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SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF SACRAMENTO

ERIC WARD on behalf of himself, all
others similarly situated, and on behalf of
the general public,

Plaintiffs,

v.

LEARNING ARTS CORPORATION; and
DOES 1-100,

Defendants.

Case No. 34-2023-00334389

[Consolidated with Case No. 34-2023-00336386]

*[Assigned for All Purposes to the
Honorable Lauri A. Damrell; Dept. 22]*

**JOINT STIPULATION OF CLASS AND
PAGA ACTION SETTLEMENT AND
RELEASE OF CLAIMS**

Complaint Filed: February 7, 2023
Trial Date: None Set

**JOINT STIPULATION OF CLASS AND PAGA ACTION SETTLEMENT AND RELEASE
OF CLAIMS**

This Joint Stipulation of Class Action Settlement and Release (“Settlement” or “Settlement Agreement”) is made and entered into by and between Plaintiff Eric Ward (“Plaintiff” or “Class Representative”), as an individual and on behalf of all others similarly situated and the general public, and Defendant Learning Arts Corporation (“Defendant”) (collectively with Plaintiff, the “Parties”).

DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Action” means *Ward v. Learning Arts Corporation*, No. 34-2023-00334389 (Sacramento County Superior Court) consolidated with *Ward v. Learning Arts Corporation*, No. 34-34-2023-00336386 (Sacramento County Superior Court).

2. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and approved by the Court for Class Counsel’s litigation and resolution of the Actions, and all out-of-pocket costs incurred and to be incurred by Class Counsel in the Actions, including but not limited to expert/consultant fees, investigation costs, and costs associated with documenting the Settlement, securing the Court’s approval of the Settlement, administering the Settlement, and obtaining entry of a Judgment terminating the Action. Class Counsel will request attorneys’ fees not in excess of 33.3% of the Gross Settlement Amount, which equates to Two Hundred Eighty Three Thousand Fifty Dollars (\$283,050). The Attorneys’ Fees and Costs will also mean and include the additional reimbursement of any costs and expenses associated with Class Counsel’s litigation and settlement of the Actions, up to \$50,000, subject to the Court’s approval. Defendant has agreed not to oppose Class Counsel’s request for fees and reimbursement of costs as set forth above.

3. “Class Counsel” means Mara Law Firm, PC.

4. “Class List” means a complete list of all Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator and Class Counsel within twenty (20) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in Microsoft Office Excel and will include each Class Member’s full name; most recent mailing

1 address and telephone number; email address (if known); Social Security number; dates of employment;
2 the respective number of Workweeks that each Class Member worked during the Class Period and pay
3 periods that each PAGA Member worked during the PAGA Period; and any other relevant information
4 needed to calculate settlement payments.

5 5. "Class Member(s)" or "Settlement Class" means all persons who worked for Defendant
6 as non-exempt, hourly paid employees in the State of California at any time from February 7, 2019 through
7 December 31, 2024.

8 6. "Class Notice" means the Notice of Class Action Settlement, substantially in the form
9 attached as Exhibit A.

10 7. "Class Period" means the period from February 7, 2019 through December 31, 2024.

11 8. "Class Representative Enhancement Payment" means the amount to be paid to Plaintiff
12 in recognition of his effort and work in prosecuting the Action on behalf of Class Members, and for his
13 general release of claims. Subject to the Court granting final approval of this Settlement Agreement and
14 subject to the exhaustion of any and all appeals, Plaintiff will request Court approval of a Class
15 Representative Enhancement Payment of up to Ten Thousand Dollars (\$10,000).

16 9. "Court" means the Sacramento County Superior Court.

17 10. "Defendant" means Defendant Learning Arts Corporation.

18 11. "Effective Date" means the later of: (a) if no timely objections are filed, or are withdrawn
19 prior to Final Approval, then the date of Final Approval; or (b) if a Class Member files an objection to the
20 Settlement, the Effective Date shall be the sixty-first (61) calendar day after the date of Final Approval,
21 provided no appeal is initiated by an objector; or (c) if a timely appeal is initiated by an objector, then the
22 Effective Date will be the date of final resolution of that appeal (including any requests for rehearing and/or
23 petitions for certiorari), resulting in final judicial approval of the Settlement.

24 12. "Final Approval" means the date on which the Court enters an order granting final
25 approval of the Settlement Agreement.

26 13. "Gross Settlement Amount" means the Gross Settlement Amount of Eight Hundred Fifty
27 Thousand Dollars (\$850,000), to be paid by Defendant in full satisfaction of all Released Class Claims and
28 Released PAGA Claims, which includes all Individual Settlement Payments, Attorneys' Fees and Costs,

1 the Class Representative Enhancement Payments the PAGA Settlement Amount, and Settlement
2 Administration Costs. This Gross Settlement Amount has been agreed to by Plaintiff and Defendant based
3 on the aggregation of the agreed-upon settlement value of individual claims. In no event will Defendant
4 be liable for more than the Gross Settlement Amount except as otherwise explicitly set forth herein. There
5 will be no reversion of the Gross Settlement Amount to Defendant. Defendant will be separately
6 responsible for any employer payroll taxes required by law, including the employer FICA, FUTA, and
7 SDI contributions, which shall not be paid from the Gross Settlement Amount.

8 14. "Individual Settlement Payment" means each Participating Class Member's and PAGA
9 Member's respective shares of the Net Settlement Fund and PAGA Fund.

10 15. "Net Settlement Fund" means the portion of the Gross Settlement Amount remaining after
11 deducting the Attorneys' Fees and Costs, the Class Representative Enhancement Payment, the PAGA
12 Settlement Amount, and Settlement Administration Costs. The Net Settlement Fund will be distributed to
13 Participating Class Members. There will be no reversion of the Net Settlement Fund to Defendant.

14 16. "Notice of Objection" means a Class Member's valid and timely written objection to the
15 Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector's full name,
16 signature, address, and telephone number, (b) a written statement of all grounds for the objection
17 accompanied by any legal support for such objection; (c) copies of any papers, briefs, or other documents
18 upon which the objection is based; and (d) a statement whether the objector intends to appear at the final
19 fairness hearing.

20 17. "PAGA Members" means all persons who worked for Defendant as non-exempt, hourly
21 paid employees in the State of California at any time from December 23, 2021 through December 31,
22 2024.

23 18. "PAGA Period" means the period from December 23, 2021 through December 31, 2024.

24 19. "PAGA Settlement Amount" means the amount that the Parties have agreed to pay to the
25 Labor and Workforce Development Agency ("LWDA") and PAGA Members in connection with
26 Plaintiff's claim under the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698,
27 *et seq.*, "PAGA") ("PAGA Settlement"). The Parties have agreed that \$50,000 of the Gross Settlement
28 Amount will be allocated to the PAGA Settlement. Pursuant to PAGA, Seventy-Five Percent (75%), or

1 \$37,500 of the PAGA Settlement Amount will be paid to the California Labor and Workforce
2 Development Agency (“Labor and Workforce Development Agency Payment”), and Twenty-Five
3 Percent (25%), or \$12,500 (“PAGA Fund”), of the PAGA Settlement will be disbursed to PAGA
4 Members, regardless of whether they request to be excluded from the Settlement Class.

5 20. “Parties” means Plaintiff and Defendant collectively.

6 21. “Participating Class Members” means all Class Members who do not submit timely and
7 valid Requests for Exclusion.

8 22. “Plaintiff” means Plaintiff Eric Ward.

9 23. “Preliminary Approval” means the date on which the Court enters an order granting
10 preliminary approval of the Settlement Agreement.

11 24. “Released Class Claims” means all claims, rights, demands, liabilities, and causes of
12 action, reasonably arising from, or reasonably related to, the same set of operative facts as those set forth
13 in the operative complaint during the Class Period, including: (a) all claims for unpaid overtime; (b) all
14 claims for meal and rest break violations; (c) all claims for unpaid straight time and minimum wages; (d)
15 all claims for failure to adopt a compliant sick pay/paid time off policy; (e) all claims for the failure to
16 timely pay wages upon termination based on the preceding claims; (f) all claims for the failure to timely
17 pay wages during employment based on the preceding claims; (g) all claims for wage statement violations
18 based on the preceding claims; and (h) all claims asserted through California Business & Professions Code
19 §§ 17200, *et seq.*

20 25. “Released PAGA Claims” means all claims for civil penalties under California Labor
21 Code §§ 2698, *et seq.*, that were brought or could reasonably have been brought based on the facts alleged
22 in Plaintiff’s LWDA letter during the PAGA Period.

23 26. “Released Parties” means Defendant, its past or present officers, directors, shareholders,
24 agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and its
25 respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys, if any.

26 27. “Request for Exclusion” means a timely letter submitted by a Class Member indicating a
27 request to be excluded from the Settlement Class. The Request for Exclusion must: (a) set forth the name,
28 address, telephone number and last four digits of the Social Security Number of the Class Member

1 requesting exclusion; (b) be signed by the Class Member; (c) be returned to the Settlement Administrator;
2 (d) clearly state that the Class Member does not wish to be included in the Settlement; and (e) be faxed or
3 postmarked on or before the Response Deadline.

4 28. "Response Deadline" means the deadline by which Class Members must postmark or fax
5 to the Settlement Administrator Requests for Exclusion, postmark or fax disputes concerning the
6 calculation of Individual Settlement Payments, or postmark Notices of Objection to the Settlement
7 Administrator. The Response Deadline will be sixty (60) calendar days from the initial mailing of the Class
8 Notice by the Settlement Administrator, unless the sixtieth (60th) calendar day falls on a Sunday or State
9 holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal
10 Service is open.

11 29. "Settlement Administration Costs" means the costs payable from the Gross Settlement
12 Amount to the Settlement Administrator for administering this Settlement, including, but not limited to,
13 printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the Gross
14 Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The
15 Settlement Administration Costs will be paid from the Gross Settlement Amount, including, if necessary,
16 any such costs in excess of the amount represented by the Settlement Administrator as being the maximum
17 costs necessary to administer the Settlement. Based on an estimated Settlement Class of approximately
18 2,998 Class Members, the Settlement Administration Costs are currently estimated to be approximately
19 \$21,550.

20 30. "Settlement Administrator" means ILYM Group, Inc., or any other third-party class action
21 settlement administrator agreed to by the Parties and approved by the Court for the purposes of
22 administering this Settlement. The Parties each represent that they do not have any financial interest in the
23 Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could
24 create a conflict of interest.

25 31. "Workweeks" means the number of days of employment for each Class Member during
26 the Class Period, subtracting days on leave of absence (if any), dividing by seven (7), and rounding up to
27 the nearest whole number. All Class Members will be credited with at least one Workweek during the
28 Class Period.

32. “Pay Periods” means the number of pay periods of employment for each PAGA Member during the PAGA Period. All PAGA Members will be credited with at least one Pay Period during the PAGA Period.

TERMS OF AGREEMENT

The Plaintiff, on behalf of himself and the Settlement Class, and Defendant agree as follows:

33. Funding of the Gross Settlement Amount. Defendant will make the initial settlement payment of \$250,000 no later than December 31, 2025 (the “Initial Funding Date”). Defendant will make an additional payment of \$350,000 no later than July 1, 2026 (the “Second Funding Date”). Defendant will make a final payment of \$250,000 no later than December 31, 2026 (the “Third Funding Date”). Defendant will pay the employer’s share of payroll taxes separately – once on December 31, 2025, once on July 1, 2026, and once on December 31, 2026.

34. Attorneys’ Fees and Costs. Defendant agrees not to oppose or impede any application or motion by Class Counsel for Attorneys’ Fees and Costs of not more than 33.3% of the Gross Settlement Amount plus the reimbursement of all out-of-pocket costs and expenses associated with Class Counsel’s litigation and settlement of the Action (including expert/consultant fees, investigations costs, etc.), not to exceed \$50,000 both of which will be paid from the Gross Settlement Amount.

35. Class Representative Enhancement Payment. In exchange for a general release, and in recognition of his effort and work in prosecuting the Action on behalf of Class Members, Defendant agrees not to oppose or impede any application or motion for a Class Representative Enhancement Payment of up to Ten Thousand Dollars (\$10,000) to Plaintiff. Plaintiff will be solely and legally responsible to pay any and all applicable taxes on the Class Representative Enhancement Payment. Plaintiff understands and agrees that this Settlement Agreement shall remain in full force and effect even if the full amount of Class Representative Enhancement Payments sought by Plaintiff is not ultimately awarded by the Court.

36. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Gross Settlement Amount, which is currently estimated to be Twenty One Thousand Five Hundred and Fifty Dollars (\$21,550). These costs, which will be paid from the Gross Settlement Amount, will include, *inter alia*, the required tax reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS

Forms, distributing Class Notices, calculating and distributing the Gross Settlement Amount, and providing necessary reports and declarations.

37. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the amount of \$50,000 from the Gross Settlement Amount will be designated for satisfaction of Plaintiff's PAGA claim. Pursuant to PAGA, Seventy-Five Percent (75%), or \$37,500 of this sum will be paid to the LWDA and Twenty-Five Percent (25%), or \$12,500 will be paid to PAGA Members in proportion to the number of Pay Periods worked during the PAGA Period.

38. No Right to Exclusion or Objections to the PAGA Settlement. Because this settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as Private Attorneys General of, and for, the State of California and the LWDA, the Parties agree that no PAGA Member has the right to exclude himself or herself from the release of the Released PAGA Claims, and all PAGA Members will receive their shares of the PAGA Fund. The Parties also agree that no PAGA Member has the right to object to the PAGA Settlement Amount.

39. Net Settlement Fund. The entire Net Settlement Fund will be distributed to Participating Class Members. No portion of the Net Settlement Fund will revert to or be retained by Defendant.

40. PAGA Fund. The entire PAGA Fund will be distributed to all PAGA Members. No portion of the PAGA Fund will revert to or be retained by Defendant.

41. Individual Settlement Payment Calculations. Individual Settlement Payments will be calculated and apportioned from the Net Settlement Fund and PAGA Fund based on the number of Workweeks a Class Member worked during the Class Period and Pay Periods a PAGA Member worked during the PAGA Period. Specific calculations of Individual Settlement Payments will be made as follows:

41(a) Payments from the Net Settlement Fund. Defendant will calculate the total number of Workweeks worked by each Class Member during the Class Period and the aggregate total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member's estimated "Individual Settlement Payment" from the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of

1 Workweeks, resulting in the “Workweek Value.” Each Class Member’s
2 “Individual Settlement Payment” will be calculated by multiplying each
3 individual Class Member’s total number of Workweeks by the Workweek
4 Value. The Individual Settlement Payment will be reduced by any required
5 deductions for each Participating Class Member as specifically set forth
6 herein, including employee-side tax withholdings or deductions. The entire
7 Net Settlement Fund will be disbursed to all Class Members who do not
8 submit timely and valid Requests for Exclusion. If there are any valid and
9 timely Requests for Exclusion, the Settlement Administrator shall
10 proportionately increase the Individual Settlement Payment for each
11 Participating Class Member according to the number of Workweeks worked,
12 so that the amount actually distributed to the Settlement Class equals 100%
13 of the Net Settlement Fund.

14 41(b) Payments from the PAGA Fund. Defendant will calculate the total number
15 of Pay Periods worked by each PAGA Member during the PAGA Period and
16 the aggregate total number of Pay Periods worked by all PAGA Members
17 during the PAGA Period. To determine each PAGA Member’s estimated
18 “Individual Settlement Payment,” the Settlement Administrator will use the
19 following formula: The PAGA Fund will be divided by the aggregate total
20 number of Pay Periods, resulting in the “PAGA Pay Period Value.” Each
21 PAGA Member’s “Individual Settlement Payment” will be calculated by
22 multiplying each individual PAGA Member’s total number of Pay Periods
23 by the PAGA Pay Period Value. The entire PAGA Fund will be disbursed to
24 all PAGA Members.

25 42. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
26 Participating Class Members under this Settlement, as well as any other payments made pursuant to this
27 Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any
28 Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k)

plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans.

43. Administration Process. The Parties agree to cooperate in the administration of the settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement.

44. Delivery of the Class List. Within twenty (20) calendar days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator and to Class Counsel.

45. Notice by First-Class U.S. Mail. Within ten (10) calendar days after receiving the Class List from Defendant, the Settlement Administrator will mail a Class Notice to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

46. Confirmation of Contact Information in the Class Lists. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Class Notices returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address and/or Social Security number of the Class Member involved, and will then perform a single re-mailing. Those Class Members who receive a re-mailed Class Notice, whether by skip-trace or by request, will have an additional fifteen (15) calendar days to submit a Request for Exclusion or an objection to the Settlement.

47. Class Notices. All Class Members will be mailed and emailed, to the extent Defendant has an email address on file for the Class Member, a Class Notice. Each Class Notice will provide: (a) information regarding the nature of the Actions; (b) a summary of the Settlement's principal terms; (c) the Settlement Class and PAGA Member definitions; (d) the total number of Workweeks each respective Class Member and PAGA Member worked for Defendant during the Class Period and PAGA Period; (e) each Class Member's and PAGA Member's estimated Individual Settlement Payment and the formula for

1 calculating Individual Settlement Payments; (f) the dates which comprise the Class Period and PAGA
2 Period; (g) instructions on how to submit Requests for Exclusion or Notices of Objection; (h) the deadlines
3 by which the Class Member must postmark or fax Request for Exclusions, or postmark Notices of
4 Objection to the Settlement; and (i) the claims to be released.

5 48. Disputed Information on Class Notices. Class Members will have an opportunity to
6 dispute the information provided in their Class Notices. To the extent Class Members dispute their
7 employment dates or the number of Workweeks on record, Class Members may produce evidence to the
8 Settlement Administrator showing that such information is inaccurate. Defendant's records will be
9 presumed correct, but the Settlement Administrator shall contact the Parties regarding the dispute and the
10 Parties will work in good faith to resolve it. All disputes must be submitted by the Response Deadline, and
11 will be decided within ten (10) business days after the Response Deadline.

12 49. Defective Submissions. If a Class Member's Request for Exclusion is defective as to the
13 requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The
14 Settlement Administrator will mail the Class Member a cure letter within three (3) business days of
15 receiving the defective submission to advise the Class Member that his or her submission is defective and
16 that the defect must be cured to render the Request for Exclusion valid. The Class Member will have until
17 (a) the Response Deadline or (b) fifteen (15) calendar days from the date of the cure letter, whichever date
18 is later, to postmark or fax a revised Request for Exclusion. If the revised Request for Exclusion is not
19 postmarked or received by fax within that period, it will be deemed untimely.

20 50. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
21 Settlement Agreement must sign and fax or postmark a written Request for Exclusion to the Settlement
22 Administrator within the Response Deadline. In the case of Requests for Exclusion that are mailed to the
23 Settlement Administrator, the postmark date will be the exclusive means to determine whether a Request
24 for Exclusion has been timely submitted.

25 51. Escalator. The Gross Settlement Amount was calculated with, and is premised on, the
26 understanding that Class Members worked approximately 130,778 Workweeks during the Class Period.
27 If the actual number of workweeks worked by Class Members eligible to participate in the Settlement is
28 greater than 10% of this estimate, then Defendant has the option to either: (a) agree to increase the Gross

1 Settlement Amount on a proportional basis above 10% (i.e., if there is an 11% increase in the number of
2 workweeks during the Class Period, Defendant would agree to increase the Gross Settlement Amount by
3 1%); or (b) elect to end the Class Period on an earlier date at the Defendant's discretion in order to limit
4 the covered workweeks to 10% more than the estimate provided in lieu of paying an increase to the Gross
5 Settlement Amount.

6 52. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member
7 who does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid Request
8 for Exclusion will be bound by all of its terms, including those pertaining to the Released Class Claims, as
9 well as any Judgment that may be entered by the Court if it grants final approval to the Settlement.

10 53. Releases by Participating Class Members. Upon the Third Funding Date, and except as to
11 such rights or claims as may be created by this Settlement Agreement, each Participating Class Member,
12 together and individually, on their behalf and on behalf of their respective heirs, executors, administrators,
13 agents, and attorneys, shall fully and forever release and discharge all of the Released Parties, or any of
14 them, from each of the Released Class Claims arising during the Class Period.

15 54. Releases by PAGA Members. Upon the Third Funding Date, and except as to such rights
16 or claims as may be created by this Settlement Agreement, each PAGA Member, together and
17 individually, on their behalf and on behalf of their respective heirs, executors, administrators, agents, and
18 attorneys, shall fully and forever release and discharge all of the Released Parties, or any of them, from
19 each of the Released PAGA Claims during the PAGA Period.

20 55. Objection Procedures. To object to the Settlement Agreement, a Class Member may either
21 postmark a valid Notice of Objection to the Settlement Administrator on or before the Response Deadline,
22 or appear in person at the Final Approval Hearing. Class Members who fail to object either by submitting
23 a valid Notice of Objection or appearing in person at the Final Approval Hearing will be deemed to have
24 waived all objections to the Settlement and will be foreclosed from making any objections, whether by
25 appeal or otherwise, to the Settlement Agreement. At no time will any of the Parties or their counsel seek
26 to solicit or otherwise encourage Class Members to submit written objections to the Settlement Agreement
27 or appeal from the final approval order and judgment. Class Counsel will not represent any Class Members
28 with respect to any such objections to this Settlement. If a Class Member timely submits both a Notice of

1 Objection and a Request for Exclusion, the Request for Exclusion will be given effect and considered
2 valid, the Notice of Objection shall be rejected, and the Class Member shall not participate in or be bound
3 by the Settlement.

4 56. Certification Reports Regarding Individual Settlement Payment Calculations. The
5 Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly report that
6 certifies the number of Class Members who have submitted valid Requests for Exclusion or objections to
7 the Settlement, and whether any Class Member has submitted a challenge to any information contained in
8 their Class Notice. Additionally, the Settlement Administrator will provide to counsel for both Parties any
9 updated reports regarding the administration of the Settlement Agreement as needed or requested.

10 57. Distribution Timing of Settlement Payments. Within ten (10) calendar days of receipt of
11 the entirety of the settlement funds, the Settlement Administrator will issue payments from the Gross
12 Settlement Amount to Participating Class Members for Individual Settlement Payments, to PAGA
13 Members for Individual PAGA Payments, to the Settlement Administrator for Court-approved services
14 performed in connection with the Settlement, to Class Counsel for Court-approved attorneys' fees and
15 litigation costs, and to the LWDA for its portion of the PAGA Settlement Amount.

16 58. Reminder Postcard. If any checks are not redeemed or deposited within ninety (90)
17 calendar days after mailing, the Settlement Administrator will send a reminder postcard indicating that
18 unless the check is redeemed or deposited in the next ninety (90) calendar days, it will expire and become
19 non-negotiable, and offer to replace the check if it was lost or misplaced.

20 59. Un-cashed Settlement Checks. Funds represented by Individual Settlement Payment
21 checks returned as undeliverable and Individual Settlement Payment checks remaining un-cashed for more
22 than one hundred and eighty (180) calendar days after issuance will be tendered to the California
23 Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid
24 residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

25 60. Certification of Completion. Upon completion of administration of the Settlement, the
26 Settlement Administrator will provide a written declaration under oath to certify such completion to the
27 Court and counsel for all Parties.

28 61. Treatment of Individual Settlement Payments. All Individual Settlement Payments will

1 be allocated as follows: (a) Twenty Percent (20%) of each Individual Settlement Payment will be allocated
2 as wages for which IRS Forms W-2 will be issued; and (b) Eighty Percent (80%) will be allocated as non-
3 wages for which IRS Forms 1099-MISC will be issued.

4 62. Treatment of Individual PAGA Payments. All Individual PAGA Payments will be
5 allocated as 100% penalties for which IRS Forms 1099-MISC will be issued.

6 63. Administration of Taxes by the Settlement Administrator. The Settlement Administrator
7 will be responsible for issuing to Plaintiff, Participating Class Members, PAGA Members, and Class
8 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this
9 Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes and
10 penalties to the appropriate government authorities.

11 64. Tax Liability. Defendant makes no representation as to the tax treatment or legal effect of
12 the payments called for hereunder, and Plaintiff and Participating Class Members are not relying on any
13 statement, representation, or calculation by Defendant or by the Settlement Administrator in this regard.

14 65. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES
15 OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS
16 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”)
17 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO
18 WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR
19 THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL
20 ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
21 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY
22 DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
23 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN,
24 INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN
25 CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT
26 BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR
27 ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
28 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER

PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY
HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY
SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH
LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING
PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION,
INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

66. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have 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 right herein released and discharged.

67. Nullification of Settlement Agreement. In the event that: (a) the Court does not finally approve the Settlement as provided herein; or (b) the Settlement does not become final for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning.

68. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to request the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order for: (a) conditional certification of the Settlement Class for settlement purposes only, (b) preliminary approval of the proposed Settlement Agreement, (c) setting a date for a final fairness hearing. The Preliminary Approval Order will provide for the Class Notice to be sent to all Class Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this Settlement Agreement, which sets forth the terms of this Settlement, and will include the proposed Notice of Class Action Settlement, attached as Exhibit A. Class Counsel will be responsible for drafting all documents necessary to obtain preliminary approval. Class Counsel will provide their draft motion for preliminary approval to Defendant's counsel for review and input at least three business days in advance of the deadline to file the preliminary approval motion. Defendant's counsel will provide any edits to the motion no later than the day prior to the deadline to file the preliminary approval motion. Defendant has provided Class

1 Counsel with admissible evidence of Defendant's financial situation, including appropriate financial
2 documents such as a balance sheet, statement of cash flows, and profit and loss statement. Defendant shall
3 provide a declaration regarding its financial situation, as was taken into account in settlement negotiations,
4 no later than three business days in advance of the deadline to file the preliminary approval motion.

5 69. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the
6 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with the
7 Court's permission, a final fairness hearing will be conducted to determine the Final Approval of the
8 Settlement Agreement along with the amounts properly payable for: (a) Attorneys' Fees and Costs; (b) the
9 Class Representative Enhancement Payment; (c) Individual Settlement Payments; (d) the Labor and
10 Workforce Development Agency Payment; (e) all Settlement Administration Costs. The final fairness
11 hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Class Counsel
12 will be responsible for drafting all documents necessary to obtain final approval. Class Counsel will
13 provide their draft motion for final approval to Defendant's counsel for review and input at least three
14 business days in advance of the deadline to file the final approval motion. Defendant's counsel shall
15 provide any edits to the motion no later than the day prior to the deadline to file the final approval motion.
16 Class Counsel will also be responsible for drafting the attorneys' fees and costs application to be heard at
17 the final approval hearing.

18 70. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the Court
19 or after the final fairness hearing, the Parties will present the Judgment to the Court for its approval. After
20 entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (a)
21 the interpretation and enforcement of the terms of the Settlement, (b) Settlement administration matters,
22 and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement
23 Agreement. A copy of the Judgment will be posted to the Settlement Administrator's website for a period
24 of at least 60 days.

25 71. Release by Plaintiff. Upon the Third Funding Date, in addition to the claims being released
26 by all Participating Class Members, Plaintiff will release and forever discharge the Released Parties, to the
27 fullest extent permitted by law, of and from any and all claims, whether known or unknown, which exist
28 or may exist on either Plaintiff's behalf as of the date of this Agreement, including but not limited to any

1 and all tort claims, contract claims, wage claims, wrongful termination claims, disability claims, benefit
2 claims, public policy claims, retaliation claims, statutory claims, personal injury claims, emotional distress
3 claims, invasion of privacy claims, defamation claims, fraud claims, quantum meruit claims, and any and
4 all claims arising under any federal, state or other governmental statute, law, regulation or ordinance,
5 including, but not limited to claims for violation of the Fair Labor Standards Act, the California Labor
6 Code, the Wage Orders of California's Industrial Welfare Commission, other state wage and hour laws,
7 the Americans with Disabilities Act, the Age Discrimination in Employment Act (ADEA), the Employee
8 Retirement Income Security Act, Title VII of the Civil Rights Act of 1964, the California Fair Employment
9 and Housing Act, the California Family Rights Act, the Family Medical Leave Act, California's
10 Whistleblower Protection Act, California Business & Professions Code Section 17200 et seq., and any
11 and all claims arising under any federal, state or other governmental statute, law, regulation or ordinance.
12 Plaintiff further expressly waives any and all rights and benefits conferred upon them by the provisions of
13 Section 1542 of the California Civil Code or similar provisions of applicable law which are as follows:

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

20 Thus, notwithstanding the provisions of section 1542, and to implement a full and complete
21 release and discharge of the Released Parties, Plaintiff expressly acknowledges this Settlement
22 Agreement is intended to include in its effect, without limitation, all claims Plaintiff do not know
23 or suspect to exist in Plaintiff's favor at the time of signing this Settlement Agreement, and that
24 this Settlement Agreement contemplates the extinguishment of any such claims. Plaintiff warrants
25 that Plaintiff has read this Settlement Agreement, including this waiver of California Civil Code
26 section 1542, and that Plaintiff has consulted with or had the opportunity to consult with counsel
27 of Plaintiff's choosing about this Settlement Agreement and specifically about the waiver of
28 section 1542, and that Plaintiff understands this Settlement Agreement and the section 1542

1 waiver, and so Plaintiff freely and knowingly enters into this Settlement Agreement. Plaintiff
2 further acknowledges that Plaintiff later may discover facts different from or in addition to those
3 Plaintiff now knows or believes to be true regarding the matters released or described in this
4 Settlement Agreement, and even so Plaintiff agrees that the releases and agreements contained in
5 this Settlement Agreement shall remain effective in all respects notwithstanding any later
6 discovery of any different or additional facts. Plaintiff expressly assumes any and all risk of any
7 mistake in connection with the true facts involved in the matters, disputes, or controversies
8 released or described in this Settlement Agreement or with regard to any facts now unknown to
9 Plaintiff relating thereto.

10 72. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the
11 terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
12 herein. Any Exhibits to this Settlement Agreement are an integral part of the Settlement.

13 73. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the
14 entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements
15 may be deemed binding on the Parties. The Parties expressly recognize California Civil Code Section 1625
16 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is to be
17 construed according to its terms and may not be varied or contradicted by extrinsic evidence, and the
18 Parties agree that no such extrinsic oral or written representations or terms will modify, vary or contradict
19 the terms of this Settlement Agreement.

20 74. Amendment or Modification. No amendment, change, or modification to this Settlement
21 Agreement will be valid unless in writing and signed, either by the Parties or their counsel, and approved
22 by the Court.

23 75. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
24 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
25 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to
26 this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate
27 the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and
28 use their best efforts to affect the implementation of the Settlement. If the Parties are unable to reach

1 agreement on the form or content of any document needed to implement the Settlement, or on any
2 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties
3 may seek the assistance of the Court to resolve such disagreement.

4 76. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
5 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

6 77. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto will
7 be governed by and interpreted according to the laws of the State of California.

8 78. Execution and Counterparts. This Settlement Agreement is subject only to the execution
9 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
10 executed counterparts and each of them, including electronic (e.g., DocuSign), facsimile, and scanned
11 copies of the signature page, will be deemed to be one and the same instrument.

12 79. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
13 Settlement Agreement is a fair, adequate and reasonable settlement of the Actions and have arrived at this
14 Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account
15 all relevant factors, present and potential. The Parties further acknowledge that they are each represented
16 by competent counsel and that they have had an opportunity to consult with their counsel regarding the
17 fairness and reasonableness of this Settlement.

18 80. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement
19 invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent
20 with applicable precedents so as to define all provisions of this Settlement Agreement valid and
21 enforceable.

22 81. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
23 certification for purposes of this Settlement only; except, however, that Plaintiff or Class Counsel may
24 appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court, and
25 either party may appeal any court order that materially alters the Settlement Agreement's terms.

26 82. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to
27 class action certification for purposes of the Settlement only. If, for any reason, the Settlement is not
28 approved, the stipulation to certification will be void. The Parties further agree that certification for

1 purposes of the Settlement is not an admission that class action certification is proper under the standards
2 applied to contested certification motions and that this Settlement Agreement will not be admissible in this
3 or any other proceeding as evidence that either (a) a class action should be certified or (b) Defendant is
4 liable to Plaintiff or any Class Member, other than according to the Settlement's terms.

5 83. Non-Admission of Liability. The Parties enter into this Settlement to resolve the dispute
6 that has arisen between them and to avoid the burden, expense and risk of continued litigation. In entering
7 into this Settlement, Defendant does not admit, and specifically denies, that it violated any federal, state,
8 or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other
9 applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty;
10 engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to
11 its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the
12 negotiations connected with it, will be construed as an admission or concession by Defendant of any such
13 violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce
14 the terms of this Settlement, this Settlement Agreement and its terms and provisions will not be offered or
15 received as evidence in any action or proceeding to establish any liability or admission on the part of
16 Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance
17 with, federal, state, local or other applicable law.

18 84. No Public Comment: The Parties and their counsel agree that they will not issue any press
19 releases, initiate any contact with the press, respond to any press inquiry, or have any communication with
20 the press about the fact, amount or terms of the Settlement.

21 85. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement
22 or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute
23 a further waiver by such party of the same or any other condition, covenant, right or remedy.

24 86. Enforcement Actions. In the event that one or more of the Parties institutes any legal action
25 or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to
26 declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to
27 recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert
28 witness fees incurred in connection with any enforcement actions.

87. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

88. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

89. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.

90. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

91. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully enforceable and binding on all parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

PLAINTIFF

Dated: _____

Eric Ward

**DEFENDANT
CORPORATION**

LEARNING

ARTS

Will Brandon

Dated: 06 / 03 / 2025

By: Dr. Will Brandon

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PLAINTIFF

Dated: 5/28/2025

DocuSigned by:
Eric Ward
E9A9B783CDB84F3...

**DEFENDANT
CORPORATION**

LEARNING

ARTS

Dated: _____

By: Dr. Will Brandon

Exhibit A

CALIFORNIA SUPERIOR COURT, COUNTY OF SACRAMENTO

*Eric Ward, on behalf of himself, all others similarly situated, and on behalf of the general public, Plaintiff, v.
Learning Arts Corporation, Defendant*

Case No. 34-2023-00334389 (Consolidated with Case No. 34-2023-00336386) (“Complaints” or “Actions”)

NOTICE OF CLASS ACTION SETTLEMENT

A court authorized this notice. This is not a solicitation.

This is not a lawsuit against you and you are not being sued.

However, your legal rights are affected by whether you act or don’t act.

TO: All persons who worked for Learning Arts Corporation (“Defendant”) as non-exempt, hourly paid employees in the State of California at any time from February 7, 2019 through December 31, 2024.

If you need help understanding this notice, or if you would like a copy in another language, please contact the Settlement Administrator toll free at [INSERT].

The California Superior Court, County of Sacramento has granted preliminary approval of a proposed settlement (“Settlement”) of the above-captioned action. Because your rights may be affected by this Settlement, it is important that you read this Notice of Class Action Settlement (“Notice”) carefully.

The Court has certified the following class for settlement purposes (“Class” or “Class Members”):

All persons who worked for Defendant as non-exempt, hourly paid employees in the State of California at any time from February 7, 2019 through December 31, 2024.

The purpose of this Notice is to provide a brief description of the claims alleged in the Action, the key terms of the Settlement, and your rights and options with respect to the Settlement.

YOU MAY BE ENTITLED TO MONEY UNDER THE PROPOSED CLASS ACTION SETTLEMENT. PLEASE READ THIS NOTICE CAREFULLY; IT INFORMS YOU ABOUT YOUR LEGAL RIGHTS.

The proposed Settlement has two main parts: (1) a class settlement requiring Defendant to fund Individual Class Settlement Shares, and (2) a PAGA settlement requiring Defendant to fund Individual PAGA Settlement Shares and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendant’s records, and the Parties’ current assumptions, **your Individual Class Settlement Share is estimated to be \$[INSERT] (less withholding) and your Individual PAGA Settlement Share is estimated to be \$[INSERT]**. The actual amount you may receive likely will be different and will depend on a number of factors. If no amount is stated for your Individual PAGA Payment, then according to Defendant’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work any pay periods during the PAGA Period.

The above estimates are based on Defendant’s records showing that **you worked [INSERT] workweeks** during the Class Period (the Class Period is February 7, 2019 through December 31, 2024) and **you worked [INSERT] pay periods** during the PAGA Period (the PAGA Period is December 23, 2021 through December 31, 2024). If you believe that you worked more workweeks or pay periods during either period, you can submit a challenge by the deadline date. See Section 10 of this Notice.

WHAT INFORMATION IS IN THIS NOTICE

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4. How Does This Class Action Settlement Work?	Page 3
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9. How Does This Settlement Affect My Rights?	Page 5
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11. How Will the Attorneys for the Class and the Class Representatives Be Paid?	Page 7
12. What Do I Do If I Need More Information or Have Questions?	Page 7

1. *Why Have I Received This Notice?*

Defendant's records indicate that you may be a Class Member. The settlement will resolve all Class Members' Released Claims, as described in Section No. 9 below, from February 7, 2019 through December 31, 2024 (this time period is referred to as the "Class Period"). If you worked for Defendant at some time during the Class Period, you may be entitled to money under this settlement. This notice provides you with basic information about the case and advises you of your options with regard to the settlement.

A Preliminary Approval Hearing was held on **July 18, 2025** at 9:00 a.m., in the California Superior Court, County of Sacramento. The Court conditionally certified the Class for settlement purposes only and directed that you receive this Notice.

2. *What Is This Case About?*

A class action complaint was filed by Eric Ward on February 7, 2023, in Sacramento County Superior Court (Case No. 34-2023-00334389) asserting the following causes of action: (1) Failure to Pay all Straight Time Wages; (2) Failure to Pay All Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Periods; (5) Failure to Adopt a Compliant Sick Pay/Paid Time Off Policy; (6) Knowing and Intention Failure to Comply with Itemized Employee Wage Statement Provisions; (7) Failure to Pay All Wages Due at the Time of Termination of Employment; and (9) Unfair Competition.

On December 23, 2022, Plaintiff Eric Ward provided notice to the Labor and Workforce Development Agency ("LWDA") in accordance with the Private Attorneys General Act of 2004 ("PAGA"). Thereafter, on March 18, 2023, Plaintiff filed a complaint against Defendant alleging violations of the PAGA. This PAGA action was consolidated with Plaintiff's earlier filed class action on November 13, 2023.

The Court has not made any determination as to whether the claims advanced by Plaintiff have any merit. In other words, the Court has not determined whether any laws have been violated, nor has it decided in favor of Plaintiff or Defendant; instead, both sides agreed to resolve the lawsuit with no decision or admission of who is right or wrong. By agreeing to resolve the lawsuit, all parties avoid the risks and cost of a trial.

3. *Am I a Class Member? Am I a PAGA Member?*

You are a Class Member if you worked for Defendant as a non-exempt, hourly paid employee in the State of California at any time from February 7, 2019 through December 31, 2024.

You are a PAGA Member if you worked for Defendant as a non-exempt, hourly paid employee in the State of California at any time from December 23, 2021 through December 31, 2024.

4. *How Does This Class Action Settlement Work?*

Plaintiff brought this Action on behalf of himself and all other similarly situated individuals who worked for Defendant as non-exempt, hourly paid employees in the State of California at any time from December 23, 2021 through December 31, 2024. Plaintiff and these other individuals comprise a “Class” and are “Class Members.” The settlement of this Action resolves the Released Claims of all Class Members, as defined in the Settlement Agreement and Final Judgment, except for those who exclude themselves from the Class by requesting to be excluded in the manner set forth below.

The Court must also review the terms of the settlement and determine if it is fair and reasonable to the Class. On **[date of ruling on preliminary approval]**, the Court directed that you receive this notice.

The Court will hold a Final Fairness Hearing concerning the proposed settlement on **[the date of final approval hearing]**, 2025 at 9:00 a.m., in Department 22 before Judge Lauri Damrell, located at 720 9th Street, Sacramento, California 95814. The date of the Final Approval Hearing may change without further notice to the Class. You are advised to check the Court’s website (instructions on accessing this site are provided in Section 12 of this Notice) to confirm that the date has not been changed. You do not need to, but may, attend the Final Approval Hearing remotely by using the following Zoom link or telephone number:

To join by Zoom link: <https://saccourt-ca-gov.zoomgov.com/my/sscdept22>

To join by phone: (833) 568-8864 / ID: 16184738886

5. *Who Are the Attorneys Representing the Parties?*

Attorneys for Plaintiff and the Class (“Class Counsel”)	Attorneys for Defendant Learning Arts
MARA LAW FIRM, PC David Mara dmara@maralawfirm.com Jill Vecchi jvecchi@maralawfirm.com 2650 Camino Del Rio North, Suite 302 San Diego, California 92108 Telephone: (619) 234-2833	DUGGAN McHUGH LAW CORPORATION Jennifer E. Duggan jennifer@dugganmchugh.com Katie Collins katie@dugganmchugh.com 641 Fulton Avenue, Suite 100 Sacramento, California 95825 Telephone: (916) 550-5309

The Court has decided that Mara Law Firm, PC, is qualified to represent you and all other Class Members simultaneously.

You do not need to hire your own attorney because Class Counsel is working on your behalf. But, if you want your own attorney, you may hire one at your own cost.

6. What Are My Options?

The purpose of this Notice is to inform you of the proposed settlement and of your options. Each option has its own consequences, which you should understand before making your decision. Your rights regarding each option, and the steps you must take to select each option, are summarized below and explained in more detail in this Notice.

Important Note: Defendant will not retaliate against you in any way for either participating or not participating in this Settlement.

- **DO NOTHING:** If you do nothing and the Court grants final approval of the Settlement, you will become part of this Class Action and may receive a payment from the Settlement. You will be bound to the release of the Released Class Claims as defined in the Settlement Agreement and the Final Judgment. You will also give up your right to pursue the Released Class Claims as defined in Section No. 9 below.
- **OPT OUT:** If you do not want to participate as a Class Member, you may “opt out,” which will remove you from the Class and this Class Action. If the Court grants final approval of the Settlement, you will not receive a Settlement payment and you will not give up the right to sue Defendant and the Released Parties for the Released Class Claims. If you are a PAGA Member, you will receive a portion of the PAGA Payment, even if you opt-out of the settlement.
- **OBJECT:** You may assert a legal objection to the proposed settlement. If you would like to object, you may not opt out of this case.

7. How Do I Opt Out Or Exclude Myself From This Settlement?

If you do not want to take part in the Settlement, you must mail a written Request for Exclusion to the Settlement Administrator. The written request for exclusion must: (a) set forth your name, address, telephone number and last four digits of the Social Security Number; (b) be signed by you; (c) be returned to the Settlement Administrator; (d) clearly state that you do not wish to be included in the Settlement; and (e) be faxed or postmarked on or before **[the Response Deadline]**.

If the Court approves the Settlement at the Final Approval Hearing, the Court will enter a Judgment. If you do not opt out of the Settlement, the Judgment will bind you to the terms of the Settlement. If you are a PAGA Member, you will receive a portion of the PAGA Payment, even if you opt out of the settlement.

8. How Do I Object To The Settlement?

If you are a Class Member who does not opt out of the Settlement, you may object to the Settlement, personally or through an attorney, by submitting your objection in writing, signed, dated, and mailed to the Settlement Administrator postmarked no later than **[the Response Deadline]**. The objection must include: (a) your full name, signature, address, and telephone number, (b) a written statement of all grounds for the objection accompanied by any legal support for such objection; (c) copies of any papers, briefs, or other documents upon which the objection is based; and (d) a statement of whether you intend to appear at the final approval hearing.

Class Members may appear at the Final Approval Hearing, either in person or through the objector's own counsel. If the Court rejects the objection, the objector will receive an Individual Settlement Share payment and will be bound by the terms of the Settlement.

9. *How Does This Settlement Affect My Rights? What are the Released Claims?*

If the proposed settlement is approved by the Court, a Final Judgment will be entered by the Court. All Class Members who do not opt out of the Settlement will be bound by the Court's Final Judgment and will release Defendant and the Released Parties¹ from the Released Class Claims, which are: All claims, rights, demands, liabilities, and causes of action, reasonably arising from, or reasonably related to, the same set of operative facts as those set forth in the operative complaint during the Class Period, including: (a) all claims for unpaid overtime; (b) all claims for meal and rest break violations; (c) all claims for unpaid straight time and minimum wages; (d) all claims for failure to adopt a compliant sick pay/paid time off policy; (e) all claims for the failure to timely pay wages upon termination based on the preceding claims; (f) all claims for the failure to timely pay wages during employment based on the preceding claims; (g) all claims for wage statement violations based on the preceding claims; and (h) all claims asserted through California Business & Professions Code §§ 17200, *et seq.*

Additionally, PAGA Members will be bound by the Final Judgment and will release the Released Parties from the Released PAGA Claims. The Released PAGA Claims are: All claims for civil penalties under California Labor Code §§ 2698, *et seq.*, that were brought or could reasonably have been brought based on the facts alleged in Plaintiff's LWDA letter during the PAGA Period.

10. *How Much Can I Expect to Receive From This Settlement?*

The total maximum amount that Defendant could be required to pay under this Agreement shall be up to but no more than \$850,000 ("Gross Settlement Amount" or "GSA").

A. Deductions from the Settlement

The "Net Settlement Amount" or "NSA" means the portion of the Gross Settlement Amount, available for distribution to Class Members after the deduction of (1) the Class Representative Enhance Payment to the named Plaintiff in an amount not to exceed \$10,000 for prosecution of the Actions, risks undertaken for the payment of attorneys' fees and costs, and a broader release of claims; (2) the Settlement Administration Costs to the Settlement Administrator in an amount estimated to be \$21,550; (3) a payment of \$50,000 allocated to the PAGA claims; and (4) payment to Class Counsel in an amount not to exceed one-third of the Gross Settlement Amount (\$283,050) for attorneys' fees and an amount not to exceed \$50,000 for litigation costs. All of these payments are subject to Court approval.

B. How Class Member Settlement Payments are Calculated

After deducting the above-referenced items, the remaining Net Settlement Amount will be proportionately distributed amongst all Class Members who have not opted out. These Class Members are referred to as "Participating Class Members." Participating Class Members will receive a pro-rated share of the Net Settlement Amount, less applicable withholdings, based on the number of workweeks they worked in California while employed by Defendant during the Class Period. To arrive at this amount, Defendant will calculate the total

¹ "Released Parties" mean Defendant, its past or present officers, directors, shareholders, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and its respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys, if any.

number of Workweeks worked by each Class Member during the Class Period and the aggregate total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member's estimated "Individual Settlement Payment" from the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks, resulting in the "Workweek Value." Each Class Member's "Individual Settlement Payment" will be calculated by multiplying each individual Class Member's total number of Workweeks by the Workweek Value. The Individual Settlement Payment will be reduced by any required deductions for each Participating Class Member as specifically set forth herein, including employee-side tax withholdings or deductions. The entire Net Settlement Fund will be disbursed to all Class Members who do not submit timely and valid Requests for Exclusion. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase the Individual Settlement Payment for each Participating Class Member according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

C. How Individual PAGA Payments are Calculated

If you are a PAGA Member under the settlement, you will also receive a portion of the PAGA Fund. Pursuant to PAGA, the LWDA will receive a payment of \$37,500 (75% of the \$50,000 total PAGA Payment). The remaining \$12,500 is the "Net PAGA Settlement Amount" and will be proportionately distributed amongst all PAGA Members. PAGA Members will receive a pro-rated share of the Net Settlement Amount based on the number of pay periods they worked in California while employed by Defendant during the PAGA Period. To arrive at this amount, Defendant will calculate the total number of Pay Periods worked by each PAGA Member during the PAGA Period and the aggregate total number of Pay Periods worked by all PAGA Members during the PAGA Period. To determine each PAGA Member's estimated "Individual Settlement Payment," the Settlement Administrator will use the following formula: The PAGA Fund will be divided by the aggregate total number of Pay Periods, resulting in the "PAGA Pay Period Value." Each PAGA Member's "Individual Settlement Payment" will be calculated by multiplying each individual PAGA Member's total number of Pay Periods by the PAGA Pay Period Value. The entire Net PAGA Settlement Amount will be disbursed to all PAGA Members.

D. Your Estimated Settlement Payment

Although your exact share of the Net Settlement Amount as a Class Member cannot be precisely calculated until after the time during which individuals may object or seek exclusion from the Settlement concludes, based upon the calculation above, your approximate share of the Net Settlement Amount, is as follows: \$ [REDACTED], less taxes. This is based on the Class Data which shows you worked [REDACTED] workweeks during the period of February 7, 2019 through December 31, 2024.

If you are also a PAGA Member, you will receive a share of the PAGA Fund. Based upon the calculation above, your approximate share of the PAGA Fund, is as follows: \$ [REDACTED]. This is based on the Class Data which shows you worked [REDACTED] pay periods during the period of December 23, 2021 through December 31, 2024.

If you believe the number of workweeks or pay periods attributed to you is incorrect, you must contact the Settlement Administrator no later than [RESPONSE DEADLINE]. You should produce any available supporting evidence, such as wage statements, offers of employment, termination letters, and/or other employment records, to the Settlement Administrator. The documentation should provide evidence of the dates you contend you worked for Defendant during the Class or PAGA Period.

E. Tax Treatment of Your Settlement Payments

Twenty-percent (20%) of each Individual Class Settlement Share is intended to settle each Class Member's claims for unpaid wages (the "Wage Portion"). The Wage Portion will be reduced by applicable payroll tax withholdings

and deductions. Defendant's share of legally required payroll taxes for the Wage Portion will be calculated by the Settlement Administrator and paid by Defendant separately from the GSA. The Settlement Administrator will issue an IRS Form W-2 to each Participating Class Member with respect to the Wage Portion of his/her Individual Class Settlement Share.

Eighty-percent (80%) of the Individual Class Settlement Share is intended to settle each Class Member's claims for interest and penalties/other payments. The Non-Wage Portion will not be reduced by payroll tax withholding and deductions. The Settlement Administrator will issue to each Participating Class Member an IRS Form 1099 with respect to the Non-Wage Portion of his/her Individual Class Settlement Share.

If you are a PAGA Member, your Individual PAGA Payment will be apportioned as 100% penalties. This will not be reduced by payroll tax withholding and deductions. The Settlement Administrator will issue to each PAGA Member an IRS Form 1099 with respect to his/her Individual PAGA Payment.

F. What Happens If You Don't Cash Your Check?

Please note that you must cash or deposit your settlement check within 180 calendar days after the check is mailed to you. If your check was lost or misplaced or you have changed your address, please contact the Settlement Administrator at [INSERT]. All funds associated with the Individual Settlement Share checks returned as undeliverable and funds associated with those checks remaining un-cashed, shall escheat to the State of California's Unpaid Wage Fund in the name of the Class Member.

11. How Will the Attorneys for the Class and the Class Representatives Be Paid?

The attorneys for Plaintiff and the Class will be paid from the Gross Settlement Amount. Subject to Court approval, the attorneys for Plaintiff and the Class shall be paid an amount not to exceed one-third of the Gross Settlement Amount (\$283,050) for attorney fees and \$50,000 for litigation costs.

Defendant has paid all of its own attorneys' fees and costs.

Plaintiff will also be paid, subject to Court approval, an amount not to exceed \$10,000, as an enhancement for the initiation of and prosecution of this case, the risks undertaken for the payment of costs in the event this case had been lost, and a broader release of claims.

12. What do I do if I Need More Information or Have Questions?

This notice summarizes the proposed settlement. You can receive a copy of the settlement agreement by contacting Class Counsel, by accessing the Court docket in this case through the Court's website at <https://www.saccourt.ca.gov/indexes/new-portal-info.aspx> and creating an account. Once you have created an account, access the Public Portal at <https://prod-portal-sacramento-ca.journaltech.com/public-portal/?q=Home>. Then, click "Searches." On the next page, select "Case Number Search." Enter the Case Number "34-2023-00334389" on the next page. You can also obtain the Court docket or by visiting the office of the Court at 720 9th Street, Sacramento, California 95814 between 8:30 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays. You may also ask Class Counsel for a copy of any of the case documents to be mailed to you free of charge. Please refer to the "Learning Arts" Class Action Settlement when calling the Settlement Administrator or Class Counsel.

All inquiries by Class Members regarding this Notice of Class Action Settlement and/or the Settlement should be directed to Class Counsel or the Settlement Administrator.

PLEASE DO NOT TELEPHONE THE COURT OR COURT'S CLERK FOR INFORMATION ABOUT THIS SETTLEMENT.