

STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement is entered into by and between Plaintiff Angelica Cosio, individually and on behalf of all others similarly situated (“Cosio” or “Plaintiff”), on the one hand, and Defendants International Performing Arts Academy, LLC, Barbizon School of San Francisco, Inc., Lion Management Group, Inc., Larry D. Lionetti and Lena Quesada Lionetti (“Defendants,” and together with Plaintiff, the “Parties”), on the other hand, subject to preliminary and final approval by the Court, by and through their respective counsel.

I. RECITALS

This Agreement is made with reference to and in contemplation of the following facts and circumstances.

1. Cosio’s Claims. On April 5, 2016, Plaintiff commenced this action by filing a putative class action complaint against Defendants captioned, *Cosio et al. v. International Performing Arts Academy, LLC, et al.*, No. CC-16-551337, in the Superior Court of California, City and County of San Francisco. The operative Fifth Amended Complaint, filed on March 1, 2017, alleges that Defendants violated the Kreckorian Act under Labor Code section 1702, and the Unfair Competition Law under Business and Professions Code section 17200.
2. Class Certification: On September 11, 2018, the Court entered an order granting class certification.
3. Defendants’ Denial Of Liability. Defendants deny any liability or wrongdoing of any kind associated with the claims alleged by Plaintiff.
4. Settlement Agreement. The Parties engaged in good faith arm’s-length settlement negotiations, including two full-day mediation sessions in San Francisco, California before the Honorable Jeffrey Ross on July 5, 2019, and September 20, 2019. During the mediation, Defendants provided certain requested financial disclosures to Plaintiff, on which Plaintiff has relied in entering into this Agreement.

NOW, THEREFORE, in consideration of the promises and agreements set forth herein, it is hereby STIPULATED AND AGREED, subject to the Court's approval as required by Code of Civil Procedure section 382 and California Rules of Court, rule 3.769(a), that each and every Released Claim shall be fully and finally settled and compromised and dismissed with prejudice, and shall be fully discharged and released, upon and subject to the following terms and conditions:

II. DEFINITIONS

2.1 The "Action" means the certified class action entitled *Cosio et al. v. International Performing Arts Academy, LLC, et al.*, Case No. CC-16-551337, in the Superior Court of California, City and County of San Francisco.

2.2 "Agreement" means this Stipulation and Agreement of Settlement, including all exhibits hereto.

2.3 "Claim" means the Settlement Class Members' claim for Payment under the process or procedure as materially set forth in Section 4.4 below, subject to whatever changes or alterations are required by the Preliminary Approval Order.

2.4 "Class" and "Class Member" means those natural persons, including Plaintiff, who were California citizens on or after the time Cosio's original complaint was filed (April 5, 2016) who (a) signed a contract so that the Class member, the Class member's child (or other beneficiary) could participate in a showcase operated by International Performing Arts Showcase (IPAS); (b) paid IPAS for such contract; and (c) such payment was made on or after April 5, 2012; (d) excluding any such payments that were (i) a percentage of the income earned by the Class member's beneficiary in the entertainment industry; or (ii) consisted entirely of reimbursement for out-of-pocket costs actually incurred by IPAS on behalf of the Class member's beneficiary for services rendered by an independent third party.

2.5 "Class Counsel" means Ethan Preston of Preston Law Offices, Hallie Von Rock and Brent A. Robinson of Aiman-Smith & Marcy, P.C., Zach Broslavsky and Jonathan A.

Weinman of Broslavsky & Weinman, L.L.P., and David C. Parisi and Susanne Havens Beckman of Parisi & Havens L.L.P.

2.6 “Class Notice” means the method of notice to the Settlement Class set forth in Section 4.3 below.

2.7 The “Complaint” means the operative Fifth Amended Class Action Complaint filed by Plaintiff in the Action on March 1, 2017.

2.8 “Compensation” means the portion or portions of Settlement Fund paid to Settlement Class Members under the procedure and in the amount calculated under Section 6.3.

2.9 “Contracts” means those contracts that Class Members signed with International Performing Arts Academy, LLC and/or Lion Management Group, Inc. under which Defendants provided access to Defendants’ showcases.

2.10 “Court” means the Superior Court for the State of California, City and County of San Francisco.

2.11 “Cy Pres Recipient” means the entity(ies) identified in the Preliminary Approval Order as the recipient(s) of any portion of the Common Fund that remains after distribution of Compensation to the Class Members is complete, as described in Section 6.3(i).

2.12 “Defendants” means International Performing Arts Academy, LLC, Barbizon School of San Francisco, Inc., Lion Management Group, Inc., Larry D. Lionetti and Lena Quesada Lionetti.

2.13 “Defendants’ Counsel” means Peter Clinco of Law Offices of Peter Clinco.

2.14 “Effective Date” means 91 days after the final Payment is made, and the total Payments are complete, consistent with Section 6.1.

2.15 “Fee Application” means that written motion or application by which Class Counsel requests that the Court award attorneys’ fees and expenses under Section 9.1.

2.16 “Final” means the date the Judgment becomes final for all purposes because either (i) no appeal has been filed and sixty (60) days have lapsed since entry of the Judgment, or (ii) if

a timely appeal has been filed, the appeal is finally resolved, with no possibility of further appellate or other review.

2.17 “Final Approval” refers to the entry of the Final Approval Order, including the date thereof.

2.18 “Final Approval Order” means the order to be entered by the Court in the Action finally approving the Agreement and resolving all issues between the Parties, as provided for in Section 5.1 below.

2.19 “Final Hearing” means the hearing at which the Court will consider whether to finally approve the Agreement, enter the Final Approval Order and make such other rulings contemplated by this Agreement.

2.20 “Incentive Award Application” means that written motion or application by which Class Counsel requests that the Court approve an incentive award to Plaintiff under Section 9.2.

2.21 “Judgment” means a final judgment and order of dismissal with prejudice to be entered by the Court concurrently with the Final Approval Order.

2.22 “Macdonald Fernandez Trust Account” means segregated, interest-bearing, attorney-client trust account(s) at one or more FDIC-insured institutions held by Macdonald Fernandez, LLP for the benefit of the Class.

2.23 “Net Settlement Fund” means the portions of the Settlement Fund remaining after deducting the fees and costs of the Settlement Administrator, and the costs and fees that the Court may award under the Fee Application, as calculated in Section 6.3(d).

2.24 “Parties” means Defendants and Plaintiff.

2.25 “Payment” means the amounts paid into the Settlement Fund under the schedule provided in Section 6.1.

2.26 “Plaintiff” means named Plaintiff Angelica Cosio, individually, as designated representative of the certified Class, and as proposed representative of the Settlement Class.

2.27 “Preliminary Approval” refers to the entry of the Preliminary Approval Order, including the date thereof.

2.28 “Preliminary Approval Order” means an order to be entered by the Court in the Action, as provided for in Section 3.1 below.

2.29 “Released Claim” or “Released Claims” means all claims for remedies or relief actually alleged in the Action by Plaintiff, on behalf of herself and the Settlement Class, as of the Effective Date, including but not limited to: all remedies or relief available for violations of California Labor Code section 1702 as alleged, and all remedies or relief available for violations of California Business and Professions Code section 17200 as alleged.

2.30 “Settlement Administrator” means the person or firm retained by Plaintiff under Section 4.2 to perform such tasks and fulfill such duties as this Agreement requires from the Settlement Administrator, and who is not owned or otherwise controlled by Defendants.

2.31 “Settlement Class” and “Settlement Class Member” means, includes and refers to Class Members who do not validly exclude themselves from the Action as provided in Section 4.4 below.

2.32 “Settlement Fund” means the money paid to the Settlement Administrator and any interest accrued thereon as described in Section 6.1 below in order to compensate Settlement Class Members under this Agreement.

2.33 “Settlement Administrator Trust Account” means segregated, interest-bearing, attorney-client trust account(s) at one or more FDIC-insured institutions maintained by the Settlement Administrator for the benefit of the Settlement Class.

III. PRELIMINARY APPROVAL

3.1 Preliminary Approval Order. Under California Rules of Court, rule 3.769(c), the Parties will seek the Court’s approval of this Agreement by filing an appropriate Motion for Preliminary Approval and seeking entry of a Preliminary Approval Order to effectuate this Settlement. Consistent with California Rules of Court, rule 3.769(d) and (e), the Preliminary Approval Order shall specifically include the following:

- a. A ruling that the Class Notice under Section 4.3 (and the notice of the Fee Application and Incentive Award Application in Sections 9.1 and 9.2) is the only notice to the Class that is required, and that such notice satisfies the requirements of Due Process, California Rules of Court, rule 3.769(f) and any other applicable law.
- b. An order that designates the Settlement Administrator, expressly holds that the Settlement Administrator's services are, in part, for Defendants' benefit, and provides that if any Party terminates the Agreement consistent with Section 8.1 or the effectuation of the Agreement otherwise fails, there shall be no claim to the recovery of any money distributed out of the Settlement Fund prior to such termination or failure, such as fees paid to the Settlement Administrator.
- c. An order directing Defendants to review all available records containing contact information for Class Members, and provide Class Counsel with all documents sufficient to assemble complete contact information for each Class Member. Documents to be reviewed and produced shall include all documents in Defendants' possession, custody, or control, including in any DropBox, Google, or FileMaker systems within 10 days of Preliminary Approval. Complete contact information shall include mailing addresses, physical addresses, phone numbers, and email addresses, where available.
- d. An order directing Defendants to provide Class Counsel and the Settlement Administrator with the names, addresses, telephone numbers, and email addresses within their possession, custody, or control for Class Members within 10 days after Preliminary Approval.

- e. An order requiring Defendants to submit financial disclosures under penalty of perjury to the Court under seal on such intervals as the Court may require in the Preliminary Approval Order.
- f. A preliminary ruling that this Agreement is fair, reasonable, and adequate for the Class and within the range of possible approval; that Plaintiff fairly and adequately represents the interests of the Class; and that Class Counsel are adequate to act as counsel for the Settlement Class.
- g. An order designating the *Cy Pres* Recipient who may receive a portion of the Settlement Fund consistent with Section 6.3(i).
- h. An order which sets the time, date, and place for the Final Hearing not less than 120 days after entry of the Preliminary Approval Order, to determine whether there is sufficient reason to decline to approve the Agreement as fair, reasonable and adequate, and in the best interests of the Settlement Class, and why Judgment should not be entered thereon.
- i. An order that provides that the Parties may file a motion seeking entry of the Final Approval Order according to statutory deadlines, except that Plaintiff shall file her Incentive Award Application and Fee Application no later than 36 court days prior to the Final Hearing.
- j. An order staying all other actions, proceedings, or litigation which impair or threaten to impair the Court's jurisdiction over the modification, interpretation, administration, implementation, effectuation and enforcement of this Agreement and the Settlement, including any such action by the Parties or other Class Members.
- k. An order that provides a procedure for Class Members to exclude themselves from the Agreement which is materially consistent with Section 4.4 and sets a postmark deadline of 26 court days prior to the Final Hearing for Class Members to submit a valid request to exclude

themselves from the Agreement, after which no Class Member shall be allowed to opt-out of the Settlement Class.

- l. An order that provides a procedure for Class Members to object to the Agreement that is materially consistent with Section 4.5 and sets postmark deadline of 26 court days prior to the Final Hearing for Class Members to submit a valid objection to the Agreement, after which no Class Member shall be allowed to object to or to appeal from the Agreement.
- m. An order granting all relief necessary to effectuate Sections 10.1 to 10.15.
- n. An order staying all further litigation in the Action except as may be necessary to implement the Agreement or comply with the terms of the Agreement (including any litigation necessary to resolve any outstanding disputes relating to Realize CPA, LLC).

IV. NOTICE AND SETTLEMENT ADMINISTRATION

4.1 Costs of Notice and Administration. The costs of Class Notice and other fees of the Settlement Administrator shall be paid from the Settlement Fund.

4.2 Retention of Settlement Administrator. Within five (5) business days of Preliminary Approval (if not sooner), Plaintiff shall engage the Settlement Administrator. Defendants agree not to contest the appointment of Atticus Administration as the Settlement Administrator. The Settlement Administrator shall be responsible for performing the following functions in effectuating the Agreement:

- a. The Settlement Administrator shall prepare, print and disseminate the Class Notice to the Settlement Class as set forth in Section 4.3
- b. The Settlement Administrator shall keep track of requests for exclusion and objections to the settlement, including maintaining the original mailing envelope in which they were mailed.

- c. The Settlement Administrator shall promptly furnish to Class Counsel and Defendants' Counsel copies of any requests for exclusion, objections or other written or electronic communications from the Settlement Class which the Settlement Administrator receives.
- d. The Settlement Administrator shall prepare and mail checks containing Payments in accordance with this Agreement.
- e. The Settlement Administrator shall refer to Class Counsel all Class Member inquiries regarding matters not within the Settlement Administrator's duties specified herein.
- f. The Settlement Administrator shall apprise Class Counsel of its activities.
- g. The Settlement Administrator shall maintain adequate records of all its activities, including its invoices, its communications with the Parties (including Class Members), the updated list of Class Members' addresses, dates of each mailing of the Class Notice, returned mail and other communications, and attempted written or electronic communications with any Class Members. Either Party may inspect such records to confirm conformance with this Agreement.
- h. The Settlement Administrator shall perform such other tasks as the Class Counsel and Defendants' Counsel mutually agree.

4.3 Class Notice. Under, e.g., California Rules of Court, rule 3.769(f), the Settlement Administrator shall, within twenty-one (21) days after the entry of the Preliminary Approval Order, disseminate the Class Notice to Class Members, as follows:

- a. Before mailing any Class Notice, the Settlement Administrator shall use a National Change of Address database and any other commercially appropriate database of contact information to identify any outdated addresses for Class Members and to and update such addresses.

- b. The Settlement Administrator send Class Notice via first-class mail to each Class Member at his or her last known valid address, address correction requested. If any notice is returned with a new address, the Settlement Administrator will re-mail the notice to the new address and shall update the Class Member address list with all forwarding addresses.
- c. The Settlement Administrator shall maintain a website where Class Members may access the following documents, as they are filed with the Court as practicable: the Class Notice; the operative complaint and any other papers now on file with the Court that may be relevant; the Parties' motion for preliminary approval (which shall include this Agreement, which will be separately and distinctively labeled on the website); the Preliminary Approval Order; Class Counsel's Fee Application; and the Parties' motion for final approval. The Parties may also make available on the website any additional information that may assist the Class in understanding the Agreement and their rights and obligations thereunder, as well as any supplemental briefs supporting the motions for final approval and the Fee Application.
- d. The Class Notice shall clearly and concisely state in plain, easily understood language: (i) the nature of the action; (ii) the definition of the class certified; (iii) the class claims, issues, or defenses; (iv) that a class member may enter an appearance through an attorney if the member so desires; (v) that the court will exclude from the class any member who files a timely and valid request for exclusion; (vi) the time and manner for requesting exclusion; and (vii) the binding effect of a class judgment on members. A copy of the Class Notice shall be forwarded to Defendants' counsel for his approval, which approval shall not be unreasonably withheld.

- e. The Class Notice shall also clearly and concisely state in plain, easily understood language: (i) that Plaintiff has settled the Action without any admission of liability on the part of Defendants; (ii) identify Class Counsel and Defendants' Counsel; (iii) summarize the terms of the Agreement (i.e., that Defendants will create a \$720,000 Settlement Fund over 14 months, which will be distributed to Class Members in exchange for the release and dismissal of Released Claims); (iv) identify the amount of attorney's fees and litigation costs sought; (v) identify the amount of the incentive compensation for the named plaintiff sought; (vi) identify the *Cy Pres* Recipient; (vii) explain the time and manner for opting out of the Settlement or making an objection to the Agreement; and (viii) identify the time, date, and location for the Final Hearing.
- f. Further, the Notice shall advise Class Members that their Released Claims will be released and dismissed under the Agreement unless they submit a request for exclusion under Section 4.4.

4.4 Requests for Exclusion from the Action. The Settlement Administrator shall administer the receipt of any and all requests for exclusion from the Action. Any Class Member who submits a valid and timely request for exclusion shall not be bound by the terms of this Agreement. Any Class Member who desires to be excluded from the Action must send a written request for exclusion to the Settlement Administrator with a postmark date no later than 30 days prior to the Final Hearing. In such request, the Class Member must set forth his or her full name, address, telephone number and email address (if available), along with a statement that he or she wishes to be excluded. The Settlement Administrator shall provide a list of the names and addresses of each Class Member who submitted a valid exclusion to the Parties no later than 21 court days prior to the Final Hearing.

4.5 Objections to the Settlement. Any Class Member who intends to object to the fairness of this settlement must (1) file a written objection with the Court no later than 30 days prior to the Final Hearing and (2) mail or personally deliver a copy of the written objection to Class Counsel and Defendant's Counsel on the same day as the objection is sent to the Court. The Court will deem an objection filed on the day it is received by the Court, not necessarily when the objection is postmarked. In the written objection, the Class Member must state: his or her full name, address, telephone number, and email address (if available); the reasons for his or her objection; whether he or she intends to appear at the Final Hearing on his or her own behalf or through counsel; and identify every case in which he or she (or his or her counsel) has filed an objection to any class action settlement by the name of the court, the name and docket number of the case, the date of the objection, and any docket number assigned to the objection. Further, the Class Member must attach to his or her objection all evidence supporting the objection. Any Class Member who does not file a valid and timely objection to the settlement shall be barred from seeking review of the settlement by appeal or otherwise.

V. FINAL APPROVAL OF SETTLEMENT

5.1 Final Hearing. On a date to be set by the Court no less than 120 days after the entry of the Preliminary Approval Order, Plaintiff will seek entry of the Final Approval Order granting final approval of the Agreement and entering Judgment in the Action. The Final Approval Order will provide:

- a. A final ruling that the Action may be maintained as a class action on behalf of the Settlement Class for the purposes of effectuating the Agreement.
- b. A final ruling that this Agreement is fair, reasonable, and adequate for the Settlement Class; that Plaintiff and Class Counsel fairly and adequately represented the interests of the Settlement Class; and that the Class Notice

satisfied the requirements of Due Process, California Rules of Court, rule 3.769(f) and any other applicable law.

- c. A ruling that the Agreement represents a fair resolution of all Released Claims asserted on Agreement of the Settlement Class and fully and finally resolves and releases all such Released Claims; that Plaintiff and each Settlement Class Member shall be bound by the Agreement, including the release and dismissal contained in Sections 7.2 and 7.3; and that the Agreement is finally approved.
- d. An order holding that the Judgment is premised on Defendants' warranty of the truthfulness, accuracy, and completeness of their financial disclosures to the Court and to Class Counsel.
- e. An order requiring the distribution of the Settlement Fund consistent with Section 6.3, and that the Settlement Administrator maintain and distribute the Settlement Fund until all money within the Settlement Fund is distributed consistent with Section 6.3(i).
- f. An order setting a date on which the Parties shall report to the Court the total amount of the Settlement Fund that was actually paid to the Class Members, and the amount remaining in the Settlement Fund;
- g. An order that distribution of payment of the remaining Settlement Fund to the *Cy Pres* Recipient will further the purposes of the underlying causes of action, promote justice for all Californians, and/or will support projects that will benefit the class or similarly situated persons;
- h. An order directing the Parties to pay any unpaid residuals to the *Cy Pres* Recipient, consistent with Section 6.3(i).
- i. An order confirming the opt-outs from the Agreement.

- j. An order overruling any objections from the Agreement (except for those objections that the Parties agree do not require a material modification of the Agreement, the Final Approval Order, or the Judgment).
- k. An order dismissing with prejudice all claims released under Sections 7.2, 7.3, and 7.4, entering Judgment on such claims, and permanently enjoining all Parties and all Settlement Class Member from bringing, joining or continuing to prosecute any claims released under the Agreement.
- l. An order granting all relief necessary to effectuate Sections 10.1 to 10.15.
- m. An order retaining jurisdiction of all matters relating to the modification, interpretation, administration, implementation, effectuation and enforcement of this Agreement and the Settlement, and enjoining any other action, proceeding or litigation which impairs or threatens to impair such jurisdiction, including any such action by the Parties or other Class Members.

VI. SETTLEMENT FUND

6.1 Settlement Fund. Within 30 days following the execution of this Agreement, Defendants will deposit \$200,000 into the Settlement Trust Account. After the \$200,000 deposit, Defendants then will pay \$40,000 to the Settlement Fund by the 5th day of every month after such initial Payment, for ten (10) months. After the last such \$40,000 Payment, Defendants will then pay \$30,000 to the Settlement Fund by the 5th day of every subsequent month, for four (4) months. Defendants will continue to make Payments until they have paid a total of \$720,000 into the Settlement Fund. The Settlement provides the payment schedule below:

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Deadline for payment	Scheduled payment amount	Total Settlement Fund
30 days after execution	\$200,000	\$200,000
Fifth day of March 2020	\$40,000	\$240,000
Fifth day of April 2020	\$40,000	\$280,000
Fifth day of May 2020	\$40,000	\$320,000
Fifth day of June 2020	\$40,000	\$360,000
Fifth day of July 2020	\$40,000	\$400,000
Fifth day of August 2020	\$40,000	\$440,000
Fifth day of September 2020	\$40,000	\$480,000
Fifth day of October 2020	\$40,000	\$520,000
Fifth day of November 2020	\$40,000	\$560,000
Fifth day of December 2020	\$40,000	\$600,000
Fifth day of January 2021	\$30,000	\$630,000
Fifth day of February 2021	\$30,000	\$660,000
Fifth day of March 2021	\$30,000	\$690,000
Fifth day of April 2021	\$30,000	\$720,000

If Defendants do not make timely payments under this Section, interest will accrue on unpaid sums at ten percent (10%) per annum until all unpaid sums are paid.

6.2 Maintenance of the Settlement Fund: Defendants will deposit the Payments into the Macdonald Fernandez Trust Account Settlement Trust Account until Defendants have paid \$720,000, or Final Approval, whichever comes first. After Final Approval, Defendants shall cause the Settlement Fund to be transferred from the Macdonald Fernandez Trust Account Settlement Trust Account to the Settlement Administrator Trust Account, and shall make all further Payments into the Settlement Administrator Trust Account.

6.3 Distribution of the Settlement Fund. The Settlement Administrator shall maintain the Settlement Fund until all money within the Settlement Fund is distributed pursuant to this

Agreement. The Settlement Administrator shall hold such funds for the benefit of the Settlement Class, Class Counsel, and Plaintiffs, and shall disburse the funds only in accordance with this Agreement or the Court's orders. The Settlement Administrator shall maintain and distribute the Settlement Fund as follows:

- a. As soon as commercially practicable and prior to the deadline for the motion for Preliminary Approval, the Settlement Administrator shall provide to the Parties an itemized invoice of all estimated expenses, costs, and fees it will incur in administering the Agreement. In addition, as soon as commercially practicable before the deadline for the motion for Final Approval, the Settlement Administrator shall provide its best estimate of the total cost of completion of the settlement and Claims process (including costs and fees incurred in the distribution of Compensation, such as mailing out checks containing Compensation, timely reissuing checks, processing returned mail, etc.) in order to assist in determining the Compensation paid to each Class Member. The Settlement Administrator shall reserve a portion of the Settlement Fund equal to this estimate, and pay itself all costs pending at the time it makes distributions of Compensation under Sections 6.3(e) and (i).
- b. The Settlement Administrator shall pay all Class Counsel's costs and fees which are approved by the Court, at the times indicated in Section 6.3(f).
- c. The Settlement Administrator shall pay all Incentive Awards to Plaintiffs which are approved by the Court, at the times indicated in Section 6.3(f).
- d. After deducting the payments identified in Sections 6.3(a) to (c) above from the Settlement Fund, the Settlement Administrator shall distribute all money remaining in the Settlement Fund ("Net Settlement Fund") to Class Members as set forth in Sections 6.3(e) and 6.3(i) in *pro rata* shares ("Compensation"), except that if Class Counsel receive sufficient

information to determine the amounts individual Settlement Class Members paid Defendants, the Compensation shall be a *pro rata* share of the Net Settlement Fund based on the total money paid to Defendants.

- e. The Settlement Administrator will make the first distribution of Compensation to the Settlement Class Members within twenty-one (21) days after the Agreement is Final. The Settlement Administrator will make the second distribution of Compensation within twenty-one (21) days after the last scheduled Payment is received. If the Settlement Fund receives or retains funds (other than reversion of uncashed Compensation checks) after the second distribution, the Settlement Administrator shall make additional distributions of Compensation as set forth in this Section.
- f. The Settlement Administrator will make the first distribution of any amounts awarded under the Incentive Award Application and/or Fee Application to Plaintiff and Class Counsel within twenty-one (21) days after the Agreement is Final. The Settlement Administrator will make the second distribution under the Incentive Award Application and/or Fee Application to Plaintiff and Class Counsel within twenty-one (21) days after the last scheduled Payment is received. Except as provided in the following two sentences, the second distribution under the Incentive Award Application and/or Fee Application to Plaintiff and Class Counsel shall include any remaining unpaid sums awarded. If the Settlement Fund receives or retains funds (other than reversion of uncashed Compensation checks) after the second distribution, the Settlement Administrator shall make additional distributions of any remaining unpaid fees and incentive awards to Plaintiff and Class Counsel at the same time it makes additional distributions of Compensation under Section 6.3(e). All such distributions of fees and incentive awards shall be in proportion to the distributions of

Compensation under Section 6.3(e), so as to avoid shifting contingent risk from Class Counsel onto the Settlement Class.

- g. The Settlement Administrator will distribute Compensation by mailing checks to Settlement Class Members' last known address. The Settlement Administrator will use any updated contact information received through, e.g., the Notice process, to address checks to the Settlement Class Members.
- h. Checks containing Compensation shall bear the date on which they are issued, and shall become invalid 90 days after such date of issuance. Once a check containing Compensation becomes invalid, no checks will be reissued and no Compensation will be paid to the recipient Settlement Class Member who failed to cash their check. The Settlement Administrator shall ensure that checks containing Compensation will state on their face that the recipient Settlement Class Member has 90 days from the date of issue to deposit the check, and that after that time no checks will be reissued, and no further Compensation will be paid to the Settlement Class Member.
- i. Within ten days after the last outstanding check containing Compensation becomes invalid under Section 6.3(h), the Settlement Administrator will determine whether the Compensation available for a subsequent distribution exceeds the costs of making such subsequent distribution. The Settlement Administrator will continue to make subsequent distributions of Compensation to those Class Members who cashed prior checks until the costs of making a subsequent distribution exceed the Compensation available for such subsequent distribution in the Settlement Fund. Within seven (7) days after the Settlement Administrator makes that

determination, the Settlement Administrator shall pay to the *Cy Pres* Recipient any remaining Settlement Fund.

- j. If the Parties terminate the Agreement under Section 9.1, the Settlement Administrator shall hold the Settlement Fund in the Settlement Administrator Trust Account pending further order of the Court. Once the Agreement becomes Final, the Settlement Administrator shall not return any portion of the Settlement Fund to Defendants under any circumstances.

VII. RELEASE AND DISMISSAL

7.1 Defendants' Warranty. Defendants expressly warrant the truthfulness, accuracy, and completeness of their financial disclosures to the Court and to Plaintiff. The Parties acknowledge the releases below in Sections 7.2 and 7.3 are premised on the truthfulness, accuracy, and completeness of Defendants' financial disclosures to the Court and to Plaintiff.

7.2 Plaintiff's Release. On the Effective Date, Plaintiff shall fully, finally and forever release, relinquish and discharge Defendants and Defendants' Counsel from any and all actions, causes of action, claims, demands, liabilities, obligations, fees, costs, sanctions, proceedings, and/or rights of any nature and description whatsoever. Without limiting the foregoing, Plaintiff's release specifically extends to all claims and potential claims that she does not know or suspect to exist in her favor as of or prior to the Effective Date. The Parties agree that this paragraph constitutes a waiver of California Civil Code section 1542 and any similar or comparable provisions, rights and benefits conferred by the law of any state or territory of the United States or any jurisdiction, and any principle of common law. California Civil Code section 1542 provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Plaintiff understands and acknowledges the significance of these waivers of California Civil Code Section 1542 and/or of any other applicable law relating to limitations on releases. In connection with such waivers and relinquishment, Plaintiff acknowledges that she is aware that they may hereafter discover facts in addition to, or different from, those facts which they now know or believe to be true with respect to the subject matter of the Agreement, but that they release fully, finally and forever all claims, and in furtherance of such intention, the release will remain in effect notwithstanding the discovery or existence of any such additional or different facts. The Parties acknowledge that this release of unknown claims is an essential and material term of this Agreement, and that without such release the Settlement would not have been agreed to. Notwithstanding the foregoing waiver, nothing in this Section 7.2 shall be construed to release claims arising from breach of this Agreement, including the warranty in Section 7.1.

7.3 Settlement Class Members' Release. As of the Effective Date of the Agreement, each Settlement Class Member shall be deemed to have fully, finally and forever released the Defendants from all Released Claims. Without limiting the foregoing, the Released Claims released pursuant to this Agreement specifically extend to all claims and potential claims that Settlement Class Members do not know or suspect to exist in their favor as of or prior to the Effective Date. The Parties agree (and by operation of law, all Settlement Class Members are deemed to agree) that this Section constitutes a waiver of California Civil Code section 1542 and any similar or comparable provisions, rights and benefits conferred by the law of any state or territory of the United States or any jurisdiction, and any principle of common law. California Civil Code section 1542 provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

By operation of law, each Settlement Class Member shall be deemed to understand and acknowledge the significance of these waivers of California Civil Code Section 1542 and/or of

any other applicable law relating to limitations on releases. In connection with such waivers and relinquishment, each Settlement Class Member shall be deemed to acknowledge that they are aware that they may hereafter discover facts in addition to, or different from, those facts which they now know or believe to be true with respect to the subject matter of the Agreement, but that they are deemed to release fully, finally and forever all Released Claims, and in furtherance of such intention, the release will remain in effect notwithstanding the discovery or existence of any such additional or different facts. The Parties acknowledge (and all Settlement Class Members by operation of law shall be deemed to have acknowledged) that the release of unknown Released Claims is an essential and material term of this Agreement, and that without such release the Settlement would not have been agreed to. Notwithstanding the foregoing waiver, nothing in this Section 7.3 shall be construed to release any claim which is not a Released Claim, such as claims arising from breach of this Agreement, including the warranty in Section 7.1.

VIII. TERMINATION OF AGREEMENT

8.1 Each Party shall have the right to terminate this Agreement if either (i) the Court declines to enter the Preliminary Approval Order or the Final Approval Order without material modification of the Agreement; (ii) the Agreement does not become Final by reason of a higher court reversing the Final Approval Order, and the Court thereafter declines to enter a further order or orders approving the Agreement without material modification; (iii) Defendants may in their sole discretion terminate this Agreement if more than five percent (5%) of Settlement Class members opt out or object to the Settlement Agreement; or (iv) Plaintiff may in her sole discretion terminate this Agreement if Defendants fail to make one or more Payments in a timely manner. If a Party elects to terminate this Agreement under this paragraph, that Party must provide written notice to the other Parties' counsel and the Court within thirty (30) days of the occurrence of the condition permitting termination.

8.2 If any Party terminates the Agreement consistent with Section 8.1, Defendants shall not seek to recover fees paid to the Settlement Administrator.

IX. ATTORNEYS' FEES AND COSTS AND INCENTIVE AWARD TO PLAINTIFF

9.1 Class Counsel may make a motion for an award of attorneys' fees and costs to be paid from the Settlement Fund to be heard at the Final Hearing. Defendants agree they will not contest any fee award that does not exceed one-third (33.33%) of the total Settlement Fund. Class Counsel will seek litigation costs from the Court in an amount not to exceed \$60,000. However, the \$60,000 limit on Class Counsel's costs above shall not apply to any costs due to Realize CPA, LLP for compliance with Plaintiff's subpoena, which may be recovered by Class Counsel without limitation under this Agreement. Plaintiff shall submit itemization of costs to the Court. Defendants will not contest litigation costs.

9.2 Plaintiff (or Class Counsel on her behalf) may make a motion for an incentive and/or service award to be paid out of the Settlement Fund to be heard at the Final Hearing. Defendants agree they will not contest any incentive and/or service award fee to Plaintiff that does not exceed \$10,000.

9.3 Resolution of Realize CPA, LLP's Costs of Compliance with Subpoenas. Being unable to resolve the issue whether Plaintiff is liable to Realize CPA, LLP for its costs of complying with subpoenas issued in the Action, and in light of Defendants' assertion they must indemnify Realize CPA, LLP for those costs, the Parties agree that Realize CPA, LLP may move the Court to award such costs to Realize, and may also move the Court to hear such motion on shortened time so long as Plaintiff is provided at least ten (10) court days to file her opposition papers from the date the moving papers are filed.

X. MISCELLANEOUS PROVISIONS

10.1 Cooperation. The Parties acknowledge that it is their intent to consummate the Agreement, and agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Agreement and to exercise their best efforts to obtain preliminary and final approval of the Agreement from the Court, including in presenting such papers to the Court as may be necessary to effectuate the intent and purposes of the Agreement,

and complying with the Court's orders. Defendants agree to provide Class Counsel with all contracts, payment information, and/or contact information for any Class Member in Defendants' possession, custody, or control, including in the DropBox, Google, or FileMaker systems at the earliest possible time.

10.2 Tolling. By executing this Agreement, the Parties agree that the five-year rule under Code of Civil Procedure Section 583.310 is tolled through either termination of the Agreement under Section 8.1 or through the date Judgment becomes Final. The Parties further agree that such tolling is an essential and material term of this Agreement, and that without such tolling the Settlement would not have been agreed to. The tolling effect of this provision shall survive any termination of this Agreement.

10.3 Dispute Resolution. The Parties agree to meet and confer in good faith in regard to any dispute relating to the Agreement or to administration of the Agreement. Any dispute that cannot be resolved by the Parties shall be submitted to the Court. If Class Counsel give Defendants' Counsel notice of a breach of this Agreement, and Defendants do not cure the breach in ten (10) days, Plaintiff shall be entitled to seek an award of all reasonable and necessary attorney's fees and costs incurred by Plaintiff or Class Counsel in enforcing the settlement.

10.4 Governing Law. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of California, without regard to the choice-of-law principles thereof.

10.5 Integration Clause. This Agreement, including the Exhibits referred to herein, which form an integral part hereof, contains the entire understanding of the Parties with respect to the subject matter contained herein. There are no promises, representations, warranties, covenants, or undertakings governing the subject matter of this Agreement other than those expressly set forth in this Agreement. This Agreement supersedes all prior agreements and understandings among the Parties with respect to the settlement of the Action. This Agreement may not be changed, altered or modified, except in a writing signed by the Parties; if any such

change, alteration or modification of the Agreement is material, it must also be approved by the Court. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties.

10.6 Competency Of Parties. The Parties, and each of them, acknowledge, warrant, represent and agree that in executing and delivering this Agreement, they do so freely, knowingly and voluntarily, that they had an opportunity to and did discuss its terms and their implications with legal counsel, that they are fully aware of the contents and effect of the Agreement and that such execution and delivery is not the result of any fraud, duress, mistake or undue influence whatsoever.

10.7 Authority. The person(s) signing this Agreement on behalf of Defendants warrant(s) and represent(s) that he, she, or they is/are authorized to sign on Defendants' behalf. The Plaintiff has personally signed this Agreement.

10.8 Construction. Each of the Parties has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against any of the Parties. Before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provision valid to the fullest extent possible consistent with applicable precedent so as to find all provisions of this Agreement valid and enforceable. After applying this rule of construction and still finding a provision invalid, the Court shall thereupon interpret the invalid provision to the fullest extent possible to otherwise enforce the invalid provision. The invalidity of any one provision shall not render this Agreement otherwise invalid and unenforceable unless the provision found to be invalid materially affects the terms of this Agreement after application of the rules of construction set forth in this paragraph.

10.9 Titles. Titles or captions contained herein are inserted for the purpose of readability, convenience, and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

10.10 No Waiver. Any failure of any Party to comply with any obligation, covenant, agreement, or condition herein may be expressly waived in writing, to the extent permitted under applicable law, by the Party or Parties entitled to the benefit of such obligation, covenant, agreement, or condition. A waiver or failure to insist upon compliance with any representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

10.11 Notices/Communications. All requests, demands, claims and other communications hereunder shall: (a) be in writing; (b) be delivered by facsimile and email; (c) be deemed to have been duly given on the date received; and (d) be addressed to the intended recipients as set forth below:

If to Plaintiff or the Class:

Hallie Von Rock
Brent A. Robinson
AIMAN-SMITH & MARCY, P.C.
7677 Oakport Street, Suite 1150
Oakland, California 94621
(510) 817-2711 (telephone)
(510) 562-6830 (facsimile)
hvr@asmlawyers.com
bar@asmlawyers.com

Ethan Preston
PRESTON LAW OFFICES
4054 McKinney Avenue, Suite 310
Dallas, Texas 75204
(972) 564-8340 (telephone)
(866) 509-1197 (facsimile)
ep@eplaw.us

To Defendants:

Peter Clinco
1901 Avenue of the Stars, Suite 1100
Los Angeles, California 90067-6002
(310) 553-3400 (telephone)
(310) 553-3408 (facsimile)
peter@clinco.net

Each of the Parties may change the address to which requests, demands, claims or other communications hereunder are to be delivered by giving the other Parties notice in the manner set forth herein.

10.12 Calculation of Deadlines. California Rules of Court, Rule 1.10 and Rule 1.11 apply and control the calculation of any deadline or time period in this Agreement (except for the expiration of checks containing Payment). In particular, where the last day of any such time period, is a Saturday, Sunday, or legal holiday, the period continues to run until the end of the next day that is not a Saturday, Sunday, or legal holiday. However, no deadlines in the Agreement (especially deadlines for timely requests for exclusion or objections) shall be extended by Code of Civil Procedure section 1013 or any other provision of law that extends time to respond to service of a paper via mail or electronic service.

10.13 Defendants' Warranty of Cessation of Showcases. Defendants expressly warrant and agree that, after the Showcase scheduled for October 2019, they will not own or operate showcases or any other Advance Fee Talent Representation Service, as defined in California Labor Code section 1702.1. The Parties further agree that such warranty is an essential and material term of this Agreement, and that without such warranty the Settlement would not have been agreed to.

10.14 Counterparts. This Agreement may be executed in one or more counterparts and, if so executed, the various counterparts shall be and constitute one instrument for all purposes and shall be binding on each of the Parties that executed it, provided, however, that none of the Parties shall be bound unless and until all Parties have executed this Agreement. For convenience, the several signature pages may be collected and annexed to one or more documents to form a complete counterpart. Photocopies of executed copies of this Agreement may be treated as originals.

10.15 List of Exhibits.

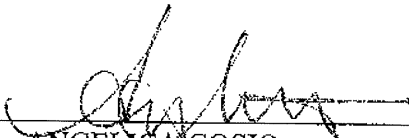
Attached to this Agreement are the following Exhibits:

Exhibit A Class Notice

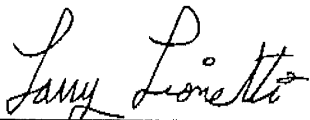
[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

Agreed and accepted:

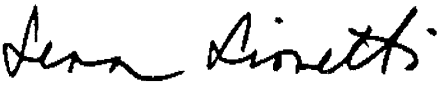
Dated: Jan. 3, ²⁰²⁰~~2019~~ *dc*

By: 
ANGELICA COSIO, on her own behalf, and on behalf of the Settlement Class

Dated: Dec. 29, 2019


By: 
LARRY D. LIONETTI, individually and on behalf of INTERNATIONAL PERFORMING ARTS ACADEMY, LLC, BARBIZON SCHOOL OF SAN FRANCISCO, INC., LION MANAGEMENT GROUP, INC.

Dated: Dec. 29, 2019

By: 
LENA QUESADA LIONETTI, individually and on behalf of INTERNATIONAL PERFORMING ARTS ACADEMY, LLC, BARBIZON SCHOOL OF SAN FRANCISCO, INC., LION MANAGEMENT GROUP, INC.,

Approved solely as to form:

Dated: Jan. 3, ²⁰~~2019~~ *HR*

By: 
Hallie Von Rock
Brent A. Robinson
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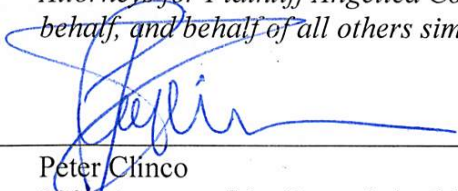
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jweinman@bwcounsel.com

Attorneys for Plaintiff Angelica Cosio, on her own behalf, and behalf of all others similarly situated

Dated: 12/29, 2019

By: _____


Peter Clinco
1901 Avenue of the Stars, Suite 1100
Los Angeles, California 90067-6002
(310) 553-3400 (telephone)
(310) 553-3408 (facsimile)
peter@clinco.net

Attorneys for Defendants