

## CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs Hugh Behm-Steinberg and Arthur Kenzo (“Plaintiffs”), individually and as representatives of the Participating Class Members and Aggrieved Employees, on the one hand, and Defendant California College of the Arts (“Defendant”), on the other hand. Plaintiffs, Classes (as defined below), Aggrieved Employees (as defined below), and Defendant are jointly referred to herein as the “Parties,” and individually as a “Party.”

### 1. DEFINITIONS.

1.1 “Action” means the civil action entitled *Hugh Behm-Steinberg and Arthur Kenzo v. California College of the Arts*, Case No. RG20081590, commenced on November 20, 2020 in the Alameda County Superior Court.

1.2 “Adjunct Aggrieved Employees” means all part-time adjunct instructors who worked for Defendant in California at any time during the PAGA Period.

1.3 “Adjunct Class Members” means all part-time adjunct instructors who worked for Defendant in California at any time during the Class Period.

1.4 “Adjunct Class Period” means the period from November 20, 2016 to September 8, 2020.

1.5 “Adjunct PAGA Period” means the period from November 20, 2019 through to September 8, 2020.

1.6 “Administrator” means Apex Class Action LLC, the neutral entity selected by the Parties to administer the Settlement.

1.7 “Administration Expenses Payment” means all fees and costs owed to the Administrator in connection with administering the settlement in this Action under the terms of this Settlement.

1.8 “Aggrieved Employees” means Adjunct Aggrieved Employees and Reimbursement Aggrieved Employees.

1.9 “Class” or “Class Members” means Adjunct Class Members and Reimbursement Class Members.

1.10 “Class Counsel” means the attorneys of record for the Class Representatives, i.e., Julian Hammond, Polina Brandler, and Ari Cherniak of HammondLaw, P.C.

1.11 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees, and expenses incurred to prosecute the Action, respectively.

1.12 “Class Data” means Adjunct Class Member and Reimbursement Class Member identifying information in Defendant’s possession consisting of the names, last-known mailing addresses, Social Security numbers, and number of Individual Class Member Pay Periods of Class Members.

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

1.14 “Class Pay Periods” means the total number of pay periods worked by all of the Participating Class Members during the Class Period and the Reimbursement Class Period.

1.15 “Class Representatives” means Hugh Behm-Steinberg and Arthur Kenzo.

1.16 “Class Representative Service Payments” means the amounts awarded by the Court to the Class Representatives pursuant to Section 3.3.1 for initiating the Action and providing services in support of the Action, and for their general release.

1.17 “Court” means the Superior Court of California, County of Alameda.

1.18 “Defendant’s Counsel” means Shannon B. Nakabayashi and Dahn A. Levine of Jackson Lewis, P.C.

1.19 “Effective Date” means the earlier occurring of the following:

1.19.1 The date the Court enters the Judgment granting final approval of the settlement, if there are no objectors at the time of final approval.

1.19.2 The date the appeal time expires if an objection has been filed.

1.19.3 The date any appeals process finally terminates with no change in the Court’s judgment granting final approval of the settlement.

1.20 “Employer Taxes” means Defendant’s portion of payroll taxes as the Class Members’ current or former employer owed to the appropriate taxing authorities arising out of the portion of the Individual Class Payments allocated as wages. Defendant will pay its portion of payroll taxes separate and apart from the Gross Settlement Amount.

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

1.22 “Final Approval Order and Judgment” means the final order by the Court approving the Settlement following the Final Approval Hearing and entering final judgment pursuant to California Rules of Court Rule 3.769.

1.23 “Gross Settlement Amount” or “GSA” means \$1,250,000.00 which is the total amount Defendant agrees to pay under the Settlement. The Gross Settlement Amount will be used

to pay Individual Class Payments, PAGA Payment, Class Counsel Fees Payment, Class Counsel Expenses Payment, Class Representative Service Payments, and Administration Expenses Payment.

1.24 “Individual Class Payment” means each Participating Class Member’s pro rata share of the Net Settlement Amount calculated pursuant to Section 3 of this Agreement.

1.25 “Individual Class Member Pay Periods” means the number of pay periods an individual Participating Class Member worked during the Class Period and/or during the Reimbursement Class Period, as applicable.

1.26 “LWDA” means the Labor & Workforce Development Agency.

1.27 “Net Settlement Amount” or “NSA” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

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

1.29 “Operative Complaint” means the Second Amended Complaint filed on September 28, 2023.

1.30 “PAGA Payment” means the total sum of \$35,000 of the Gross Settlement Amount allocated to payment for penalties under PAGA which shall be allocated as follows:

1.30.1 “LWDA Payment” means the 75% of the PAGA Payment to be paid to the California Labor and Workforce Development Agency (\$26,250);

1.30.2 “Total Individual PAGA Payment Amount” means the remaining 25% of the PAGA Payment (\$8,750); and

1.30.3 “Individual PAGA Payment” means the proportionate share of the Total Individual PAGA Payment Amount which will be distributed to each Aggrieved Employee per capita.

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

1.32 “Preliminary Approval Order” means the Order Granting Preliminary Approval.

1.33 “Reimbursement Aggrieved Employees” means all employees who worked for Defendant in California at any time during the Reimbursement PAGA Period.

1.34 “Reimbursement Class Members” means all employees who worked for Defendant in California at any time during the Reimbursement Class Period.

1.35 “Reimbursement Class Period” means the period from March 11, 2020 through May 21, 2024.

1.36 “Reimbursement PAGA Period” means the period from March 11, 2020 through May 21, 2024.

1.37 “Released Class Claims” means the released claims as described in Section 5 below.

1.38 “Released PAGA Claims” means the claims being released as described in Section 5 below.

1.39 “Released Parties” means Defendant and each and every past, present and/or future, direct and/or indirect, parent, subsidiary, associated, affiliated, and successor entities, and the owners, employees, officers, directors, attorneys, contractors, consultants, shareholders, representatives, agents, insurance companies, administrators, and assigns, of each, and each of them, and any individual or entity which could be jointly liable with any of the foregoing.

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

1.41 “Response Deadline” means 60 calendar days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail their Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline.

1.42 “Settlement” means the disposition of the Action effected by this Agreement.

## **2. RECITALS.**

2.1 On November 20, 2020, Plaintiff Behm-Steinberg commenced this Action by filing a Complaint alleging causes of action against Defendant for its alleged (a) failure to issue accurate itemized wage statements in violation of Cal. Labor Code §§ 226(a) and (e), and (b) failure to reimburse for necessarily incurred business expenses in violation of Cal. Labor Code § 2802. On April 8, 2021, Plaintiff Behm-Steinberg filed a First Amended Complaint adding Arthur Kenzo as a named Plaintiff, adding allegations that the wage statements issued by Defendant also violated Labor Code § 226.2, and adding causes of action for Defendant’s alleged failure to (a) permit and authorize paid rest breaks in violation of Labor Code §§ 226.2, 226.7, (b) pay wages for all hours worked in violation of Labor Code §§ 226.2, 1194 and IWC Wage Order No. 4-2001, § 4, (c) pay all wages due upon discharge from employment in violation of Labor Code §§ 201-203, and causes of action for (d) unfair, unlawful, and/or fraudulent business practices in violation of Business & Professions Code § 17200, et seq., and (e) PAGA penalties for the Labor Code violations alleged in the Complaint. On September 28, 2023, Plaintiffs filed a Second Amended Complaint amending the class period for all claims other than the claim for failure to reimburse business expenses, to end on September 8, 2020 (one day prior to the effective date of Labor Code § 515.7).

2.2 The Parties participated in a mediation session on July 1, 2021, but were not able to reach a settlement at that time. On May 20, 2024, the Parties participated in a second mediation sessions with Louis Marlin. After intensive negotiations, during which the Parties, through their respective counsel, recognized the burdens and risks of continuing with the litigation, and after a mediator's proposal, which both Parties ultimately accepted, the Parties reached an agreement to settle and resolve the Action and to release the claims as described in Section 5. The Parties jointly represent that this is a fair, reasonable, and adequate Settlement, and that they have arrived at this Settlement through arms-length negotiations.

2.3 The Settlement represents a compromise and settlement of highly disputed claims. Nothing in this Settlement is intended, or may be construed, as an admission by Defendant that any of the claims alleged in the Action have merit, or that Defendant bears any liability to the Class Members or Aggrieved Employees on those claims, nor as an admission by the Class Members or Aggrieved Employees that Defendant's defenses in the Action have merit.

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

NOW THEREFORE, in consideration of the covenants and agreements set forth herein and of the release of all Released Class and PAGA Claims, the Parties agree to the terms and provisions of this Settlement Agreement, subject to the approval of the Court.

### **3. GSA, FUNDING OF THE GSA, CALCULATION OF NSA AND DISTRIBUTION OF SETTLEMENT PROCEEDS.**

3.1 Gross Settlement Amount. The total value of the Settlement is a non-reversionary \$1,250,000. This is the gross amount Defendant can be required to pay under this Agreement, with the exception of its obligation to pay Employer Taxes. The Gross Settlement Amount includes without limitation: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment as approved by the Court; (3) the Class Representative Service Payments as approved by the Court; (4) the Administration Costs, as approved by the Court; and (5) the PAGA Payment, as approved by the Court. Employer Taxes will be paid outside of and in addition to the Gross Settlement Amount. No portion of the Gross Settlement Amount will revert to Defendant for any reason. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment.

3.2 Funding of the Gross Settlement Amount. The Gross Settlement Amount shall be transmitted in two equal installments. Defendant shall transmit the first installment to the Administrator within ten (10) business days of Final Approval Order and Judgment. Defendant shall transmit the second installment within 90 calendar days of Final Approval Order and Judgment.

3.3 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Judgment:

3.3.1 To Plaintiffs: A Class Representative Service Payments of not more than \$10,000.00 to Plaintiff Hugh Behm-Steinberg and of not more than \$7,500 to Plaintiff Arthur Kenzo (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as Participating Class Members). Defendant will not oppose Plaintiffs' request for Class Representative Service Payments. If the Court approves Class Representative Service Payments for less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for taxes owed on their Class Representative Service Payments.

3.3.2 To Class Counsel: A Class Counsel Fees Payment of not more than 35% of the GSA, (i.e., \$437,500) and a Class Counsel Litigation Expenses Payment of not more than \$40,000.00. If the GSA were to increase pursuant to the Escalator Clause, the Class Counsel Fees Payment will increase to not more than 35% of the increased GSA. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing or other deadline set by the Court. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment for less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the Class Counsel Fees Payment and the Class Counsel Expenses Payment in accordance with proper IRS reporting.

3.3.3 To the Administrator: An Administrator Expenses Payment not to exceed \$15,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less, or the Court approves payment for less than \$15,000.00 the Administrator will retain the remainder in the Net Settlement Amount.

3.3.4 To the Participating Class Members: Each Participating Class Member will receive a pro rata share of the NSA as follows:

3.3.4.1 80% of the NSA shall be allocated to the Adjunct Class and shall be paid pro rata to each Adjunct Class Member based on his/her Individual Class Member Pay Periods worked as an Adjunct Class Member.

3.3.4.2 20% of the NSA shall be allocated to the Reimbursement Class and shall be paid pro rata to each Reimbursement Class Member based on his/her Individual Class Member Pay Periods worked as a Reimbursement Class Member. In calculating the Individual Class Member Pay Periods worked as a Reimbursement Class Member, a 4.0 multiplier shall be applied to the pay periods worked prior to January 1, 2022.

3.3.4.3 One day worked in a given pay period during the Class Period and/or Reimbursement Class Period will be credited as a pay period for purposes of this calculation.

3.3.4.4 The Total Individual PAGA Payment Amount (i.e. 25% of the PAGA Payment) shall be paid in equal amounts to each Aggrieved Employee who worked during the Adjunct PAGA Period and/or Reimbursement PAGA Period.

3.3.5 Tax Allocation of Individual Class Payments. Payments from the NSA made to the Adjunct Class Members will be allocated 25% as wages subject to wage withholdings, and 75% as expenses, interest, and penalties, which will be reported on IRS 1099 Forms. Payments from the NSA made to the Reimbursement Class Members will be allocated 100% as non-wage income and interest and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any taxes owed on their Individual Class Payment.

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

3.3.7 To the LWDA. The LWDA will receive a payment equal to 75% of the PAGA Payment (\$26,250).

3.3.8 To Aggrieved Employees. Each Aggrieved Employee will receive a share, per capita, of the 25% of the PAGA Payment (i.e., \$8,750) allocated to them.

3.3.8.1 Individual PAGA Payments will be made whether or not the Aggrieved Employees opt out of the Settlement. Aggrieved Employees may not opt out of the Individual PAGA Payment nor object to the Settlement of the PAGA Claims or Individual PAGA Payment.

3.3.8.2 If the Court approves a PAGA Payment of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

#### **4. SETTLEMENT FUNDING AND PAYMENTS.**

4.1 Payments from the Gross Settlement Amount. Within 3 business days of the Final Approval Order and Judgment, the Administrator will send Class Counsel and Defendant's Counsel the Administrator's account information so that Defendant can wire the first installment of the GSA and the Employer Taxes. Within 10 business days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks to the Participating Class Members, Aggrieved Employees, the LWDA, Class Counsel, and Class Representatives pursuant to the allocations set forth in Section 3 of this Agreement. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.2 Uncashed Checks. Settlement checks that are not cashed within 120 calendar days from the date of issuance by the Administrator will be voided. The Administrator shall transmit the funds represented by such voided checks in conformity with the Code of Civil Procedure Section 384, subd. (b) and subject to Court approval to Justice Fund Gap.

**5. RELEASE OF CLAIMS.** Upon the Effective Date, Plaintiffs, Class Members, PAGA Aggrieved Employees, and Class Counsel will release claims against all Released Parties as follows:

5.1 Release of Adjunct Class Claims. Upon the Effective Date, each Participating Class Member who is a member of the Adjunct Class shall be deemed to have fully and finally released and discharged the Released Parties from all claims that have been pled or could have been pled on their behalf based on the factual allegations contained in the Second Amended Complaint, and that arise during the Adjunct Class Period including claims under Cal. Labor Code §§ 201-203, 226(a) and (e), 226.2, 226.7, 1194, 1194.2, 2699 et seq., IWC Wage Order No. 4-2001 §§ 4, 12, and Business & Professions Code § 17200, et seq.

5.2 Release of Reimbursement Class Claims. Upon the Effective Date, each Participating Class Member who is a member of the Reimbursement Class shall be deemed to have fully and finally released and discharged the Released Parties from all claims that have been pled or could have been pled on their behalf based on the factual allegations contained in the Second Amended Complaint and that arise during the Reimbursement Class Period including claims under Cal. Labor Code §§ 2802, 2699 et seq., and Business & Professions Code § 17200, et seq.

5.3 Release of Adjunct PAGA Claims. Upon the Effective Date, each Adjunct Aggrieved Employee and the State of California shall be deemed to have fully and finally released and discharged the Released Parties of all PAGA claims that have been pled or could have been pled on their behalf based on the factual allegations contained in the Operative Complaint and PAGA letter sent by Plaintiffs and that arise during the Adjunct PAGA Period as to the Adjunct Aggrieved Employees including claims under Labor Code §§ 201-203, 226(a) and (e), 226.2, 226.7, 512, 1194, 1194.2, 2699 et seq., IWC Wage Order No. 4-2001 §§ 4, 11, 12, and Business & Professions Code § 17200, et seq.

5.4 Release of Reimbursement PAGA Claims. Upon the Effective Date, each Reimbursement Employee and the State of California shall be deemed to have fully and finally released and discharged the Released Parties of all PAGA claims that have been pled or could have been pled on their behalf based on the factual allegations contained in the Operative Complaint and PAGA letter sent by Plaintiffs and that arise during the Reimbursement PAGA Period as to the Reimbursement Aggrieved Employees including claims under of Labor Code §§ 2802, 2699 et seq., and Business & Professions Code § 17200, et seq.

5.5 Plaintiffs' Release. As of the Effective Date, and in exchange for the Class Representative Service Payment to each named Plaintiff, each named Plaintiff and Class Representatives on behalf of himself and his spouse, heirs, successors and assigns, 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 his signature to 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 his employment with Defendant or the remuneration for, or termination of, such employment. This release of claims is deemed to exclude only those claims not permitted to be released by law.



5.5.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Release, each Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

**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.**

6. **TAXES AND WITHHOLDINGS**. The Parties and the Participating Class Members acknowledge and agree that:

6.1 No provision of this Agreement and no written communication or disclosure between or among the Parties or their attorneys and other advisers is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of the United States Treasury Department Circular 230 (31 CFR Part 10, as amended).

6.2 Each Party to this Agreement has relied exclusively upon their independent legal and tax counsel for advice in connection with this Agreement and is not entitled to rely upon any communication or disclosure by any attorney or adviser to any Party to avoid any tax penalty that may be imposed on the Party.

6.3 Each Participating Class Member shall be responsible for paying the applicable state, local, and federal income taxes on all amounts the Participating Class Members receive pursuant to this Agreement.

7. **MOTION FOR PRELIMINARY APPROVAL**. Class Counsel will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval"), subject to Defendant's Counsel's review and approval, seeking an order approving the Settlement; setting a date for the Final Approval Hearing; approving the distribution of the Notice of Class Action Settlement (the "Class Notice") in substantively the form attached hereto as "**Exhibit A**;" and approving the procedures and deadlines for disputing Individual Class Member Pay Periods, opting-out of the Settlement, and objecting to the Settlement. Defendant's Counsel will neither respond nor file a notice of non-opposition to the Motion for Preliminary Approval.

7.1 Responsibilities of Counsel. Class Counsel and are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

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

meeting over telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

## **8. SETTLEMENT ADMINISTRATION.**

8.1 Selection of Administrator. The Parties have jointly selected Apex Class Action LLC to serve as the Administrator and verified that, as a condition of appointment, Apex Class Action LLC agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

8.2 Settlement Administration. Not later than 30 days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

### 8.3 Notice to Class Members.

8.3.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify the Parties that the list has been received and state the number of Class Members, Aggrieved Employees, and Individual Class Member Pay Periods in the Class Data. The Administrator shall conduct a Class Member Address Search for all Class Members included in the spreadsheet.

8.3.2 Using best efforts to perform as soon as possible, and in no event later than 10 business days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice substantially in the form attached to this Agreement as **Exhibit A**. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

8.3.3 Not later than three (3) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct an in-depth Class Member Address Search and re-mail the Class Notice to the most current address obtained. The Administrator has no

obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

8.3.4 The deadlines for Class Members' written objections, challenges to Individual Class Member Pay Periods, and Requests for Exclusion will be extended an additional 14 calendar days beyond the 60 calendar days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

8.3.5 If the Administrator, Defendant's Counsel, or Class Counsel is contacted by or otherwise discovers any persons who they believe should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement within 14 calendar days after receipt of Class Notice, or by the deadline dates in the Class Notice, whichever is later.

#### 8.4 Requests for Exclusion (Opt-Outs).

8.4.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 calendar days after the Administrator mails the Class Notice (plus an additional 14 calendar days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number, case name and number, and must be signed by the Class Member. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

8.4.2 If there is a question about the authenticity of a Request for Exclusion, the Settlement Administrator may demand additional proof of the Class Member's identity. Any Class Member who timely returns a valid and executed Request for Exclusion will not participate in or be bound by the Settlement and subsequent judgment and will not receive an Individual Class Payment. All Class Members who do not timely submit a valid and executed Request for Exclusion will be considered Participating Class Members.

8.4.3 Every Class Member who does not timely submit a valid and executed Request for Exclusion is deemed to be a Participating Class Member under this Agreement and is entitled to all benefits and bound by all terms and conditions of the Settlement, including the Releases in Section 5 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement. The Administrator has no authority to represent to a Class Member whether or not their Request for Exclusion is valid and/or timely. All such decisions will be made the Court.

8.4.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have

the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Section 5 of this Agreement and are eligible for a per capita share of the Total Individual PAGA Payment.

8.4.5 If 10% or more of the Class Members make valid and timely requests to be excluded from the settlement (i.e. opt-out of the settlement), Defendant shall have the right (but not the obligation) to deem the Settlement null and void and the Parties will revert back to their positions before the execution of this Agreement. The Parties will split the costs of Administration incurred up to the date Defendant notifies Plaintiffs of its election to void the settlement.

8.5 Challenges to Calculation of Individual Class Member Pay Periods. Defendant's data will be presumed correct. Each Class Member shall have 60 calendar days after the Administrator mails the Class Notice (plus an additional 14 calendar days for Class Members whose Class Notice is re-mailed) to challenge the number of Individual Class Member Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email, or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Individual Class Member Pay Periods contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Individual Class Member Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Individual Class Member Pay Periods and the Administrator's determination of the challenges to Defendant's Counsel and Class Counsel.

#### 8.6 Objections to Settlement.

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

8.6.2 Participating Class Members may send written objections to the Administrator by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present objections with the Court before or at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 calendar days after the Administrator's mailing of the Class Notice (plus an additional 14 calendar days for Class Members whose Class Notice was re-mailed).

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

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

8.7.1 Website, Email Address, and Toll-Free Number. The Administrator will establish and maintain and use an email address and a toll-free telephone number to receive Class Member calls, faxes, and emails. The Administrator will also establish a static website on which it will make available important case documents, including the Class Notice, the Settlement Agreement, the Operative Complaint.

8.7.2 Requests for Exclusion (opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) business days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Defendant's Counsel containing: (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

8.7.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defendant's Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion received (whether valid or invalid), objections received, challenges to Individual Class Member Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments. The weekly reports must include provide the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

8.7.4 Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Class Pay Periods. Defendant's data will be presumed to be correct. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

8.7.5 Administrator's Declaration. Not later than five (5) business days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defendant's Counsel a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from the Settlement it received (both valid or invalid), the number of written objections, and attach the exclusion list, if any. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

8.7.6 Taxes and Withholdings. The Administrator shall be responsible for ensuring that all tax obligations associated with the Settlement are timely paid to the appropriate governmental taxing authorities. The Administrator's responsibilities include the following with respect to taxes and withholding information:

8.7.6.1 filing all federal, state, and local employment tax returns, income tax returns, and any other tax returns associated with the taxes;

8.7.6.2 timely and properly filing of all required federal, state, and local information returns (e.g. 1099s, W-2s, etc.);

8.7.6.3 completion of any other steps necessary for compliance with any tax obligations applicable to the Settlement under federal, state, and/or local laws; and

8.7.6.4 determining the amount of any tax withholding to be deducted from each Participating Class Member's Individual Class Payment.

8.7.7 Final Report by Administrator. Within 30 calendar days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defendant's Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 calendar days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defendant's Counsel a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

**9. ESCALATOR CLAUSE.** If the number of Adjunct Class Members exceeds 718 by 10% or more (i.e., 790 Class Members or more), then the Gross Settlement Amount allocated to the Adjunct Class will increase proportionately over the 10%. If the number of Reimbursement Class Members exceeds 1,222 by 10% or more (i.e. 1,344 Class Members or more), then the Gross Settlement Amount allocated to the Reimbursement Class will increase proportionately over the 10%. For example, if the number of Class Members increases by 12%, the Gross Settlement Amount allocated to the Class Members will increase by 2%.

**10. MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court a Motion for Final Approval of the Settlement that includes a request for final approval of this Agreement. Plaintiffs shall provide drafts of these documents to Defendant's Counsel not later than five business days prior to filing the Motion for Final Approval. Class Counsel and Defendant's Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

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

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

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

10.1.4 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payments or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

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

12. **CONTINUING JURISDICTION**. The Parties agree that the Court shall retain continuing jurisdiction over this case under CCP Section 664.6 to ensure the continuing implementation of the provisions of this Agreement and that the time within which to bring this action to trial under CCP Section 583.310 shall be extended from the date of the signing of this Agreement by all parties until the entry of the Judgment or, if not entered, the date this Agreement shall no longer be of any force or effect.

13. **FINAL ORDER AND JUDGMENT**. A final order and Judgment shall be issued by the Court which shall:

13.1 Grant final approval to the Settlement as fair, reasonable, adequate, in good faith, and in the best interests of the Class as a whole, and order the Parties to carry out the provisions in this Agreement;

13.2 Adjudge that the Participating Class Members and those Class Members who have failed to opt out of the Settlement are conclusively deemed to have released Defendant and the Released Parties from the Released Class Claims, as more specifically set forth above;

13.3 Prohibit and permanently enjoin each Participating Class Member and those Class Members who have failed to opt out from pursuing in any fashion against Defendants or the other Released Parties and all of the Released Class Claims and Released PAGA Claims;

13.4 Enter Judgment in the Action, subject to the Court's ongoing jurisdiction to supervise the Parties' compliance with the terms of the Court-approved settlement; and

13.5 Reserve continuing jurisdiction as provided herein.

#### **14. ADDITIONAL PROVISIONS.**

14.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval, or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement, and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

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

14.3 Non-Disparagement. Plaintiffs shall instruct any prospective employers to direct all inquiries to Defendant's Human Resources Department. The response to any inquiry about Plaintiffs' employment with Defendant shall be directed to Defendant's Human Resources Department which shall confirm the Plaintiffs' dates of service and positions held; no other information will be provided.



14.4 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members. Class Counsel agree that they will not cite to or use this case in any advertising materials including on a firm website. However, after the Motion for Preliminary Approval of Settlement is filed, Class Counsel may disclose the details of this settlement for the purpose of allowing Class Counsel to prove adequacy as class counsel in other actions.

14.5 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibit executed by the Parties shall constitute the entire agreement between the Parties, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

14.6 Attorney Authorization. Class Counsel and Defendant's Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

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

14.8 Enforcement Action. In the event that any Party institutes any legal action or other proceeding against another Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees, incurred in connection with any enforcement action.

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

14.10 No Tax Advice. Neither Plaintiffs or Class Counsel nor Defendant or Defendant's Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

14.11 Modification of Agreement. This Agreement including the attached Exhibit A, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

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

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

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

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

14.16 Deadlines. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

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

To Plaintiffs: Julian Hammond, Esq., Polina Brandler, Esq. HammondLaw, P.C., 1201 Pacific Avenue, Suite 600, Tacoma, WA 98402; Telephone: (310) 601-6766.

To Defendant: Shannon B. Nakabayashi, Dahn A. Levine, Jackson Lewis P.C., 50 California Street, 9th Street, San Francisco, California 94111; Telephone: (415) 394-9400.

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

**IN WITNESS WHEREOF, this Settlement Agreement has been duly executed by and on behalf of the Parties, as follows:**

**Plaintiffs and Proposed Class Representatives**

Dated: 9/10/2024, 2024 By: Hugh Behm-Steinberg  
Hugh Behm-Steinberg

Dated: 9/12/2024, 2024 By: Arthur Kenzo Debaisne  
Arthur Kenzo

**California College of the Arts**

Dated: \_\_\_\_\_, 2024 By: \_\_\_\_\_  
Name: Remy Hathaway  
Title: Chief Financial Officer

***APPROVED AS TO FORM:***

**Counsel for Plaintiffs and  
Proposed Class Counsel**

Dated: September 9, 2024 By: Hammond  
Julian Hammond  
HammondLaw, P.C.

**Counsel for Defendant**

Dated: \_\_\_\_\_, 2024 By: \_\_\_\_\_  
Shannon B. Nakabayashi  
Jackson Lewis, P.C.

**California College of the Arts**

9/10/2024

Dated: \_\_\_\_\_, 2024

By: Remy Hathaway

Name: Remy Hathaway  
Title: Chief Financial Officer

***APPROVED AS TO FORM:***

**Counsel for Plaintiffs and  
Proposed Class Counsel**

Dated: \_\_\_\_\_, 2024

By: \_\_\_\_\_

Julian Hammond  
HammondLaw, P.C.

**Counsel for Defendant**

Dated: \_\_\_\_\_, 2024

By: \_\_\_\_\_

Shannon B. Nakabayashi  
Jackson Lewis, P.C.

# EXHIBIT A

## NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL APPROVAL

*Behm-Steinberg, et al. v. California College of the Arts*  
(Alameda County Superior Court, Case No. RG20081590)

**As a current or former Part-time Adjunct Professor at California College of the Arts, or as a current or former employee of California College of the Art, you are entitled to receive money from a class action settlement.**

**READ THIS NOTICE CAREFULLY.** This Notice relates to a proposed settlement of a class action lawsuit. If you are a Class Member, it contains important information affecting your rights to participate in the Settlement as further described below.

*A court has authorized this notice. This is not an advertisement. You are not being sued.*

You have received this Notice of Settlement because California College of the Arts (“Defendant” or “CCA”) records show you are a member of one or more of the following Classes: “Adjunct Class” or “Reimbursement Class” and therefore are entitled to a payment from this proposed class action Settlement. Each Class is defined as follows:

- “Adjunct Class” or “Adjunct Class Members” refers to all part-time adjunct instructors who worked for California College of the Arts at any time during the Class Period (November 20, 2016 through to September 8, 2020).
- “Reimbursement Class” or “Reimbursement Class Members” refers to all current and former employees of California College of the Arts who worked remotely in California at any time between March 11, 2020 through May 21, 2024.

The Settlement resolves a class-action lawsuit, *Behm-Steinberg, et al. v. California College of the Arts* (the “Lawsuit”), which alleges the following: on behalf of the Adjunct Class, the Lawsuit alleges that Defendant did not (1) issue accurate itemized wage statements, (2) pay wages for all hours worked; (3) provide compliant meal and rest breaks; and (4) pay all wages due upon discharge from employment; and, on behalf of the Reimbursement Class, which includes part-time adjunct instructors, the Lawsuit alleges that Defendant did not (5) reimburse for necessarily incurred expenses in carrying out their job duties for Defendant.

On [DATE], the Alameda County Superior Court granted preliminary approval of this class action Settlement and ordered that all Class Members be notified of the Settlement. The Court has not made any determination of the validity of the claims in the Lawsuit. CCA vigorously denies the claims in the Lawsuit and contends that it fully complied with all applicable laws.

The next hearing in this case is the Final Fairness and Approval, which will be held at Department 21 of San Francisco Superior Court on [REDACTED], located at 1225

Fallon Street Oakland, California 94612, before the Honorable Noël Wise. You are not required to attend the Hearing, but you are welcome to do so.

### **Why am I Receiving this Notice?**

You were sent this Class Notice because you have a right to know about a proposed settlement of the Lawsuit and about your options before the Court decides whether to finally approve the Settlement. If the Court approves the Settlement, a “Settlement Administrator” appointed by the Court will make the payments described in this Notice. This Notice explains what this case is about, the proposed Settlement, your legal rights, what benefits are available, who is eligible for them, and how you will obtain them.

### **What is this Class Action and Settlement about?**

This action was filed against Defendant California College of the Arts on November 20, 2020, by Plaintiffs Hugh Behm-Steinberg and Arthur Kenzo (collectively, “Plaintiffs”). The operative Complaint, which is the Second Amended Complaint (the “Complaint”), filed on September 28, 2023, asserts claims against Defendant for alleged failure to (1) provide accurate wage statements to the Adjunct Class Members, (2) pay wages for all hours worked; (3) provide compliant meal and rest breaks to the Adjunct Class Members, (4) pay all wages due upon discharge from employment to the Adjunct Class Members, and (5) reimburse necessarily incurred business expenses to the Reimbursement Class Members. The Complaint also seeks restitution pursuant to Business & Professions Code § 17200, et seq. and civil penalties pursuant to the Labor Code Private Attorneys General Act of 2004 (“PAGA”), based on the violations described immediately above, on behalf of Adjunct Class Members and Reimbursement Class Members.

In the claims alleged on behalf of the Adjunct Class Members, the Complaint alleges that Defendant misclassified part-time adjunct instructors as exempt because they did not meet the minimum monthly salary threshold required for the professional exemption under Labor Code § 515 and IWC Wage Order No. 4-2001. The Complaint alleges that, as a result of this misclassification, Defendant failed to issue wage statements to Adjunct Class Members that contained all the required information, including their hours worked and applicable hourly rates earned, failed to pay wages for all hours worked, failed to provide them with compliant meal and rest breaks, failed to pay them all wages earned upon discharge from employment, and failed to pay them all wages due upon termination.

In the claim alleged on behalf of the Reimbursement Class Members, the Complaint alleges that employees were not *sufficiently* reimbursed for the cost of their home internet and personal cellphones incurred in connection with working from home as a result of the COVID-19 pandemic, and were not reimbursed for the use of their personal cellphones in connection with the two-factor authentication.

The civil penalties sought under PAGA are based on these same theories of liability.

The proposed Settlement is not an admission of liability by Defendant. Throughout the course of litigation in the Lawsuit, Defendant has denied any liability or wrongdoing, or that any

compensable injury arose out of any of the matters alleged in the Action. Defendant contends that it has complied with all applicable laws and regulations regarding all of those matters.

Class Counsel believes that the proposed Settlement is in the best interests of the Class Members. Further proceedings would be very expensive and take a long time. Moreover, no one can predict the precise outcome of the disputed issues in this case. Therefore, Class Counsel believes that the proposed Settlement is fair, reasonable, and adequate for the Class Members.

### **Summary of the Settlement Terms**

Defendants have agreed to pay \$1,250,000 (“Gross Settlement Amount”) to settle this case. The Gross Settlement includes: (1) costs of settlement administration up to \$15,000; (2) service payments of up to \$17,500 total (\$10,000 to Plaintiff Behm-Steinberg, and \$7,500 to Plaintiff Arthur Kenzo) for their time and efforts in pursuing this case and in exchange for a general release of claims against Released Parties they will agree to as part of this Settlement; (3) attorneys’ fees of up to 35% of the Settlement Amount (\$437,500) and up to \$40,000 in litigation costs to Class Counsel; and (4) payment allocated to PAGA penalties in the amount of \$35,000 of which 75% will be paid to the California Labor and Workforce Development Agency (“LWDA”) and 25% shall be paid equally to the Adjunct Class Members who worked during the Adjunct PAGA Period (defined as November 20, 2019 to September 8, 2020) and to the Reimbursement Aggrieved Employees who worked during the Reimbursement PAGA Period (defined as March 11, 2020 through May 21, 2024). After deducting these sums, a total of approximately \$706,000 will be available for distribution to the Class Members (“Net Settlement Amount” or “NSA”).

### **Distribution to Class Members**

Participating Class Members (Class Members who do not exclude themselves from the Settlement) will each be paid an Individual Class Payment, distributed and calculated as follows:

- 80% of the NSA (approximately \$564,800) shall be allocated to the Adjunct Class Members and paid on a pro-rata basis based on the number of pay periods worked by an Adjunct Class Member during the Class Period (November 20, 2016 through September 8, 2020).
- 20% of the NSA (approximately \$141,200) shall be allocated to the Reimbursement Class Members and paid on a pro-rata basis based on the number of pay periods worked by the Reimbursement Class Member during the Reimbursement Class Period (March 11, 2020 through May 21, 2024). In calculating the pay periods worked by the Reimbursement Class Members, a 4.0 multiplier shall be applied to the work months before January 1, 2022.

### **Your Estimated Settlement Award**

Defendant’s records show that you [are/are not] a member of the Adjunct Class and that you worked a total of: <<Number of Pay Periods>> pay periods during the Adjunct Class Period. Your estimated pre-tax share of the Net Settlement Amount allocated to the Adjunct Class is [XXXX].



Defendant's records show that you [are/are not] a member of the Reimbursement Class and that you worked a total of: <<Number of Pay Periods>> pay periods during the Reimbursement Class Period (March 11, 2020 through [INSERT]). Your estimated share of the Net Settlement Amount allocated to the Reimbursement Class is [\$XXX].

Defendant's records show that you [are/are not] Adjunct Aggrieved Employee and/or Reimbursement Aggrieved Employee. Your estimated share of the 25% portion of the PAGA Payment distributed to the Adjunct/Reimbursement Aggrieved Employees is [\$XXX].

If you believe that the number of pay periods listed above is incorrect, you may notify the Settlement Administrator by fax, email, or mail and provide any supporting documents and information to the Settlement Administrator at the address listed below no later than the **RESPONSE DEADLINE**.

### **Tax Reporting**

For tax reporting purposes, payments made to the Adjunct Class Members for the release and settlement of the claims of the Adjunct Class will be allocated 25% to wages subject to withholdings, which will be reported on IRS W 2 Form, and 75% to interest and penalties, which will be reported on IRS 1099 Forms. Payments made to Participating Class Members for the release and settlement of the claims of the Reimbursement Class will be considered 100% non-wage income and interest and will be reported on IRS 1099 Forms. The PAGA payment paid to the Adjunct/Reimbursement Aggrieved Employees will be reported on IRS 1099 Forms.

Each Participating Class Member and/or Aggrieved Employee receiving an Individual Class Payment/Individual PAGA Payment shall be responsible for paying applicable federal, state, and local income taxes, if any, on all amounts such person receives pursuant to this Agreement, and Defendant shall have no liability therefor.

### **Claims That You Are Releasing Under the Settlement**

**Release of Adjunct Class Claims:** Each Participating Class Member who is a member of the Adjunct Class shall be deemed to have fully and finally released and discharged the Released Parties from all claims that have been pled or could have been pled on their behalf based on the factual allegations contained in the Second Amended Complaint, and that arise during the Adjunct Class Period including claims under Cal. Labor Code §§ 201-203, 226(a) and (e), 226.2, 226.7, 1194, 1194.2, 2699 et seq., IWC Wage Order No. 4-2001 §§ 4, 12, and Business & Professions Code § 17200, et seq.

**Release of Reimbursement Class Claims:** Each Participating Class Member who is a member of the Reimbursement Class shall be deemed to have fully and finally released and discharged the Released Parties from all claims that have been pled or could have been pled on their behalf based on the factual allegations contained in the Second Amended Complaint and that arise during the Reimbursement Class Period including claims under Cal. Labor Code §§ 2802, 2699 et seq., and Business & Professions Code § 17200, et seq.

**Release of Adjunct PAGA Claims:** Each Adjunct Aggrieved Employee and the State of California shall be deemed to have fully and finally released and discharged the Released Parties of all PAGA claims that have been pled or could have been pled based on the factual allegations contained in the Operative Complaint and PAGA letter sent by Plaintiffs that occurred during the Adjunct PAGA Period as to the Adjunct Aggrieved Employees including claims under Labor Code §§ 201-203, 226(a) and (e), 226.2, 226.7, 512, 1194, 1194.2, 2699 et seq., IWC Wage Order No. 4-2001 §§ 4, 11, 12, and Business & Professions Code § 17200, et seq.

**Release of Reimbursement PAGA Claims:** Each Reimbursement Aggrieved Employee and the State of California shall be deemed to have fully and finally released and discharged the Released Parties of all PAGA claims that have been pled or could have been pled based on the factual allegations contained in the Operative Complaint and PAGA letter sent by Plaintiffs and that arise during the Reimbursement PAGA Period as to the Reimbursement Aggrieved Employees including claims under of Labor Code § 2802, and Business & Professions Code § 17200, et seq.

### **What are my Rights and Options?**

#### ***Option 1 – Do Nothing and Receive Your Payment***

If you do not opt out, you are automatically entitled to your payment because you are a member of all or one of the Classes, as applicable. If you do not dispute your number of pay periods worked listed here and do not opt out of the settlement, you will be bound by the settlement and receive a settlement payment. **In other words, if you are a Class Member, you do not need to take any action to receive the settlement payment set forth above.**

#### ***Option 2 – Opt Out of the Settlement***

If you do not wish to participate in the Settlement, you may exclude yourself by submitting a written request to be excluded from the Class. Your written request must expressly and clearly indicate that you do not want to participate in the Settlement, and you desire to be excluded from the Settlement. The written request for exclusion must include your name, address, and email address or telephone number, case name and number, and must be signed by you. Mail, fax, or email your written request for exclusion by U.S. First-Class Mail to:

[NAME]  
[Address]  
[email]  
[fax]

The written request to be excluded from the Settlement must be postmarked or received by the Administrator not later than [RESPONSE DEADLINE]. You should not request exclusion if you wish to receive money from the Class Settlement. You do not have the right to be excluded from the PAGA Settlement, whether or not you exclude yourself from the Class Settlement.

#### ***Option 3 – Object to the Settlement***

If you wish to object to the Settlement you may file an objection in writing or appear at the Final Approval hearing. All written objections must provide your full name, address and telephone number, the case name and number, and your reasons why you think the Court should not approve the Settlement. If you choose to submit a written objection, your objection must be mailed to the Administrator no later than **[RESPONSE DEADLINE]**. Please note that you cannot both object to the Settlement and exclude yourself. If the Court overrules your objection, you will be bound by the Settlement and will receive your share of the Settlement.

### **Final Approval Hearing**

A Final Approval Hearing will be held before the Honorable Noël Wise in Department 21 of the Superior Court of California, County of Alameda, located at 1225 Fallon Street Oakland, California 94612, on **[FA hearing date]** at **[FA hearing time]** to determine whether the Settlement is fair, reasonable, and adequate. A motion for final approval of these items should be on file with the Court no later than **[REDACTED]**, 2024 and will be available for review after that date. This hearing may be continued without further direct notice to Class Members. It is not necessary for you to appear at this hearing.

### **What if I need more information?**

This Notice of Class Action Settlement is only a summary of this case and the Settlement. You may visit the case website maintained by the Settlement Administrator at [www.\\_\\_\\_\\_\\_.com](http://www._____.com) to review key documents filed in this case.

If you have any questions, you may also contact the Settlement Administrator at **[REDACTED]**, or Class Counsel at:

HAMMONDLAW, P.C.  
Julian Hammond (SBN 268489)  
jhammond@hammondlawpc.com  
Polina Brandler (SBN 269086)  
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The pleadings and other records in this Lawsuit may be examined online on the Alameda County Superior Court's Website, known as Court's Website, known as 'eCourt Public Portal,' at <https://eportal.alameda.courts.ca.gov>. After arriving at the website, click the 'Search' tab at the top of the page, then select the Document Downloads link, enter the case number (RG20081590) and click 'Submit.' Images of every document filed in the case may be viewed at a minimal charge. You may also view images of every document filed in the case free of charge at the Clerk's office at the Superior Court of the State of California for the County of Alameda, 1225 Fallon Street, Oakland, CA 94612.

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

**PLEASE DO NOT CONTACT THE COURT FOR INFORMATION  
ABOUT THIS SETTLEMENT**