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8 *California, and California State Controller Betty T.*
Yee

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 IN AND FOR THE COUNTY OF HUMBOLDT

14 **People of the State of California, et al. ,**

15 Plaintiffs,

16 v.

18 **Karen Paz Dominguez, et al.,**

19 Defendants.

Case No. CV2200584

SETTLEMENT AGREEMENT

Action Filed: May 2, 2022

21 **I. PARTIES**

22 This Settlement Agreement (Agreement) is entered into between plaintiffs People of the
23 State of California and State Controller Betty T. Yee (plaintiffs) and defendants Karen Paz
24 Dominguez (Paz Dominguez) and County of Humboldt (County) (collectively defendants). For
25 purposes of this Agreement, plaintiffs and defendants are referred to as “the parties.”

26 **II. RECITALS**

27 On May 2, 2022, plaintiffs filed a complaint in the Superior Court for the County of
28 Humboldt, entitled *People of the State of California, et al. v. Karen Paz Dominguez, et al.*, Case

1 No. CV2200584 (complaint).

2 In their complaint, plaintiffs allege that Paz Dominguez, former Auditor-Controller for
3 County, failed to file copies of County's adopted budgets (budgets) for fiscal years 2020/2021
4 and 2021/2022 with the State Controller's Office (SCO) as required by Government Code section
5 29093, subdivision (a), and failed to file County's Financial Transactions Reports (FTRs) for
6 fiscal years 2019/2020 and 2020/2021 with SCO as required by Government Code section 53891,
7 subdivision (a).

8 Defendants admit the allegations in the complaint, and admit that plaintiffs are entitled to
9 the relief requested. This Agreement addresses all of the allegations made by plaintiffs against
10 defendants in the complaint.

11 The parties now desire and intend by this Agreement to settle the claims alleged in the
12 complaint, including any rights to appeal disputes arising out of the complaint, except as
13 specifically set forth in this Agreement. Therefore, the parties settle their dispute on the terms
14 and conditions set forth below.

15 **III. TERMS AND CONDITIONS**

16 1. Within 14 days of full execution of this Agreement, plaintiffs will file a dismissal
17 without prejudice. The parties agree that the dismissal will request that Humboldt County
18 Superior Court retain jurisdiction under California Code of Civil Procedure section 664.6 for the
19 purpose of enforcing this Agreement.

20 2. On August 10, 2022, the parties negotiated a detailed Action Plan that includes
21 milestones for filing County's overdue and currently due adopted budgets and FTRs with SCO.
22 Within 7 days of entry of dismissal, County will provide SCO with an update to the Action Plan.

23 3. On October 31, 2022, January 31, 2023, March 31, 2023, and May 1, 2023, County
24 will provide updates to SCO that demonstrate County's progress toward meeting the milestones
25 set out in their Action Plan. If County's updates are unsatisfactory to SCO, the parties will,
26 within 14 days, meet and confer to resolve their dispute. If the parties are unable to resolve their
27 dispute within 14 days of their first meeting, plaintiffs may seek judicial enforcement of the terms
28 of this Agreement without further notice to defendants.

1 4. Within 14 days of entry of dismissal, County will pay \$12,000.00 to SCO in
2 satisfaction of the forfeitures sought under Government Code sections 29093, subdivision (b) and
3 53895, subdivision (a)(3), as set out in Cause of Action One and Cause of Action Two in the
4 complaint.

5 5. Within 14 days of confirmation by SCO that the forfeitures are paid and all tasks on
6 the Action Plan are completed, plaintiffs will file a dismissal with prejudice. The parties agree
7 that once County has fulfilled its obligations under this Agreement, the court will no longer retain
8 jurisdiction over the case.

9 6. Plaintiffs and defendants shall each bear their own attorney's fees and all other costs
10 associated with litigating this action.

11 **IV. SUCCESSORS AND ASSIGNS**

12 This Agreement is binding on each of the parties, and any successor to the office of the
13 Auditor-Controller for Humboldt County.

14 **V. REPRESENTATIONS AND WARRANTIES**

15 **No other consideration.** The consideration recited in this Agreement is the only
16 consideration for this Agreement, and no representations, promises, or inducements have been
17 made to the parties, or any of their representatives, other than those set forth in this Agreement.

18 **Execution in counter-part.** This Agreement may be executed simultaneously in one or
19 more counter-parts, each of which shall be deemed an original, but all of which together shall
20 constitute one and the same instrument.

21 **Execution of further documents.** Each party to this Agreement shall execute or cause to
22 be executed such further and other documents as are needed to carry out the expressed intents and
23 purposes of this Agreement.

24 **Entire agreement.** This Agreement constitutes a single, integrated agreement expressing
25 the entire agreement of the parties, and there are no other agreements, written or oral, express or
26 implied, between the parties, except as set forth in this Agreement.

27 **No oral modifications or waiver.** No supplement, modification, or amendment to this
28 Agreement shall be binding unless executed in writing by all the parties. No waiver of any

1 provision of this Agreement shall be binding unless executed in writing by the party making the
2 waiver. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a
3 waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing
4 waiver.

5 **Governing law.** This Agreement shall be governed by and interpreted under the laws of
6 the State of California.

7 **Severability.** Should any provision of this Agreement be held invalid or illegal, such
8 illegality shall not invalidate the whole of this agreement, but the agreement shall be construed as
9 if it did not contain the illegal part and the rights and obligations of the parties shall be construed
10 and enforced accordingly.

11
12 THE UNDERSIGNED AGREE TO THE ABOVE:

13 Dated: _____, 2022

13 By: _____
14 defendant Karen Paz Dominguez

15 Dated: September 1, 2022

15 By: Virginia Barr
16
17 For defendant County of Humboldt

18 APPROVED AS TO FORM.

19 Dated: _____, 2022

19 By: _____
20 CARMEN A. BROCK, ESQ.
20 Colantuono, Highsmith & Whatley, PC
20 Attorneys for defendants Karen Paz
21 Dominguez and County of Humboldt

22 Dated: _____, 2022

22 By: _____
23 JULIANNE MOSSLER
23 Deputy Attorney General
24 Attorneys for plaintiffs People of the State
24 of California

25
26 Dated: _____, 2022

26 By: _____
27 SHAWN SILVA, ESQ.
27 Chief Counsel, State Controller's Office
28 For plaintiff State Controller Betty T. Yee