whose re-mailed checks are returned as undeliverable. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, provided that the Aggrieved Employee requests same prior to the void date.

4.4.3 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.4.4 The payment of the Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in the Agreement.

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

5.1. Release by the Aggrieved Employees: All of the Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns ("the Aggrieved Employee Releasors"), the Released Parties from all claims for PAGA Penalties during the PAGA Period that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice, including but not limited to: Defendant's alleged failure to reimburse business expenses; failure to provide accurate wage statements; failure to timely pay all wages due in accordance with time periods prescribed by law; failure to keep accurate payroll records; and failure to timely pay all final wages at separation of employment.

5.2. Release by PAGA Counsel: PAGA Counsel releases, on behalf of its present and former attorneys, employees, agents, successors, and assigns ("the PAGA Counsel Releasors"), the Released Parties from all claims for attorney's fees and expenses incurred to prosecute the Action, or incurred in relation to the Action or the PAGA Notice, except as those fees and costs specifically provided for herein.

6. **MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.** The Parties shall jointly prepare and file a stipulation, application, or motion for approval of the Settlement, as follows:

6.1. Responsibilities of PAGA Counsel: PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the stipulation for approval of the Settlement, and in no event later than 30 days after the full execution of the Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing before the Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's order granting approval of the Settlement to the Administrator.

6.2. Duty to Cooperate: If the Parties disagree on any aspect of the proposed application or motion for approval of the Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel shall expeditiously work together on behalf of the Parties by meeting and conferring in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of the Settlement or conditions its approval on any material change to the Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. **SETTLEMENT ADMINISTRATION.**

7.1. Selection of Administrator: The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and have verified that, as a condition of appointment, ILYM Group, Inc. agrees to be bound by the Agreement and to perform, as a fiduciary, all duties specified in the Agreement in exchange for payment of the Administration Expenses. The Parties and their respective counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2. Employer Identification Number: The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.

7.3. Qualified Settlement Fund: The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under United States Treasury Regulation section 468B-1.

7.4. Administrator Duties: The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in the Agreement or otherwise.

8. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of the Judgment, the Court shall retain jurisdiction over the Parties, the Action, and the Settlement, solely for purposes of: (i) enforcing the Agreement and/or the Judgment; (ii) addressing settlement administration matters; and (iii) addressing such post-Judgment matters as are permitted by law.

9. ADDITIONAL PROVISIONS.

9.1. No Admission of Liability or Representative Manageability for Other Purposes: The Agreement represents a compromise and settlement of highly disputed claims. Nothing in the Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted, nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of the Settlement only. If, for any reason, the Court does not approve the Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, the Agreement and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and the Agreement).

9.2. Integrated Agreement: Upon execution by the Parties and their counsel, the Agreement together with any attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

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

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

9.5. No Prior Assignments: The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by any of the Parties to the Agreement.

9.6. No Tax Advice: Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in the Agreement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended), or otherwise.

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

9.8. Agreement Binding on Successors: The Agreement shall be binding upon, and inure to the benefit of, the successors of each of the Parties.

9.9. Applicable Law: All terms and conditions of the Agreement and any exhibits thereto shall be governed by and interpreted according to the internal laws of the State of California, without regard to conflict of law principles.

9.10. Cooperation in Drafting: The Parties have cooperated in the drafting and preparation of the Agreement. The Agreement shall not be construed against any Party on the basis that the Party was the drafter or participated in the drafting of the Agreement.

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

9.12. Use and Return of the Aggrieved Employee Data: Information provided to PAGA Counsel pursuant to California Evidence Code Section 1152, and all copies and summaries of the Aggrieved Employee Data provided to PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to the Settlement, and for no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligations to pay out all settlement funds, Plaintiff shall destroy all paper and electronic versions of the Aggrieved Employee Data received from Defendant unless, prior to the Administrator's payment of all settlement funds, Defendant makes a written request to PAGA Counsel for the return, rather than the destruction, of the Aggrieved Employee Data.

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

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

9.15. Notice: All notices, demands or other communications between the Parties in connection with the Agreement shall be in writing and deemed to have been duly given as of the third business day after mailing by U.S. Mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:
Arthur Sezgin, Esq.
Alisa Khousadian, Esq.
SEZGIN KHOUSADIAN LLP

500 N. Central Avenue, Suite 830
Glendale, California 91203
Telephone: 818-696-1330

To Defendant:
Elizabeth T. Arce, Esq.
Victor D. Gonzalez, Esq.
Liebert Cassidy Whitmore
6033 West Century Blvd., 5th Floor
Los Angeles, California 90045
Telephone: 310-981-2000

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

9.17. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to California Code of Civil Procedure Section 583.330 to extend the date to bring a case to trial under CCP Section 583.310 for the entire period of this settlement process.

Dated: 4/16/2025

DocuSigned by:
AB20029D354F48B...
Plaintiff Kenneth Rodriguez

Dated: 4/23/25

The Webb Schools
Dr. Theresa Smith, Head of School

APPROVED AS TO FORM

SEZGIN KHOUSADIAN LLP

Dated: 4/15/2025

DocuSigned by:
Arthur Sezgin
A28563B0C10041F...
Arthur Sezgin, Esq.
Alisa Khousadian, Esq.
Attorneys for Plaintiff and the Aggrieved Employees

LIEBERT CASSIDY WHITMORE

Dated: 4/23/2025

Elizabeth T. Arce, Esq.
Attorneys for Defendant The Webb Schools