1 2 3 4 5 6 7 8	Carney R. Shegerian, State Bar No. 150461 CShegerian@Shegerianlaw.com Anthony Nguyen, State Bar No. 259154 ANguyen@Shegerianlaw.com Cheryl A. Kenner, State Bar No. 305758 CKenner@Shegerianlaw.com SHEGERIAN & ASSOCIATES, INC. 11520 San Vicente Boulevard Los Angeles, California 90049 Telephone Number: (310) 860-0770 Facsimile Number: (310) 860-0771 Attorneys for Plaintiffs JOHN MEARS, MARIA CHOLICO, CRISTAL TEJEDA, individually, and on behalf of all others similarly situated		
9	[Additional counsel next page]		
10			
11	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
12	COUNTY OF SAN DIEGO		
13			
14 15	JOHN MEARS, MARIA CHOLICO, on behalf of themselves and all others similarly situated, Plaintiffs,	Lead Case No. 37-2020-00023126-CU-BC-CTL Consolidated with 37-2020-00023333-CU-BC-CTL	
16 17	v. CALIFORNIA WESTERN SCHOOL OF	Assigned for all purposes to Hon. Loren Freestone, Dept. C-64	
18	LAW, a California corporation, and DOES 1 through 100, inclusive,	STIPULATION OF CLASS ACTION	
19	Defendants.	SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS	
20			
21	CRISTAL TEJEDA a.k.a. CRYSTAL TEJEDA, on behalf of herself and all others similarly situated,	Complaint Filed: July 6, 2020	
22	Plaintiffs,		
23	v.		
24	CALIFORNIA WESTERN SCHOOL OF LAW, a California corporation, and DOES 1		
25	through 100, inclusive,		
26	Defendants.		
27			
28			

1			
2	TROUTMAN PEPPER HAMILTON SANDERS LLP Michael E. Baughman (pro hac vice) michael.baughman@troutman.com 3000 Two Logan Square		
3			
4	Eighteenth and Arch Streets Philadelphia, PA 19103		
5	Telephone: 215.981.4000 Facsimile: 215.981.4750		
6	TROUTMAN PEPPER HAMILTON SANDERS LLP		
7	Nicholas J. Schuchert, State Bar No. 307249 nicholas.schuchert@troutman.com		
8	5 Park Plaza, Suite 1400 Irvine, CA 92614-2545		
9	Telephone: 949.622.2700 Facsimile: 949.622.2739		
10	Attorneys for Defendant CALIFORNIA WESTERN SCHOOL OF LAW		
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28	Page 2		
	Page 2 STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE OF CLAIMS		

STIPULATION OF CLASS ACTION SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

IT IS HEREBY STIPULATED, by and among Plaintiffs John Mears, Maria Cholico, and Cristal Tejeda, on behalf of themselves and the Settlement Class Members on the one hand, and Defendant California Western School of Law, collectively with Plaintiffs, the "Parties," on the other hand, subject to the approval of the Court, that the Action is hereby being compromised and settled pursuant to the terms and conditions set forth in this Class Action Settlement Agreement and Release of Claims, and subject to the definitions, recitals and terms set forth herein, which by this reference become an integral part of this Agreement.

On or about July 6, 2020, Plaintiffs John Mears and Maria Cholico filed a class action lawsuit against Defendant CWSL in the San Diego Superior Court, County of San Diego, Case No. 37-2020-00023126-CU-BC-CTL, captioned, John Mears, Maria Cholico, on behalf of themselves and all others similarly situated, Plaintiffs v. California Western School of Law, a California corporation, and DOES 1 through 100, inclusive, Defendants. On or about July 7, 2020, Plaintiff Cristal Tejeda filed a class action lawsuit against Defendant California Western School of Law in the San Diego Superior Court, County of San Diego, Case No. 37-2020-00023333-CU-BC-CTL, captioned, Cristal Tejeda a.k.a. Crystal Tejeda, on behalf of herself and all others similarly situated, Plaintiffs v. California Western School of Law, a California corporation, and DOES 1 through 100, inclusive, Defendants. These suits alleged damages related to the CWSL's transitioning in-person instruction and a physical campus to purely an online remote format in the Spring 2020 semester because of the COVID-19 pandemic.

After conducting some formal discovery, the Parties agreed to some additional informal discovery and to participate in mediation, which was conducted on December 13, 2023 by the Justice Cynthia G. Aaron of Judicate West.

DEFINITIONS

1. "Action" means the consolidated action initially filed by Plaintiffs John Mears and Maria Cholico on July 6, 2020 in the San Diego County Superior Court, entitled *John Mears et al.*, v. California Western School of Law, SDSC Case No. 37-2020-00023126-CU-BC-CTL,

27

28

facts stated in the operative complaints, including but not limited to any claims in any way related to CWSL's transition to remote instruction as a result of the COVID-19 pandemic.

- 10. "Class Representative(s)" or "Plaintiffs" refers to John Mears, Maria Cholico, and Cristal Tejeda.
- 11. "Class Representative Enhancement Award" means the amount that the Court authorizes to be paid to each Class Representative in addition to the Individual Settlement Payment, in recognition of their efforts and work in prosecuting the Action on behalf of the Class Members. Subject to the Court granting final approval of this Settlement Agreement, and subject to the exhaustion of any and all appeals, Plaintiffs will request Court approval of the Class Representative Enhancement Payment of Five Thousand Dollars and Zero Cents (\$5,000.) to each Plaintiff. The Class Representative Enhancement Award is contingent upon the Class Representatives' execution of a full general release, including a waiver under California Civil Code section 1542. If the Court approves a Class Representative Enhancement Award less than the amount requested, the Settlement Administrator will retain the remainder in the Net Settlement Amount. The Settlement Administrator will pay Class Representative Enhancement Award(s) using IRS Form 1099. An award of less than the requested amount for the Class Representative Enhancement Award will not give rise to a basis to abrogate the Settlement Agreement and the Court has authority under this Agreement to reduce (or increase) the Class Representative Enhancement Award, at its discretion at the final approval stage. Class Representatives assume full responsibility and liability for any taxes owed on the Class Representative Enhancement Award.
- 12. "Court" means the Superior Court of the State of California, for the County of San Diego.
 - 13. "Defendant" means California Western School of Law.
- 14. "Defense Counsel" means Michael E. Baughman and Nicholas J. Schuchert of Troutman Pepper Hamilton Sanders LLP.
- 15. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its order granting final approval of the Settlement; and (b) the

Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) the day after the deadline for filing a notice of appeal from Judgment, if no notice of appeal is filed; or (b) if a timely appeal from the Judgment is filed, or any other legal challenge to the Settlement is filed, the date the final resolution of any such appeal or challenge has been finally terminated in such a manner as to permit the Final Approval and Judgment to take effect and is no longer subject to further judicial review.

- 16. "Final Approval" means the Court's order granting final approval of the Settlement.
- 17. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.
- 18. "Gross Settlement Amount" means Two Hundred Fifty Thousand Dollars and Zero Cents (\$250,000.00).
- 19. "Individual Settlement Payment" means the amount payable from the Net Settlement Amount to each Settlement Class Member who does not submit a valid Request for Exclusion from this Settlement.
 - 20. "Judgment" means the judgment entered by the Court based upon Final Approval.
- 21. "Net Settlement Amount" and "NSA" mean the Gross Settlement Amount less Class Counsel Award of Attorneys' Fees and Costs, Class Representative Enhancement Awards, and Settlement Administrator Costs.
- 22. "Non-Participating Class Member" means any Class Member who submits a valid timely Request for Exclusion from the Settlement by the Response Deadline.
- 23. "Operative Complaint" means the most recently filed class action complaint filed on or about October 18, 2021.
- 24. "Participating Class Member" means any Settlement Class Member who does not opt out of the Settlement by submitting a valid and timely Request for Exclusion.
- 25. "Parties" means Plaintiffs and Defendant, collectively, and "Party" shall mean either Plaintiffs or Defendant.

- 26. "Released Parties" means Defendant as well as any and all of its respective former and present heirs, executors, estates, administrators, predecessors, successors, assigns, parent companies, subsidiaries, licensors, licensees, associates, affiliates, employees, agents, consultants, independent contractors, insurers, including without limitation employees of the foregoing, directors, trustees, board members, managing directors, officers, partners, principals, members, attorneys, accountants, financial and other advisors, underwriters, shareholders, lenders, auditors, investment advisors, legal representatives, successors in interest, assigns and companies, firms, trusts, corporations, and all third party service providers or entities identified as California Western School of Law's agents and/or independent contractors in this Action.
- 27. "Releasing Parties" means Plaintiffs and all Participating Class Members, as well as any and all of their respective heirs, executors, estates, administrators, predecessors, successors and assigns.
- 28. "Request for Exclusion" means a Settlement Class Member's signed, written request to be excluded or to "opt out" of the Settlement.
- 29. "Response Deadline" means the date forty-five (45) calendar days after the Settlement Administrator mails the Notice to Settlement Class Members and the last date on which Settlement Class Members may postmark written Requests for Exclusion, or a Notice of Objection to the Settlement. For Settlement Class Members who are sent re-mailed Class Notices, the "Extended Response Deadline" shall mean forty-five (45) calendar days from the date the Settlement Administrator re-mails the Notice of Settlement to Class Members but not later than sixty (60) calendar days from the Response Deadline. The Extended Response Deadline is the last date on which Settlement Class Members who are sent re-mailed Class Notices may postmark written Requests for Exclusion, or a Notice of Objection to the Settlement.
- 30. "Settlement" means the disposition of the Action pursuant to this Agreement and the Judgment.
- 31. "Settlement Administration Costs" means the amount to be paid to the Settlement Administrator from the Gross Settlement Amount for administration of this Settlement, not to

exceed Fifteen Thousand Dollars (\$15,000), subject to good faith quotes obtained by Class Counsel.

- 32. "Settlement Administrator" means RG/2 Claims Administration LLC, or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for the purposes of administering this Settlement.
- 33. "Settlement Class Members" means all Class Members regardless of whether they have submitted a Request for Exclusion.

RECITALS

34. <u>Procedural History</u>. On July 6, 2020, Plaintiffs John Mears and Maria Cholico filed a class action complaint in the Action against Defendant alleging the following causes of action: (1) breach of contract; (2) unjust enrichment; (3) conversion; and (4) violation of California's Unfair Competition Law ("UCL"), Business and Professions Code §§ 17200, *et seq.* Following the Court's ruling on Defendant's second Demurrer to the Consolidated First Amended Class Action Complaint, on May 20, 2022, Plaintiffs' case effectively alleged a single cause of action for breach of contract. Defendant denies each and every one of the allegations asserted in Plaintiffs' operative complaint.

Following formal discovery, the Parties agreed to mediate this Action in an effort to avoid the high cost of litigation and on the condition that Defendant would provide sufficient information to allow Class Counsel to conduct a thorough evaluation of the claims and damages at issue in this case. Defendant produced certain information pursuant to a confidentiality agreement, including, but not limited to, classwide statistics and receipt of tuition and fees for Spring 2020, promotional materials distributed to prospective students and course catalogs.

Following an exchange of informal discovery and additional investigation of all claims, the Parties participated in a private mediation with the experienced and respected mediator Justice Cynthia G. Aaron of Judicate West on December 13, 2023. The Parties settled as to all material terms for this Settlement in the weeks following the mediation with the mediator's assistance.

While Defendant is confident of a positive outcome on the merits, it has concluded that the future costs and expenses involved in continuing litigation would be significant. For that

reason, Defendant has agreed to a settlement to eliminate any further expenses, attorneys' fees, and risks associated with further litigation of this Action.

Class Counsel has conducted a thorough investigation into the facts of the Action, including a thorough review of relevant documents, and has diligently pursued an investigation of the claims against Defendant. Based on their own independent investigation and evaluation, Class Counsel are of the opinion that the Gross Settlement Amount is fair, reasonable, adequate, and in the best interest of the Class in light of all known facts and circumstances.

35. <u>Class Certification</u>. The Parties stipulate and agree to the certification of this Action for purposes of this Settlement only. Should the Settlement not become final and effective as herein provided, class certification shall immediately be set aside and the Settlement Class immediately decertified. The Parties' willingness to stipulate to class certification as part of the Settlement shall have no bearing on, and shall not be admissible in or considered in connection with, the issue of whether a class should be certified in a non-settlement context in this Action and shall have no bearing on, and shall not be admissible or considered in connection with, the issue of whether a class should be certified in any other lawsuit.

That said, in the event the Settlement fails to be approved or otherwise fails to be consummated for any reason whatsoever, including but not limited to the Judgment not becoming final, then Defendant retains all rights and defenses previously available to it, and any provisional certification of any class, or the adoption of any procedure or any ruling made pursuant to the terms contained herein, shall be undone and the Parties restored to their pre-settlement status as if no settlement had been reached and no decisions were made pursuant to it, except as otherwise expressly provided herein. In that event, nothing in this Settlement Agreement or other papers or proceedings related to the settlement shall be used as evidence or argument by any party, including any Settlement Class Members who opt out, concerning whether or not the Action may properly be maintained as a class action pursuant to California state law.

TERMS OF AGREEMENT

36. <u>Class Release</u>. It is the desire of the Class Representatives, Participating Class Members, and Defendant to fully, finally and forever settle, compromise, and discharge, to the

maximum permitted by law, the Released Claims, including all disputes and claims arising from or related to this Action, based on the facts stated in the operative complaints, including but not related to any claims in any way related to Defendant's transition to remote instruction as a result of the COVID-19 pandemic. Upon full funding of the Gross Settlement Amount, except as to such rights or claims as may be created by this Agreement, all Class Members who do not submit a valid and timely written Request of Exclusion, fully release and discharge the Released Parties from all Released Claims during the Class Period.

- 37. <u>Tax Liability</u>. The Parties make no representations as to the tax treatment or legal effect of the payments called for hereunder, and Settlement Class Members shall not rely on any statement or representation by the Parties or by the Settlement Administrator in this regard.
 - a. Withholding and Reporting Requirements. The Settlement Administrator shall be responsible for ensuring that all taxes associated with the Agreement are properly calculated and timely paid to the appropriate tax authorities. To verify the Settlement Administrator's compliance with the foregoing reporting requirements, as soon as administratively practicable, the Settlement Administrator shall furnish Defense Counsel with copies of all forms detailing the payment of taxes (including all 1099 returns) sufficient to prove that such payments were properly remitted. The Settlement Administrator shall provide, if Defendant so chooses, a final accounting adequate to demonstrate full compliance with all tax withholding, payment and reporting obligations. Defendant assumes no liability for the accuracy of the taxes calculated and paid to tax authorities by the Settlement Administrator.
 - b. No Tax Advice. Each Participating Class Member shall be responsible for any local, state, or federal taxes that may be assessed or owing with respect to the proceeds from this settlement that Class Members receive. Neither Defendant, Plaintiffs, Class Counsel, nor Defense Counsel intend anything contained in this Settlement to constitute legal advice regarding the taxability of any amount paid hereunder, nor shall anything in this Settlement be relied upon as such.

26

27

28

Participating Class Members agree to make no claims against Defendant for any payment or non-payment of taxes or regarding or relating to the reporting of the payment described in this Agreement, if any, to any taxing authorities.

- c. <u>Circular 230 Disclaimer</u>. Each Party to this Agreement (for purposes of this section, the "Acknowledging Party" and each Party to this Agreement other than the Acknowledging Party, an "Other Party") acknowledges and agrees that (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 United States Treasury Department circular 230 (31 CFR part 10, as amended); (2) the Acknowledging Party (a) has relied exclusively upon his, his or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other party or any attorney or advisor to any Other Party, and (c) is not entitled to rely upon any 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.
- 38. <u>Notice and Preliminary Approval of Settlement</u>. As part of this Settlement, Plaintiffs will request that the Court: (a) grant preliminary approval of the Settlement, (b) certify a Settlement Class for settlement purposes only, (c) approve distribution of Notice to Settlement Class Members, and (d) grant final approval of the Settlement. Plaintiffs shall request a hearing before the Court to obtain preliminary approval of the Settlement. In conjunction with the hearing,

Plaintiffs will submit this Agreement, which sets forth the terms of this Settlement, and will include a proposed Notice, as necessary to implement the Settlement. If the Parties disagree on any aspect of the proposed Settlement or forthcoming Motion for Preliminary Approval, Class Counsel and Defense Counsel will work together in good faith on behalf of the Parties to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will work together in good faith on behalf of the Parties to modify the Agreement and satisfy the Court's concerns, to the extent that the Parties can agree to any such change. Should the Court decline to conditionally certify the Class or to Preliminarily Approve all material aspects of the Settlement, the Settlement will be null and void, and the Parties will have no further obligation under it.

- 39. <u>Settlement Administration</u>. Within fifteen (15) business days after the Court grants preliminary approval of this Agreement, Defendant shall provide to the Settlement Administrator with the Class Information for purposes of mailing the Notice to Settlement Class Members. To protect Class Members' privacy rights, the Settlement Administrator must maintain the Class Information in confidence, use the Class Information only for purposes of this Settlement, and restrict access to the Class Information to Settlement Administrator employees who need access to the Class Information to effect and perform under this Agreement, including Class Counsel.
 - a. Notice by Email with Follow-Up First Class U.S. Mail with Business Reply Mail Postage. Within ten (10) business days after receiving the Class Information from Defendant as provided herein, the Settlement Administrator shall transmit the Class Notice via email to all Class Members with a valid email address or else mail the Class Notice to the last known mailing address provided following a search based on the National Change of Address Database to update and correct any known or identifiable address changes. For all Settlement Class Members for whom Defendant was unable to provide an email address, or for whom the email notice bounced back and the Settlement Administrator was unable to successfully re-send the email to the last known or alternate email addresses, the Settlement Page 12

Administrator shall perform skip traces for those mailing addresses and then transmit the Class Notice of those Settlement Class Members via regular First-Class U.S. Mail. In the event the transmission of email results in a bounce-back email, the Settlement Administrator shall, if possible, correct any issues that may have caused the bounce-back email to occur and make a second attempt to re-send the email notice. If no alternate email address is located, then within seven (7) business days after receiving bounce-back emails from invalid email addresses, the Settlement Administrator shall mail copies of the Class Notice to all Settlement Class Members via regular First-Class U.S. Mail. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Settlement Class Member who will receive a Class Notice by U.S. Mail. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class Member.

b. Undeliverable First-Class U.S. Mail Notices. Any Notice sent by First-Class U.S. Mail that is returned to the Settlement Administrator as undeliverable on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to determine a correct address by use of skip-tracing, or other search using the name, address and/or Social Security number of the respective Settlement Class Member, and shall then perform a re-mailing, if another mailing address is identified by the Settlement Administrator. If a Settlement Class Member's Notice is returned to the Settlement Administrator more than once as non-deliverable on or before the Response Deadline, then an additional Notice need not be re-mailed and the Settlement Class Member is deemed to have received Notice. The Settlement Administrator shall email a Settlement Class Member's Notice upon request and proper verification by the

Settlement Class Member or his or his counsel, provided a valid email address is given.

- c. <u>Re-mailed Notices</u>. In the event the Settlement Administrator re-mails a Notice to a Settlement Class Member, the Settlement Administrator will update the Response Deadline on the re-mailed Notice to reflect the applicable Extended Response Deadline or else will include a cover letter indicating the applicable Extended Response Deadline.
- d. <u>No Claim Form Necessary</u>. All Settlement Class Members who do not request to be excluded from the Settlement will receive Individual Settlement Payments from the Net Settlement Amount; submission of a claim form is not necessary to receive an Individual Settlement Payment. The estimated Individual Settlement Payments will be stated in the Notice. This Settlement is non-reversionary.
- e. <u>Disputes Regarding Administration of Settlement</u>. Any disputes not resolved concerning the administration of the Settlement will be resolved by the Court, under the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties will confer in good faith to resolve the disputes without the necessity of involving the Court.
- f. Requests for Exclusion. The Notice shall state that the Settlement Class Members who wish to exclude themselves from the Settlement must submit a signed written Request for Exclusion by the Response Deadline or, if applicable, Extended Response Deadline. The written Request for Exclusion may be transmitted to the Settlement Administrator via email or regular mail and: (1) must contain the name, address, telephone number and the last four digits of the Social Security number of the person requesting exclusion; (2) must be signed by the Settlement Class Member; (3) must be timestamped (for email) or postmarked (for U.S. Mail) by the Response Deadline and returned to the Settlement Administrator at the applicable specified address; and (4) must clearly state as follows: "I request

to be excluded from the Class in John Mears et al., v. California Western School of Law, SDSC Case No. 37-2020-00023126-CU-BC-CTL, and understand I will receive nothing." If a signed Request for Exclusion is not timely submitted stating the name and address of the Settlement Class Member, it will not be deemed valid for exclusion from this Settlement. The date of the timestamp or postmark on the return mailing envelope of the Request for Exclusion shall be the exclusive means used to determine whether the Request for Exclusion was timely submitted. However, for Requests for Exclusion via U.S. Mail, if the date of the postmark is illegible, the Settlement Administrator shall take the earliest postmark date of other items it receives in the mail that day. Any Settlement Class Member who requests to be excluded from the Settlement Class will not be entitled to any recovery under the Settlement and will not be bound by the terms of the Settlement or have any right to object, appeal, or comment thereon. Class Members who fail to submit a valid and timely written Request for Exclusion on or before the Response Deadline shall be deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

i. No later than twenty-one (21) calendar days after the Response Deadline, the Settlement Administrator shall provide counsel for Defendant with a complete list of the names of all Settlement Class Members who have timely submitted written Requests for Exclusion. Defendant also agrees to provide Plaintiff and/or the Court the names of those Settlement Class Members who timely request exclusion from the Settlement if ordered by the Court for purposes of approving the Settlement or facilitating the administration of the Settlement.

28

ii. On a weekly basis, the Settlement Administrator shall provide the parties with a weekly reporting including the total valid and timely Requests for Exclusion, as well as notice of any disputes to a Settlement Class Member's Class Position.

Objections. Only Participating Class Members may object to the g. Settlement, including contesting the fairness of the Settlement. Non-Participating Class Members have no right to object to the any of the class action components of the Settlement. The Class Notice shall state that Settlement Class Members who wish to object to the Settlement may email or mail to the Settlement Administrator a written statement of objection ("Notice of Objection") by the Response Deadline. The date of the timestamp of the email or the postmark on the return envelope shall be the exclusive means for determining that a Notice of Objection was timely submitted. However, for objections sent via U.S. Mail, if the date of the postmark is illegible, the Settlement Administrator shall take the earliest postmark date of other items it receives in the mail that day. The Notice of Objection must be signed by the Settlement Class Member and state: (1) the full name, address, and telephone number of the Settlement Class Member; (2) the last four digits of the Settlement Class Member's Social Security number; (3) the basis for the objection; and (3) whether he/she intends to appear at the final approval hearing. However, a failure to express an intention of appearing or an intention of not appearing at the final approval hearing shall not preclude the Participating Class Member from being heard at the final approval hearing. Class Counsel shall include all objections received and Plaintiff's response(s) with Plaintiff's motion for final approval of the Settlement. Class Counsel shall not represent any Participating Class Members with respect to any such objections.

h. <u>No Solicitation of Settlement Objections or Exclusions</u>. The Parties agree to use their best efforts to carry out the terms of this Settlement. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class

Members to submit either Notices of Objection to the Settlement or Requests for Exclusion from the Settlement, or to appeal from the Court's Final Judgment.

- i. <u>Class Members Who Submit Both a Settlement Objection and Exclusion:</u>
 If a Class Member submits a timely Objection and a timely Request for Exclusion, the Settlement Administrator shall contact the Class Member to determine whether the Class Member wishes to participate in the Settlement but interpose an Objection or whether the Class Member wishes to be excluded from the Settlement. In the event the Settlement Administrator cannot reach the Class Member to clarify the situation, the later-postmarked Request for Exclusion or Objection shall be deemed valid and operative; and if the Request for Exclusion and Objection bear the same postmark date, the Objection shall be deemed valid and operative.
- 40. <u>Funding and Allocation of Gross Settlement Amount</u>. Within thirty (30) calendar days of the Effective Date, Defendant shall provide the Gross Settlement Amount to the Settlement Administrator. Payments from the Gross Settlement Amount shall be made, as specified in this Agreement and approved by the Court, for: (1) Individual Settlement Payments to Participating Class Members who do not request to be excluded, (2) Class Representatives' Enhancement Awards, (3) Class Counsel Award, and (4) the Settlement Administration Costs.
 - a. <u>Gross Settlement Amount</u>. The Gross Settlement Amount was calculated with, and is premised on, the understanding that the Class comprises approximately 620 Settlement Class Members during the Class Period. If the actual number of Class Members exceeds the Certified Class Amount by 5% or more, then the Gross Settlement Amount shall be increased proportionately based on the ultimate actual number of Class Members as further described in paragraph 42.
 - b. <u>Individual Settlement Payments</u>. Individual Settlement Payments will be paid from the Net Settlement Amount and shall be paid pursuant to the terms set forth herein. Within fourteen (14) calendar days after Defendant provides funds to the Settlement Administrator for disbursement under this Agreement, the

Settlement Administrator shall digitally distribute Individual Settlement Payments to each Settlement Class Member via the email(s) on file or as provided or, if no email address is available, then the Settlement Administrator shall mail a check by regular First-Class U.S. Mail to the respective Settlement Class Member's last known mailing address. Participating Class Members will be provided with a number of digital payment options such as PayPal, Venmo, or a digital debit card, to immediately receive their Individual Settlement Payments. Individual Settlement Payments will be allocated as follows: 100% as restitution, which shall not be subject to tax withholding and will not be reported on any IRS Form. Any checks issued to Settlement Class Members shall remain valid and negotiable for one hundred and eighty (180) days from the date of their issuance.

- c. <u>Calculation of Individual Class Settlement Payments</u>. The Settlement Administrator shall calculate the value of each Settlement Class Member's Individual Settlement Payment and each Participating Class Member's Individual Settlement Payment. Individual Settlement Payments shall be distributed to Class Members in equal amounts by dividing the Net Settlement Fund by the number of Participating Class Members.
- d. <u>Second Notice and Uncashed Settlement Checks</u>. If settlement checks remain uncashed after one hundred and thirty (130) calendar days from their issuance, a reminder postcard, in English, will be sent to those Settlement Class Members with uncashed checks, advising them to cash the check or request a replacement check. Funds represented by Individual Settlement Payment checks returned as undeliverable and Individual Settlement Payment checks remaining uncashed for more than one hundred and eighty (180) calendar days after issuance, plus any accrued interest in the Settlement Administrator's qualified settlement fund that has not otherwise been distributed, will be tendered to the California

28

State Controller's Unclaimed Property Division in the name of the Participating Class Member.

- Class Representative Enhancement Award. Subject to Court approval, in exchange for his time, effort, and risk in bringing and prosecuting this matter, Plaintiffs shall each be paid up to Five Thousand Dollars and Zero Cents (\$5,000.00), subject to Court approval. The Class Representative Enhancement Award shall be paid to Plaintiff from the Gross Settlement Amount no later than fourteen (14) calendar days after Defendant provides funds to the Settlement Administrator for disbursement under this Agreement. Any portion of the requested Class Representative Enhancement Award that is not awarded to the Class Representative shall be part of the Net Settlement Amount and shall be distributed to Settlement Class Members as provided in this Agreement. The Settlement Administrator shall issue an IRS Form 1099-MISC to Plaintiffs for their Class Representative Enhancement Award. Plaintiffs shall be solely and legally responsible to pay any and all applicable taxes on their Class Representative Enhancement Awards and shall hold harmless Defendant and the Released Parties from any claim or liability for taxes, penalties, or interest arising as a result of the Class Representative Enhancement Award. The Class Representative Enhancement Award shall be in addition to the Plaintiffs' Individual Settlement Payment as a Settlement Class Member.
- f. <u>Class Representatives' General Release</u>. In addition to the Class Release, Class Representatives and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from any and all complaints, actions, causes of action, claims, liabilities, demands, obligations, promises, agreements, controversies, damages, costs, losses, debts, liabilities and expenses (including attorneys' fees and costs actually incurred), of any nature whatsoever, including but not limited to the claims made in this Action, claims arising from the

California Constitution, breach of implied contract or for claims of a breach of the covenant of good faith and fair dealing, as well as any other express or implied covenant, or any other statute or common law principle of similar effect, known or unknown, which Class Representatives may have against any Released Parties to this Action arising from any acts, events, or circumstances occurring on or before the effective date of this Settlement Agreement. Class Representatives acknowledge that they may discover facts or law different from, or in addition to, the facts or law that Class Representatives now know or believe to be true but agree, nonetheless, that Class Representatives' General Release shall be and remain effective in all respects, notwithstanding such different or additional facts or their discovery of them. As to the foregoing claims, each Class Representatives expressly waives and relinquish the provisions, rights, and benefits, if any, of California Civil Code section 1542, which provides:

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

g. Release by Participating Class Members. All Participating Class Members release and discharge Released Parties from any and all complaints, actions, causes of action, claims, liabilities, demands, obligations, promises, agreements, controversies, damages, costs, losses, debts, liabilities and expenses (including attorneys' fees and costs actually incurred), of any nature whatsoever, that were alleged, or reasonably could have been alleged, based on the facts stated in the operative complaints, including but not limited to any claims in any way related to CWSL's transition to remote instruction as a result of the COVID-19 pandemic.

h. Class Representatives and Participating Class Members shall be permanently enjoined and forever barred from prosecuting any and all Released Claims against the Released Parties.

- <u>Class Counsel Award</u>. Defendant agrees not to oppose or object to any application or motion by Class Counsel for attorneys' fees not to exceed one-third of the Gross Settlement Amount, which is currently Eighty-Three Thousand Three Hundred Thirty-three Dollars and Thirty-three Cents (\$83,333.33) of the Gross Settlement Amount. If the Gross Settlement Amount increases, Class Counsel's attorneys' fees will increase accordingly to preserve the one-third recovery ratio. Defendant also agrees not to oppose any application or motion by Class Counsel for the reimbursement of actual costs of up to Fifteen Thousand Dollars and Zero Cents (\$15,000.00), subject to submission of itemized costs to the Court, associated with Class Counsel's prosecution of this Action from the Gross Settlement Amount, and Class Counsel agrees not to appeal any award of attorneys' fees or costs. Any portion of the requested Class Counsel Award that is not awarded to Class Counsel shall be part of the Net Settlement Amount and distributed to Settlement Class Members as provided in this Agreement. So long as there are no objections, Class Counsel shall be paid any Court-approved fees and costs no later than fourteen (14) calendar days after Defendant provides funds to the Settlement Administrator for disbursement under this Agreement. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the payment made pursuant to this paragraph. The Settlement Administrator shall issue an IRS Form 1099-MISC to Class Counsel for the payments made pursuant to this paragraph. This Settlement is not contingent upon the Court awarding Class Counsel any particular amount in attorneys' fees and costs.
- j. <u>Settlement Administration Costs</u>. The Settlement Administrator shall be paid for the costs of administration of the Settlement from the Gross Settlement Amount. The capped cost of administration for this Settlement is Fifteen Thousand

Dollars (\$15,000). The Settlement Administrator shall provide the Parties with a declaration to support the cost of administration. The Settlement Administrator shall be paid the Settlement Administration Costs no later than fourteen (14) calendar days after Defendant provides funds to the Settlement Administrator for disbursement under this Agreement. The Settlement Administrator, on Defendant's behalf, shall have the authority and obligation to make payments, credits and disbursements, including in the manner set forth herein, to Settlement Class Members and the Internal Revenue Service, calculated in accordance with the methodology set out in this Agreement and orders of the Court.

- i. The Parties agree to cooperate in the Settlement Administration process and to make all reasonable efforts to control and minimize the cost and expenses incurred in administration of the Settlement. The Parties each represent they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.
- ii. The Settlement Administrator shall be responsible for: processing and mailing payments and associated 1099 forms, if applicable, or other tax forms to Plaintiff, Class Counsel, Settlement Class Members, the Internal Revenue Service, California State Treasury, the Unclaimed Property Division of the California State Controller's Office, and/or any other appropriate government authorities, including forwarding all taxes, contributions, and withholdings to the appropriate government authorities. The Settlement Administrator shall also be responsible for printing, and mailing the Notice to the Settlement Class Members, as directed by the Court; receiving and reporting the Requests for Exclusion and Notices of Objection submitted by Settlement Class Members; properly calculating and completing all tax reporting, withholdings, and payments to the Internal Revenue Service and/or appropriate tax authorities on a timely

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

basis; providing declaration(s) and reports as necessary in support of preliminary and final approval of this Settlement and upon completion of this Settlement; and other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform both before and after distribution of the Gross Settlement Amount. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities.

- iii. No person shall have any claim against Defendant, Defense Counsel, Plaintiff, Settlement Class Members, Class Counsel or the Settlement Administrator based on distributions and payments made in accordance with this Agreement.
- 41. Declarations by Settlement Administrator. The Settlement Administrator shall submit a declaration in support of Plaintiffs' Motion for Preliminary Approval of this Settlement detailing its qualifications, experience, and estimated costs for administration of this Settlement. The Settlement Administrator shall submit a declaration in support of Plaintiff's Motion for Final Approval of this Settlement detailing the number of Notices mailed and re-mailed to Settlement Class Members, the number of undeliverable Notices, the number of timely Requests for Exclusion, the number of timely and late objections received, if any, the amount of the average Individual Settlement Payment and maximum and minimum Individual Settlement Payments, the Settlement Administration Costs, and any other information as the Parties mutually agree or the Court orders the Settlement Administrator to provide. Upon distribution of settlement funds to all recipients, within thirty (30) days after the expiration of any last check sent to a Settlement Class Member, the Settlement Administrator shall submit to Class Counsel a Declaration of Compliance detailing the payment of all settlement funds, including the number of checks negotiated and corresponding dollar value, the number of checks not negotiated and corresponding dollar value, the completion of the forwarding of the value(s) of the uncashed checks to the Unclaimed Property Division of the California State Controller's Office, and the payment of funds to Class Counsel.

27

28

- 42. <u>Increase to the Gross Settlement Amount</u>. Because Plaintiffs have relied on the Defendant's representation that the Certified Class Amount is fixed at approximately 620 Class Members in agreeing to settle the Action at the given value—which yields a certain per-student average—if that 620 turns out to be larger, the result would dilute that per-student average. As such, to protect the Participating Class Members from an unacceptable degree of dilution, if the actual number of Settlement Class Members exceeds 5% of the 620-person figure, then the Gross Settlement Amount shall be increased proportionately based on the actual number of Settlement Class Members. For instance, if the actual number of Settlement Class Members is 657 (which exceeds 5% of the 620-person figure), then the Gross Settlement Amount shall be increased proportionally by the corresponding percentage difference between the Certified Class Amount and the actual number of Settlement Class Members, which would be an additional \$14,919.35 for a total Gross Settlement Amount of \$264,919.35.
- 43. Final Settlement Approval Hearing and Entry of Final Judgment. Upon expiration of the Response Deadline and not later than 16 court days before the Final Approval Hearing, Class Representatives will file in Court a motion for final approval of the Settlement that includes a Proposed Final Approval Order and proposed Judgment. Class Counsel will provide drafts of these documents to Defense Counsel in advance of filing for Defense Counsel's review. A Final Approval/Settlement Fairness Hearing shall be conducted to determine final approval of the Settlement along with the amount properly payable for (i) the Class Counsel Award, (ii) the Class Representative Enhancement Award, (iii) the General Release Payment), (iv) Individual Settlement Payments, and (v) the Settlement Administration Cost. Upon granting final approval of the Settlement, the Court shall also enter a Final Judgment and Order implementing the Releases set forth in paragraphs 8 and 35, 39 of this Agreement, as well as the General Release by the Class Representatives contained in paragraph 39 (f) of this Agreement. Settlement Class Members shall be provided with notice of the Final Judgment and Order under California Rule of Court 3.771(b), and the Settlement Administrator shall include with each settlement award a notice on the check stub advising the Class Members that the Court entered a Final Judgment, the date of the Judgment, and that Class Members may obtain a copy of the Judgment upon request

from the Settlement Administrator. Pursuant to California Rule of Court 3.769(h), after granting final approval, the Court shall retain jurisdiction over the Parties to enforce the terms of the Judgment.

- 44. <u>Response to Objections</u>. 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 prior to the Final Approval Hearing, or as otherwise ordered by the Court.
- 45. <u>Duty to Cooperate for Final Approval</u>. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement, 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.
- 46. <u>Continuing Jurisdiction of the Court</u>. The Parties agree, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matter as are permitted by law.
- 47. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, 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.
- 48. Omitted Class Members. If additional individuals not originally included on the Class List provided to the Settlement Administrator are discovered after Class Notices have been distributed and no later than ten (10) calendar days before Plaintiff is ordered to file his Motion for Final Approval, Defendant shall, in good faith, immediately make a determination as to whether those individuals should be deemed Settlement Class Members and entitled to participate in the Settlement. If Defendant determines that the omitted individual is a Settlement Class Member, the third-party administrator shall mail the individual a Class Notice as provided in

paragraph 38 and recalculate the Individual Settlement Payments of all Settlement Class Members by the formula set forth herein to include the additional Individual Settlement Payment for that Omitted Class Member. The Omitted Class Member will have until the calendar day before Individual Settlement Payments are mailed by the third-party administrator as provided in paragraph 38 of this Agreement to submit a Request for Exclusion or Objection. If additional individuals not originally included on the Class List are discovered later than thirty-five (35 days) before the Effective Date, those individuals shall not be deemed Settlement Class Members, will not receive payment, and will not release claims against Defendant or Released Parties. In the event there is a dispute regarding the Omitted Class Member's Class Position, the provisions of paragraph 39(f) of this Agreement shall govern the dispute.

- 49. Revocation of Settlement Agreement. Defendant, at their sole discretion, shall have the right but not the obligation to revoke the Settlement Agreement if twenty (20) or more of the Class Members timely submit a valid Request for Exclusion from the Class. Defendant shall exercise its revocation rights, if at all, within fourteen (14) days of receiving the opt-out list from the Settlement Administrator by providing written notice to Class Counsel. In the event Defendant elects to revoke the settlement under this provision, Defendant shall be solely responsible for any and all Settlement Administration Costs incurred.
- Nullification of Settlement Agreement. In the event: (i) the Court does not enter an order for preliminary approval; (ii) the Court does not enter an order for final approval; (iii) the Court does not enter a Final Judgment, (iv) the Effective Date is not triggered, (v) Defendant elects to revoke the Settlement Agreement pursuant to paragraph 48, or (vi) the Settlement does not become final, this Settlement Agreement shall be null and void and any order or judgment entered by the Court in furtherance of this Settlement shall be treated as void from the beginning. In such case, Defendant shall not make any payment under this Agreement, and the Parties shall proceed in all respects as if this Agreement had not been executed, except that any fees already incurred by the Settlement Administrator shall be paid by Plaintiff, on one hand, and Defendant, on the other hand, in equal shares, except for the scenario in (v) described in the preceding sentence. For avoidance of doubt, the preceding sentence applies to all instances the Settlement

12

16

15

17

18 19

20

21 22

23

24 25

26

27

28

Agreement is nullified except for the event in which Defendant elects to revoke the Settlement Agreement pursuant to paragraph 48, because in that instance, Defendant shall be solely responsible for all fees already incurred by the Settlement Administrator. If Defendant, however, fails to fully fund the Settlement, Defendant shall be solely responsible for any fees already incurred by the Settlement Administrator.

- 51. Publicity. The Parties and their counsel agree that they will not issue any press releases or initiate any contact with the media about the fact, amount, or terms of the settlement. If counsel for either party receives an inquiry about the settlement from the media or other attorneys, counsel may respond only after the motion for preliminary approval has been filed and only by confirming the accurate terms of the settlement. Nothing in this provision shall prevent Defendant from making any required disclosure.
- 52. No Admission by Defendant. 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 the Parties that any of the allegations or the defenses in the Operative Complaint have merit or that there is any liability for any claims asserted. 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, all Parties reserve the right to prosecute and/or contest certification of any class for any reason, reserve all available claims and defenses in the Action, among reservation of all other relevant rights. The Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 53. Exhibits and Headings. The terms of this Agreement include the terms set forth in the attached exhibit, which is incorporated by this reference as though fully set forth herein. The exhibit to this Agreement is an integral part of the Settlement; however, the terms of this Agreement control in case of conflict. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only.

- 54. <u>Interim Stay of Proceedings</u>. The Parties agree to stay all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval/Settlement Fairness Hearing to be conducted by the Court.
- 55. <u>Amendment or Modification</u>. This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest and also must be approved by the Court.
- 56. Entire Agreement. This Agreement constitutes, including **Exhibit A**, the entire Agreement among these Parties, and no oral or written representations, warranties or inducements have been made to any Party concerning this Agreement or its exhibit other than the representations, warranties and covenants contained and memorialized in the Agreement and its exhibit.
- Authorization to Enter into Settlement Agreement. Counsel for the Parties warrant and represent they are expressly authorized by the Party whom they each represent to negotiate this Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach an agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement. The person signing this Agreement on behalf of Defendant represent and warrants that he/he is authorized to sign this Agreement on behalf of Defendant. The person signing this Agreement and that he/he has not assigned any claim, or part of a claim, covered by this Settlement to a third-party.
- 58. <u>Binding on Successors and Assigns</u>. This Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

Page 29
STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE OF CLAIMS

1		CLASS COUNSEL Shegerian & Associates, Inc.
2		
3	Date: August 28, 2024	Erik Dos Santos
4		Attorneys for Plaintiffs JOHN MEARS, MARIA
5		CHOLICO, CRISTAL TEJEDA
6		
7		DEFENDANT
8	Date: September 17, 2024	Sean. Seato
9		Sean M. Scott, Dean California Western School of Law
10		Cumomic western School of Law
11		DEFENDANT'S COUNSEL
12		TROUTMAN PEPPER HAMILTON SANDERS LLP
13		
14	Date: September 17, 2024	Michael E. Baughman Michael E. Baughman
15		Michael E. Baughman
16		Attorneys for Defendant California Western School of Law
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		Page 30
	STIPULATION OF CLASS A	Page 30 CTION SETTLEMENT AND RELEASE OF CLAIMS