

## SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement (the "Agreement") is entered into, at Los Angeles, California, by and between **Kristina M. Zahn** ("ZAHN" or "Plaintiff" or "EMPLOYEE") and:

- **California State Assembly** ("ASSEMBLY");
  - **Steve Fox**, in his official capacity as a former elected California State Assembly Member for the 36th Assembly District ("MEMBER"); and
  - **Steve G. Fox**, individually and dba Law Office of Steve Fox, Law Offices of Steve Fox, and Steve Fox, Attorney At Law ("LAW OFFICE")
- (collectively, "EMPLOYERS")

WHEREAS, ZAHN filed in the County of Los Angeles, State of California, an action against EMPLOYERS, being Case No. BC537105 (the "Action"), wherein ZAHN asserted claims against EMPLOYERS;

WHEREAS, EMPLOYERS have denied and continue to deny ZAHN's allegations and claims, but both ZAHN and EMPLOYERS now desire to settle fully and finally any and all disputes between them;

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, ZAHN and EMPLOYERS agree as follows:

1. Consideration. In connection with the execution of this Agreement and the release of claims provided for herein, EMPLOYERS shall provide to ZAHN the following:

- a. ASSEMBLY and MEMBER
  - Payment of \$11,000.00 as lost wages with appropriate withholdings pursuant to an IRS Form W-2 (check to be made payable to Kristina Zahn) and \$99,000.00 via IRS Form 1099 (check to be made payable to the Law Offices of Benjamin Davidson, P.C. IOLTA fbo Kristina Zahn) by July 31, 2015. Both checks to be mailed to Law Offices of Benjamin Davidson at the following address: 9107 Wilshire Blvd., Suite 450, Beverly Hills, CA 90210. Without conceding that Employee suffered any personal injuries as a result of any actions or inactions of ASSEMBLY and MEMBER, the parties agree that \$20,000.00 of the Payments shall be considered payment for alleged personal injuries. Employee acknowledges and agrees that neither ASSEMBLY and MEMBER nor any of its principals, attorneys, or agents, have made any representation whatsoever to her regarding the tax consequences of this settlement payment. Employee shall be solely responsible for all tax liabilities, if any, as a result of her

receipt of the settlement payments and understands that an IRS Form 1099 will be issued to her or her attorney for these payments. In the event of a tax liability or penalty being assessed as a result of this settlement payment, Employee will be responsible for and will indemnify ASSEMBLY and MEMBER against any taxes, penalties, or interest assessed against ASSEMBLY and MEMBER that may be determined to be owing by any taxing authority.

- Upon full payment by ASSEMBLY and MEMBER, ZAHN shall file within 7 days of payment, a request for dismissal, with prejudice, as to ASSEMBLY and MEMBER with respect to all claims in the Action and shall provide a copy to counsel for ASSEMBLY and MEMBER. The parties agree to cooperate with respect to the execution and filing of any papers or pleadings necessary or appropriate to effect a dismissal with prejudice of the entire action.

b. LAW OFFICE

- Total payment of \$15,000.00, in ten monthly payments of \$1500.00, gross. The first two of the ten installment payments shall be paid via payroll check subject to state and federal tax withholdings for which a W-2 will be issued. The last eight of the installment payments will be paid via a 1099 with no withholdings. The installment payments described above will be made payable to "Kristina Zahn" and will be mailed to Law Offices of Benjamin Davidson at the following address: 9107 Wilshire Blvd., Suite 450, Beverly Hills, CA 90210.
- As of the date the first installment payment is due, LAW OFFICE agrees to provide 10 checks to attorney Donald Gardiner, the last nine of which shall be post dated to reflect the due dates of those checks pursuant to this Agreement. Mr. Gardiner shall mail such checks when due to Law Offices of Benjamin Davidson at the following address: 9107 Wilshire Blvd., Suite 450, Beverly Hills, CA 90210.
- The first installment payment shall be mailed on the first day of the first month following dismissal of the PAGA claim. Each subsequent payment shall be mailed on the first day of each subsequent month thereafter, until paid.
- If any of the payments are not timely made, Zahn's counsel will provide a written notice of default to attorney Donald Gardiner via email. LAW OFFICE will have 5 business days from receipt of written notice of default to cure the default. If not cured within this time period, ZAHN may file a Stipulated Judgment for \$15,000, less

payments made by LAW OFFICE, plus costs and reasonable attorneys fees incurred in filing the concurrently signed Stipulated Judgment.

- Nothing in this Agreement alters the obligation by LAW OFFICE to pay the \$2,100.00 sanctions, ordered by the Court, which sanctions shall be paid to Law Offices of Benjamin Davidson by July 15, 2015.
- ZAHN's counsel will request that the Court retain jurisdiction over claims against LAW OFFICE pending full payment of the installment payments described above. Upon full payment of the installment payments, ZAHN shall file within 7 days of final payment, a request for dismissal, with prejudice, as to LAW OFFICE with respect to all claims in the Action and shall provide a copy to counsel for LAW OFFICE. The parties agree to cooperate with respect to the execution and filing of any papers or pleadings necessary or appropriate to effect a dismissal with prejudice of the entire action.

2. Release. The parties on behalf of their heirs, estate, executors, administrators, agents, assigns, principals, partners, employees, employers, directors, officers, subsidiaries, affiliates, representatives, insurers, attorneys, predecessors, and successors hereby forever release and fully discharge the other party and the other party's principals, partners, employees, employers, directors, officers, subsidiaries, affiliates, agents, representatives, heirs, estate, executors, administrators, insurers, attorneys, predecessors, and successors from:

a. any and all claims, actions, judgments, obligations, damages, demands, debts, liabilities, and causes of action that are claimed or alleged, or that could have been claimed or alleged, arising from the matters stated in the pleadings and papers on file in the Action;

b. any and all claims, demands, debts, and causes of action of whatsoever kind or nature, whether known or unknown, suspected or unsuspected, matured or unmatured, which either party now owns or holds against the other or may in the future own or hold or has at any time heretofore owned or held against the other party.

c. The parties understand and acknowledge that Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act and/or the California Fair Employment and Housing Act provide the right to employees to bring charges, claims, or complaints against their employers if the employee believes he or she has been discriminated against on the basis of race, ancestry, color, religion, sex, marital status, national origin, age, physical or mental disability, medical conditions, genetic information, gender, gender identity, gender expression, or sexual orientation. The matters released include, except as otherwise provided by law, any claims arising under federal, state, or local laws including, but not limited to, any claims arising pursuant to Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Civil Rights Act of 1866, the Fair Labor Standards Act, the Americans with Disabilities Act, the California Fair Employment and

Housing Act, the California Labor Code, common law and statutory tort or contract claims, and any claims for attorneys' fees or costs.

d. ZAHN, with full understanding of the rights afforded her under these Acts, agrees that she will not file against the ASSEMBLY, MEMBER, or LAW OFFICE, or any of ASSEMBLY'S, MEMBER'S or LAW OFFICE'S present or former employees, agents, and/or representatives, in any of their capacities including individually, any additional charges, complaints, or actions based on any alleged violation(s) of these Acts allegedly arising before this Agreement was signed. ZAHN hereby irrevocably and unconditionally waives any right to assert an additional claim for any relief available under these Acts (*including, but not limited to, back pay, attorneys' fees, damages, reinstatement and/or injunctive relief*) she may otherwise recover based upon any alleged violation(s) of these Acts by the ASSEMBLY, MEMBER or LAW OFFICE, or any present or former employees, agents and/or representatives of the ASSEMBLY, MEMBER or LAW OFFICE arising before this Agreement was signed.

3. Waiver of Civil Code Section 1542. The parties represent that they are not aware of any claim by either of them other than the claims that are released by this Agreement. Each party waives any and all rights and benefits conferred by the provisions of section 1542 of the Civil Code of the State of California and any similar law of any state or territory of the United States or other jurisdiction. This section provides as follows:

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*.

The parties understand and acknowledge that, even if any of them should eventually suffer additional damages arising out of the above-described matter, none of them will be able to make any claim for those damages.

4. No Admissions. The parties understand and acknowledge that this Agreement constitutes a compromise and settlement of disputed claims. No action taken by the parties hereto, or either of them, either previously or in connection with this Agreement shall be deemed or construed to be (a) an admission of the truth or falsity of any claims heretofore made; (b) an acknowledgment or admission by either party of any fault or liability whatsoever to the other party or to any third party.

5. No Prior Assignment; Indemnity. Each of the parties represent and warrant that they have not heretofore assigned or transferred, or purported to assign or transfer, to any person or entity any claim or other matter herein released.

6. No Disparagement. The parties agree that none will disparage the other in any manner harmful to the other's business or personal reputation.

7. Covenant Not to Sue. EMPLOYEE agrees, to the fullest extent permitted by law, that EMPLOYEE will not initiate or file a lawsuit to assert any RELEASED CLAIMS. If any such action is brought, this AGREEMENT will constitute an Affirmative Defense thereto, and EMPLOYER and any other RELEASED PARTIES named in such action shall be entitled to recover reasonable costs and attorneys' fees incurred in defending against any RELEASED CLAIMS.

8. Attorneys Fees and Costs. The parties shall each bear their own costs, expert fees, attorneys' fees and other fees incurred in connection with this Action and no party shall be considered the prevailing party.

9. Authority. All signatories to this Agreement represent and warrant that they have the authority to execute this Agreement and to bind themselves and all who may claim through it to the terms and conditions of this Agreement.

10. Governing Law. This Agreement shall be construed under and governed by the laws of the State of California.

This agreement shall be deemed to have been entered into in Los Angeles, California, and all questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the parties to this Agreement shall be governed by California law. *If any legal or equitable action is necessary to enforce the terms of this Agreement, such action shall be brought in the State of California.*

11. Entire Agreement. This Agreement contains the entire agreement between the parties pertaining to the subject matter contained in it and supersedes any and all prior and/or contemporaneous oral or written negotiations, agreements, representations, and understandings. The parties, and each of them, understand that this Agreement is made without reliance upon any inducement, statement, promise, or representation other than those contained within this Agreement. This Agreement cannot be altered or amended except by a written agreement executed by all of the parties to this Agreement.

12. Severability. The provisions of this Agreement are severable. If any provision of this Agreement or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

13. Voluntary Execution of Agreement. This Agreement is executed voluntarily and without any duress or undue influence on the part or behalf of the parties hereto, with the full intent of releasing all claims. The parties acknowledge that:

- a. They have read this Agreement;
- b. They have been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of their own choice or that they have voluntarily declined to seek such counsel;

c. They understand the terms and consequences of this Agreement and of the releases it contains;

d. They are fully aware of the legal and binding effect of this Agreement.

14. Counterpart. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

15. Enforcement. This Agreement is enforceable under CCP section 664.6. If a motion to enforce this Agreement is filed, the prevailing party will be entitled to recover reasonable attorneys fees and costs in bringing said motion. The parties agree that this Agreement and Release is enforceable and binding and is admissible and subject to disclosure for purposes of enforcement under Evidence Code section 1123.

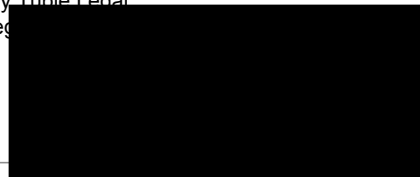
16. No Future Employment. Plaintiff agrees that, in the future, she will not seek employment or other remunerative relationship with the EMPLOYERS or any entity or business owned by EMPLOYERS or their affiliates, parents or subsidiaries. Should Plaintiff apply for employment with the EMPLOYERS or the EMPLOYERS' entities or businesses, she agrees to inform EMPLOYERS of the existence of this Agreement, and she may be denied such employment or other remunerative relationship, without violation of any statutory or common law provision. Should Plaintiff nonetheless enter into an employment or other remunerative relationship with EMPLOYERS, she agrees to inform EMPLOYERS of the existence of this Agreement, and EMPLOYERS shall be permitted to terminate Plaintiff within a reasonable time thereafter without cause, unless otherwise agreed to by the Plaintiff and such employer. Accordingly, Plaintiff hereby expressly waives any and all rights, and releases and any all claims she may have to challenge such a denial of employment as constituting unlawful retaliation or a violation of a law, except to the extent prohibited by law. This express waiver of any present or future employment opportunity or right is a material, essential and indispensable condition of this Agreement.

17. Neutral Reference. If any inquiry is made of any of the EMPLOYERS regarding Plaintiff, EMPLOYERS will confirm only dates of employment, title, and rate of pay.

DATED: 7/8/15

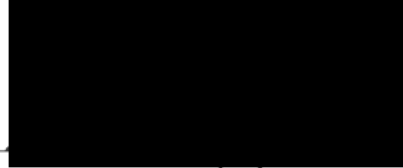
  
KRISTINA M. ZAHN

DATED: July 8, 2015



STEVE FOX ✓  
In his official capacity a former elected  
California State Assembly Member for the 36th  
Assembly District

DATED: July 8, 2015



STEVE FOX / /  
Individually and dba Law Office of Steve Fox

DATED: July 8, 2015



LYNDA ROPER, for the California State  
Assembly Rules Committee

**Approved as to Form:**

DATED: July 8, 2015

LAW OFFICES OF BENJAMIN DAVIDSON  
P.C.  
By:

Benjamin Davidson

Attorney for Kristina M. Zahn

DATED: July 8, 2015

NOSSAMAN LLP



By:   
John T. Kennedy

Attorney for California State Assembly and  
Steve Fox, in his official capacity as a former  
elected California State Assembly Member  
for the 36th Assembly District

DATED:

July 8, 2015

LAW OFFICE OF DONALD GARDINER

By



Donald Gardiner

Attorney for Steve G. Fox, individually and  
dba Law Office of Steve Fox, Law Offices of  
Steve Fox, and Steve Fox, Attorney At Law