

SETTLEMENT AGREEMENT

This Settlement Agreement and the accompanying Exhibit A (together, “Agreement”), is a four-way agreement made and entered into by and among: Respondent Society of Children’s Book Writers and Illustrators (“Respondent”); complainant [REDACTED] (“Complainant”); the California Civil Rights Department (“CRD” or “Department”), and the California Labor Commissioner’s Office (“LCO”) (collectively, “Parties”, or referred to individually herein as “Party”). In exchange for the promises and representations set forth herein, the Parties agree to settle the investigation of CRD matter [REDACTED] v. *Society of Children’s Book Writers and Illustrators* (Case No. [REDACTED]) that resulted in the Department’s finding of cause on August, 19, 2025 (the “CRD Matter”) and the Labor Commissioner’s finding of cause on February 25, 2026 (Case No. [REDACTED]) (the “LCO Matter”), among other things, as follows:

1. This Agreement is voluntarily entered into by all the above-listed Parties.
2. This Agreement shall be effective as of the date on when all Parties have fully executed this Agreement.
3. In consideration of Respondent’s promises in this Agreement, including specifically the promises in Paragraphs 5 and 6 of this Agreement, Complainant agrees to release, up to the Effective Date (defined as the date this Agreement is fully executed) of this Agreement, Respondent from any and all claims alleged in Complainant’s administrative complaints with CRD and LCO.
4. In consideration of Respondent’s promises in this Agreement, CRD, LCO, and Complainant agree to not institute any action, either together or separately, in state or federal court, or before any local, state, or federal government entity, that arises out of the alleged unlawful acts and/or omissions of Respondent or any of Respondent’s agents, employees, or representatives, as alleged or as alleged or investigated in the CRD Matter and LCO matter. This paragraph is subject to the rights of CRD and LCO under paragraphs 11 and 16 below.

Monetary Terms

5. Within fourteen (14) Calendar days of full execution of this Settlement Agreement and Respondent’s receipt of Complainant’s completed IRS W-9 form and as consideration for the releases set forth herein, Respondent will pay the total sum of One Hundred and Eighty Thousand Dollars (\$180,000) directly to Complainant via one check made payable to [REDACTED] and delivered by overnight tracked shipment to [REDACTED]. The tracking number for the overnight mailing will be provided to dylan.crary@calcivilrights.ca.gov and aargueta@dir.ca.gov. A Form 1099 will be issued for this payment.

Non-Monetary Terms

6. In addition, Respondent agrees to the following:

- (a) Respondent's executive staff will attend the following CRD trainings every two years for six years:
 - i. Employment Retaliation
 - ii. Employment Discrimination Basics
 - iii. Employment Protections for Workers with Disabilities
 - iv. Conducting Effective Workplace Investigations

 - v. Respondent shall provide verification to CRD that its training obligations have been satisfied. The verification shall be reported to CRD by December 1, 2026 for the first year, and by December 1 of every subsequent second year.

 - vi. The verification set forth in subpart (v) immediately above shall include the names and titles of Respondent's employees who received the training during the applicable year.

- (b) Within 60 Calendar days of the execution of this Agreement, Respondent will adopt and disseminate anti-discrimination and anti-retaliation policies specific to employees, to comply with the provisions of the Fair Employment and Housing Act. SCBWI shall develop and distribute a harassment, discrimination, and retaliation prevention policy that: (1) is in writing; (2) lists all current protected categories covered under the FEHA; (3) indicates that the law prohibits coworkers and third parties, as well as supervisors and managers, with whom the employee comes into contact from engaging in conduct prohibited by the FEHA; (4) creates a complaint process; (5) provides a complaint mechanism that does not require an employee to complain directly to his or her immediate supervisor; (6) instructs supervisors to report any complaints of misconduct to a designated company representative, such as a human resources manager, so the company can try to resolve the claim internally; (7) indicates that when an employer receives allegations of misconduct, it will conduct a fair, timely, and thorough investigation that provides all parties appropriate due process and reaches reasonable conclusions based on the evidence collected; (8) states that confidentiality will be kept by the employer to the extent possible, but not indicate that the investigation will be completely confidential; (9) indicates that if at the end of the investigation misconduct is found, appropriate remedial measures shall be taken; (10) makes clear that employees will not be exposed to retaliation as a result of lodging a complaint or participating in any workplace investigation. (Cal. Code Regs., tit. 2, § 11023, subd. (b).)

10. The Parties acknowledge that this Agreement represents the sole and entire Agreement between the parties and supersedes all prior agreements, negotiations, and discussions among them and/or their respective counsel with respect to the above-referenced CRD Matter and LCO Matter. In signing this Agreement, the Parties agree that they have not relied on any other promises, inducement, or representations, other than as expressly set forth herein. The Parties further agree and understand that this Agreement may only be modified in a writing signed by all Parties.
11. The Parties acknowledge that the CRD and LCO do not waive their right to process any other complaints against Respondent by any other person. The CRD and LCO's participation in this Agreement is limited to the particular factual allegations of the underlying CRD Matter and LCO Matter. CRD and LCO do not, nor are they able to, waive the rights of any other person who may want to file a complaint against Respondent of matters under their respective jurisdictions. Nor is CRD waiving its right to initiate a Director's Complaint based on allegations that are unrelated to any claims released pursuant to Paragraph 3 above.
12. Nothing in this Agreement shall be construed as an admission by Respondent of any misconduct, nor shall compliance with this Agreement constitute or be construed as an admission by Respondent of any misconduct or its agreement with any findings by the CRD or LCO to date. This paragraph shall not, however, diminish or otherwise affect Respondent's obligations, responsibilities, and duties under this Agreement.
13. In signing this Agreement, the Parties acknowledge that neither CRD or LCO, nor any of their agents or employees have served as an attorney or a tax advisor to any party. The Parties further acknowledge that each party has the right to seek tax advice or advice related to how this settlement will affect any public benefits, and to review this Agreement with an attorney or tax consultant, prior to signing.
14. If any provision of this Agreement is held to be invalid and/or unenforceable, the Agreement shall be considered as if the invalid and/or unenforceable portion did not exist, with all remaining portions considered valid and enforceable.
15. This Agreement shall be construed and enforced pursuant to the laws of the State of California.
16. Should any party fail to comply with its obligations under this Agreement, in whole or in part, in any action or proceeding brought to enforce the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney fees and costs. In addition, the Parties agree and understand that the CRD and LCO have the authority to investigate compliance with this Agreement; to enforce the Agreement in court; or, in the event of breach of this Agreement by any of the parties, to reopen the CRD Matter or LCO matter, continue their investigations, and pursue either matter to the full extent of their respective legal authority.

17. The Parties acknowledge that: (a) they have read and fully understand all the provisions of this Agreement; (b) they are voluntarily entering into this Agreement, without coercion; (c) they have entered into this Agreement based on their own judgment; and (d) they have not relied upon any representations or promises made by the other parties other than those contained herein.
18. The Parties represent and acknowledge that they have had an opportunity to be represented by legal counsel of their own choice throughout all of the negotiations which preceded this Agreement in connection with the negotiation, preparation, and execution of this Agreement.
19. The terms of this Agreement are contractual in nature and are not merely recitals.
20. This Agreement may be executed in counterparts and facsimile, e-mail and photocopies shall be deemed as originals for the purposes of this Agreement. To the extent any of the undersigned individuals is signing on behalf of a Party, that individual hereby certifies that he or she has full authority to enter into this agreement for the Party on whose behalf he or she has signed and agreed. This document may be executed in duplicate originals, each of which shall be equally admissible in evidence.
21. Nothing in this Agreement, whether express or implied, is intended to or shall (a) confer any rights or remedies under or by reason of this Agreement on any persons other than the Parties hereto and their respective successors and assigns; (b) relieve or discharge the obligation or liability of any third person to any Party hereto, or (c) give any third person any right of subrogation or action against any Party to this Agreement.

It is so agreed.

Complainant [REDACTED]
Signature: [REDACTED]
Dated: _____

Respondent Society of Children's Book Writers and Illustrators
Signature: [REDACTED] (Mar 2, 2026 15:31:16 EST)
Title: _____
Dated: 03/02/2026

Civil Rights Department

Signature: Manita Akluwalia

Title: Senior Associate Chief Counsel

Dated: _____

Labor Commissioner's Office

Signature: B Ruiz

Title: Assistant Chief

Dated: _____

Exhibit A

**NOTICE TO EMPLOYEES
LABOR COMMISSIONER'S OFFICE
AND THE CIVIL RIGHTS DEPARTMENT
AGENCIES OF THE STATE OF CALIFORNIA**

Following investigations by the Labor Commissioner and the Civil Rights Department it has been found that Society of Children's Book Writers and Illustrators (SCBWI) retaliated against an employee and violated the Fair Employment and Housing Act and Labor Code sections found on the next page. While SCBWI denies wrongdoing, as part of the agreement to resolve this matter without the need for litigation and determination by a court of law, the parties have agreed that SCBWI will post and abide by this notice.

In addition, in compliance with the Labor Commissioner's directive, SCBWI shall:

1. Cease and desist immediately from retaliating against employees for engaging in protected activities under the Labor Code and the FEHA
2. Reimburse the affected employee's lost wages with interest.
3. Pay the affected employee penalties and other damages for the unlawful retaliation.
4. Remove from its files every reference to any adverse employment actions taken against the affected employee.
5. Send copies of this Notice in all appropriate languages via email to all employees SCBWI has employed after December 18, 2023, whether or not each such person is a current or former employee, and copy to the correspondence aargueta@dir.ca.gov and retaliation@dir.ca.gov.
6. SCBWI's Chief Executive Officer must, within 30 days, submit a declaration to Deputy Labor Commissioner Regional Manager Alberto Argueta at aargueta@dir.ca.gov attesting to SCBWI's compliance with these remedial orders.

SIGNATURE:


[6 15:31:16 EST](#)

for SCBWI - Society of Children's Book
Writers and Illustrators

Date: **03/02/2026**

State of California
Department of Industrial Relations
Labor Commissioner's Office

Below are brief summaries of the statutory provisions at issue. The most up-to-date language and the complete statute can be found at leginfo.legislature.ca.gov.

LAWS THAT PROHIBIT RETALIATION AND DISCRIMINATION

Labor Code section 96(k) provides the Labor Commissioner with authority to be assigned claims for loss of wages that arise from retaliation for lawful conduct occurring during nonworking hours and away from the employer's premises.

Labor Code section 98.6 protects an employee filing or threatening to file a claim or complaint with the Labor Commissioner, instituting or causing to be instituted any proceeding relating to rights under the jurisdiction of the Labor Commissioner, or testifying in any such proceeding, complaining orally or in writing about unpaid wages, or for exercising (on behalf of oneself or other employees) any of the rights provided under the Labor Code or Orders of the Industrial Welfare Commission, including, but not limited to, the right to demand payment of wages due, the right to express opinions about, support or oppose an alternative workweek election, or the exercise of any other right protected by the Labor Code. In addition to other remedies that might be available, a civil penalty of up to \$10,000 may be awarded to an employee for each violation.

Labor Code section 232 prohibits an employer from discharging or retaliating against an employee for disclosing his or her wages. Employers also cannot require an employee to sign a waiver or other document denying the employee the right to disclose his or her wages or otherwise require that an employee refrain from disclosing his or her wages.

Labor Code section 232.5 prohibits an employer from discharging or retaliating against an employee who discusses or discloses information about the employer's working conditions. Employers also cannot require that an employee sign a waiver or other document denying the employee the right to discuss or disclose information about the employer's working conditions or otherwise require that an employee refrain from disclosing information about the employer's working conditions.

Labor Code section 1102.5(a) prohibits an employer, or any person acting on behalf of the employer, from making, adopting, or enforcing any rule, regulation, or policy that prevents an employee who believes that he or she is disclosing a violation of state or federal statute, or a violation or noncompliance with a local, state or federal rule or regulation: (1) from disclosing information to a government or law enforcement agency, to a person with authority over the employee, or to another employee who has authority to investigate, discover, or correct the issue; or (2) from providing information or providing to a public body conducting an investigation, hearing or inquiry. Labor Code section 1102.5(b) protects against retaliation for disclosing information, or because an employer believes an employee has disclosed information, to a government or law enforcement agency, to a person with authority over the employee, or to another employee who has the authority to investigate, discover, or correct a violation where an employee reasonably believes that the information discloses a violation of a state or federal statute, or a violation of or noncompliance with a local, state, or federal rule or regulation. Labor Code section 1102.5(c) protects an employee who refuses to participate in an activity that would result in a violation of a state or federal statute, or a violation of or noncompliance with a local, state, or federal rule or regulation. In addition to other remedies that might be available, a civil penalty of up to \$10,000 may be awarded for each violation.

Labor Code section 1197.5(k) protects employees who invoke or assist with the enforcement of the Equal Pay Act against retaliation. Employees are protected if they disclose their own wages, discuss the wages of others, inquire about another employee's wages, or aid or encourage any other employee to exercise his or her rights under this section.