

## JOINT STIPULATION OF SETTLEMENT AND RELEASE OF CLAIMS

Subject to final approval by the Court, this Settlement Agreement is between Plaintiff LILIYA GOTISHAN (“Plaintiff”), and Defendant KYO AUTISM THERAPY, LLC (“Defendant”). Plaintiff and Defendant collectively are referred to in this Agreement as the “Parties.”

### I. DEFINITIONS

In addition to the other terms defined in this Agreement, the terms below have the following meaning:

1. **Action**: *Liliya Gotishan v. Kyo Autism Therapy, LLC*, San Francisco County Superior Court, Case No. CGC-21-596378.

2. **Administration Costs**: The costs incurred by the Settlement Administrator to administer this Settlement, which shall not exceed \$20,000. All Administration Costs shall be paid from the Gross Settlement Amount. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.

3. **Agreement, Settlement Agreement, Stipulation, or Settlement**: The settlement agreement reflected in this document, titled “Joint Stipulation of Settlement and Release of Claims.”

4. **Attorney Fee Award**: An amount not to exceed one-third of the Gross Settlement Amount or \$338,333.33, finally approved by the Court and awarded to Class Counsel. The Attorney Fee Award shall be paid from the Gross Settlement Amount and will not be opposed by Defendant. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.

5. **Class**: All current and former non-exempt employees employed by Defendant in the State of California from November 10, 2017, through the earlier of January 1, 2023, and/or preliminary approval of this Settlement.

6. **Class Counsel**: Zachary Crosner, Jamie Serb, and Chad Saunders of Crosner Legal, P.C.

7. **Class Member**: Each person eligible to participate in this Settlement who is a member of the Class as defined above.

8. **Class Notice or Notice**: The Notice of Class Action Settlement, substantially similar to the form attached hereto as **Exhibit A**, subject to Court approval.

9. **Class Period:** From November 10, 2017, through the earlier of January 1, 2023, and/or preliminary approval of this Settlement.

10. **Class Representative or Plaintiff:** Liliya Gotishan, an individual and former non-exempt employee of Defendant.

11. **Class Representative Enhancement Payment:** The amount the Court awards to Plaintiff, which will not exceed \$10,000. This payment shall be paid from the Gross Settlement Amount and will not be opposed by Defendant. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.

12. **Cost Award:** The amount that the Court orders Defendant to pay Class Counsel for payment of actual litigation costs, which shall not exceed \$30,000. The Cost Award will be paid from the Gross Settlement Amount and will not be opposed by Defendant. The Cost Award is subject to Court approval. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.

13. **Counsel for Defendant:** Hieu T. Williams and Jesse D. Sutz of Hirschfeld Kraemer LLP.

14. **Defendant:** Kyo Autism Therapy, LLC.

15. **Effective Final Settlement Date:** “Effective Date” and “Final” mean (1) in the event that the Settlement has received Final Approval by the Court and there were no timely objections filed, then the date of entry of the final approval order and final judgment; or, (2) in the event that one or more timely objections has/have been filed and not withdrawn and a motion to intervene and/or motion to vacate judgment has been filed, then upon the passage of the applicable date for an objector to seek appellate review of the Court’s order of final approval of the Settlement, without a timely appeal having been filed; or, (3) in the event that a timely appeal of the Court’s order of final approval has been filed, then the Settlement Agreement shall be final when the applicable appellate court has rendered a final decision or opinion affirming the Court’s final approval without material modification, and the applicable date for seeking further appellate review has passed.

16. **Funding of Settlement:** Defendant shall wire to the Settlement Administrator the Gross Settlement Amount within thirty (30) calendar days of the Effective Final Settlement Date.

17. **Final Judgment or Final Approval:** The final order entered by the Court finally approving this Agreement.

18. **Gross Settlement Amount or GSA:** The non-reversionary sum of One Million and Fifteen Thousand Dollars and Zero Cents (\$1,015,000.00). Aside from the employer’s payroll taxes which Defendant shall pay separately, this is the total amount

Defendant can be required to pay under this Settlement Agreement, which includes without limitation: (1) payments to the Class, (2) Class Counsel's fees, (3) Class Counsel's costs, (4) Settlement Administration Costs, (5) Class Representative Enhancement Payment; (6) Payment of PAGA penalties to be paid to the LWDA and PAGA Members; and (7) individual settlement payment to Plaintiff in exchange for her general release, as approved by the Court. No portion of the GSA will revert to Defendant for any reason.

**19. Individual Settlement Share(s):** The amount payable to each Participating Class Member under the terms of this Settlement Agreement. Participating Class Members will receive an Individual Settlement Share automatically, without the return of a claim form.

**20. LWDA:** California Labor and Workforce Development Agency.

**21. Net Settlement Amount or NSA:** The total amount of money available for payout to Participating Class Members after the following deductions from the GSA: (1) the Attorney Fee Award, (2) Cost Award, (3) Class Representative Enhancement Payments, (4) the PAGA Payment to the LWDA and to the PAGA Members, (5) Administration Costs, and (6) the individual settlement payment to Plaintiff. The individual settlement shares shall be reduced by the respective Participating Class Members' lawful deductions and withholdings for the wage portion of their share.

**22. PAGA:** The California Labor Code Private Attorneys General Act of 2004 (Cal. Labor Code §§ 2698 *et seq.*).

**23. PAGA Members:** All non-exempt employees of Defendant, who were employed in California between September 15, 2020, and the earlier of January 1, 2023, or when the Court enters an order granting preliminary approval of the Settlement.

**24. PAGA Payment:** The PAGA Payment consists of \$50,000 of the GSA allocated to satisfy the PAGA penalties claim as alleged in the in the Complaint. Seventy-five percent (75%) of the PAGA Payment, \$37,500, shall be paid to the LWDA, and twenty-five percent (25%), \$12,500, of the PAGA Payment shall be distributed to the PAGA Members.

**25. PAGA Period:** From September 15, 2020, and the earlier of January 1, 2023, or when the Court enters an order granting preliminary approval of the Settlement.

**26. Participating Class Members:** All Class Members who do not submit a valid and timely request to exclude themselves from this Settlement.

**27. Parties:** Plaintiff Liliya Gotishan as an individual and as Class Representative, and Defendant Kyo Autism Therapy, LLC.

**28. Preliminary Approval or Preliminary Approval Order:** The Court's order preliminarily approving the proposed Settlement.

**29. Qualified Settlement Fund or QSF:** The Parties agree that the GSA is intended to be a "Qualified Settlement Fund" under Section 468B of the Code and Treasury Regulations § 1.4168B-1, 26 C.F.R. § 1.468B-1 *et seq.*, and will be administered by the Settlement Administrator as such.

**30. Released Parties:** "Released Parties" means Kyo Autism Therapy, LLC, its parents, subsidiaries, affiliated entities, past or present officers, directors, employees, agents, principals, heirs, representatives, accountants, auditors, attorneys, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, and affiliated entities.

**31. Response Deadline:** Sixty (60) calendar days from the initial mailing of the Notice.

**32. Settlement Administration:** The Settlement Administrator will mail the Notice by first class U.S. mail to all Class Members at the address Defendant has on file for those Class Members and to all former employee Class Members at the address on file after consulting with the U.S. Post Office's National Change of Address database. The Notice will inform Class Members that they have until the Response Deadline to either object to the Settlement or to opt-out of the Settlement. If any Notice is returned as undeliverable, then the Settlement Administrator shall attempt to locate a new address for the Class Member by using skip tracing. Any Class Member who does not receive Notice after the steps outlined above have been taken will still be bound by the Settlement and/or judgment.

**33. Settlement Administrator:** The third party administrator agreed upon by Parties to administer this Settlement is Atticus Administration, LLC.

**34. Superior Court:** San Francisco County Superior Court.

## **II. RECITALS**

**35.** The Action was filed by Plaintiff in the San Francisco County Superior Court on November 10, 2021. The complaint alleged causes of action on behalf of Plaintiff and the Class for 1) Failure to Pay Minimum Wage for All Hours Worked [Labor Code §§ 1194 and 1197]; 2) Failure to Pay Wages for All Hours Worked at Overtime [Labor Code §§ 226.2, 510, 1194, and 1198]; 3) Failure to Provide Meal Periods [Labor Code §§ 512 and 226.7]; 4) Failure to Authorize or Permit Rest Periods [Labor Code § 226.7]; 5) Failure to Provide Complete and Accurate Wage Statements [Labor Code § 226]; 6) Failure to Pay All Wages Timely Upon Separation of Employment [Labor Code §§ 201, 202, And 203]; 7) Failure to Reimburse Business Expenses [Labor Code § 2802]; and 8) Unfair Business Practices [Bus. & Prof. Code § 17200, *et seq.*]. On November 19, 2021, Plaintiff filed a

First Amended Complaint (“FAC”) that added a cause of action for violation of the Private Attorneys General Act [Labor Code §§ 2698, et seq.].

**36.** Defendant filed an Answer to the FAC on January 12, 2022. In its Answer Defendant denied generally and specifically all claims raised in the FAC and asserted affirmative defenses.

**37.** Prior to mediation, Plaintiff reviewed a substantial amount of data and documents relating to the size and scope of the class that permitted an analysis and evaluation of the class-wide claims. In addition, Plaintiff hired Berger Consulting to analyze a 20% sampling of class-wide data.

**38.** The parties attended a full-day mediation with Lisa Klerman on August 31, 2022. After a full day of arms-length mediation, the parties were unable to reach a settlement. However, the Parties continued to negotiate and accepted a mediator’s proposal to settle the Action on September 8, 2022, the terms of which are reflected herein.

**39. Benefits of Settlement to Class Members.** Plaintiff and Class Counsel recognize the expense and length of continued proceedings necessary to continue the litigation against Defendant through trial and through any possible appeals. Plaintiff and Class Counsel also have taken into account the uncertainty and risk of further litigation, the potential outcome, and the difficulties and delays inherent in such litigation. Plaintiff and Class Counsel have conducted extensive settlement negotiations and evaluation of documents and data. Based on the foregoing, Plaintiff and Class Counsel believe the Settlement set forth in this Agreement is a fair, adequate, and reasonable settlement, and is in the best interests of the Class Members.

**40. Defendant’s Reasons for Settlement.** Defendant recognizes that the defense of this litigation will be protracted and expensive. Substantial amounts of Defendant’s time, energy, and resources have been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiff. Defendant, therefore, has agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the Released Claims.

**41. Defendant’s Denial of Wrongdoing.** Defendant generally and specifically denies any and all liability or wrongdoing of any sort with regard to any of the claims alleged, makes no concessions or admissions of liability of any sort, and contends that for any purpose other than settlement, the Action is not appropriate for class treatment. Defendant asserts a number of defenses to the claims, and has denied any wrongdoing or liability arising out of any of the alleged facts or conduct in the Action. Neither this Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Agreement, is or may be construed as, or may be used as an admission, concession, or indication by or against Defendant or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. There has been no final determination by any court as to the merits of the claims asserted by Plaintiff against Defendant or as to whether a class or classes should be certified, other than for settlement purposes only.

**42. Plaintiff's Claims.** Plaintiff asserts that Defendant's defenses are without merit. Neither this Agreement nor any documents referred to or contemplated herein, nor any action taken to carry out this Agreement is, may be construed as, or may be used as an admission, concession or indication by or against Plaintiff, Class Members, or Class Counsel as to the merits of any claims or defenses asserted, or lack thereof, in the Action. However, in the event that this Settlement is finally approved by the Court, the Plaintiff, Class Members, and Class Counsel will not oppose Defendant's efforts to use this Agreement to prove that Plaintiff and Class Members are barred by the doctrines of *res judicata* and collateral estoppel from re litigating the Released Claims.

### **III. SETTLEMENT TERMS AND CONDITIONS**

**43. Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the maximum Gross Settlement Amount, not including employer's share of any payroll tax obligations, that Defendant is obligated to pay under this Settlement Agreement is One Million and Fifteen Thousand Dollars and Zero Cents (\$1,015,000.00).

**44. Class Certification.** Solely for the purposes of this Settlement, the Parties stipulate and agree to certification of the claims asserted on behalf of Class Members. As such, the Parties stipulate and agree that in order for this Settlement to occur, the Court must certify the Class as defined in this Agreement.

**45. Conditional Nature of Stipulation for Certification.** The Parties stipulate and agree to the certification of the claims asserted on behalf of Plaintiff and Class Members for purposes of this Settlement only. If the Settlement does not become effective, the fact that the Parties were willing to stipulate to certification as part of the Settlement shall not be admissible or used in any way in connection with the question of whether the Court should certify any claims in a non-settlement context in this Action or in any other lawsuit. If the Settlement does not become effective, Defendant reserves the right to contest any issues relating to class certification and liability, and Plaintiff agrees that she will not argue that Defendant has made any concession or waived any arguments concerning class certification.

**46. Appointment of Class Representative.** Solely for the purposes of this Settlement, the Parties stipulate and agree Plaintiff Liliya Gotishan shall be appointed as representative for the Class.

**47. Appointment of Class Counsel.** Solely for the purpose of this Settlement, the Parties stipulate and agree that the Court appoint Class Counsel to represent the Class.

**48. Individual Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay an Individual Settlement Share from the NSA to each Participating Class Member and from the PAGA Payment to the PAGA Members.

## A. Calculation of Individual Settlement Shares.

- i. **Individual NSA Settlement Share Calculation.** Each Participating Class Member will receive a proportionate share of the Net Settlement Amount that is equal to (i) the number of weeks he or she worked for Defendant during the Class Period in California based on the Class data provided by Defendant, divided by (ii) the total number of weeks worked by all Participating Class Members during the Class Period based on the same Class data, which is then multiplied by the NSA. One day worked in a given week will be credited as a week for purposes of this calculation. Therefore, the value of each Class Member's Individual Settlement Share ties directly to the amount of weeks that he or she worked during the Class Period.
- ii. **Individual PAGA Payment Share Calculation.** Each PAGA Member will receive a proportionate share of 25% of the PAGA Payment which equals (i) the number of weeks he or she worked for Defendant during the PAGA Period in California based on the Class data provided by Defendant, divided by (ii) the total number of weeks worked by all PAGA Members during the PAGA Period based on the same Class data, which is then multiplied by 25% of the PAGA Payment. One day worked in a given week will be credited as a full week for purposes of this calculation. Therefore, the value of each PAGA Member's share ties directly to the amount of weeks that he or she worked.
- iii. Defendant represents that Class Members worked during 96,810 workweeks as of October 4, 2022. If the number of workweeks increases by 15% or more prior to the end of the Class Period, the GSA will increase by a percentage proportionate to the number of additional workweeks. Should the number of workweeks increase by more than 25%, each Party possesses the right to rescind the settlement. Should either Party exercise their right to rescind the settlement, the Parties agree to make good-faith efforts to negotiate a settlement based on the additional number of workweeks.

## B. Tax Treatment.

- i. **Participating Class Member Taxes:** Each Class Member's Individual NSA Settlement Share will be apportioned as follows: 33.3% wages, 66.7% to non-wage premiums, penalties, and interest. Each PAGA Member's share of the PAGA Payment will be apportioned as penalties. The amounts paid as wages shall be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and shall be reported on IRS W-2 forms. The amounts paid as penalties and interest shall be subject to all authorized

and required withholdings other than the tax withholdings customarily made from employees' wages and shall be reported on IRS 1099 forms.

- ii. **Employer Taxes**: Defendant shall be obligated to fund the employer's share of payroll taxes, separate and apart from, and in addition to the Gross Settlement Amount. The Settlement Administrator shall be responsible for calculating the employer's share of payroll taxes, advising Defendant of the amount and paying that amount from funds provided by Defendant.

**49. Preliminary Approval.**

- A. **Preliminary Approval Motion.** Plaintiff will move for an order conditionally certifying the Class for settlement purposes only, giving Preliminary Approval of the Settlement, setting a date for the Final Approval hearing, and approving the Class Notice. Plaintiff shall provide Defendant with a draft of the Preliminary Approval Motion in advance of filing so that Defendant has the opportunity to review the Preliminary Approval Motion before it is filed.
- B. **Preliminary Approval Hearing.** At the Preliminary Approval hearing, the Parties will appear to support the granting of the motion.
- C. **Effect of Denial of Preliminary Approval.** Should the Court decline to conditionally certify the Class or to Preliminarily Approve, the Settlement will be null and void, and the Parties will have no further obligations under it. The amounts of the Attorney Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement Payment shall be determined by the Court, and the Court's determination on these amounts shall be final and binding, and that the Court's approval or denial of any amount requested for these items are not conditions of this Settlement Agreement, and are to be considered separate and apart from the fairness, reasonableness, and adequacy of the Settlement. Any order or proceeding relating to an application for the Attorney Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement Payment shall not operate to terminate or cancel this Settlement Agreement. Nothing in this Agreement shall limit Plaintiff's or Class Counsel's ability to appeal any decision by the Court to award less than the requested Attorney Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement Award.

**50. Appointment of Settlement Administrator.** Solely for the purposes of this Settlement, the Parties stipulate and agree that the Settlement Administrator shall be retained to serve as Settlement Administrator, subject to Court approval and appointment.



**51. Responsibilities of Settlement Administrator.** The Settlement Administrator shall be responsible for preparing, printing, and mailing the Notice to the Class Members; keeping track of any objections or requests for exclusion from Class Members; performing skip traces and re-mailing Notices and Individual Settlement Shares to Class Members; calculating any and all payroll tax deductions as required by law; calculating each Class Member's Individual Settlement Share and PAGA Payment share; providing weekly status reports to Defendant's Counsel and Class Counsel, which is to include updates on any objections or requests for exclusion that have been received; providing a due diligence declaration for submission to the Court prior to the Final Approval hearing; mailing Individual Settlement Shares to Participating Class Members; calculating and mailing the PAGA Payment to the LWDA; distributing the Attorney Fee Award and Cost Award to Class Counsel; printing and providing Class Members and Plaintiff with W-2s and 1099 forms as required under this Agreement and applicable law; providing a due diligence declaration for submission to the Court upon the completion of the Settlement; providing any funds remaining in the QSF as a result of uncashed checks to the Cy Pres Beneficiary, in the amounts directed per this Settlement, including the administration of related tax reimbursements; and for such other tasks as the Parties mutually agree.

**52. No Interest in Settlement Administrator.** The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

**53. Notice to Class Members.** After the Court enters its Preliminary Approval Order, every Class Member will be provided with the Class Notice, in accordance with the following procedure:

- A. Class Data to Settlement Administrator.** Within ten (10) calendar days after entry of the Preliminary Approval Order, Defendant shall deliver to the Settlement Administrator an electronic database, which will list for each Class Member: (1) first and last name; (2) last known mailing address; (3) social security number; (4) hire and termination dates; and (5) the total number of weeks during which the Class Member performed work during the Class Period ("Class Data"). The Class Data shall be based on Defendant's payroll, personnel, and other business records. If any or all of this information is unavailable to Defendant, Defendant will so inform Class Counsel and the Parties will make their best efforts to reconstruct or otherwise agree upon how to deal with the unavailable information. The Settlement Administrator will use the National Change of Address Database ("NCOA") on the addresses of all former employee Class Members. The Settlement Administrator shall maintain the Class Data as private and confidential.
- B. Notice Mailing.** Within fourteen (14) calendar days after receipt of the Class Data, the Settlement Administrator will mail the Class Notice to all

identified Class Members via first-class regular U.S. Mail, using the mailing address information provided by Defendant and the NCOA search results.

- C. Returned Class Notices.** If a Class Notice is returned because of an incorrect address, within five (5) calendar days from receipt of the returned Notice, the Settlement Administrator will conduct a search for a more current address for the Class Member and re-mail the Class Notice to the Class Member. The Settlement Administrator will use the NCOA and skip traces to attempt to find current addresses. The Settlement Administrator will note for its own records the date and address of each re-mailing.
- D. Undeliverable Class Notices.** The Settlement Administrator will be responsible for taking reasonable steps to trace the mailing address of any Class Member for whom a Class Notice is returned by U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum, the tracking of all undelivered mail; performing address searches for all mail returned without a forwarding address; and promptly re-mailing to Class Members for whom new addresses are found. If the Settlement Administrator is unable to locate a better address, the Class Notice will be deemed undeliverable.
- E. Weekly Reports.** The Settlement Administrator shall provide a weekly status report to the Parties. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Defendant's Counsel of the number of Class Notices mailed, the number of Class Notices returned as undeliverable, the number of Class Notices re-mailed, and the number of requests for exclusion or objections received.
- F. Final Report.** No later than five (5) calendar days after the Response Deadline, the Settlement Administrator will provide the Parties with a complete and accurate accounting of the number of Class Notices mailed to Class Members, the number of Class Notices returned as undeliverable, the number of Class Notices re-mailed to Class Members, the number of re-mailed Notices returned as undeliverable, the number of Class Members who objected to the Settlement, the number of Class Members who returned valid requests for exclusion, and the number of Class Members who returned invalid requests for exclusion.
- G. Declaration re: Administration.** No later than seven (7) calendar days after the Response Deadline, the Settlement Administrator will circulate to the Parties a declaration of administration setting forth its compliance with its obligations under this Stipulation. The declaration from the Settlement Administrator shall also be filed with the Court by Class Counsel with the Motion for Final Approval, or as soon as practicable. The Settlement Administrator will supplement its declaration if any material changes occur from the date of its prior declaration or upon request by the Parties.

#### 54. Responses to Class Notice.

- A. Objections to Settlement.** The Class Notice will provide that the Class Members who wish to object to the Settlement may do so in writing no later than the Response Deadline. The timeframe to submit an objection will not be increased for returned mailings.
- i. Format.** Written objections should state: (a) the objecting person's full name; (b) the words "Notice of Objection" or "Formal Objection;" and (c) describe, in clear and concise terms, the arguments supporting the objection. Failure to follow this format will not render the objection invalid.
  - ii. Appearance at Final Approval Hearing.** Class Members may (though are not required to) appear at the Final Approval Hearing to object to the Settlement, either in person or through his or her own counsel.
  - iii. Objections Received.** The Settlement Administrator will provide copies of any objection it receives to Class Counsel and Defendant's Counsel. Class Counsel will file the objections with the Court prior to the Final Approval Hearing. Class Counsel and Defense Counsel will be permitted to file a response to any objections received at any time leading up to the Final Approval Hearing.
- B. Request for Exclusion from the Settlement ("Opt-Out").** The Class Notice will provide that Class Members who wish to exclude themselves from the Settlement must mail or fax to the Settlement Administrator a written request for exclusion.
- i. Format.** The written request for exclusion must: (a) state the Class Member's name, address, telephone number; (b) state the Class Member's intention to exclude themselves from or opt-out of the Settlement; and (c) be postmarked or fax receipt dated no later than the Response Deadline.
  - ii. Effect of Timely Request for Exclusion.** Any Class Member who returns a timely, valid request for exclusion will not be bound by the Settlement and subsequent Final Judgment and will not receive an Individual Settlement Share.
  - iii. Effect of Untimely Request for Exclusion.** A Class Member who does not complete and mail or fax a timely request for exclusion will automatically be included in the Settlement, will receive an Individual Settlement Share, and be bound by all terms and conditions of the

Settlement, if the Settlement is finally approved by the Court, and by the subsequent Final Judgment.

**55. No Solicitation of Objection or Requests for Exclusion.** Neither the Parties nor their respective counsel will solicit or otherwise encourage directly or indirectly any Class Member to object to the Settlement, request exclusion from the Settlement, or appeal from the Judgment.

**56. Final Approval.**

**A. Final Approval Motion.** Class Counsel will file unopposed motions and memorandums in support thereof for Final Approval of the Settlement and the following payments in accord with the terms of the Settlement: (1) the Attorney Fee Award; (2) the Cost Award; (3) Administrative Costs; (4) the Class Representative Enhancement Payment; (5) PAGA Payment; and (6) Plaintiff's individual settlement payment. Class Counsel will also move the Court for an order of Final Approval (and associated entry of Final Judgment) releasing and barring any Released Claims of the Participating Class Members.

**B. Effect of Denial of Final Approval.** If the Court does not grant Final Approval of the Settlement, or if the Court's Final Approval of the Settlement is reversed, then this Settlement will become null and void, including, without limitation, the filing of and any response to Plaintiff's Third Amended Complaint, and the Parties shall be returned to their respective positions as if this Settlement had not occurred. In that event, the Parties will have no further obligations under the Settlement, including any obligation by Defendant to pay the GSA or any amounts that otherwise would have been owed under this Stipulation. Further, should this occur, the Parties agree they shall be equally responsible for the Settlement Administrator's Administration Costs through that date. An award by the Court of a lesser amount than sought by Plaintiff and Class Counsel for the Class Representative Enhancement Payment, Attorney Fee Award, Cost Award, will not constitute a material modification to the Settlement within the meaning of this paragraph.

**C. Effect of Grant of Final Approval.** Upon Final Approval of the Settlement, the Parties shall present to the Court a proposed Final Approval Order, approving of the Settlement and entering Final Judgment in accordance therewith. After entry of Final Judgment, the Court shall have continuing jurisdiction over the Action for purposes of: (1) enforcing this Settlement Agreement; (2) addressing settlement administration matters; and (3) addressing such post-Judgment matters as may be appropriate under Court rules and applicable law.

**57. Appeals.**

- A. Waiver of Right to Appeal.** Provided that the Final Judgment is consistent with the terms and conditions of this Agreement, if Class Members do not timely object to the Settlement, then the Parties and their respective counsel waive any and all rights to appeal from the Final Judgment, including, but not limited to, all rights to any post-Judgment proceeding and appellate proceeding, such as a motion to vacate or set aside judgment, and any extraordinary writ, and the Judgment will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceeding, or post-judgment proceeding.
- B. Vacating, Reversing, or Modifying Judgment on Appeal.** If, after a notice of appeal, the reviewing court vacates, reverses, or modifies the Final Judgment, and that Court's decision is not completely reversed and the Final Judgment is not fully affirmed on review by a higher court, then this Settlement will become null and void and the Parties will have no further obligations under it. A material modification would include, but not necessarily be limited to, any alteration of the GSA, an alteration in the calculation of the Net Settlement Amount, and any change to the calculation of the Individual Settlement Share.

**58. Funding the Settlement.** Defendant shall fund the settlement pursuant to the terms of this Stipulation and the Court's Final Approval Order.

- A. Timing.** Defendant shall wire to the Settlement Administrator the GSA within thirty (30) calendar days of the Effective Final Settlement Date.
- B. QSF Treatment.** The Parties and Settlement Administrator shall treat the GSA as coming into existence as a QSF on the earliest date permitted as set forth in 26 C.F.R. § 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law.

**59. Disbursement of the Settlement.** The Settlement Administrator shall distribute funds pursuant to the terms of this Stipulation and the Court's Final Approval Order. The Settlement Administrator shall keep Defendant's Counsel and Class Counsel apprised of all distributions from the GSA. The Settlement Administrator shall respond to questions from Defendant's Counsel and Class Counsel. No person shall have any claim against Defendant, Defendant's Counsel, Plaintiff, Class Counsel, or the Settlement Administrator based on the distributions and payments made in accordance with this Agreement.

- A. Timing.** Pursuant to the terms of this Settlement Agreement, within ten (10) calendar days after receiving the GSA from Defendant, the Settlement Administrator shall disburse the following:

- i. To the Class Representative:** In addition to Plaintiff's Individual Settlement Share, and subject to the Court's approval, Plaintiff will receive up to Ten Thousand Dollars and Zero Cents (\$10,000.00) as the Class Representative Enhancement Payment for her services to the Class. The Settlement Administrator will pay the Class Representative Enhancement Payment out of the GSA. Payroll tax withholdings and deductions will not be taken from the Class Representative Enhancement Payment. An IRS Form 1099 will be issued to the Plaintiff for this payment. If the amount awarded is less than the amount requested for the Class Representative Enhancement Payment, the difference shall become part of the NSA and be available for distribution to Participating Class Members.

Plaintiff will also receive Ten Thousand Dollars and Zero Cents (\$10,000.00) as an individual settlement payment in exchange for her general release of all claims against Defendant, as described in Paragraph 28.

- ii. To Class Counsel.** Class Counsel will apply to the Court for, and Defendant agree not to oppose, a total Attorney Fee Award not to exceed one-third (1/3) or \$338,333.33 of the GSA and a Cost Award not to exceed \$30,000.00. The Settlement Administrator will pay the court-approved amounts for the Attorney Fee Award and Cost Award out of the GSA. Payroll tax withholding and deductions will not be taken from the Attorney Fee Award or the Cost Award. IRS Forms 1099 will be issued to Class Counsel with respect to the Attorney Fee Award. In the event the Court does not approve the entirety of the application for the Attorney Fee Award and/or Cost Award, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendant nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested for the Attorney Fee Award and/or Cost Award, the difference shall become part of the NSA and be available for distribution to Participating Class Members.
- iii. To the Responsible Tax Authorities.** The Settlement Administrator will pay the amount of the Participating Class Members' portion of payroll withholding taxes out of each Participating Class Member's Individual Settlement Share. The Settlement Administrator will calculate the amount of the Participating Class Members' portion of payroll withholding taxes and forward those amounts to the appropriate taxing authorities.
- iv. To the Settlement Administrator.** The Settlement Administrator will pay to itself Administration Costs (reasonable fees and expenses)

approved by the Court not to exceed \$20,000. This will be paid out of the GSA. If the actual amount of Administration Costs is less than the amount estimated and/or requested, the difference shall become part of the NSA and be available for distribution to Participating Class Members.

- v. **To the LWDA.** Of the \$50,000.00 allocated to PAGA penalties, the Settlement Administrator will pay seventy-five percent (75%), or \$37,500, to the LWDA, and twenty-five percent (25%), or \$12,500, shall be paid to the PAGA Members as outlined above. Plaintiff's counsel shall provide all required notices to the LWDA in relation to this Settlement, which are necessary for Final Approval.
- vi. **To Participating Class Members.** The Settlement Administrator will pay Participating Class Members according to the Individual Settlement Share calculations set forth above. All payments to Participating Class Members shall be made from the NSA. All payments to the PAGA Members shall be made from the PAGA Payment.

**60. Participating Class Members' Release.** Upon Defendant's deposit of the Gross Settlement Amount with the Settlement Administrator, Class Members who do not submit a timely and valid request for exclusion will release the Released Parties from all Claims asserted in the operative Complaint or that could have been asserted in the operative Complaint based on the facts alleged therein, including claims for: (i) failure to pay minimum wage in violation of Labor Code sections 1194, 1197, and 1197.1; (ii) failure to pay overtime in violation of Labor Code sections 510, 1194, and 1198; (iii) failure to provide meal periods and pay meal period premiums in violation of Labor Code sections 226.7 and 512; (iv) failure to provide rest breaks and pay rest break premiums, including nonpayment and underpayment, in violation of Labor Code section 226.7; (v) failure to timely pay final wages in violation of Labor Code sections 201, 202, and 203; (vi) failure to provide accurate wage statements in violation of Labor Code section 226; (vii) failure to reimburse business expenses in violation of Labor Code sections 2800 and 2802; (viii) violation of Business and Professions Code section 17200, et seq.; (ix) violation of the Private Attorney General Act, Labor Code section 2699, et seq. on the basis of violation of the foregoing Labor Code claims as well as any claims related to unlawful background checks under Labor Code 1024.5 and 432.7, and any violations of California's sick leave requirements found in Labor Code Sections 245 through 248.5; and (x) any other wage and hour claims, or claims for violations of the Labor Code and or the Fair Labor Standards Act, that were asserted or could have been asserted based on the factual or legal allegations contained in Plaintiff's First Amended Complaint, and that arose any time during the Class Period.

**61. Plaintiff's Release of Claims and General Release.** As of the Effective Final Settlement Date, Plaintiff and Plaintiff's respective spouse, heirs, successors and assigns, shall forever release the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions,

causes of action, suits, rights, demands, costs, losses, debts, penalties and expenses of any nature whatsoever, from the beginning of time through the date of Plaintiff's signature on this Agreement, known or unknown, suspected or unsuspected, whether in tort, contract, equity, or otherwise, for violation of any federal, state or local statute, rule, ordinance or regulation, including but not limited to all claims arising out of, based upon, or relating to Plaintiff's employment with Defendant or the remuneration for, or termination of, such employment. Plaintiff's release includes a waiver of California Civil Code section 1542, which provides as follows:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

Plaintiff's release excludes any release of any claims not permitted to be released by law.

**62. Uncashed Checks.**

- A. Check Expiration.** Participating Class Members must cash or deposit their Individual Settlement Share checks within one hundred and eighty (180) calendar days after the checks are mailed to them.
- B. Reminder Postcard.** If any checks are not redeemed or deposited within ninety (90) calendar days after mailing, the Settlement Administrator will send a reminder postcard indicating that unless the check is redeemed or deposited in the next ninety (90) days, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced.
- C. Cancelled Checks.** If any checks remain uncashed or not deposited by the expiration of the 180-day period after mailing the reminder notice, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, cancel the checks.
- D. Uncashed Checks.** In the event that any Class Member fails to timely cash or deposit his or her Individual Settlement Share check, the funds associated with any uncashed checks will be paid out by the Settlement Administrator in accordance with Code of Civil Procedure section 1500, *et seq.* to the California Unclaimed Property Fund.

**63. Compliance Report by Settlement Administrator.** Within ten (10) business days after the Settlement Administrator cancels any checks remaining uncashed, the Settlement Administrator will serve on the Parties a declaration providing a final report on the disbursements of all funds, including all information required pursuant to the California Code of Civil Procedure section 384 (i.e. the total amount actually paid to



Participating Class Members) and the amount remaining uncashed. Class Counsel will file the declaration with the Court, along with an Amended Judgment.

**64. Amended Judgment.** Pursuant to California Code of Civil Procedure section 384, the Parties shall amend the Final Judgment to direct the Settlement Administrator to transfer the sum of any uncashed checks to the California Unclaimed Property Fund.

#### **IV. MISCELLANEOUS TERMS**

**65. Defendant's Legal Fees.** Defendant is responsible for paying for all of Defendant's own legal fees, costs, and expenses incurred in this Action outside of the GSA.

**66. No Admission of Liability.** Defendant makes no admission of liability or wrongdoing by virtue of entering into this Agreement. Additionally, Defendant reserves the right to contest any issues relating to class certification and liability if the Settlement is not approved. Defendant denies that it has engaged in any unlawful activity, has failed to comply with the law in any respect, has any liability to anyone under the claims asserted in the Action, or that but for the Settlement, the Class should be certified in the Action. This Stipulation is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Stipulation is intended or will be construed as an admission by Defendant of liability or wrongdoing. This Settlement and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with this Stipulation).

**67. No Effect on Employee Benefits.** The Class Representative Enhancement Payment and Individual Settlement Shares paid to Plaintiff or Participating Class Members shall not be deemed to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (*e.g.*, vacation, holiday pay, retirement plans, etc.) of Plaintiff or the Participating Class Members. The Parties agree that any Class Representative Enhancement Payment and/or Individual Settlement Share paid to Plaintiff or the Participating Class Members under the terms of this Agreement do not represent any modification of Plaintiff's or Participating Class Members' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendant. Further, any Class Representative Enhancement Payment shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by Defendant.

**68. Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire Agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any party concerning this Agreement or its exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits.

**69. Authorization to Enter Into Settlement Agreement.** Class Counsel and Defendant's Counsel 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 under this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Stipulation. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement this Stipulation, or on any supplemental provisions that may become necessary to effectuate the terms of this Stipulation, the Parties will seek the assistance of the Court, and in all cases, all such documents, supplemental provisions, and assistance of the Court will be consistent with this Stipulation.

**70. Exhibits and Headings.** The terms of this Stipulation include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Stipulation are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Stipulation.

**71. Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval Hearing to be conducted by the Court.

**72. Amendment or Modification of Agreement.** This Stipulation, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by counsel for all Parties or their successors-in-interest.

**73. Agreement Binding on Successors and Assigns.** This Stipulation will be binding upon, and inure to the benefit of, the successors and assigns of the Parties, as previously defined.

**74. No Prior Assignment.** Plaintiff hereby represents, covenants, and warrants that she has not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged.

**75. Applicable Law.** All terms and conditions of this Stipulation and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.

**76. Fair, Adequate, and Reasonable Settlement.** The Parties and their respective counsel believe and warrant that this Stipulation reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Stipulation through arms-length negotiations, taking into account all relevant factors, current and potential.

**77. No Tax or Legal Advice.** The Parties understand and agree that the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Stipulation, and that Class Members will assume any such tax obligations or consequences that may arise from this Stipulation, and that Class Members shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, in the event that any taxing body determines that additional taxes are due from any Participating Class Member, such Participating Class Member assumes all responsibility for the payment of such taxes.

**78. Jurisdiction of the Court.** The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Stipulation and all orders and judgment entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Stipulation and all orders and judgments in connection therewith.

**79. Invalidity of Any Provision; Severability.** Before declaring any provision of this Stipulation invalid, the Parties request that the Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Stipulation valid and enforceable. In the event any provision of this Stipulation shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

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

**81. Execution in Counterpart.** This Stipulation may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile, PDF, DocuSign (or similar e-signature) signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

**V. EXECUTION BY PARTIES AND COUNSEL**

The Parties and their counsel execute this Agreement.

**AS TO CONTENT:**

Dated: 12 / 06 / 2022


**Liliya Gotishan**



12/20/2022

Dated: \_\_\_\_\_

**Kyo Autism Therapy, LLC**

DocuSigned by:  
  
A88FCAD101BE4E6...

Name: Rob Gerber

Title: CFO

**AS TO FORM:**

Dated: 12/06/2022

**CROSNER LEGAL, P.C.**



Zachary M. Crosner, Esq.

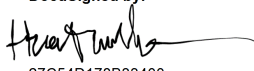
Jamie Serb, Esq.

Chad Saunders, Esq.

Attorneys for Plaintiff and the Class

Dated: 1/10/2023

**HIRSCHFELD KRAEMER LLP**

DocuSigned by:  
  
27C54D178B33400...

Hieu T. Williams, Esq.

Jesse D. Sutz, Esq.

Attorneys for Defendant